

Decision Maker: RENEWAL & RECREATION PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Renewal & Recreation PDS Committee on 1st November 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 Wards

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 3.8 changes agreed by the Executive in respect of the Capital Programme for the Renewal & Recreation 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**

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 £8.5m over the 4 years 2017/18 to 2020/21, mainly due to £4.9m transfer of Site G project, £2,7m on Biggin Hill Memorial Museum, and £0.6m on Crystal Palace Park – Alternative Management Options.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £16.7m for the Renewal & Recreation 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 Monitoring – 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 to schemes in the Renewal & Recreation Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.8. The revised Programme for the Renewal & Recreation 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	2018/19	2019/20	2020/21	TOTAL 2017/18 to 2020/21
	£000	£000	£000	£000	£000
Programme approved by Executive 08/02/17	4,586	10	10	10	4,616
Bromley High Street Improvements (Executive 22/03/17)	564	1,000	1,000	1,000	3,564
Approved Programme prior to 1st Quarter's Monitoring	5,150	1,010	1,010	1,010	8,180
<u>Variations approved by Executive 19/07/17</u>					
Deletion of £1k residual balance on Crystal Palace Park Subway (see para 3.2)	Cr 1	0	0	0	Cr 1
Crystal Palace Park Improvements (see para 3.3)	Cr 10	242	0	0	232
Increase of £625k on Crystal Palace Park - Alternative Management Options (see para 3.4)	625	0	0	0	625
Increase of £2,666k on Biggin Hill Memorial Museum (see para 3.5)	963	1,464	120	119	2,666
Net underspends in 2016/17 re-phased into 17/18 (see para 3.6)	119	0	0	0	119
Total amendments to the Capital Programme	1,696	1,706	120	119	3,641
Transfer of Site G scheme from Care Services portfolio into R&R portfolio (see para 3.8)	4,894	0	0	0	4,894
Total Revised R&R Programme	11,740	2,716	1,130	1,129	16,715

3.2 Deletion of residual balance on Crystal Palace Park Subway (£1k reduction in 2017/18)

On 3rd April 2013 Executive agreed to add 'The Parks for People' scheme for special work required to develop projects to support the preparation of a first round application to the Heritage Lottery Fund for Crystal Palace Park, and in December 2015, Members agreed to the revised funding for project towards the feasibility works specifically for the Crystal Palace Park subway project. The feasibility work for this project has been completed, and in July 2017 Members agreed that the residual balance of £1k be deleted.

3.3 Crystal Palace Park Improvements (£232k net increase)

In July 2016, the Executive agreed for a £116k grant from Historic England to be added to the Crystal Palace Park Improvements scheme for conservation works at Crystal Palace Park, including conservation of the South Terrace Steps, and the Sphinxes conservation. The work has now been completed and the final Historic England grant claim total is £106k, a £10k reduction compared to the original Historic England Grant budget.

At its meeting in July 2017, the Executive approved a report relating to the regeneration plan for Crystal Palace Park (DRR17/029), which included an increase of £242k funded from capital receipts for the Crystal Palace Park Improvement scheme to deliver the Crystal Palace Park Café project.

3.4 Crystal Palace Park – Alternative Management Options (£625k increase in 2017/18)

The Crystal Palace Park Regeneration Plan report referred to in paragraph 3.3 above also included the addition of £625k to Crystal Palace Park – Alternative Management Option scheme, funded from capital receipts, in order to proceed to Phase 2 of the regeneration plan.

3.5 Biggin Hill Memorial Museum (£2,666k increase)

At its meeting in July 2017, the Executive approved an increase of £2,666k to the Biggin Hill Memorial Museum scheme (DRR17/032) to reflect the additional funding available, which will allow the project to commence delivery. The Heritage Lottery Fund grant application has been successful and the Council has been awarded £1,998k. The project was also previously successful in the grant application to the Treasury's LIBOR fund (DRR17/001).

3.6 Net underspends in 2016/17 re-phased into 2017/18

The 2016/17 Capital Outturn was reported to the Executive on 20th June 2017. The final outturn for Renewal & Recreation Portfolio schemes was £2,141k compared to a revised budget of £2,270k approved by the Executive in February. After allowing for adjustments in respect of schemes that were not re-phased, a total of £119k was re-phased into 2017/18. Details of the 2016/17 outturn for this Portfolio are set out in Appendix C.

3.7 Schemes re-phased from 2017/18 into future years

There were no re-phasings carried out during the 1st quarter monitoring exercise. This quarterly report will monitor the future position and will highlight any schemes where rephasing is required.

3.8 Transfer of the Site G scheme from Care Services portfolio to Renewal & Recreation portfolio (£4,894k increase in 2017/18)

On 19th July 2017, the Executive approved a report relating to Housing S106 Payment In Lieu Contributions, which was subsequently approved by Council on 25th July. The report requested that the existing capital scheme relating to the Housing Zone be reallocated for affordable Housing in Bromley Town Centre to reflect that whilst the sites remain unchanged, the Housing Zone no longer exists. As a result of this, the Site G element of the scheme which has £4,894k budget remaining has been transferred from Care Services portfolio into Renewal and Recreation portfolio.

Post-Completion Reports

3.9 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 Renewal & Recreation Portfolio before the end of the 2017/18 monitoring cycle:

- Central Library/Churchill Theatre – replace 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 were reported in full to the Executive on 19th July 2017. Changes agreed by the Executive for the Renewal & Recreation Portfolio Capital Programme are set out in the table in paragraph 3.1.

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) Crystal Palace Park: Regeneration Plan (19/07/17) Update: Biggin Hill Memorial Museum (11/01/17) Biggin Hill Memorial Museum (Executive 19/07/17) Housing S106 Payment in Lieu Contributions (19/07/17)