

**Decision Maker:** EDUCATION BUDGET SUB-COMMITTEE

**Date:** Tuesday 8 January 2013

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

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

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**Chief Officer:** Director of Resources

**Ward:** (All Wards);

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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 3.5 changes agreed by the Executive in respect of the Capital Programme for the Education 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.

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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: N/A (Capital Programme)
  4. Total current budget for this head: £25.9m for the Education 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): 0.25 fte
  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: Not 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 24<sup>th</sup> 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 25<sup>th</sup> July 2012, as amended by variations approved at subsequent Executive meetings. Changes to the Education Portfolio Programme approved by the Executive in October are shown in the table below and further details are included in paragraphs 3.2 to 3.5. The revised Programme for the Education 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)	22,135	592	592	590	23,909
<u>Variations agreed by Executive 24/10/12</u>					
Virement of Education budgets (no overall cost)	-	-	-	-	-
Additional government grant – Basic Need	1,590	-	-	-	1,590
- Short Breaks	448	-	-	-	448
Scheme rephasing					
- Langley Park Boys School – BSF scheme	-1,000	1,000	-	-	-
- Seed Challenge Fund	-100	100	-	-	-
- Schools Access Initiative	-100	100	-	-	-
- Security works in schools	-100	100	-	-	-
- Suitability/modernisation issues in schools	-10	10	-	-	-
<b>Revised Education Programme</b>	<b>22,863</b>	<b>1,902</b>	<b>592</b>	<b>590</b>	<b>25,947</b>

#### 3.2 Virement of Education budgets (no overall cost implication)

A review of the Education Capital Programme identified that a number of virements/budget adjustments were required to ensure that funding was in the right place to cover expenditure on individual schemes. Virements were proposed from generic overall budget provisions to scheme specific budgets, as detailed in the table below. This would ensure that funding matched actual expenditure and, as the adjustments were all within the 2012/13 Capital Programme, there would be no bottom line impact on the programme. The Executive approved these adjustments.

Scheme / budget description	2012/13
	£000
From: Farnborough Primary School Phase 1	-76
To: Suitability/modernisation issues (to fund Farnborough Phase 2)	76
From: Capital Maintenance in Schools	-600
To: Seed Challenge Fund	300
To: Security works in schools	150
To: Suitability/modernisation issues	150

#### 3.3 Basic Need – additional government grant (addition of £1,590k in 2012/13)

The Executive was informed that the government had announced additional Basic Need funding of £1,590k in 2012/13 to support the provision of additional pupil places, which brought total Basic Need funding for 2012/13 up to £9,770k. The Executive approved the inclusion of £1,590k in the 2012/13 Capital Programme. The grant is ring-fenced and an initial programme of works was agreed by the former Children & Young People Portfolio Holder in March, with an updated programme being agreed by the Education Portfolio Holder in September.

### 3.4 Short Breaks Capital – additional government grant (addition of £448k in 2012/13)

In September, the Department for Education announced the Short Breaks for Disabled Children capital grant allocations. Bromley was awarded £224k in 2012/13, which matched the amount awarded in 2011/12, which had not been consolidated into the approved Capital Programme. The Executive approved the inclusion of £448k in 2012/13. The grant is not ring-fenced and is intended to help local authorities and their health partners to create better access to short break provision by providing new equipment, adaptations and facilities for disabled children and young people. The 2011/12 grant was used to fund existing schemes in the Capital Programme and the 2012/13 grant has to be spent by 31<sup>st</sup> August 2013. Spending plans will be submitted to the Education Portfolio Holder in the near future.

### 3.5 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 £3.9m of the overall slippage from 2011/12 into 2012/13 related to Education Portfolio schemes and this was analysed in the 1<sup>st</sup> quarter's monitoring report to this Sub-Committee's meeting in September. No further rephasing opportunities had been identified at that stage, but five schemes were rephased in the 2<sup>nd</sup> quarter (see the table in paragraph 3.1). The latest position on 2012/13 capital schemes is outlined in Appendix B.

## **Post Completion Reviews**

3.6 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. Post-completion reports on the following five Education Portfolio schemes are due for submission before 31<sup>st</sup> March 2013 and this quarterly report will monitor the future position and will highlight any future reports required.

Bickley Primary School – expansion

Princes Plain Primary School - expansion

The Highway Primary School – partial rebuild

Hawes Down Co-Location

Priory School – Local Learning Centre

## **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 24<sup>th</sup> October 2012. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns September 2012. Approved Capital Programme (Executive 24/10/12). Capital Programme Q1 monitoring report (Executive 24/10/12).