

Decision Maker: Environment Portfolio Holder

For Pre-Decision Scrutiny by the Environment PDS Committee on

Date: 23rd 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

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 3.4 changes agreed by the Executive in respect of the Capital Programme for the Environment 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.

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 £0.5m over the 4 years 2014/15 to 2017/18, mainly due to rephasing from 2013/14.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £25.6m for the Environment 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 Environment Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.4. The revised Programme for the Environment 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	9,672	4,900	6,433	4,100	25,105
<u>Variations approved by Executive 16/07/14</u>					
Additional TfL support for highway schemes (see para 3.2)	144				144
Deletion of residual balances on completed schemes (see para 3.3)	-218				-218
Net underspendings in 2013/14 rephased into 2014/15 (see para 3.4)	607				607
Total Amendment to the Capital Programme	533	0	0	0	533
Total Revised Environment Programme	10,205	4,900	6,433	4,100	25,638

3.2 Transport for London (TfL) – Revised Support for Highway Schemes (£144k increase)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2014/15 to 2017/18 on the basis of the bid in our Borough Spending Plan (BSP). The July meeting of the Executive was informed that notification of an overall increase of £144k in 2014/15 had been received from TfL and agreed to the addition of £144k to the approved programme. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3 Deletion of residual balances on Review of the Capital Programme (total reduction £218k)

Following consideration of the 3rd quarterly capital monitoring report for 2013/14 at the February meeting of the Executive, 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. While there were no Environment Portfolio schemes deleted from the programme as a direct result of this review, the 1st quarter's monitoring exercise identified residual balances on three completed schemes (underspends) and, in July, the Executive agreed the following deletions:

- Chislehurst Road Bridge – total approved budget £4,114k - residual balance deleted £110k
- The Hill Car Park strengthening works – total approved budget £280k – residual balance deleted £48k

- Bromley Town Centre parking – total approved budget £420k – residual balance deleted £60k

3.4 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 Environment Portfolio schemes was £6,966k compared to a revised budget of £6,892k approved by the Executive in February. After allowing for adjustments in respect of schemes that were not rephased (mainly TfL schemes), a total of £607k was re-phased into 2014/15. Details of the 2013/14 outturn for this Portfolio are set out in Appendix B.

Post-Completion Reports

3.5 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. The following three post-completion reports are due to be submitted in 2014/15 for the Environment Portfolio and this quarterly report will monitor the future position and will highlight any further reports required.

- Chislehurst Road Bridge replacement
- The Hill Car Park – strengthening works
- Bromley Town Centre – increased parking capacity

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 Environment 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).