

Decision Maker: **Executive
Council**

Date: **Executive 8th February 2017
Council 22nd February 2017**

Decision Type: Non-Urgent Executive Key

Title: **CAPITAL PROGRAMME MONITORING Q3 2016/17 & ANNUAL
CAPITAL REVIEW 2017 TO 2021**

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

1.1 This report summarises the current position on capital expenditure and receipts following the third quarter of 2016/17 and presents for approval the new capital schemes in the annual capital review process. With regard to the annual bidding process, the main focus has again been on the continuation of existing essential programmes and on externally funded schemes. The Executive is asked to approve a revised Capital Programme.

2. **RECOMMENDATION(S)**

2.1 The Executive is requested to:

- (a) Note the report, including the rephrasing of a total of £25,279k from 2016/17 into future years (see paragraph 3.4.1) and agree a revised Capital Programme;
- (b) Approve the following amendments to the Capital Programme:
 - (i) A net reduction of £3k in 2016/17 to reflect revised grant support from Transport for London for Highways and Traffic schemes (see para 3.3.1);
 - (ii) A total reduction of £446k to reflect the revised grant funding for the Formula Devolved Capital Grant relating to the Council's remaining maintained schools (see para 3.3.2);

(c) Recommend to Council:

- (i) An increase of £14,539k in 2016/17 to the Council's Property Investment Fund scheme to reflect the latest update on successful property acquisitions (see para 3.3.3);**
- (ii) An increase of £6,896k in 2018/19 to the Basic Need Programme (see para 3.3.4);**
- (iii) The inclusion of the new scheme proposals listed in Appendix C in the Capital Programme (see section 3.5);**

2.2 Council is requested to:

- (d) Agree an increase of £14,539k in 2016/17 to the Council's Property Investment Fund scheme to reflect the latest update on successful property acquisitions (see para 3.3.3);**
- (e) Agree an increase of £6,896k in 2018/19 to the Basic Need Programme (see para 3.3.4);**
- (f) Agree the inclusion of the new scheme proposals listed in Appendix C in the Capital Programme (see section 3.5).**

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. For each of the portfolios and service priorities, the Council reviews its main aims and outcomes through the AMP process and identify those that require the use of capital assets. The 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: Estimated Cost: Total increase of £25,026k over the 5 years 2016/17 to 2020/21, mainly due to the overall net increase of £14,539k in the Property Investment Fund scheme, £6,896k increase to Basic Needs and the schemes proposed in the 2016 annual review (£4,040k).
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £150.5m over 5 years 2016/17 to 2020/21
 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: Call-in is 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? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 Capital Expenditure

3.1.1 This report sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 3rd quarter of 2016/17 and also seeks approval to the new capital schemes in the 2016 annual capital review process. The report is divided into two distinct parts; the first (sections 3.3 and 3.4) looks at the Q3 monitoring exercise and the second (section 3.5) includes details of the proposed new schemes.

3.1.2 Appendix A sets out proposed changes to the Capital Programme. The base position is the revised programme approved by the Executive on 30th November 2016, as amended by variations approved at subsequent Executive meetings. If all the changes proposed in this report are approved, the total Capital Programme 2016/17 to 2020/21 would increase by £25,026k, mainly due to the overall net increase of £14,539k in the Property Investment Fund scheme, £6,896k increase to Basic Needs, and the schemes proposed in the 2016 annual review at £4,040k. Estimated expenditure in 2016/17 will reduce by £25,279k due to the re-phasing of expenditure from 2016/17 into future years. Details of the monitoring variations are included in Appendices A and B, and the proposed revised programme, including the proposed new schemes, is summarised in the table below.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL 2016/17 to 2020/21 £000
Programme approved by Executive 30/11/16	64,046	56,537	13,606	4,516	0	138,705
Variations approved at subsequent Executive meetings (Appendix A)	500	6,000	5,300	0	0	11,800
Approved Programme prior to 3rd Quarter's Monitoring	64,546	62,537	18,906	4,516	0	150,505
Variations identified in Q3 monitoring exercise						
Variation requiring the approval of the Executive (Appendix A)	14,402	-104	6,792	-104	0	20,986
Variation not requiring approval:						
Schemes rephasing from 2016/17 to future years	-25,279	24,529	0	750	0	0
Total Q3 Monitoring variations	-10,877	24,425	6,792	646	0	20,986
New schemes (Appendix C)	0	0	0	0	4,040	4,040
Revised Capital Programme	53,669	86,962	25,698	5,162	4,040	175,531
Assumed Further Slippage (for financing purposes)	-3,500	-10,000	5,000	5,000	3,500	0
Assumed New Schemes (to be agreed in future years)	0	0	0	2,500	2,500	5,000
	-3,500	-10,000	5,000	7,500	6,000	5,000
Total revised expenditure to be financed	50,169	76,962	30,698	12,662	10,040	180,531
Rounded to financing statement (Appendix D)	50,170	76,960	30,700	12,660	10,040	180,530

3.2 Variations approved at subsequent Executive meetings (£11,800k net increase)

3.2.1 On 12th December 2016, Council agreed the addition of a scheme totalling £11.8m to the capital programme for the investment in planned highway maintenance, to be funded from capital receipts. This scheme will reduce the need for reactive maintenance to the Council's highway assets (e.g. fixing potholes etc.) and should improve value for money and customer satisfaction, and reduce unplanned disruption and insurance claims for damages. The scheme will also enable revenue savings of £2.5m per annum to be made for a period of five years from 2017/18.

