

Decision Maker: RESOURCES PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Executive & Resources PDS Committee on 07th January 2015

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

Title: CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2014/15

Contact Officer: Martin Reeves, Principal Accountant (Technical & Control)
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 26th November 2014, the Executive received the 2nd quarterly capital monitoring report for 2014/15 and agreed a revised Capital Programme for the four year period 2014/15 to 2017/18. This report highlights in paragraphs 3.1 to 3.3 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, and detailed comments on scheme progress as at the end of the first half of 2014/15 are shown in Appendix B.

2. **RECOMMENDATION(S)**

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

1. Cost of proposal: No overall change 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: £30.8m 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): 1 fte
 2. If from existing staff resources, number of staff hours: 36 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? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 26th November 2014

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 2014/15. The base position was the revised programme approved by the Executive on 16th July 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 3.3. The revised Programme for the Resources Portfolio is attached as Appendix A. Appendix B shows actual spend against budget at the end of the first half 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 16/07/14	22,592	1,675	470	0	24,737
Property Investment Fund (Executive 10/09/14)		6,030			6,030
Approved Programme prior to Q2 Monitoring	22,592	7,705	470	0	30,767
<u>Variations approved by Executive 26/11/14</u>					
Replacement of Storage Area Network (see para 3.2)	-200				-200
Rollout of Windows 7 (see para 3.2)	200				200
Schemes rephased from 2014/15 into later years (see para 3.3)	-1,205	1,205			0
Total Amendment to the Capital Programme	-1,205	1,205	0	0	0
Total Revised Resources Programme	21,387	8,910	470	0	30,767

3.2 Replacement of SAN and Rollout of Window 7

The Council is currently working with our IT partner CAPITA in rolling out Windows 7 across the organisation. During the development stage, we have discovered that other Local Authorities have experienced serious issues with similar deployments as the standard deployment methodology is not as effective for large organisations. Where mitigation measures have not been taken, there have been serious delays to rollout schedules and disruption to service. Furthermore, there is a material risk that our ability in meeting the London Public Service Network code of connection compliance could be compromised. In conjunction with CAPITA, we have looked at alternative methodologies to supplement the original rollout plan and to remove many of the risks.

Following negotiations, CAPITA are willing to contribute considerably over 50% of the additional costs to ensure the project is a success. This would leave a Bromley element of the additional costs at a maximum of £200k. To compensate for this extra cost, the Council working in partnership with CAPITA has been able to develop a more cost effective solution on the Storage Area Network (SAN) replacement project. Both schemes are in the approved capital programme and in November the Executive agreed to vire £200k from the underspend on the Storage Area Network capital scheme to fund the additional resources needed to deliver the Windows 7 project effectively.

3.3 Schemes rephased from 2014/15 into later years

As part of the 2nd quarter monitoring exercise, £1,205k has been re-phased from 2014/15 into 2015/16 to reflect revised estimates of when expenditure on Resources 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

3.4 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 26th November 2014. Changes agreed by the Executive for the Resources 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 2014. Approved Capital Programme (Executive 16/07/14). Capital Q2 monitoring report (Executive 26/11/14).