

**Decision Maker:** EDUCATION PORTFOLIO HOLDER

**Date:** For Pre-decision Scrutiny by the Education Budget Sub-committee on 31<sup>st</sup> January 2017

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** CAPITAL PROGRAMME MONITORING - 2<sup>ND</sup> QUARTER 2016/17

**Contact Officer:** James Mullender, Principal Accountant  
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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

On 30<sup>th</sup> November 2016, Executive received the 2<sup>nd</sup> quarterly capital monitoring report for 2016/17 and agreed a revised Capital Programme for the four year period 2016/17 to 2019/20. This report highlights changes agreed by Executive in respect of the Capital Programme for the Education Portfolio. The revised programme for this portfolio is set out in Appendix A. Detailed comments on scheme progress as at the end of the 2<sup>nd</sup> quarter of 2016/17 are shown in Appendix B.

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2. RECOMMENDATION(S)

2.1 The Portfolio Holder is asked to:

- a) note and confirm the changes to the capital programme agreed by Executive on 30<sup>th</sup> November 2016; and
- b) note the additional £6.9m Basic Need Capital Grant received by the Council for the period 2018/19.

## 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 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 £259k over the 4 years 2016/17 to 2019/20
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £49.7m for the Education Portfolio over four years 2016/17 to 2019/20
  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 Executive on 30<sup>th</sup> November 2016

3.1 A revised Capital Programme was approved by Executive in November 2016, following a detailed monitoring exercise carried out after the 2<sup>nd</sup> quarter of 2016/17. The base position was the revised programme approved by the Executive on 20<sup>th</sup> July 2016, 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 and 3.3. The revised Programme for the Education Portfolio is attached as Appendix A. Appendix B shows actual spend against budget in the second quarter of 2016/17, together with detailed comments on individual schemes.

	2016/17	2017/18	2018/19	2019/20	TOTAL 2016/17 to 2019/20
	£000	£000	£000	£000	£000
Programme approved by Executive 20/07/16	21,632	27,283	276	276	49,467
Approved Programme prior to Q2 Monitoring	21,632	27,283	276	276	49,467
<u>Variations approved by Executive 30/11/16</u>					
Section 106 receipts (see para 3.2)	259	0	0	0	259
Schemes rephased from 16/17 into 17/18 (see para 3.3)	-3,257	3,257	0	0	0
Total Amendment to the Capital Programme	-2,998	3,257	0	0	259
<b>Revised Education Capital Programme</b>	<b>18,634</b>	<b>30,540</b>	<b>276</b>	<b>276</b>	<b>49,726</b>

#### 3.2 Section 106 receipts from developers (uncommitted balance) (£259k increase in 2016/17):

In July 2015, Executive agreed that the Capital Programme budget should reflect the total of S106 receipts available to fund expenditure. In November 2016 Executive agreed an increase of £259k in the Capital Programme budget for Section 106 to match the total funding available (from a balance of £2,801k in the July Executive report to £3,060k in the November Executive report). The approved S106 budgets for the Education Capital Programme are illustrated in the table below. An update on the Basic Need Programme is being prepared for Executive that will allocate the uncommitted Section 106 balance for Education.

	Total Approved S106 Budget £000	Actuals up to FY15/16 £000	Budget FY16/17 £000
Basic Need	706	456	250
Uncommitted balance (as at November 2016)	2,810	0	2,810
<b>Education Total</b>	<b>3,516</b>	<b>456</b>	<b>3,060</b>

#### 3.3 Schemes re-phased from 2016/17 into 2017/18:

As part of the 2<sup>nd</sup> quarter monitoring exercise, £3,257k has been re-phased from 2016/17 into 2017/18 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.

<b>Capital Expenditure – Re-phasing in Q2 monitoring</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Basic Need	-2,888	2,888
School Access Initiative	-103	103
Early Education for Two Year Olds	-96	96
Glebe School Expansion	-120	120
Security Works	-50	50
<b>Total Education Programme re-phasing</b>	<b>-3,257</b>	<b>3,257</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 re-phasing/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; however a number of schemes are coming to the end of the defects phase and will be reported to this Committee in due course. This quarterly report will monitor the future position and will highlight any further reports required.

## Basic Need Capital Grant

- 3.8 The Government has announced Bromley's allocation of £6,895,846 Basic Need Capital Grant to cover the period 2018/19. This brings the total Basic Need Capital Grant received by the Council for the period 2011-19 to £77,773,224.

## 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 Executive on 30<sup>th</sup> November 2016. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 20/07/16) Q2 monitoring report (Executive 30/11/16)