3.3 Variations requiring the approval of the Executive (£20,986k net increase)

3.3.1 Transport for London (TfL) – Revised support for Highways and Traffic Schemes (£3k reduction 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 reduction of £3k in the 2016/17 grant has been received from TfL. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3.2 Formula Devolved Capital (£446k reduction):

The Formula Devolved Capital scheme is funded by a grant from the Department for Education, which is passed straight on to Council maintained schools. The grant has reduced as schools have converted to academy status, and members are asked to agree a total reduction of £446k to reflect the revised funding.

3.3.3 Property Investment Fund (£14,539k increase in 2016/17):

In November 2016 Members approved reports which considered Growth Fund Acquisition of Properties. This includes the purchase of 63 The Walnuts in Orpington which was completed in December, and a further purchase for which contracts have been exchanged and is anticipated to be completed in March 2017. Members are asked to agree an increase of £14,539k to the Property Investment Fund capital scheme for these two acquisitions, which will be funded from the Growth Fund.

3.3.4 Basic Need Programme (£6,896k increase in 2018/19):

In the Basic Need Capital Programme Report approved by the Executive on 23rd March 2016, main works at Castlecombe Primary School were included as a Project in Delivery (Unfunded). The Council has now received additional Basic Need Capital Grant for the period 2018-19 of £6,896k from the DfE and is now in a position to fund these works. Members are asked to agree the addition of this amount to the Basic Need capital scheme, and note that an updated Basic Need Capital Programme is due to be reported to the next meeting of the Executive.

3.4 Scheme Rephasing

3.4.1 As part of the 3rd quarter monitoring exercise, a total of £25,279k has been re-phased from 2016/17 into future years to reflect revised estimates of when expenditure is likely to be incurred. The majority (£24,529k) has been rephased into 17/18, and is mainly due to £15,163k relating to the Property Investment Fund Scheme. There are no intentions of further property purchases within this financial year, following the purchase of 63 The Walnuts which was completed in December 2016, and a further property for which contracts have been exchanged and is expected to complete by the end of March 2017.

3.4.2 Other schemes rephased into next financial year include LIP formula funding (£1,024k) which is 100% TFL funded, based on Borough Spending Plan submission to TfL and which will only proceed if 100% funding is agreed by TfL. The Capital Programme will be adjusted to reflect revised TfL approvals as these are received. The following amounts have also all been rephased into 2017/18: SharePoint Productivity Platform upgrade/replacement (£800k), Penge Town Centre (£681k), Beckenham Town Centre Improvements (£643k), and Basic Needs (£600k). In addition, £750k has been rephased into 19/20 relating to the Civic Centre

Development Strategy scheme. This has no overall impact on the total approved estimate for the capital programme. Further details and comments are provided in Appendix B.

- 3.4.3 There are a small number of schemes which, from a simple comparison of the projections for 2016/17 against expenditure to date, would suggest that further slippage may occur by year end. Below are the schemes with the largest potential variations, and comments from the responsible officers:

Land Acquisition - Cornwall Drive: Following the completion of the purchase of the site in September 2016, works began on clearing the previous Waste4Fuel site in early November 2016. To date a total of 16,200 tons has been cleared from the site and it is expected to be fully cleared by mid-March 2017 at the current rate of operation, barring unforeseen circumstances. However, there are current operational issues that relate to the quality of the post recycled waste residues (known as 'fines') that may need to be treated as contaminated waste depending on the results of tests currently being undertaken. The amount of residual waste on the site is also under discussion and awaits further physical analysis to quantify the remaining waste.

TfL LIP Schemes: The construction of a number of highway schemes is only just starting, including the congestion and public realm scheme in Penge High Street, safety schemes in Copers Cope Road, Beckenham and Warren Road/Windsor Drive, Chelsfield and the new footpath in Norman Park. A substantial part of these schemes will be completed by the end of March 2017.

- 3.4.4 In view of the variations that have arisen in recent years, further slippage of £3.5m has been assumed for the remainder of 2016/17 for financing purposes to cover unforeseen delays to capital schemes.

