

**Decision Maker:** CARE SERVICES PORTFOLIO HOLDER

**Date:** For pre-decision scrutiny by the Care Services PDS Committee on 11<sup>th</sup> March 2014

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

**Title:** CAPITAL PROGRAMME MONITORING Q3 2013/14 & ANNUAL CAPITAL REVIEW 2014 TO 2018

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**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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1. Reason for report

On 12th February 2014, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2013/14 and presenting for approval the new capital schemes supported by Council Directors in the annual capital review process. The Executive agreed a revised Capital Programme for the five year period 2013/14 to 2017/18. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Care Services Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are included at Appendix B.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to note the changes agreed by the Executive on 12<sup>th</sup> February 2014.**

## Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring 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". The capital review process requires Council Directors to ensure that bids for capital investment provide value for money and match Council plans and priorities.
  2. BBB Priority: Excellent Council; Supporting Independence
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## Financial

1. Cost of proposal: £10k in 2017/18 for new scheme (feasibility studies)
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £13.4m for the Care Services Portfolio over five years 2013/14 to 2017/18
  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 Expenditure

3.1 A revised Capital Programme was approved by the Executive on 12th February, following a detailed monitoring exercise carried out after the 3rd quarter of 2013/14. The Executive also considered and approved new capital schemes supported by Council Directors in the annual capital review process. This report identifies changes relating to the Care Services Portfolio and the table in paragraph 3.2 summarises the overall position following the Executive meeting.

#### Capital Monitoring – variations agreed by the Executive on 12th February 2014

3.2 The base position prior to the 3<sup>rd</sup> quarter's monitoring exercise was the revised programme approved by the Executive on 20<sup>th</sup> November 2013, as amended by variations approved at subsequent Executive meetings. Changes to the Care Services Portfolio Programme approved by the Executive in February are shown in the table below and further details are included in paragraphs 3.3 to 3.5. The revised Programme for the Care Services Portfolio (including new schemes) is attached as Appendix A and detailed comments on individual schemes are included at Appendix B.

	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL 2013/14 to 2017/18
	£000	£000	£000	£000	£000	£000
Programme approved by Executive 20/11/13	4,969	6,848	895	720	0	13,432
<u>Variations agreed by Executive 12/02/14</u>						
Rephasings from 2013/14 to later years (para 3.3)	-2,231	2,146	85	0	0	0
Total Q3 Monitoring variations	-2,231	2,146	85	0	0	0
New schemes (feasibility studies)	0	0	0	0	10	10
<b>Revised Care Services Capital Programme</b>	<b>2,738</b>	<b>8,994</b>	<b>980</b>	<b>720</b>	<b>10</b>	<b>13,442</b>

#### 3.3 Scheme rephasing

In reports last year to both the June and July meetings, the Executive was informed of the final outturn for capital expenditure in 2012/13 and noted that the overall level of unanticipated slippage into later years (some £4.1m) was significantly lower than in previous years and had continued the improvement seen at the end of 2011/12. 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 apparently taken in setting the revised (final) estimates for 2011/12 and 2012/13 in February 2012 and 2013 respectively. Some £324k of the overall slippage from 2012/13 into 2013/14 related to Care Services Portfolio schemes and this was analysed in the 1<sup>st</sup> quarter's monitoring report to the PDS Committee meeting in September 2013. In that report, the PDS Committee was also informed that, following the 1<sup>st</sup> quarter's monitoring exercise, a total of £2.3m was rephased on Care Services schemes from 2013/14 into later years. In the 2<sup>nd</sup> quarterly report to this Committee in January, Members were advised that a further £2.8m had been rephased by the Executive in November and, as is shown in the table in paragraph 3.2, a further £2.2m was rephased by the Executive in February. These are itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure – Rephasing in Q3 monitoring	2013/14	2014/15	2015/16
	£000	£000	£000
Care Standards Act 2000 Requirements - general	-241	241	
Learning Disability Day Centre	-100	100	
Social care grant	-540	540	
Mental health grant	-100	100	
Star Lane Traveller Site	-50	50	
Supporting Independence – Extra Care Housing	-19	19	
PCT LD Reprovision programme	-40	40	
Housing Payment in Lieu Fund - unallocated	-410	410	
Housing Provision - general	-420	420	
Renovation Grants – Disabled Facilities	-90	90	
London private sector renewal schemes	-85	-	85
Empty Homes Programme	-136	136	
<b>Total Care Services Programme rephasing</b>	<b>-2,231</b>	<b>2,146</b>	<b>85</b>

## Annual Capital Review – new scheme proposals

- 3.4 In recent years, we have steadily scaled down new capital expenditure plans and have transferred all of the rolling maintenance programmes to the revenue budget. Our general (un-earmarked) reserves, established from the disposal of our housing stock and the Glades Site, have been gradually spent and have fallen from £131m in 1997 to £31.8m (including unapplied capital receipts) as at 31<sup>st</sup> March 2013. Our asset disposal programme has diminished and any new capital spending will effectively have to be met from our remaining revenue reserves.
- 3.5 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment. Invest to Save bids were particularly encouraged, but none were received, and it is assumed that any such bids will be submitted in due course through the earmarked reserve that was created in 2011. Apart from the normal annual capital bids relating to school and highway schemes, four bids were recommended for approval, with a total value of £2.2m, all of which would require funding from the Council's resources. Just £10k of this, a provision for feasibility study costs, related to this Portfolio.

## 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. 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. A post-completion report on the Care Home Reprovision decanting costs scheme will be submitted to this PDS Committee in June.

## 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 12th February 2014. Changes agreed by the Executive for the Care Services Portfolio Capital Programme are set out in paragraph 3.2.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns January 2014. Approved Capital Programme (Executive 20/11/13). Capital appraisal forms submitted by Chief Officers in November 2013. Report to Council Directors' meeting 15/01/14.