

Decision Maker: EDUCATION BUDGET SUB-COMMITTEE

Date: 7th January 2014

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 2ND QUARTER
2013/14

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 20th November 2013, the Executive received the 2nd quarterly capital monitoring report for 2013/14 and agreed a revised Capital Programme for the four year period 2013/14 to 2016/17. 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 and detailed comments on scheme progress as at the end of the first half of 2013/14 are shown in Appendix B.

2. **RECOMMENDATION(S)**

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

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 £0.3m over the 4 years 2013/14 to 2016/17, due to the carry-forward of Children's Centre grant from 2012/13 (see para 3.2).
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £29.1m 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: 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 20th November 2013

3.1 A revised Capital Programme was approved by the Executive in November, following a detailed monitoring exercise carried out after the 2nd quarter of 2013/14. The base position was the revised programme approved by the Executive on 24th July 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 and Appendix B shows actual spend against budget in the first half 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 24/07/13	14,489	13,237	553	553	28,832
<u>Variations approved by Executive 20/11/13</u>					
Children's Centres (see para 3.2)	297				297
Transfer from schools maintenance to basic need (see para 3.3)	0	0	0	0	0
Realignment of short breaks capital grant to correct scheme (see para 3.4)	0	0	0	0	0
Expenditure rephased from 2013/14 into later years (see para 3.5)					
- Schools Access Initiative	-300	300			0
- Security works	-150	150			0
- Suitability/modernisation issues in schools	-367	367			0
- Basic Need	-639	639			0
- Short Breaks capital	-90	90			0
- Early Education for 2 year olds	-473	473			0
Total Amendment to the Capital Programme	-1,722	2,019	0	0	297
Total Revised Education Programme	12,767	15,256	553	553	29,129

3.2 Children's Centres (£297k increase)

£297k carry forward from 2012/13 of Children's Centre funding was agreed by Executive on the 12th June 2013. The carry forward was subsequently agreed by Education PDS Committee on 2nd October 2013 for inclusion in the 2013/14 budget. The funding is to be used to support the residual Surestart capital scheme to make essential repairs to Castlecombe and Mottingham children's centres. In November, the Executive agreed the inclusion of this sum in the Capital Programme.

3.3 Transfer of schools' capital grant support from capital maintenance to basic need (£1.2m)

A historic underspend in Schools' Capital Maintenance occurred on major maintenance projects (mainly windows). This was due to the policy of stopping works where schools were converting to Academy status. This resulted in an estimated £1.2m of funding that is available to be transferred to Basic Need to support the urgent expansion of primary schools to meet the growing demand for additional places. The policy surrounding Academies has since been

changed so this will not occur in the future. The November Executive agreed the transfer of £1.2m from schools' capital maintenance to basic need.

3.4 Realignment of capital funding from short breaks to children's centres (£224k)

£224k of government grant support for children's centres was added in error to the short breaks scheme. The funding was part of the Early Intervention Grant and would have transferred to the children's centres to support the works at Castlecombe and Mottingham. This adjustment rectifies that position and was agreed by the Executive in November.

3.5 Expenditure re-phased from 2013/14 into 2014/15

As part of the 2nd quarter monitoring exercise, £2,019k has been re-phased from 2013/14 into 2014/15 to reflect revised estimates of when expenditure on Education schemes is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details and comments are provided in Appendix B.

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. A post-completion report 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 20th November 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 October 2013. Approved Capital Programme (Executive 24/07/13). Q2 monitoring report (Executive 20/11/13).