3.5 Annual Capital Review – new scheme proposals

- 3.5.1 In recent years, the Council has steadily scaled down new capital expenditure plans and have transferred all of the rolling maintenance programmes to the revenue budget. General (un-earmarked) reserves, established from the disposal of housing stock and the Glades Site, have been gradually spent and have fallen from £131m in 1997 to £49.6m (including unapplied capital receipts) as at 31st March 2016. The Council's asset disposal programme has diminished and any new capital spending will effectively have to be met from the Council's remaining revenue reserves.

- 3.5.2 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment. Apart from the regular annual capital bids (TfL-funded Highway and Traffic schemes and Feasibility Studies) summarised in Appendix C, no additional bids were submitted. Apart from the budget for feasibility studies (£40k) the bids in this report will not require funding from Council resources. 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.

3.6 Capital Receipts

- 3.6.1 Details of the receipts forecast in the years 2016/17 to 2019/20 are included elsewhere on the agenda in a confidential appendix to this report (Appendix F). The latest estimate for 2016/17 has reduced slightly to £4.7m from £4.9m as reported in November 2016. Estimates for 2017/18, 2018/19 and 2019/20 are now £11.4m, £1.0m and £16.0m respectively (£11.1m, £1.0m and £16.0m were reported in November 2016). A total of £1m per annum is assumed for receipts yet to be identified in later years. The financing and balances projections shown in Appendix D reflect prudent assumptions for capital receipts.

3.7 Financing the Proposed Capital Programme

3.7.1 The following table summarises the estimated impact on balances of the revised programme and revised capital receipt projections, which reflect prudent assumptions on the level and timing of disposals. Total balances would reduce from £49.6m (General Fund £20.0m and capital receipts £29.6m) at the end of 2015/16 to £32.0m by the end of 2019/20 and would then reduce further to £23.3m by the end of 2023/24.

	Balance 1/4/16	Estimated Balance 31/3/20	Estimated Balance 31/3/24
	£m	£m	£m
General Fund	20.0	14.6	14.6
Capital Receipts	29.6	17.4	8.7
	49.6	32.0	23.3

3.7.2 A summary of how the capital programme will be financed is shown in the table below with further detail provided in Appendix D.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Total Capital Expenditure	50,170	76,960	30,700	12,660	10,040	180,530
Financed by:						
Usable Receipts	16,271	7,370	19,542	8,398	5,940	57,521
Revenue Contributions	10,043	19,870	100	100	100	30,213
Government Grants	8,935	36,578	7,058	162	0	52,733
Other Contributions	14,921	13,142	4,000	4,000	4,000	40,063
Total	50,170	76,960	30,700	12,660	10,040	180,530

3.8 Section 106 Receipts

3.8.1 In addition to capital receipts from asset disposals, the Council is holding a number of Section 106 contributions received from developers. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. These receipts are held as a receipt in advance on the Council's Balance Sheet, the balance of which stands at £8,026k as at 31st December 2016 as shown in the table below, and will be used to finance capital expenditure from 2016/17 onwards:

Specified capital works	Balance 31/03/16	Receipts 2016/17	Expenditure 2016/17	Balance 31/12/16
	£000	£000	£000	£000
Housing	5,181	233	636	4,778
Education	2,801	259	-	3,060
Highways	81	1	-	82
Local Economy	0	106	-	106
Total	8,063	599	636	8,026

3.8.2 The Council's budgets are limited and, where a developer contribution (S106) can be secured, this will be required as a contribution towards projects, notwithstanding any other allocation of resources contained in the Council's spending plans.

3.9 Investment Fund and Growth Fund

3.9.1 To date, total funding of £124.1m has been placed in the Investment Fund and Growth Fund earmarked reserves to contribute towards the Council's economic development and investment opportunities. In November 2014, £10m was set aside in the Growth Fund to support growth initiatives in Biggin Hill, the Cray Valley and Bromley Town Centre. Council approved additional allocations of £6.5m in December 2015, £6m in March 2016 and £7m in June 2016 to the Growth Fund.

3.9.2 Appendix E provides a detailed analysis of the Funds dating back to their inception in September 2011. A total of £76.5m has been spent to date, and schemes totalling £101.6m have been approved (£76.7m on Investment Fund, and £24.9m on Growth Fund). The uncommitted balance as at January 2017 stands at £17.9m for the Investment Fund and £4.6m for the Growth Fund.

