

Decision Maker: CARE SERVICES PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Care Services PDS Committee on 04th March 2015

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

Title: CAPITAL PROGRAMME MONITORING - 3ND QUARTER 2014/15 & ANNUAL CAPITAL REVIEW 2014 TO 2018

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 11th February 2015, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2014/15 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 2014/15 to 2018/19. 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, detailed comments on individual schemes are included at Appendix B and the new schemes approved for this Portfolio are set out in paragraph 3.6.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 11th February 2015.

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". 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
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Financial

1. Cost of proposal: Total increase of £0.7m, mainly due to 2015/16 allocation for Social Care Grant (see para 3.3).
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £11.0m for the Care Services Portfolio over five years 2014/15 to 2018/19
 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 Expenditure

3.1 A revised Capital Programme was approved by the Executive on 11th February, following a detailed monitoring exercise carried out after the 3rd quarter of 2014/15. 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 11th February 2015

3.2 The base position prior to the 3rd quarter's monitoring exercise was the revised programme approved by the Executive on 26th November 2014, 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 3.6. The revised Programme for Care Services (including new schemes) is attached as Appendix A and detailed comments on individual schemes are included at Appendix B.

	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL 2014/15 to 2018/19
	£000	£000	£000	£000	£000	£000
Programme approved by Executive 26/11/14	4,404	4,609	1,130	10	0	10,153
Gateway Review of Housing I.T System (Exec 14/01/15)	0	200	0	0	0	200
Approved Programme prior to Q3 Monitoring	4,404	4,809	1,130	10	0	10,353
<u>Variations approved by Executive 11/02/15</u>						
Social Care Grant Allocation for 2015/16 (see para 3.3)	0	663	0	0	0	663
Schemes rephased from 2014/15 into 2015/16 (see para 3.4)	-2,456	2,456	0	0	0	0
Total Q3 Monitoring variations	-2,456	3,119	0	0	0	663
New schemes (see para 3.6)	0	0	0	0	10	10
Revised Education Capital Programme	1,948	7,928	1,130	10	10	11,026

3.3 Social Care Grant Allocation – (£663k increase in 2015/16)

The Executive was informed that notification had been received from the Department of Health on the 2015/16 grant allocation for Social Care. The Capital Programme budget was increased by £663k to reflect Bromley's 2015/16 grant allocation.

3.4 Scheme rephased from 2014/15 into later years

In the final outturn report to the meeting in June 2014, the Executive was informed of the final outturn for capital expenditure in 2013/14 and noted that the overall level of unanticipated slippage into later years was £8.4m (£5.4m of which was due to delays in completing the acquisition of High Street properties). Slippage of capital spending estimates has been a recurring theme over the years and Members were pleased to note that improvements made in 2011/12 following a review of the system of capital monitoring and for estimating the phasing of expenditure were continuing to result in a more realistic approach towards anticipating slippage.

£650k of the overall 2013/14 underspend related to Care Service Portfolio schemes and this was analysed in the 1st quarter's monitoring report to the PDS Committee meeting in September 2014. After allowing for minor adjustments that were not re-phased, a total of £586k was re-phased into

2014/15, and £850k was re-phased from 2014/15 to 2015/16. In the 2nd quarterly report to the PDS Committee meeting in January, Members were advised that £2.6m had been re-phased to 2015/16 by the Executive in November and, as is shown in the table in paragraph 3.2, a further total of £2.5m was re-phased by the Executive in February 2015 to reflect revised estimates of when expenditure on Care Services schemes is likely to be incurred. This is itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure – Rephasing in Q3 monitoring	2014/15 £000	2015/16 £000
London Private Sector Renewal Schemes	-76	76
Renovation Grants - Disabled Facilities	-236	236
Empty Homes Programme	-250	250
Transforming Social Care	-52	52
Manorfields - Temporary Accommodation	-375	375
Care Homes - improvements to environment for older people	-2	2
Social Care Grant	-845	845
Star Lane Traveller Site	-100	100
Payment in Lieu Fund	-520	520
Total Environment Programme rephasing	-2,456	2,456

Annual Capital Review – new scheme proposals

- 3.5 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 £42m (including unapplied capital receipts) as at 31st March 2014. Whilst opportunities to dispose of property assets are being rigorously pursued, the level of receipts is not as high as in the past and new capital spending will effectively have to be met from our remaining revenue reserves.
- 3.6 As part of the normal annual review of the Capital Programme, Council Directors 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 annual capital bids relating to school and highway schemes, two bids were approved with a total value of £1.02m, all of which will require funding from the Council’s resources. None of these related to this Portfolio, but the 2018/19 annual provision for feasibility studies (£10k) on potential new schemes was approved and has now been included in the Capital Programme.

Post-Completion Reports

- 3.7 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 Bellegrave temporary accommodation scheme, is due to be submitted in 2014/15 for the Care Services Portfolio and 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. 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 11th February 2015. Changes agreed by the Executive for the Care Services Portfolio Capital Programme are set out in the table in paragraph 3.2.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns January 2015. Approved Capital Programme (Executive 26/11/14). Capital Q3 monitoring report (Executive 11/02/15). Capital appraisal forms submitted by Chief Officers in November 2014. Report to Council Directors' meeting 10/12/14