
Decision Maker: EDUCATION CHILDREN AND FAMILIES BUDGET AND PERFORMANCE MONITORING BUDGET SUB-COMMITTEE

Date: 26th September 2017

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2017/18

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 19th July 2017, the Executive received the 1st 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 3.2 to 3.6 changes agreed by the 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 first quarter of 2017/18 are shown in Appendix B and details on the 2016/17 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 19th 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 £6.8m over the 4 years 2017/18 to 2020/21, mainly due to £3.4m re-phased from 2016/17 underspends, and £2.6m increase in Basic Need for SEND Provision.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £47.0m for the Education 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: 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- variations agreed by the Executive on 19th 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 1st quarter of 2017/18. The base position was the revised programme approved by the Executive on 8th February 2017, 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 to 3.6. The revised Programme for the Education 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. Appendix C includes details of the final outturn for 2016/17.

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | TOTAL 2017/18 to 2020/21 £000 |
|--|-----------------|-----------------|-----------------|-----------------|--|
| Programme approved by Executive 08/02/17 | 32,869 | 7,068 | 172 | 10 | 40,119 |
| Section 106 receipts from developers (Executive 20/06/17) | 77 | 0 | 0 | 0 | 77 |
| Approved Programme prior to Q1 Monitoring | 32,946 | 7,068 | 172 | 10 | 40,196 |
| <u>Variations approved by Executive 19/07/17</u> | | | | | |
| Basic Need: (see para 3.2) | | | | | |
| Addition of £2,597k to Basic Need for SEND Provision | 0 | 867 | 865 | 865 | 2,597 |
| Transfer of £2,890k from Education Section 106 unallocated | Cr 2,890 | 0 | 0 | 0 | Cr 2,890 |
| Transfer of £2,890k to Basic Need from S106 unallocated | 1200 | 1690 | 0 | 0 | 2,890 |
| Section 106 receipts from developers (See para 3.3) | 776 | 0 | 0 | 0 | 776 |
| Addition of £31k for a 30 Hours Funded Childcare IT Solution scheme (see para 3.4) | 15 | 16 | 0 | 0 | 31 |
| Net underspendings in 16/17 rephased into 17/18 (see para 3.5) | 3,428 | 0 | 0 | 0 | 3,428 |
| Schemes re-phased from 17/18 into 18/19 (see para 3.6) | Cr 5,000 | 5,000 | 0 | 0 | 0 |
| Total amendments to the Capital Programme | Cr 2,471 | 7,573 | 865 | 865 | 6,832 |
| Revised Education Capital Programme | 30,475 | 14,641 | 1,037 | 875 | 47,028 |

- 3.2 Basic Need (£2,597k increase) and transfer from Education Section 106 unallocated balance into Basic Need scheme (£2,890k)

On 19th July 2017 Executive approved a Basic Need Programme Update report, which was subsequently approved by Council on 25th July. The report requested a £2,597k increase to the Basic Need scheme for the new grant allocation Bromley has received for SEND capital provision from DfE. The report also requested an allocation of £2,890k of Section 106 receipts from the uncommitted Education balance to transfer into Basic Need scheme.

- 3.3 Section 106 receipts from developers (uncommitted balance) (£776k increase in 2017/18):

In July 2015, the Executive agreed that the Capital Programme budget should reflect the total of S106 receipts available to fund expenditure. In July 2017 the Executive agreed an increase of £776k (of which £3k interest) in the Capital Programme budget for Section 106 to match the total funding available (from a balance of £2,890k in the June Executive report to £3,663k in the July Executive report). The approved S106 budgets for the Education Capital Programme are illustrated in the table.

| | Total Approved S106 Budget £'000 | Actuals up to FY16/17 £'000 | Budget FY17/18 £'000 | Budget FY18/19 £'000 |
|--------------------------------------|---|--|-------------------------------------|-------------------------------------|
| Basic Need | 3,596 | 706 | 1,200 | 1,690 |
| Uncommitted balance (as at Jul 2017) | 773 | 0 | 773 | 0 |
| Education Total | 4,369 | 706 | 1,973 | 1,690 |

3.4 30 Hours Funded Childcare IT Solution scheme (£31k increase):

The new national 30 hours funded childcare entitlement comes into force on 1st September 2017, and all Local Authorities are required to secure sufficient early years places to meet local demand through the funding of places within early years settings. Staff will be required to check eligibility and process claims for the new entitlement alongside existing funded provision for 2, 3 & 4 year olds. In support of the scheme, the Department for Education (DfE) has announced technology funding available to Local Authorities to implement digital systems that will administer and manage the scheme. In July 2017, the Executive approved the addition of £31k for 30 Hours Funded Childcare IT Solutions scheme to the capital programme.

3.5 Net underspend in 2016/17 re-phased into 2017/18:

The 2016/17 Capital Outturn was reported to the Executive on 20th June 2017. The final capital outturn for the year for Education Portfolio schemes was £12,629k compared to a revised budget of £16,067k approved by the Executive in February, an underspend of £3,438k. This is mainly due to a £2,810k underspend on the S106 Education unallocated balance. After allowing for minor adjustments, a total of £3,428k has been re-phased into 2017/18. Details of the 2016/17 outturn for this Portfolio are set out in Appendix C.

3.6 Schemes re-phased from 2017/18 into 2018/19:

As part of the 1st quarter monitoring exercise, £5m has been re-phased from 2017/18 into 2018/19 to reflect revised estimates of when expenditure on Education schemes is likely to be incurred. This is itemised in the table below and comments on scheme progress are provided in Appendix B.

| | | |
|--|-----------------|-----------------|
| Capital Expenditure – Rephasing in Q1 monitoring | 2017/18 £000 | 2018/19 £000 |
| Basic Need | Cr 5,000 | 5,000 |
| Total Education Programme rephasing | Cr 5,000 | 5,000 |

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 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. No post-completion reports are currently due for the Education 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 19th July 2017. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.1.

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| Non-Applicable Sections: | Legal, Personnel and Procurement Implications, Impact on Vulnerable Adults and Children |
| 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) Basic Need Programme Update (Executive 19/07/17) |