3.10 Post-Completion Reports

3.10.1 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports are due to be submitted to the relevant PDS Committees for the following schemes:

- Increasing Network Security
- Civic Centre Cabling Renewal
- Civic Centre for the future
- Joint Web Platform
- Server Virtualisation
- Financial systems upgrade/replacement of unsupported software
- Office Accommodation Strategy
- Pavilion Leisure centre redevelopment & refurbishment
- Central Library/Churchill Theatre – replacement of chillers and control

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 are contained in the main body of the report and in the appendices. Attached as Appendix D is a capital financing statement, which gives a long-term indication of how the revised Programme would be financed if all the proposed changes were approved and if all the planned receipts were achieved. The financing projections continue to estimate that no General Fund support to the revenue budget will be required in future years. They assume approval of the revised capital programme recommended in this report, together with an estimated £2.5m per annum for new capital schemes and service developments from 2019/20 onwards.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 30/11/16). List of potential capital receipts from Valuation & Estates as at 17/01/17. Disposal of Small Halls Site, York Rise, Orpington (Executive 11/01/17) Highway Investment (Executive 29/09/16) Growth Fund Acquisition of Properties (Executive 01/11/16)

CAPITAL PROGRAMME MONITORING - FEB 2017 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL 2016/17 to 2020/21 £000	Comments/reason for variation
Current Approved Capital Programme								
Programme approved in Qtr2 monitoring	Exec 30/11/16	64,046	56,537	13,606	4,516	0	138,705	
Highway Investment	Council 12/12/16	500	6,000	5,300	0	0	11,800	See paragraph 3.2.1
Approved Programme prior to 3rd Quarter's Monitoring		64,546	62,537	18,906	4,516	0	150,505	
Variations in the estimated cost of approved schemes								
(i) Variations requiring the approval of the Executive/Council								
Reduction in TFL funding for Highways & Traffic schemes		-3	0	0	0	0	-3	See paragraph 3.3.1
Reduction in Formula Devolved Capital		-134	-104	-104	-104	0	-446	See paragraph 3.3.2
Property Acquisitions	Exec 01/11/16	14,539	0	0	0	0	14,539	See paragraph 3.3.3
Basic Need Programme		0	0	6,896	0	0	6,896	See paragraph 3.3.4
		14,402	-104	6,792	-104	0	20,986	
(ii) Variations not requiring approval								
Net repasing from 2016/17 into future years		-25,279	24,529	0	750	0	0	See section 3.4 and Appendix B
		-25,279	24,529	0	750	0	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		-10,877	24,425	6,792	646	0	20,986	
Add: Proposed new schemes (see Appendix C)		0	0	0	0	4,040	4,040	See section 3.5
		0	0	0	0	4,040	4,040	
TOTAL REVISED CAPITAL PROGRAMME		53,669	86,962	25,698	5,162	4,040	175,531	
Less: Further slippage projection		-3,500	-10,000	5,000	5,000	3,500	0	
Add: Estimate for further new schemes								
TOTAL TO BE FINANCED		50,169	76,962	30,698	12,662	10,040	180,531	
NB. ROUNDED		50,170	76,960	30,700	12,660	10,040	180,530	

