

**Decision Maker:** RESOURCES PORTFOLIO HOLDER

**Date:** For pre-decision scrutiny by the Executive & Resources PDS Committee on 3rd September 2014

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

**Title:** CAPITAL PROGRAMME MONITORING - 1<sup>ST</sup> QUARTER 2014/15

**Contact Officer:** Martin Reeves, Principal Accountant (Technical & Control)  
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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

On 16th July 2014, the Executive received the 1st quarterly capital monitoring report for 2014/15 and agreed a revised Capital Programme for the four year period 2014/15 to 2017/18. The report also covered any detailed issues relating to the 2013/14 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 Resources Portfolio. The revised programme for this portfolio is set out in Appendix A, details on the 2013/14 outturn are included in Appendix B and detailed comments on scheme progress as at the end of the first quarter of 2014/15 are shown in Appendix C.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to note and 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: Excellent Council
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## Financial

1. Cost of proposal: Total increase of £5.8m over the 4 years 2014/15 to 2017/18, mainly due to re-phasing of expenditure from 2013/14 (see para 3.5).
  2. Ongoing costs: Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £24.7m for the Resources Portfolio over four years 2014/15 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: 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 16th July 2014

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2013/14 and a detailed monitoring exercise carried out after the 1st quarter of 2014/15. The base position was the revised programme approved by the Executive on 12th February 2014, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Resources Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.5. The revised Programme for the Resources Portfolio is attached as Appendix A. Appendix B includes details of the final outturn in 2013/14 and Appendix C shows actual spend against budget in the first quarter of 2014/15, together with detailed comments on individual schemes.

	2014/15	2015/16	2016/17	2017/18	TOTAL 2014/15 to 2017/18
	£000	£000	£000	£000	£000
Programme approved by Executive 12/02/14	3,086	1,675	470	0	5,231
Property Acquisitions funded by Property Investment Fund - acquisitions approved by Executive 12/02/14 (see para 3.2)	13,601				13,601
Emergency works on surplus sites - block provision c/fwd approved by Executive 10/06/14 (see para 3.3)	74				74
Approved Programme prior to 1st Quarter's Monitoring	16,761	1,675	470	0	18,906
<u>Variations approved by Executive 16/07/14</u>					
Proposed scheme deletions following review of programme (see para 3.4)	-70				-70
Net underspendings in 2013/14 rephased into 2014/15 (see para 3.5)	5,901				5,901
Total Amendment to the Capital Programme	5,831	0	0	0	5,831
<b>Total Revised Resources Programme</b>	<b>22,592</b>	<b>1,675</b>	<b>470</b>	<b>0</b>	<b>24,737</b>

#### 3.2 Property acquisitions – approval of additional properties

At its meeting in February, the Executive approved further acquisitions in Bromley High Street, the cost of which will be met by a revenue contribution from the Property Investment Fund. Further property investment opportunities will be reported to the Executive as they are identified.

#### 3.3 Emergency works on surplus sites – carry-forward of underspend in 2013/14

In June, the Executive agreed to carry forward into 2014/15 the 2013/14 underspend of £74k on the capital budget for emergency works to prepare surplus sites for disposal.

#### 3.4 Deletion of schemes following a review of the whole programme

Following consideration of the 3<sup>rd</sup> quarterly capital monitoring report for 2013/14 at the February meeting, a comprehensive review of the programme was carried out, with particular emphasis on schemes that had mostly remained dormant for a number of years or had completed some time ago, but had remained in the programme with residual scheme balances. Council Directors had considered all such schemes, had agreed a list for deletion and had agreed that, should there be a requirement for any of these to proceed in the future, a new bid for funding would need to be submitted. One Resources Portfolio scheme, the Capital Ambition efficiency and transformation scheme, which had been included in the programme in 2010/11, was deleted from the programme (a total reduction of £100k; £30k in 2013/14 and £70k in 2014/15).

### 3.5 Net underspendings in 2013/14 re-phased into 2014/15

The 2013/14 Capital Outturn was reported to the Executive on 10<sup>th</sup> June 2014. The final capital outturn for the year for Resources Portfolio schemes was £6,819k compared to a revised budget of £12,899k approved by the Executive in February. After allowing for the underspend that was accounted for in the block provision adjustment set out in paragraph 3.3 (£74k) and other minor adjustments, a total of £5,901k has been re-phased into 2014/15. Over £5.4m of this was due to delays in completing the acquisition of High Street properties. Details of the 2013/14 outturn for this Portfolio are set out 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. One post-completion report (on the improvement works scheme at the Former Chartwell Business Centre) is currently due for the Resources Portfolio and this will be reported later in 2014/15. This quarterly report will monitor the future position and will highlight any further reports required.

## **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 16th July 2014. Changes agreed by the Executive for the Resources 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 June 2014. Approved Capital Programme (Executive 12/02/14). Capital Outturn report (Executive 10/06/14) and Q1 monitoring report (Executive 16/07/14).