

Decision Maker: Resources Portfolio Holder

Date: For Pre-Decision Scrutiny by the Executive and Resources PDS
Committee on 21st November 2012

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME-2ND QUARTER MONITORING 2012/13

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Chief Officer: Director of Resources

Ward: (All Wards);

1. Reason for report

On 24th October 2012, the Executive received the 2nd quarterly capital monitoring report for 2012/13 and agreed a revised Capital Programme for the four year period 2012/13 to 2015/16. This report highlights in paragraphs 3.1 to 3.2 changes agreed by the Executive in respect of the Capital Programme for the Resources Portfolio and highlights in Appendix B progress on schemes in the 2012/13 programme. The revised programme for this portfolio is set out in Appendix A.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to confirm the changes agreed by the Executive in October.

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services.
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £7.0m for Resources Portfolio over four years 2012/13 to 2015/16
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
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Staff

1. Number of staff (current and additional): 0.25fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in:Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 24th October 2012

3.1 A revised Capital Programme was approved by the Executive in October, following a detailed monitoring exercise carried out after the 2nd quarter of 2012/13. The base position was the revised programme approved by the Executive on 25th July 2012, as amended by variations approved at subsequent Executive meetings. Only one change to the Resources Portfolio Programme was approved by the Executive in October and this is shown in the table below and further details are included in paragraph 3.2. The revised Programme for the Resources Portfolio is attached as Appendix A and detailed comments on individual schemes are included at Appendix B.

Capital Expenditure	2012/13	2013/14	2014/15	2015/16	TOTAL
	£000	£000	£000	£000	£000
Approved Capital Programme (25/07/12)	4,182	2,335	25	25	6,567
<u>Variations agreed by Executive after Q1 monitoring</u>					
Office accommodation strategy – supplementary estimate (Executive 12/9/12)	400	-	-	-	400
<u>Variations agreed by Executive 24/10/12</u>					
95 High Street, Bromley – acquisition costs (funded by Property Investment Fund)	72	-	-	-	72
Revised Resources Programme	4,654	2,335	25	25	7,039

3.2 95 High Street, Bromley – acquisition costs (addition of £72k in 2012/13)

In July, the Executive noted the inclusion in the Capital Programme of £1,550k relating to the acquisition of a property (95 High Street, Bromley) funded from the Property Investment Fund. This was purely the purchase price and, on 24th October, the Executive approved the inclusion of a further £72k for acquisition costs (stamp duty, legal fees, etc), also to be funded by the Property Investment Fund. An update on the Property Investment Fund, including details of a delegated authority approved by the Executive in October 2011, was provided to the October meeting of the Executive.

3.3 Scheme Rephasing

In reports to both the June and July meetings, the Executive was informed of the final outturn for capital expenditure in 2011/12 and noted that the overall level of slippage into later years (some £6.9m) was significantly lower than in previous years. Slippage of capital spending estimates has been a recurring theme over the years and Members were pleased to note that, following a review of the system for capital monitoring and for estimating the phasing of expenditure, carried out after the 2010/11 final outturn, a more realistic approach towards anticipating slippage was taken in setting the revised estimates in February. Some £607k of the overall slippage from 2011/12 into 2012/13 related to Resources Portfolio schemes and this was analysed in the 1st quarter's monitoring report to the PDS Committee meeting in September. In that report, one further rephasing opportunity had been identified and £25k was rephased from 2014/15 into 2015/16 on the digital print strategy scheme. No further rephasings have been identified in the 2nd quarter and the latest position on 2012/13 capital schemes is outlined in Appendix B.

Post Completion Reviews

3.4 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. Following the major slippage of expenditure at the end of 2010/11, Members confirmed the importance of these as part of the overall capital

monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. While no post-completion reports are currently due for completed Resources Portfolio schemes, this quarterly report will monitor the future position and will highlight any future reports required.

4. POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 24th October 2012. Changes agreed by the Executive for the Resources Portfolio Capital Programme are set out in the table in paragraph 3.1.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns September 2012. Approved Capital Programme (Executive 24/10/12). Capital Programme Q2 monitoring report (Executive 24/10/12).