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**Decision Maker:** RENEWAL & RECREATION PORTFOLIO HOLDER

**Date:** For pre-decision scrutiny by the Renewal & Recreation PDS Committee on 24th January 2018

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

**Title:** CAPITAL PROGRAMME MONITORING - 2<sup>ND</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 6<sup>th</sup> December 2017, the Executive received the 2<sup>nd</sup> quarterly capital monitoring report for 2017/18 and agreed a revised Capital Programme for the four year period 2017/18 to 2020/21. This report highlights 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 2<sup>nd</sup> quarter of 2017/18 are shown in Appendix B.

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2. RECOMMENDATION

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 6<sup>th</sup> December 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 £910k over the 4 years 2017/18 to 2020/21, mainly due to £680k in Bromley Mytime Investment Fund, and £163k on Orpington Town Centre – Walnuts Centre and New Market scheme.
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £35.1m for the Renewal & Recreation Portfolio over the 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 6<sup>th</sup> December 2017

- 3.1 A revised Capital Programme was approved by the Executive in December 2017, following a detailed monitoring exercise carried out after the 2<sup>nd</sup> quarter of 2017/18. The base position is the revised programme approved by the Executive on 19<sup>th</sup> July 2017, as amended by variations approved at subsequent Executive meetings. Changes to schemes in the Renewal & Recreation Programme approved by the Executive in December 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 second quarter of 2017/18, together with detailed comments on individual schemes.

	2017/18	2018/19	2019/20	2020/21	TOTAL 2017/18 to 2020/21
	£000	£000	£000	£000	£000
Programme approved by Executive 19/07/17	11,740	2,716	1,130	1,129	16,715
Site G (Executive 07/11/17) (see para 3.2)	Cr 3,153	2,980	4,690	13,875	18,392
Bromley High Street Improvements (Executive 07/11/17) (see para 3.3)	152	0	0	Cr 140	12
Approved Programme prior to 2nd Quarter's Monitoring	8,739	5,696	5,820	14,864	35,119
<u>Variations approved by Executive 06/12/17</u>					
Increase of £680k on Bromley Mytime Investment Fund (see para 3.4)	0	680	0	0	680
Orpington Town Centre - Walnuts Centre & New Market infrasture scheme (see para 3.5)	163	0	0	0	163
Deletion of residual balance on the Central Library/Churchill Theatre Chillers and Control (see para 3.6)	Cr 8	0	0	0	Cr 8
Increase of £75k on Crystal Palace Park Improvement (see para 3.7)	0	75	0	0	75
Schemes re-phased from 17/18 to future years (see para 3.8)	Cr 2,779	2,179	500	100	0
Total amendments to the Capital Programme	Cr 2,624	2,934	500	100	910
<b>Total Revised R&amp;R Programme</b>	<b>6,115</b>	<b>8,630</b>	<b>6,320</b>	<b>14,964</b>	<b>36,029</b>

#### 3.2 Site G (£18,392k net increase)

At the Council meeting on 11<sup>th</sup> December 2017, a report relating to Opportunity Site G Development Programme was approved. In accordance with the terms of the agreement the Council is now required to acquire the development site. In order to meet this financial commitment, an additional £18,392k had been approved for the property cost estimate of acquiring all interests in the development site. The additional £18,392k has been added to the capital programme.

#### 3.3 Bromley High Street Improvements (£12k net increase)

In November 2017, the Executive approved a report relating Bromley Town Centre Market & improvement update. The Executive approved the detailed designs and costings for the proposed market kiosks and pop up stalls located at Market Square, and architectural lighting improvements. It was noted the total scheme cost is £3,576k. A net £12k has been added to the capital scheme

#### 3.4 Bromley Mytime Investment Fund (£680k increase in 2018/19)

The Mytime Active Annual Review report was submitted to R&R PDS on 1<sup>st</sup> November 2017 which included Mytime's future proposals for the use of the Mytime Investment Fund for 2018/19. The annual provision in the revenue budget for a contribution towards capital

investment in Council leisure centres managed by Bromley Mytime was approved by Members. The sum of £680k had been added to this scheme.

### 3.5 Orpington Town Centre - Walnuts Centre & New Market (£163k increase in 2017/18)

Further to the Town Centre Development Update report which was submitted to R&R PDS on 1<sup>st</sup> November 2017, a total of £163k Section 106 funding had been received from a private developer contribution towards the Orpington Town Centre - Walnuts Centre and New Market project. At the December 2017 Executive meeting, Members approved the addition of this £163k to the Orpington Town Centre - Walnuts Centre & New Market scheme.

### 3.6 Deletion of residual balance - Central Library / Churchill Theatre – Chillers and Control (£8k reduction in 2017/18)

Following the completion of the outstanding minor works relating to extra netting protection to pipework, the final payment including retention was paid to the contractors, and Members agreed the £8k deletion of the residual budget on the Central Library / Churchill Theatre – Chillers and Control scheme. A post completion report for this scheme was submitted to R&R PDS on 1<sup>st</sup> November 2017.

### 3.7 Crystal Palace Park Improvement (£75k increase in 2018/19)

On 6<sup>th</sup> December 2017, a detailed report on the Crystal Palace Park Café (DRR17/067) was submitted which requested an additional £75k funded from capital receipts for the delivery of the Crystal Palace Park Café. Members approved the report and the sum of £75k has been added to the capital scheme.

### 3.8 Schemes re-phased from 2017/18 into future years

As part of the 2<sup>nd</sup> quarter monitoring exercise, a total of £2,779k has been re-phased from 2017/18 into future years to reflect revised estimates of when expenditure on Renewal & 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.

<b>Capital Expenditure – Rephasing in Q2 monitoring</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>Total £'000</b>
Bromley MyTime Investment	Cr 550	550	0	0	0
Penge Town Centre	Cr 300	300	0	0	0
Crystal Palace Park Improvements	Cr 1,000	1,000	0	0	0
Biggin Hill Memorial Museum	Cr 600	0	500	100	0
Crystal palace Park - Alternative Management Options	Cr 329	329	0	0	0
<b>Total R&amp;R schemes rephasing</b>	<b>Cr 2,779</b>	<b>2,179</b>	<b>500</b>	<b>100</b>	<b>0</b>

## **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. No post-completion reports are currently due for the Renewal & Recreation 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 6<sup>th</sup> December 2017. Changes agreed by the Executive for the Renewal & Recreation Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal, Personnel and Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 06/12/17) Q2 monitoring report (Executive 06/12/17) Opportunity Site G Development Programme (Executive 07/11/17) Bromley Town Centre Market Report and Improvement Updates (Executive 07/11/17)