

Decision Maker: RENEWAL & RECREATION PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Renewal & Recreation PDS Committee on 5th April 2017

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2016/17 AND ANNUAL CAPITAL REVIEW 2017 TO 2021

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1 On 8th February 2017, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2016/17 and presenting for approval the new capital schemes in the annual capital review process. The Executive agreed a revised Capital Programme for the five year period 2016/17 to 2020/21. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Renewal and Recreation Portfolio. The programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are included at Appendix B.

2. RECOMMENDATION(S)

- 2.1 The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 8th February 2017.

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. 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: £10k increase over the 5 years 2016/17 to 2020/21 (see para 3.3)
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £6.9m for the Renewal and Recreation Portfolio over five 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: Not 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

3.1 A revised Capital Programme was approved by the Executive on 8th February 2017, following a detailed monitoring exercise carried out after the 3rd quarter of 2016/17. The Executive also considered and approved new capital schemes in the annual capital review process. This report identifies changes relating to the Renewal and Recreation Portfolio and the table in paragraph 3.2 summarises the overall position following the Executive meeting.

Capital Monitoring - agreed by the Executive on 8th February 2017

3.2 The base position prior to the 3rd quarter's monitoring exercise was the revised programme approved by the Executive on 30th November 2016, as amended by variations approved at subsequent Executive meetings. Changes to the Renewal and Recreation Portfolio approved by the Executive in February are shown in the table below.

	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL 2016/17 to 2020/21
	£000	£000	£000	£000	£000	£000
Programme approved by Executive 30/11/16	3,431	3,425	10	10	0	6,876
<u>Variations approved by Executive 08/02/17</u>						
Schemes rephased from 2016/17 into 2017/18 (see para 3.3)	-1,161	1,161	0	0	0	0
Total Q3 Monitoring variations	-1,161	1,161	0	0	0	0
New scheme (see para 3.5)	0	0	0	0	10	10
Total R&R Programme approved by Executive 08/02/17	2,270	4,586	10	10	10	6,886

3.3 Schemes rephased from 2016/17 into 2017/18

As part of the 3rd quarter monitoring exercise, a total of £1,161k has been rephased from 2016/17 into 2017/18 to reflect revised estimates of when expenditure on Renewal and Recreation schemes is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details and comments are provided in Appendix B.

Capital Expenditure – Rephasing in Q3 monitoring	2016/17 £000	2017/18 £000
Relocation of Exhibitions - Bromley Museum	-40	40
Biggin Hill Memorial Museum Schools Access Initiative	-85	85
Penge Town Centre	-681	681
Orpington Town Centre - Walnut Centre & New Market	-355	355
Total R&R Services Programme rephasing	-1,161	-1,161

Annual Capital Review – new scheme proposals

3.4 In recent years, the Council has steadily scaled down new capital expenditure plans and has 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 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment including Invest to Save bids which were particularly encouraged. No bids for new schemes were submitted for the Renewal and Recreation Portfolio. The 2020/21 annual provision for feasibility studies (£10k) on potential new schemes was approved and has been added to the Capital Programme.

Post-Completion Reports

3.6 Under approved Capital Programme procedures, capital schemes are 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. Post-completion reports on the following scheme are currently due for the Renewal and Recreation Portfolio:

- 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. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 8th February 2017. There were no changes to the Renewal and Recreation Portfolio Capital Programme as set out in the table in paragraph 3.2 and in Appendix A.

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). Capital Q3 monitoring report (Executive 08/02/17).