

Decision Maker: ENVIRONMENT PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Environment PDS Committee on 30th September 2015

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2015/16

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 15th July 2015, the Executive received the 1st quarterly capital monitoring report for 2015/16 and agreed a revised Capital Programme for the four year period 2015/16 to 2018/19. The report also covered any detailed issues relating to the 2014/15 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 3.7 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, detailed comments on scheme progress as at the end of the first quarter of 2015/16 are shown in Appendix B and details of the 2014/15 outturn are included 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 £2.6m over the 4 years 2015/16 to 2018/19, mainly due to rephasing from 2014/15.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £22.8m for the Environment Portfolio over four years 2015/16 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 Monitoring – variations agreed by the Executive on 15th July 2015

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2014/15 and a detailed monitoring exercise carried out after the 1st quarter of 2015/16. The base position was the revised programme approved by the Executive on 11th February 2015, 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 3.7. The revised Programme for the Environment Portfolio is attached as Appendix A. Appendix B shows actual spend against budget in the first quarter of 2015/16 with detailed comments on individual schemes and Appendix C includes details of the final outturn in 2014/15.

	2015/16	2016/17	2017/18	2018/19	TOTAL
	£000	£000	£000	£000	2015/16 to 2018/19 £000
Programme approved by Executive 11/02/15	5,693	6,433	4,100	4,010	20,236
<u>Variations approved by Executive 15/07/15</u>					
Gosshill Road – Private Street Works (see para 3.2)	289	0	0	0	289
Orpington Railway Station (see para 3.3)	130	0	0	0	130
Reduction in TfL funding for Highway schemes (see para 3.4)	-220	0	0	0	-220
Section 106 receipts from developers (see para 3.5)	6	0	0	0	6
Net underspend in 14/15 rephased into 15/16 (see para 3.6)	2,399	0	0	0	2,399
Rephasing from 15/16 to 16/17 (see para 3.7)	-36	36	0	0	0
Total Amendment to the Capital Programme	2,568	36	0	0	2,604
Total Revised Environment Programme	8,261	6,469	4,100	4,010	22,840

3.2 Gosshill Road, Chislehurst – Private Street Works (£289k increase in 2015/16)

On 1st July 2014, the Environment Portfolio Holder received the first resolution report regarding the use and condition of Gosshill Road, Chislehurst (under the Private Street Works code). The estimated cost of the implementation works is £289k of which £209k is funded from S106 receipts and £80k is funded from the TfL budget for Public Transport Interchange and Access. This was agreed by the Portfolio Holder in the second resolution report to the Environment PDS Committee on 23rd September 2014. In July 2015, the Executive approved the inclusion of the Gosshill Road scheme in the Capital Programme.

3.3 Orpington Railway Station – Improved Access and Bus stop Enhancement (£130k increase in 2015/16)

On 4th November 2014, the Environment Portfolio Holder approved the allocation of £80k of S106 monies towards access and bus stop improvements as part of the Orpington railway station car park and forecourt scheme. The estimated implementation cost of the proposal is £130k and the remaining £50k is funded from the TfL allocation for Public Transport Interchange and Access. In July 2015, the Executive approved the inclusion of the Orpington Railway Station scheme in the Capital Programme.

3.4 Transport for London (TfL) – Revised Support for Highway Schemes (£220k reduction in 2015/16)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2015/16 to 2018/19 on the basis of the bid in our Borough Spending Plan (BSP). Notification of an overall reduction of £220k in 2015/16 was reported to the Executive in July and the Capital Programme was reduced accordingly. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.5 Section 106 receipts (uncommitted balance) – (net £6k increase in 2015/16)

In previous years, the Capital Programme budget for Section 106 receipts has been adjusted as and when new spending plans receive approval. In July, the Executive agreed that, in future the Capital Programme budget should agree with the total of S106 receipts available to fund expenditure. The total approved S106 budgets for Environment Capital Programme are illustrated in the table below.

	Total Approved S106 Budget £000	Actuals upto FY14/15 £000	Budget FY15/16 £000
Gosshill Road (see para. 3.2)	209	0	209
Orpington Railway Station (see para. 3.3)	80	0	80
Uncommitted balance (as at May 2015)	6	0	6
Highways Total	295	0	295

3.6 Net underspendings in 2014/15 re-phased into 2015/16

The 2014/15 Capital Outturn was reported to the Executive on 10th June 2015. The final capital outturn for the year for Environment Portfolio schemes was £7,791k compared to a revised budget of £9,985k approved by the Executive in February, an underspend of £2,194k. This was mainly due to underspend of £1,149k on Traffic and Highways schemes fully funded by Transport for London (against a budget of £4.6m) and of £1,035k on the Street Lighting scheme. An early warning of a £1.0m underspend on the latter was reported to the Environment PDS Committee on 17th March 2015. After allowing for minor adjustments, a total of £2,399k was re-phased into 2015/16. Details of the 2014/15 outturn for this Portfolio are set out in Appendix C.

3.7 Schemes re-phased from 2015/16 into 2016/17

As part of the 1st quarter monitoring exercise, £36k has been re-phased from 2015/16 into 2016/17 to reflect revised estimates of when expenditure on the Winter Maintenance - Gritter replacement scheme is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details and comments on all schemes in the programme are provided in Appendix B.

Post-Completion Reports

3.8 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. Post-completion reports on the following two Environment Portfolio scheme are due to be submitted in 2015/16. This quarterly report will monitor the future position and will highlight any further reports required.

- 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 15th July 2015. 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)	Approved Capital Programme (Executive 11/02/15). Capital Outturn report (Executive 10/06/15) and Q1 monitoring report (Executive 15/07/15).