

Decision Maker: Environment Portfolio Holder

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

Date: 29th September 2016

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2016/17

Contact Officer: James Mullender, Principal Accountant
Tel: 020 8313 4292 E-mail: james.mullender@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 20th July 2016, the Executive received the 1st quarterly capital monitoring report for 2016/17 and agreed a revised Capital Programme for the four year period 2016/17 to 2019/20. The report also covered any detailed issues relating to the 2015/16 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 3.6 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 2016/17 are shown in Appendix B and details of the 2015/16 outturn are included in Appendix C.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 20th July 2016.

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring 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
-

Financial

1. Cost of proposal: Total increase of £1,007k over the 4 years 2016/17 to 2019/20, mainly due to rephasing from 2015/16.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £22.3m for the Environment Portfolio over four years 2016/17 to 2019/20
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

1. Number of staff (current and additional): 1 fte
 2. If from existing staff resources, number of staff hours: 36 hours per week
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

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 20th July 2016

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2015/16 and a detailed monitoring exercise carried out after the 1st quarter of 2016/17. The base position was the revised programme approved by the Executive on 10th February 2016, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Environment Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.6. The revised Programme for the Environment Portfolio is attached as Appendix A. Appendix B shows actual spend against budget in the first quarter of 2016/17 with detailed comments on individual schemes and Appendix C includes details of the final outturn in 2015/16.

	2016/17	2017/18	2018/19	2019/20	TOTAL 2016/17 to 2019/20
	£000	£000	£000	£000	£000
Programme approved by Executive 10/02/16	8,252	5,013	4,010	4,010	21,285
<u>Variations approved by Executive 20/07/16</u>					
Reduction in funding for Woodland Improvements (see para 3.2)	-11	0	0	0	-11
Increase in TfL funding for Highway schemes (see para 3.3)	19	0	0	0	19
Section 106 receipts - Orpington Station (see para 3.4)	1	0	0	0	1
Net underspend in 15/16 rephased into 16/17 (see para 3.5)	998	0	0	0	998
Rephasing from 16/17 to 17/18 (see para 3.6)	-2,131	2,131	0	0	0
Total Amendment to the Capital Programme	-1,124	2,131	0	0	1,007
Total Revised Environment Programme	7,128	7,144	4,010	4,010	22,292

3.2 Woodland Improvement Programme (£11k reduction in 2016/17)

The Woodland Improvements Programme is funded by the Forestry Commission to enhance and sustain 30 of Bromley's woodland sites. In July, Executive approved an £11k reduction on the scheme to reflect the revised expenditure and funding received from the Forestry Commission.

3.3 Transport for London (TfL) – Revised Support for Traffic and Highways Schemes (£19k increase in 2016/17)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2016/17 to 2019/20 on the basis of the bid in the Borough Spending Plan (BSP). Notification of an overall increase of £19k in the 2016/17 grant was reported to the Executive in July 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.

3.4 Section 106 receipts - Orpington Station – (£1k increase in 2016/17)

In July 2015, the Executive agreed that the Capital Programme budget should reflect the total of S106 receipts available to fund expenditure. There was an unallocated balance of £1k which relates to the interest on the S106 receipts for Orpington Station scheme. In July 16, Executive agreed the increase of £1k on Orpington Station scheme to reflect the total funding available.

The total approved S106 budgets for Environment Portfolio schemes are illustrated in the table below.

	Total Approved S106 Budget £000	Actuals up to FY15/16 £000	Budget FY16/17 £000
Gosshill Road	213	213	0
Orpington Station	83	0	83
Highways Total	296	213	83

3.5 Net underspend in 2015/16 re-phased into 2016/17

The 2015/16 Capital Outturn was reported to the Executive on 15th June 2016, and the final outturn for Environment Portfolio schemes was £6,509k compared to the revised budget of £7,778k approved by Executive in February; an underspend of £1,269k. This was mainly due to a total underspend of £1,576k on Highways and Traffic schemes fully funded by Transport for London (against a budget of £5.5m). This was partly offset by overspends on other schemes. After allowing for minor adjustments, a total of £998k was re-phased into 2016/17. Details of the 2015/16 outturn for this Portfolio are set out in Appendix C.

3.6 Schemes re-phased from 2016/17 into 2017/18

As part of the 1st quarter monitoring exercise, £2,131k has been re-phased from 2016/17 into 2017/18 to reflect revised estimates of when expenditure on the Beckenham Town Centre improvements 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

3.7 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. No post-completion reports are currently due for the Environment 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 20th July 2016. 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 20/07/16) Capital Outturn report (Executive 15/06/16) Q1 monitoring report (Executive 20/07/16)