

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

Date: 18th July 2018

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2018/19

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 11th July 2018, the Executive is due to receive the 1st quarterly capital monitoring report for 2018/19 and is requested to agree a revised Capital Programme for the four year period 2018/19 to 2021/22. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Education, Children and Families Portfolio. This report highlights in paragraphs 3.2 to 3.5 changes the Executive is requested to agree in respect of the Capital Programme for this portfolio. The revised programme for this portfolio is set out in Appendix A, detailed comments on individual schemes are included at Appendix B, and details of the 2017/18 outturn are included in Appendix C.

2. **RECOMMENDATION(S)**

Subject to the changes being agreed by the Executive on 11th July 2018, the Portfolio Holder is asked to note and confirm the changes to the Capital Programme.

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: Increase of £158k, as a result of the addition of the Healthy Bromley Capital Fund and the Widmore Centre schemes.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £31.1m for the Education, Children and Families Portfolio over the four years 2018/19 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): 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 subject to agreement by the Executive on 11th July 2018

3.1 A revised Capital Programme is requested for approval by the Executive on 11th July 2018, following a detailed monitoring exercise carried out after the 1st quarter of 2018/19. The base position was the revised programme approved by the Executive on 7th February 2018, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Education, Children and Families Portfolio are itemised in the table below and further details are included in paragraphs 3.2 to 3.5. The revised Programme for the Portfolio is attached as Appendix A. Appendix B shows actual spend against budget in the first quarter of 2018/19, together with detailed comments on individual schemes. Appendix C includes details of the final outturn for 2017/18.

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL 2017/18 to 2021/22 £'000
Programme approved by Executive 07/02/18	25,349	963	875	10	27,197
30 Hours Childcare IT scheme (Executive 21/05/18)	15				15
Rephasing from 2017/18 into 2018/19 (see para 3.4)	3,848				3,848
Approved Programme prior to Q1 Monitoring	29,212	963	875	10	31,060
<u>Variations subject to approval by Executive 07/02/18</u>					
Healthy Pupil Capital Fund (see para 3.2)	29	0	0	0	29
Widmore Centre (see para 3.3)	129	0	0	0	129
Schemes re-phased from 17/18 into 18/19 (see para 3.5)	Cr 5,401	5,401	0	0	0
Total amendments to the Capital Programme	Cr 5,243	5,401	0	0	158
Revised Education, Children & Families Programme	23,969	6,364	875	10	31,218

3.2 Healthy Pupils Capital Fund (£29k addition to the Capital Programme):

The ESFA have allocated the Council £29k from the Healthy Pupils Capital Fund for Bromley local authority maintained schools. The HPCF is intended to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. Funding will be distributed through a bidding round from school and the allocations will be reported to the Children, Education and Families Budget and Performance Monitoring Sub-Committee. This funding is provided from the Soft Drinks Industry Levy for 2018-19 only.

In addition, Bromley has been allocated £21k HPCF for voluntary aided (VA) schools, of which St Olave's is the only remaining VA school in the borough. This allocation has been administered by the DfE through the existing arrangements for Locally Controlled Voluntary Aided Funding (LCVAP) where funding is distributed through consultation between the local authority and the relevant diocesan representatives.

3.3 The Widmore Centre (£129k Addition to the Capital Programme):

Following the sale of the Widmore Centre the Department for Education has invoked clawback of early year's capital funding of £129k as the local authority can no longer meet the conditions of the grant. This amount takes into account the period the asset was in compliant use (9 years 7 months out of an expected 25 years use). The clawback will be funded from proceeds of the disposal of the Widmore Centre.

3.4 Net underspend in 2017/18 re-phased into 2018/19:

The 2017/18 Capital Outturn was reported to the Executive on 11th May 2018. The final capital outturn for the year for Education, Children and Families Portfolio schemes was £15,775k compared to a revised budget of £19,634k approved by the Executive in February, an underspend of £3,859k. This is mainly due to slippage of £2,436k on the Basic Need scheme. After allowing for minor adjustments, a total of £3,848k has been re-phased into 2018/19. Details of the 2017/18 outturn for this Portfolio are set out in Appendix C.

3.5 Schemes re-phased from 2018/19 into future years:

As part of the 1st quarter monitoring exercise, a total of £5.4m has been re-phased from 2018/19 into 2019/20 to reflect revised estimates of when expenditure on Education, Children and Families 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.

Capital Expenditure - Rephasing in Q1 Monitoring	2018/19	2019/20	TOTAL
	£'000	£'000	£'000
The Highway Primary - partial rebuild	Cr 113	113	0
Basic Need	Cr 4,500	4,500	0
S106 Education (Unallocated)	Cr 788	788	0
Total Education, Children & Families rephasing	Cr 5,401	5,401	0

3.6 Section 106 receipts from developers

In July 2015, the Executive agreed that the Capital Programme budget should reflect the total of S106 receipts available to fund expenditure. The approved S106 budgets for the Education, Children and Families Capital Programme, are illustrated in the table below:

	Total Approved S106 Budget	Actuals to FY16/17	Actual FY17/18	Budget FY18/19	Budget FY19/20
	£'000	£'000	£'000	£'000	£'000
Basic Need	3,596	706	1,153	1,737	0
Uncommitted balance (as at Jul 2018)	788	0	0	0	788
Education, Children & Families Total	4,384	706	1,153	1,737	788

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. Post completion reports on the following schemes are currently due for the Education, Children and Families Portfolio before end of the 2018/19 monitoring cycle:

- Clare House Primary School
- Edgebury Primary School

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 are due to be reported in full to the Executive on 11th July 2018. Changes relating to the Education Children and Families 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)	Capital Programme Monitoring Qtr 1 2017/18 & Annual capital Review 2018-2022 (Executive 07/02/18) Capital Programme Outturn 2017/18 report (Executive 21/05/18)