

Decision Maker: EDUCATION BUDGET SUB-COMMITTEE

Date: 20th October 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

- 1.1 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. 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 the Education 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.
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2. **RECOMMENDATION**

- 2.1 **The Portfolio Holder for Education is asked to note and confirm the changes agreed by the Executive on 15th July 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 £420k over the 4 years 2015/16 to 2018/19, mainly due to additional Section 106 receipts .
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £76.8m for the Education Portfolio over five 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: 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- 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 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 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	42,853	22,129	462	550	65,994
Glebe School Expansion (Executive 11/02/15)	88	0	0	0	88
Capital Maintenance Grant (Executive 24/03/15)					
- Seed Challenge	200	0	0	0	200
- Security Works	50	0	0	0	50
- Suitability	250	0	0	0	250
- Capital Maintenance in schools	952	0	0	0	952
Basic Need (Executive 20/05/15)	0	0	8,838	0	8,838
Approved Programme prior to Q1 Monitoring	44,393	22,129	9,300	550	76,372
Variations approved by Executive 15/07/15					
Formula Devolved Capital Grant (see para 3.2)	-17	-17	-17	-105	-156
Section 106 receipts (see para 3.3)	1,341	0	0	0	1,341
Net overspendings in 14/15 rephased into 15/16 (see para 3.4)	-765	0	0	0	-765
Schemes rephased from 15/16 into 16/17 (see para 3.5)	-6,123	6,123	0	0	0
Total Amendment to the Capital Programme	-5,564	6,106	-17	-105	420
Revised Education Capital Programme	38,829	28,235	9,283	445	76,792

3.2 Formula Devolved Capital Grant (net reduction of £156k in 2015/16 to 2018/19):

The level of funding received from the Department for Education for 2015/16 Formula Devolved Capital Grant (£285k) is lower than anticipated due to the increasing level of Academy conversion as Academies receive separate devolved capital funding from the Education Funding Agency. The capital programme has been adjusted to reflect an overall reduction of £156k. (£17k in 2015/16, £17k in 2016/17, £17k in 2017/18 and £105k in 2018/19).

3.3 Section 106 receipts (uncommitted balance) (£1,341k 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 the Capital Programme budget should, in future, agree with the total of S106 receipts available to fund expenditure. The approved S106 budgets for the Education Capital Programme are illustrated in the table below.

	Total Approved S106 Budget £000	Actuals upto FY14/15 £000	Budget FY15/16 £000	Budget FY16/17 £000
Basic Need	706	456	250	0
Uncommitted balance (as at May 2015)	1,341	0	1,341	0
Education Total	2,047	456	1,591	0

3.4 Net overspendings 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 Education Portfolio schemes was £13,428k compared to a revised budget of £12,669k approved by the Executive in February, an overspend of £759k. The Basic Need Scheme (funded by Department of Education) overspend by £1.6m against a budget of £5.7m due to acceleration in the programme of works. This was partly offset by underspendings on other schemes including Capital Maintenance and Building Schools for the Future. After allowing for minor adjustments, a total of £765k has been re-phased into 2015/16. Details of the 2014/15 outturn for this Portfolio are set out in Appendix C.

3.5 Schemes rephased from 2015/16 into later years

As part of the 1st quarter monitoring exercise, £6,123k has been re-phased from 2015/16 into 2016/17 to reflect revised estimates of when expenditure on the Education 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 Q1 monitoring	2015/16 £000	2016/17 £000
Basic Need	-4,708	4,708
Beacon House Refurbishment	-1,000	1,000
Glebe School Expansion	-100	100
Schools Access Initiative	-100	100
Seed Challenge Fund	-200	200
Universal free school meals	-15	15
Total Education Programme rephasing	-6,123	6,123

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 15th July 2015. Changes agreed by the Executive for the Education 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 June 2015. Approved Capital Programme (Executive 11/02/15). Capital Outturn report (Executive 10/06/15) and Q1 monitoring report (Executive 15/07/15).