

**Decision Maker:** Environment Portfolio Holder

**Date:** For Pre-Decision Scrutiny by the Environment PDS Committee on  
5<sup>th</sup> October 2017

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

**Title:** CAPITAL PROGRAMME MONITORING - 1<sup>ST</sup> QUARTER 2017/18

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

**Ward:** All Wards

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1. Reason for report

On 19<sup>th</sup> July 2017, the Executive received the 1<sup>st</sup> quarterly capital monitoring report for 2017/18 and agreed a revised Capital Programme for the four year period 2017/18 to 2020/21. The report also covered any detailed issues relating to the 2016/17 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 3.5 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. Detailed comments on scheme progress as at the end of the first quarter of 2017/18 are shown in Appendix B, and details of the 2016/17 outturn are included in Appendix C.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 19<sup>th</sup> July 2017.**

## 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 £2.6m over the 4 years 2017/18 to 2020/21, mainly due to £1.9m increase on the Waste Clearance - Cornwall Drive scheme.
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £35.0m for the Environment Portfolio over four years 2017/18 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: 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 19<sup>th</sup> July 2017

- 3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2016/17 and a detailed monitoring exercise carried out after the 1<sup>st</sup> quarter of 2017/18. The base position was the revised programme approved by the Executive on 8<sup>th</sup> February 2017, 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 3.5. The revised Programme for the Environment Portfolio is attached as Appendix A. Appendix B shows actual spend against budget in the first quarter of 2017/18, together with detailed comments on individual schemes, and Appendix C includes details of the final outturn in 2016/17.

	2017/18	2018/19	2019/20	2020/21	TOTAL 2017/18 to 2020/21
	£000	£000	£000	£000	£000
Programme approved by Executive 08/02/17	14,951	9,430	4,010	4,010	32,401
<u>Variations approved by Executive 19/07/17</u>					
Increase £1,880k Waste Clearance - Cornwall Drive (see para 3.2)	1,880	0	0	0	1,880
Reduction of TfL funding for Traffic & Highway schemes (see para 3.3)	Cr 107	0	0	0	Cr 107
Net underspend in 16/17 rephased into 17/18 (see para 3.4)	803	0	0	0	803
Rephasing from 17/18 to 18/19 (see para 3.5)	Cr 1,506	1,506	0	0	0
Total amendments to the Capital Programme	1,070	1,506	0	0	2,576
<b>Total Revised Environment Programme</b>	<b>16,021</b>	<b>10,936</b>	<b>4,010</b>	<b>4,010</b>	<b>34,977</b>

#### 3.2 Waste Clearance – Cornwall Drive, St Paul’s Cray (£1,880k increase in 2017/18)

In July 2017, Council approved a report relating to the clearance of the remaining waste at the former Waste4Fuel site at the end of Cornwall Drive, where the land has previously been used as a waste transfer station and still has significant quantities of illegally deposited waste. The EA/DEFRA have agreed to transfer the sum of £1,607k to the Council to facilitate the clearance of the remaining waste, to supplement the £226k contribution from revenue during 2016/17 and £47k allocation from the 2017/18 central contingency. £1,880k was added to the Waste Clearance Cornwall Drive scheme to reflect the available funding and the estimated increased scheme costs.

#### 3.3 Transport for London (TfL) – Revised Support for Traffic and Highways Schemes (£107k reduction in 2017/18)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2017/18 to 2020/21 on the basis of the bid in the Borough Spending Plan (BSP). Notification of an overall reduction of £107k in the 2017/18 grant was reported to the Executive in July and the Capital Programme was reduced accordingly. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

#### 3.4 Net underspend in 2016/17 re-phased into 2017/18

The 2016/17 Capital Outturn was reported to the Executive on 20<sup>th</sup> June 2017, and the final outturn for Environment Portfolio schemes was £8,131k compared to the revised budget of £8,944k approved by Executive in February. After allowing for adjustments in respect of schemes that were not re-phased, a net underspend of £803k was re-phased into 2017/18. Details of the 2016/17 outturn for this Portfolio are set out in Appendix C.

### 3.5 Schemes re-phased from 2017/18 into 2018/19

As part of the 1<sup>st</sup> quarter monitoring exercise, £1,506k has been re-phased from 2017/18 into 2018/19 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**

3.6 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 prior 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 schemes are currently due for the Resources Portfolio before end of the 2017/18 monitoring cycle:

- SEELS Street Lighting Project

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 19<sup>th</sup> July 2017. Changes agreed by the Executive for the Environment Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 19/07/17) Capital Outturn report (Executive 20/06/17) Q1 monitoring report (Executive 19/07/17) Waste Clearance – Cornwall Drive, St Paul's Cray (Executive 19/07/17)