CAPITAL PROGRAMME MONITORING - FEB 2017 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPHASING

Variations on individual schemes	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000	Comments/reason for variation
Rephasing of schemes						
Primary Capital Programme 2.7	-117	117	0	0	0	Scheme completed. Awaiting outstanding final payment for consultancy cost, and other legal issues. Once all outstanding invoices are paid, any funding that may remain can be returned to Basic Need as allocations were made from this funding source to underpin this scheme.
Seed Challenge Fund	-400	400	0	0	0	£100k additional allocation from DfE as reported in Executive 18/05/16. 16/17 Seed programme was rephased to 17/18 in Qtr 1 monitoring as works have not been allocated yet and it will be subject to approval of Education PDS. Works are managed by Schools and it is anticipated to be spent in FY17/18. £400k has been rephased into 17/18.
Schools Access Initiative	-25	25	0	0	0	Officers are exploring options for expanding number of places of hygiene room in schools. Works at Charles Darwin and Valley schools have completed. Works at Tubbenden and Crofton will be carried out in the next FY. As part of the savings required to balance the 16/17 Schools Budget (DSG), the Direct Revenue Financing for Schools Access Initiative has been ceased. (Executive 20/07/16). £25k has been rephased into FY17/18.
Security Works	-130	130	0	0	0	Ad hoc security works for schools. Works at Burwood (Fencing & Maglock), Oakland and Worsley Bridge are completed. Works at Churchfield are currently in planning permission stage, and £12k expenditure is expected around Feb 17. £130k has been rephased into 17/18.
Children and Family Centres	-50	50	0	0	0	Works are managed by Operational Property. It is anticipated that the works will be completed soon. Retention cost are expected. £50k has been rephased into 17/18.
Suitability / Modernisation issues in schools - general 2.2	-400	400	0	0	0	£350k additional allocation from DfE as report in Executive 18/05/16. The funding will be used to Health and Safety works at school (in discussion with the Commissioning Board). Works are anticipated to be carried out in FY17/18. £400k has been rephased into 17/18.
Capital maintenance in schools	-265	265	0	0	0	£458k additional allocation from DfE as reported to Executive 18/05/16. Works are managed by Operational Property (Amev). One project, Bromley Road Primary School has not been completed, although an order has been placed and the work will be carried out in April. The amount is approximately £115k and this has been rephased 2017/18. Health & Safety works (including kitchen shutters) were completed last summer. The remaining balance relates to retention and service contract (2 years) for which £150k has been rephased into 2017/18. It is estimated that a total of £6.5m works will be completed by 16/17. A full detailed report on the various projects within the Basic Need Programme was reported to Executive on 23rd March 16. This includes works at Trinity (started in Oct 16), Castlecoomb (work to start around Feb 17), Bishop Justus (to be completed by Easter), Edgebury (to be completed in Feb 16), Poverest (to start in Easter), Stewart Fleming (1st phase has started in Dec 16), and Leasons (to start in Easter), St George (started in Dec 16). It is anticipated that around £2.3m expenditure will be incurred between Jan 17 and Mar 17 which includes: approximately £350k for work on Bishop Justus in March, £150k remainder of work at Trinity, also temporary classrooms at Castlecoomb. £600k has been rephased into 17/18.
Basic Need	-600	600	0	0	0	It is anticipated that the works will be completed soon. £15k has been rephased into FY17/18.
Universal free school meals	-15	15	0	0	0	Further additions £558k in the Early Education for Two Year Olds scheme; £150k contribution from revenue (DSG), and £186k for the London Childcare Grant (Approved in Executive 26/11/14). Works in development at Poverest, Leasons School now have planning permission, Southborough pre-school completed and now in defect process. Works completed at Blenheim Nursery and Community Vision nursery. The proposed work at Poverest and Leasons are both now coming to the end of the tender process. It is now expected that the works at both sites will start in April 2017. £361k has been rephased into the next financial year. The Poverest project is a large one and it is expected to come in around £400k. It is expected that all works will be completed by September 2017.
Early Education for Two Year Olds	-361	361	0	0	0	£3m of DSG and remaining balance £0.577m from Basic Need. Details of expenditure were reported to Executive on 09/09/15. Additional allocation from Basic Need. Project currently on time and within budget. Scheme completed and Defects Liability Period to run for 12 months to Sep 17, so £30k has been rephased to 17/18.
Beacon House Refurbishment	-30	30	0	0	0	Re-instated - approved by Executive 2/12/15. A payment of £160k was made to NHS. Remaining balance is not anticipated to be spent in FY16/17 and has been rephased to 17/18.
Phoenix Centre	-40	40	0	0	0	The Department for Health capital is for uses associated with the reposition of NHS Campus clients to the community, and projects relating to the closure of the Bassetts site. Approximately £850k has been identified for alternative day service provision following the closure of the Bassetts Day Centre. LD Day activities have been market tested and have now been transferred to an external provider tasked with the running and modernisation of services. The new provider is now progressing service modernisation which may require an element of capital investment. Proposals are now being drawn up with any resulting capital expenditure potentially starting in 17/18. Officers still await the final invoice for the retained snagging amount at 118 Widmore Road which will be approximately £20k. The NHS are entitled to request the return of the remaining capital sum. £200k has been rephased to 17/18.
PCT Learning Disability reposition programme - Walpole Road	-200	200	0	0	0	This funding is made available to support reform of adult social care services. To date, these have been funded by the Council. As the new legislation for adult social care becomes clearer it is likely that this funding will be used to support the changes required. It is unlikely that spend would occur in FY16/17, so £100k has been rephased to 17/18.
Mental health grant	-100	100	0	0	0	This funding is available for specialist equipment/adaptations in extra care housing to enable schemes to support people with dementia or severe physical disabilities. Consideration is being given to the potential for additional telecare in ECH. It is unlikely that spend would occur in FY16/17 and £13k has been rephased to 17/18.
Supporting Independence - Extra Care Housing	-13	13	0	0	0	The remaining balance is to undertake work supporting mobile working in Adult Social Care. It is anticipated that the remaining work totalling £11k will be carried out in FY17/18 and has therefore been rephased.
Transforming Social care	-11	11	0	0	0	

