

Decision Maker: **Environment Portfolio Holder**

For Pre-Decision Scrutiny by the Environment PDS Committee on:

Date: **2nd February 2016**

Decision Type: Non-Urgent Executive Non-Key

Title: **CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2015/16**

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 2nd December 2015, the Executive received the 2nd 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 Environment 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 2015/16 are shown in Appendix B.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive in December.

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. Effective 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 £2.1m over the 4 years 2015/16 to 2018/19, mainly due to increased funding for Beckenham Town Centre Improvements
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £25.0m 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: 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 2nd December 2015

3.1 A revised Capital Programme was approved by the Executive in December, following a detailed monitoring exercise carried out after the 2nd quarter of 2015/16. The base position was the revised programme approved by the Executive on 15th July 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 3.5. The revised Programme for the Environment Portfolio is attached as Appendix A. Appendix B shows actual spend against budget at the end of the first half of 2015/16, together with detailed comments on individual schemes.

	2015/16	2016/17	2017/18	2018/19	TOTAL 2015/16 to 2018/19
	£000	£000	£000	£000	£000
Programme approved by Executive 15/07/15	8,261	6,469	4,100	4,010	22,840
<u>Variations approved by Executive 02/12/15</u>					
Woodland Improvement Programme - reduction in funding (see para 3.3)	-3	0	0	0	-3
Increase in TfL funding for Highways & Traffic schemes (see para 3.4)	710	0	0	0	710
Schemes rephased from 2015/16 into later years (see para 3.5)	-1,013	100	913	0	0
Total Amendment to the Capital Programme	-306	100	913	0	707
Beckenham Town Centre Improvements - (Executive 02/12/15) (Full Council 14/12/15) (see para 3.2)	0	1,440	0	0	1,440
Total Revised Environment Programme	7,955	8,009	5,013	4,010	24,987

3.2 Beckenham Town Centre Improvements (£1,440k increase in 2016/17)

At its meeting in December, the Executive agreed to increase the funding on the Beckenham Town Centre Improvements by £1.44m as the scope has increased to cover the whole of the High Street area. TfL has agreed in principle to increase their funding by £950k, £250k will be funded from the Principal Road Maintenance 2016/17 allocation and the remaining balance (£240k) will be funded from capital receipts. This was agreed by Full Council on 14th December 2015, and the total budget on the Beckenham Town Centre Improvements has increased from £3,257k to £4,697k.

3.3 Woodland Improvements Programme (£3k reduction in 2015/16)

The Woodland Improvements Programme was funded by £126k grant from the Forestry Commission to enhance and sustain 30 of Bromley's woodland sites. In December, Members approved a £3k reduction on the scheme to reflect the revised expenditure and funding received from the Forestry Commission.

3.4 Transport for London (TfL) – Revised Support for Highway & Traffic Schemes (£710k increase)

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 increase of £710k in 2015/16 was reported to the Executive in December and the Capital Programme was increased accordingly. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.5 Schemes rephased from 2015/16 into later years

As part of the 2nd quarter monitoring exercise, £1,013k has been re-phased from 2015/16 into later years to reflect revised estimates of when expenditure on Environment schemes is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. This is itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure – Rephasing in Q2 monitoring	2015/16	2016/17	2017/18
	£000	£000	£000
Beckenham Town Centre improvements	-672	-241	913
LIP Formula funding scheme	-279	279	0
Winter maintenance - gritter replacement	-56	56	0
S106 - Highway PIL (unallocated)	-6	6	0
Total Environment Programme rephasing	-1,013	100	913

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. The following two post-completion reports are included elsewhere on this agenda for the Environment Portfolio.

- The Hill Car Park – strengthening works
- Bromley Town Centre – increased parking capacity

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 2nd December 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 15/07/15). Q2 monitoring report (Executive 02/12/15). Beckenham Public Realm Improvements (Executive 02/12/15) (Full Council 14/12/15)