

Decision Maker: EDUCATION BUDGET SUB-COMMITTEE

Date: 9th September 2014

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2014/15

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1 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 Education 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)**

- 2.1 **The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 16th July 2014.**

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 reduction of £0.2m over the 4 years 2014/15 to 2017/18.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £73.7m for the Education 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 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 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	21,542	21,188	22,220	550	65,500
Variations approved since February 2014 (see para 3.2):					
- Schools Capital Maintenance Fund - additional grant (Executive 2/4/14)	1,809				1,809
- Glebe School expansion (Council 14/4/14)	2,065	2,733			4,798
- Property purchase for educational establishment (Executive 10/6/14)	1,790				1,790
Approved Programme prior to 1st Quarter's Monitoring	27,206	23,921	22,220	550	73,897
<u>Variations approved by Executive 16/07/14</u>					
Proposed scheme deletions following review of programme (see para 3.3)	-658				-658
Formula Devolved Capital (see para 3.4)	-91	-91	-91	-88	-361
Net underspendings in 2013/14 rephased into 2014/15 (see para 3.5)	793				793
Total Amendment to the Capital Programme	44	-91	-91	-88	-226
Total Revised Education Programme	27,250	23,830	22,129	462	73,671

3.2 Variations approved since the Executive meeting on 12th February 2014

Three new schemes/variations have been approved by the Executive since the meeting in February 2014. Firstly, additional Schools Capital Maintenance grant (£1,809k in 2014/15) was approved in April 2014; secondly, in April, the inclusion in the Capital Programme of the Glebe School expansion scheme (total cost £4,798k) was approved; and, thirdly, in June, the purchase of a property for use as an educational establishment (£1,790k) was approved.

3.3 Deletion of schemes following a review of the whole programme (£757k reduction)

Following consideration of the 3rd 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. Four Education Portfolio schemes were deleted from the programme (a total reduction of £757k; £99k in 2013/14 and £658k in 2014/15). These are set out below:

- Extended services – residual balance previously declared surplus £44k (in programme since 2008)

- Hawes Down Co-location project – residual balance previously declared surplus £298k (in programme since 2009)
- Phoenix Pre-School SEN service – in programme since 2006 with no spend £208k
- Short breaks capital – residual balance of grant-funded scheme (in programme since 2007) £207k

3.4 Formula Devolved Capital (£361k reduction)

The July Executive meeting was informed that the level of funding received from the Department for Education by way of Formula Devolved Capital Grant is going to be lower than anticipated and approved an overall reduction of £361k to the capital programme (£91k in 2014/15, 2015/16 and 2016/17 and £88k in 2017/18). This was due to the increasing level of Academy conversions as Academies receive separate devolved capital funding from the Education Funding Agency.

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

The 2013/14 Capital Outturn was reported to the Executive on 10th June 2014. The final capital outturn for the year for Education Portfolio schemes was £5,981k compared to a revised budget of £21,542k approved by the Executive in February. After allowing for minor adjustments that were not rephased, a total of £793k was re-phased into 2014/15. 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. No post-completion reports are currently due for the Education Portfolio, but 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 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 2014. Approved Capital Programme (Executive 12/02/14). Capital Outturn report (Executive 10/06/14) and Q1 monitoring report (Executive 16/07/14).