Gateway Review of Housing I.T System	-183	183	0	0	0	0	Evaluation is currently under way of the bids received. This will be concluded to appoint a new provider by year end in line with the project plan. Implementation will commence from April 2017, and £183k has been rephased to 17/18.
Payment in Lieu Fund - Properties Acquisitions	-94	94	0	0	0	0	The remaining funds relate to work required post lettings during the term of the tenancies. There may be a small spend this year of £5k but it is anticipated that the rest is unlikely to be spent until next financial year and £94k has been rephased.
Payment in Lieu Fund - Site K London private sector renewal schemes	-67 -70	67 70	0	0	0	0	Further delays have been incurred with the build and final completion is now due in March 2018. £67k has been rephased to 17/18. Officers anticipate spend of approximately £130k in FY16/17; the remaining £70k has been rephased to 17/18.
Empty Homes Programme	-113	113	0	0	0	0	Spend is being targeted on long term empty property as per the funders criteria; take up is slow, but consistent. Revised correspondence drawn up and being given to every owner of empty property with their Council Tax revised bill to increase awareness of the assistance available. It is anticipated that spend will fall in next financial year, so £113k has been rephased into 17/18.
Renovation Grants - Disabled Facilities	-180	180	0	0	0	0	In line with previous years, it was estimated that total value of £820k would be spent in this FY. Spend on mandatory DFGs has been substantially reduced since a significant reorganisation of the OT service in 2012. This has impacted on the major adaptations team ability to progress all cases and resulted in waiting lists for assessment. Last financial year a private OT agency was employed to process 50 cases from the waiting list, which resulted in numbers and spend in line with pre 2012 levels. A paper proposing major changes to assisting disabled clients with financial assistance will be considered by the portfolio holder shortly to improve throughput, and £180k has been rephased into 17/18.
Star Lane Traveller Site	-192	192	0	0	0	0	The property division have now commenced this project and they anticipate work will be completed in 16/17. The work is to replace much of the water supply to meet minimum regulatory standards. Officers are due to discuss when these works will be undertaken following the handover to Amey, and this has been raised as a priority. Given work has not yet started, and discussions with property are ongoing, it is unlikely that budget will be spent this financial year, so £192k has been rephased into 17/18.
CC/TV Control room - refurbishment	-33	33	0	0	0	0	There were minor delays due to slight changes on the specification. One of the lower cost options was adopted by Parking, and Vemotion costs was slightly lower than expected. The Parking scheme has not yet received authorisation from the Secretary of State for the TCF (Technical Content File), and the system will not go live until this has been agreed. Officers are not prepared to complete and accept hand over until problems have been rectified. 90%+ of project is complete. The remainder of the funds will not be released until after the live transfer. It is anticipated that the total cost of project will be £307k and once all the outstanding works have been completed, the remaining residual balance will be removed from the programme. This will be reviewed in first quarter of next financial year. £33k has been rephased to 17/18.
Relocation of Exhibitions - Bromley Museum	-40	40	0	0	0	0	Approved by Executive 10/06/15 - £395k allocation from capital receipts for the relocation of exhibitions from Priory, Orpington to Central Library. The exhibitions were installed in August 2016 (local studies space) and September 2016 (library space). £40k has been rephased to 17/18.
Biggin Hill Memorial Museum	-85	85	0	0	0	0	Approved 02/12/15. We anticipate £418k of works to be complete in 16/17. This includes £44k salary costs which will be recharged at year end. £85k has been rephased into 17/18.
Emergency Works on Surplus Sites	-68	68	0	0	0	0	(Block Capital) Essential to maximise capital receipts. £8k was carried forward from 15/16 to 16/17 as agreed by Executive 15/06/16 to prepare surplus sites for disposal and to cover any emergency works. The Priory/Orpington Library (listed building) is likely to require some works to maintain/secure it prior to disposal. £68k has been rephased to 17/18.
Review of Corporate Customer Services I.T Systems	-100	100	0	0	0	0	£100k Approved by Executive 10/02/16, further £176k approved by Executive 14/09/16. Officers have now secured technical resources to implement the work and upgrade of the systems. It is anticipated the project will conclude Summer/Autumn 2017; £100k has been rephased into next financial year.
Upgrade of Core Network Hardware	-112	112	0	0	0	0	The additional hardware has been purchased and is being configured to meet the needs of London Public Service Network, Direct access, Citrix and reverse proxy application servers. Due to changes on the service provider, we do not anticipate the project to be complete in this financial year, as several other projects will have to be completed first. It is taking longer than anticipated to migrate; £112k has been rephased into 17/18.
Replacement of Storage Area Networks	-291	291	0	0	0	0	The major SAN replacement project was previously postponed due to conflicts with other major projects. Various work streams are now working parallel in together (undertaken by BT), and the data migration stage is currently underway. It is anticipated approximately £118k of works will be completed in this FY, and £291k has been rephased into 17/18.
Rollout of Windows 7 and Office 2000	-100	100	0	0	0	0	Executive 15/07/15 approved £43k virement between Financial system upgrade and Window & rollout - Work is progressing and has been re-baselined. There has been a new plan for the rollout due to the problems experienced at other councils. We are at the final stage of the scheme. The 'core' project finished however there are few minor outstanding works such as application package which will not be completed until data migration is completed. Improvement and enhancement work is anticipated to be carried out next FY; £100k has therefore been rephased into 17/18.
Replacement of MD110 telephone switch	-190	190	0	0	0	0	The bulk of the works (including MD110, Lync and call recording) are completed. Minor outstanding works include finalising the move to the new provider. £190k has been rephased.
SharePoint Productivity Platform upgrade/replacement	-800	800	0	0	0	0	The project is slowly progressing. The workshop has taken longer than anticipated. Officers are working closely with the contractors in resolving these issues. There were also delays on the specification. A clear picture of the anticipated spend will be available once the tender exercise has been completed. However, it is unlikely that all the works will be completed in this FY, so £800k has been rephased into 17/18.
Windows Server 2003 replacement program	-300	300	0	0	0	0	Approved by Executive 11/02/15. This scheme is linked with various other schemes including Replacement of Storage Area Networks and Upgrade of Core Network Hardware. We are in the process of updating / replacing around 230 servers with approximately 70 remaining. We anticipate the works to be completed by late spring 17, in compliance with the PSN (Public Service Network) and PCI (Payment Card Industry) requirement.
Mobile technology to support children's social workers	-32	32	0	0	0	0	Officers are unable to progress the mobile working plans and expenditure until data protection issues are resolved. Evaluation of the laptop pilot in CSC will enable officers to plan and spend the remainder of this grant in 2017/18; so £32k has been rephased.

