

Decision Maker: EDUCATION BUDGET SUB-COMMITTEE

Date: 2nd October 2013

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

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2013/14

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 24th July 2013, the Executive received the 1st quarterly capital monitoring report for 2013/14 and agreed a revised Capital Programme for the four year period 2013/14 to 2016/17. The report also covered any detailed issues relating to the 2012/13 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive. 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. The revised programme for this portfolio is set out in Appendix A, details on the 2012/13 outturn are included in Appendix B and detailed comments on scheme progress as at the end of the first quarter of 2013/14 are shown in Appendix C.

2. **RECOMMENDATION(S)**

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

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Affective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. The Council continuously reviews its property assets and service users are regularly asked to justify their continued use of the property. For each of our portfolios and service priorities, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley".
 2. BBB Priority: Children & Young People
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Financial

1. Cost of proposal: Total increase of £12.8m over the 4 years 2013/14 to 2016/17, due to additional DfE grant allocations and re-phasing of expenditure from 2012/13 (see paras 3.2 to 3.5).
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £28.8m for the Education Portfolio over four years 2013/14 to 2016/17
 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? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 24th July 2013

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2012/13 and a detailed monitoring exercise carried out after the 1st quarter of 2013/14. The base position was the revised programme approved by the Executive on 6th February 2013, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Education Programme are itemised 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. Appendix B includes details of the final outturn in 2012/13 and Appendix C shows actual spend against budget in the first quarter of 2013/14, together with detailed comments on individual schemes.

	2013/14	2014/15	2015/16	2016/17	TOTAL 2013/14 to 2016/17
	£000	£000	£000	£000	£000
Programme approved by Executive 06/02/13	12,042	592	590	590	13,814
Capital maintenance in schools (Executive 13/03/13)	1,667				1,667
Seed Challenge Fund (Executive 13/03/13)	300				300
Security Fund (Executive 13/03/13)	150				150
Suitability Fund (Executive 13/03/13)	150				150
Revised Programme prior to Q1 monitoring exercise	14,309	592	590	590	16,081
<u>Variations approved by Executive 24/07/13</u>					
Langley Park Boys School (see para 3.2)	216				216
Formula Devolved Capital (see para 3.3)	-61	-39	-37	-37	-174
Basic Need (see para 3.4)	4,984	4,984			9,968
Expenditure rephased from 2013/14 into later years - Basic Need (see para 3.5)	-7,700	7,700			0
Net underspendings in 2012/13 rephased into 2013/14 (see para 3.5)	2,741				2,741
Total Amendment to the Capital Programme	180	12,645	-37	-37	12,751
Total Revised Education Programme	14,489	13,237	553	553	28,832

3.2 Langley Park Boys School (£216k increase).

The Department for Education (DfE) have provided additional ring-fenced funding via the Standards Fund to deal with an increased level of asbestos on site than anticipated. Officers approached the DfE for additional funding and this resulted in an additional grant of £216k in 2013/14.

3.3 Formula Devolved Capital (£174k reduction)

The level of funding received from the Department for Education by way of Formula Devolved Capital Grant is lower than anticipated resulting in an overall reduction of £174k to the capital programme (£61k in 2013/14, £39k in 2014/15, £37k in 2015/16 and £37k in 2016/17). This is due to the increasing level of Academy conversions as Academies receive separate devolved capital funding from the Education Funding Agency.

3.4 Basic Need (£9,968k increase)

Notification of additional ring-fenced funding of £4,984k in 2013/14 and 2014/15 (total £9,968k) has been received from the Department for Education relating to the Basic Need Capital Grant. The grant is given to deal in the main with increasing school populations, particularly in the primary sector. The funding can be used in all schools (including Academies) to increase capacity and will be utilised over the next few years to ensure sufficient school places.

3.5 Net underspendings in 2012/13 re-phased into 2013/14 & other rephasings

The 2012/13 Capital Outturn was reported to the Executive on 12th June 2013. The final capital outturn for the year for Education Portfolio schemes was £10,519k compared to a revised budget of £13,271k approved by the Executive in February (a net underspend of £2,752k). £2,741k of this has been re-phased into 2013/14. Details of the 2012/13 outturn for this Portfolio are set out in Appendix B. A further rephasing of £7,700k from 2013/14 into 2014/15 in respect of schemes to be funded by Basic Need grant was identified in the 1st quarter monitoring exercise.

Post-Completion Reports

3.6 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. After major slippage of expenditure in recent years, 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 scheme should be submitted to this Sub-Committee during 2013/14:

- 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.

5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 24th July 2013. Changes agreed by the Executive for the Education 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 June 2013. Approved Capital Programme (Executive 06/02/13). Capital Outturn report (Executive 12/06/13) and Q1 monitoring report (Executive 24/07/13).