

**Decision Maker:** PORTFOLIO HOLDER FOR CARE SERVICES

**Date:** For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Wednesday 14<sup>th</sup> March 2018

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

**Title:** CAPITAL PROGRAMME MONITORING - 3<sup>RD</sup> QUARTER 2017/18 AND CAPITAL STRATEGY 2018 TO 2022

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**Chief Officer:** Director of Finance

**Ward:** Borough-wide

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1. Reason for report

- 1.1 On 7<sup>th</sup> February 2018, the Council's Executive received a report summarising the current position on capital expenditure and receipts following the 3<sup>rd</sup> quarter of 2017/18 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 2017/18 to 2021/22. This report highlights changes agreed by the Council's Executive in respect of the Capital Programme for the Care Services Portfolio. The revised programme for this portfolio is set out in Appendix A, detailed comments on individual schemes are included at Appendix B and the new schemes approved for this Portfolio are set out in paragraph 3.4.
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2. **RECOMMENDATION**

- 2.1 **The Portfolio Holder for Care Services is asked to note and confirm the changes agreed by the Council's Executive on 7<sup>th</sup> February 2018.**

## 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". 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 in 2021/22 (see para 3.4).
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £13.4m for the Care Services Portfolio over the five years 2017/18 to 2021/22
  5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
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## Staff

1. Number of staff (current and additional): 1fte
  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: Executive decision
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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 7<sup>th</sup> February 2018

3.1 A revised Capital Programme was approved by the Executive on 7<sup>th</sup> February 2018, following a detailed monitoring exercise carried out after the 3<sup>rd</sup> quarter of 2017/18. The Executive also considered and approved new capital schemes in the annual capital review process. The base position is the programme approved by the Executive on 6<sup>th</sup> December 2017, as amended by variations approved at subsequent Executive meetings. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Care Services Portfolio. The revised programme for this portfolio is set out in Appendix A. Detailed comments on scheme progress as at the end of the third quarter of 2017/18 are shown in Appendix B.

|   | 2017/18      | 2018/19      | 2019/20   | 2020/21   | 2021/22   | TOTAL<br>2017/18 to<br>2021/22 |
|---|--------------|--------------|-----------|-----------|-----------|--------------------------------|
|   | £'000        | £'000        | £'000     | £'000     | £'000     | £'000                          |
| Programme approved by Executive 06/12/17                  | 10,573       | 2,820        | 10        | 10        | 0         | 13,413                         |
| Variations approved by Executive 06/12/17                 |              |              |           |           |           |                                |
| Schemes rephased from 2017/18 into 2018/19 (see para 3.2) | Cr 5,733     | 5,733        | 0         | 0         | 0         | 0                              |
| New schemes (see para 3.4)                                | 0            | 0            | 0         | 0         | 10        | 10                             |
| Total Amendment to the Capital Programme                  | Cr 5,733     | 5,733        | 0         | 0         | 10        | 10                             |
| <b>Total Revised Care Services Programme</b>              | <b>4,840</b> | <b>8,553</b> | <b>10</b> | <b>10</b> | <b>10</b> | <b>13,423</b>                  |

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

As part of the 3<sup>rd</sup> quarter monitoring exercise, £5,733k has been re-phased from 2017/18 into 2018/19 to reflect revised estimates of when expenditure on the Care Services schemes is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. This is itemised in the table below and comments on scheme progress are provided in Appendix B.

| Capital Expenditure - Rephasing in Q3 Monitoring           | 2017/18         | 2018/19      | 2019/20  | 2020/21  | TOTAL    |
|--|-----------------|--------------|----------|----------|----------|
|  | £'000           | £'000        | £'000    | £'000    | £'000    |
| Star Lane Traveller Site                                   | Cr 192          | 192          | 0        | 0        | 0        |
| Payment in Lieu Fund (unallocated)                         | Cr 2,891        | 2,891        | 0        | 0        | 0        |
| PCT Learning Disability reprovision programme - Walpole Rd | Cr 874          | 874          | 0        | 0        | 0        |
| Social Care Grant  | Cr 1,450        | 1,450        | 0        | 0        | 0        |
| Mental Health Grant  | Cr 326          | 326          | 0        | 0        | 0        |
| <b>Total Education, Children &amp; Families rephasing</b>  | <b>Cr 5,733</b> | <b>5,733</b> | <b>0</b> | <b>0</b> | <b>0</b> |

#### Annual Capital Review – new scheme proposals

3.3 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 £44.1m (including unapplied capital receipts) as at 31st March 2017. 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.

3.4 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 received for the Care Services Portfolio, although it was noted that there may be a bid submitted during the year for a replacement IT

system for Adult Social Care at circa £2.5m. The 2021/22 annual provision for feasibility studies (£10k) on potential new schemes was approved and has been added to the Capital Programme.

### **Progress on works at Star Lane**

3.5 The work is to replace much of the water supply to meet minimum regulatory standards. The project was assigned to Amey to implement and project manage. The final specification for works was completed during 2<sup>nd</sup> quarter 2017/18. Work has now commenced for the trenching on site and this is due to completed early in the New Year. Internal pipework is currently being tendered with an anticipated onsite start for March 2018. The completion date is anticipated during the early part of 2018/19, although this is largely reliant on Thames Water.

### **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. 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 Care Services 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. 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 7<sup>th</sup> February 2018. Changes agreed by the Executive for the Care Services Portfolio Capital Programme are set out in the table in paragraph 3.1.

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|---|---|
| <b>Non-Applicable Sections:</b>                       | Legal, Personnel and Procurement Implications, Impact on Vulnerable Adults and Children |
| Background Documents:<br>(Access via Contact Officer) | Capital Programme Monitoring –3 <sup>rd</sup> quarter report (Executive 07/02/18)       |