Performance Management/Children's Services - information technology	-164	164	0	0	0	The Care First upgrade to Eclipse is in progress. All capital funding will be needed for identified expenditure. It is estimated a maximum of £155k will be spent for remainder of 16/17; £164k has been rephased into 17/18.
Penge Town Centre	-681	681	0	0	0	The New Homes Bonus funded project consisting of public realm improvements, Shopfront improvements, Business Support, and Wayfinding. The scheme is to be implemented alongside planned TfL bus route and carriageway improvements. It would not be practical to implement the public realm scheme until these improvements are finalised. The bulk of the capital spend will take place early 17/18 once the TfL works have commenced. The New Homes Bonus Funding agreement concludes in Mar 18.
Orpington Town Centre - Walnut Centre & New Market infrastructure	-355	355	0	0	0	High Street Fund and New Homes Bonus funded project to enhance the pedestrian experience of the prime shopping areas to increase footfall. This includes paving, lighting, treatment for trees, new street furniture, and new market infrastructure. Approximately £200k will be spent in 16/17 as part of the High Street Fund and the remaining £355k scheduled to be spent in 17/18. The New Homes Bonus Funding agreement concludes in Mar 18.
Beckenham Town Centre improvements	-643	643	0	0	0	Design and Development for TfL Major Improvement Initiative. Final design and implementation costs funded by TfL. The rephasing of capital is required because TfL delayed confirmation of award and as a result the implementation of the programme is subject to slippage. Adjusted 16/17 budget to match TfL portal funding.
Property Investment Fund	-15,163	15,163	0	0	0	An additional £15m funding from capital receipts was approved by Executive on 11/02/15 for future acquisitions. No further purchases are expected for the remainder of FY16/17, and £163k commitments from previous purchases are outstanding, so the balance of £15,163k has been rephased into 17/18.
Civic Centre Development Strategy	-750	0	0	750	0	Approved by Council 04/07/16. The project will be delivered through the TFM Contract which commences on 1 October 2016. LBB Client team and Amey Community Ltd are agreeing delivery team arrangements.
Maintenance	-215	215	0	0	0	100% TfL funding, based on Borough Spending Plan submission to TfL and will only proceed if 100% funding is agreed by TfL. The Capital Programme will be adjusted to reflect revised TfL approvals as these are received.
LIP Formula Funding	-1,024	1,024	0	0	0	100% TfL funding, based on Borough Spending Plan submission to TfL and will only proceed if 100% funding is agreed by TfL. The Capital Programme will be adjusted to reflect revised TfL approvals as these are received.
Bus Stop Improvement works	-94	94	0	0	0	100% TfL funding, based on Borough Spending Plan submission to TfL and will only proceed if 100% funding is agreed by TfL. The Capital Programme will be adjusted to reflect revised TfL approvals as these are received.
Carbon Management Programme	-383	383	0	0	0	Remaining projects which repayment are being made includes SON SL project and MSCP LED project. Officers are currently reviewing potential projects which includes lighting in Stockwell Blocks and other Street Lighting projects. It is not anticipated that £383k will be spent within FY16/17 and has been rephased to 17/18.
TOTAL REPHASING ADJUSTMENTS	-25,279	24,529	0	750	0	

CAPITAL PROGRAMME REVIEW 2016 - RECOMMENDED TO EXECUTIVE 08/02/17

Capital Scheme/Project	Priority	TOTAL £000's	17/18 £000's	18/19 £000's	19/20 £000's	20/21 £000's	Revenue effect		Comments
							Running £000's	Financing £000's	
Transport for London (Highways and Traffic Schemes)	HIGH	4,000			4,000		0	0	0 Further Highways and Traffic schemes to be fully funded by TfL on the basis of the bid in the Borough Spending Plan (BSP). The Capital Programme currently includes estimates for 2016/17 to 2019/20 and these will all be adjusted to reflect any subsequent changes in approvals/allocations.
Feasibility studies - block provisions	HIGH	40			40		0	0	1 Provision for 16/17 - 19/20 already in Capital Programme to fund feasibility works in respect of potential new schemes.
GRAND TOTAL NEW CAPITAL BIDS		4,040	0	0	0	4,040	0	0	1

COST TO THE COUNCIL (LBB RESOURCES)					
	17/18 £000's	18/19 £000's	19/20 £000's	20/21 £000's	TOTAL £000's
Grand total new bids above	0	0	0	4,040	4,040
<u>External funding for new bids</u>					
Transport for London (Highway Schemes)	0	0	0	-4,000	-4,000
Funding from Council's resources	0	0	0	40	40

100% TFL funding

CAPITAL FINANCING STATEMENT - EXECUTIVE 08/02/17 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<u>Summary Financing Statement</u>								
Capital Grants	8,935	36,578	7,058	162	0	0	0	0
Other external contributions	14,921	13,142	4,000	4,000	4,000	4,000	4,000	4,000
Usable Capital Receipts	16,271	7,370	19,542	8,398	5,940	2,900	2,900	2,900
Revenue Contributions	10,043	19,870	100	100	100	100	100	100
General Fund	0	0	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0	0	0
Total expenditure	50,170	76,960	30,700	12,660	10,040	7,000	7,000	7,000
<u>Usable Capital Receipts</u>								
Balance brought forward	29,583	21,510	25,635	7,173	17,355	12,415	10,515	10,615
New usable receipts	8,198	11,495	1,080	18,580	1,000	1,000	3,000	1,000
Capital Financing	37,781	33,005	26,715	25,753	18,355	13,415	13,515	11,615
	-16,271	-7,370	-19,542	-8,398	-5,940	-2,900	-2,900	-2,900
Balance carried forward	21,510	25,635	7,173	17,355	12,415	10,515	10,615	8,715
<u>General Fund</u>								
Balance brought forward	20,000	14,631	14,631	14,631	14,631	14,631	14,631	14,631
Less: Capital Financing	0	0	0	0	0	0	0	0
Less: Use for Revenue Budget	-5,369	0	0	0	0	0	0	0
Balance carried forward	14,631	14,631	14,631	14,631	14,631	14,631	14,631	14,631
TOTAL AVAILABLE RESERVES	36,141	40,266	21,804	31,986	27,046	25,146	25,246	23,346
Assumptions:								
GF contribution to support capital programme not required in any year.								
New capital schemes - £2.5m p.a. from 2019/20 for future new schemes.								
Capital receipts - includes figures reported by Property Division as at 17/01/17 (including Tweedy Road & Town Hall) and £1m pa from 2017/18.								
Current approved programme - as recommended to Executive 08/02/17								

APPENDIX E - INVESTMENT FUND & GROWTH FUND

INVESTMENT FUND & GROWTH FUND - 23rd JAN 2017

Investment Fund	£'000
Revenue Funding:	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,482
	<hr/>
	78,408
Capital Funding*:	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 10th February 2016 (sale of Egerton Lodge)	1,216
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	16,216
Total Funding Approved:	<hr/>
	94,624
Total spend to 23rd January 2017	Cr 72,671
Schemes Approved and Committed	
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 990
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 110
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 135
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 1,800
Approved by Executive 11th January 2017 (Disposal of Small Halls site, York Rise)	Cr 46
Valuation for 1 Westmoreland Rd	Cr 5
Valuation for Biggin Hill - West Camp	Cr 10
Growth Fund Study	Cr 170
Crystal Park Development work	Cr 200
Civic Centre for the future	Cr 50
Strategic Property cost	Cr 258
Total further spending approvals	Cr 4,044
Uncommitted Balance on Investment Fund	17,909
*Executive have approved the use of specific and general capital receipts to supplement the Investment Fund	
Growth Fund:	
£'000	
Funding:	
Approved by Executive 26th November 2014 (Transfer from Investment Fund)	10,000
Approved by Executive 2nd December 2015	6,500
Approved by Executive 23rd March 2016	6,000
Approved by Executive 15th June 2016	7,024
Total funding approved	<hr/>
	29,524
Total spend to 23rd January 2017	Cr 3,829
Schemes Approved and Committed	
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr 2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr 200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employment Review)	Cr 180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr 50
Approved by Executive 20th Jul 2016 (BID - Penge & Beckenham)	Cr 110
Approved by Executive 1st Nov 2016 (see para 3.3.3)	Cr 10,705
Approved by Executive 1st Nov 2016 (63 The Walnuts)	Cr 46
Renewal Team Cost	Cr 269
Total further spending approvals	Cr 14,260
Schemes Approved, but not committed	
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr 6,790
Uncommitted Balance on Growth Fund	4,645