

Decision Maker: ENVIRONMENT & COMMUNITY PORTFOLIO HOLDER

Date: For Pre-Decision Scrutiny by the Environment and Community Services
PDS Committee on 10th October 2018

Decision Type: Non-Urgent Executive Non-Key

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

Contact Officer: James Mullender, Principal Accountant
Tel: 020 8313 4292 E-mail: james.mullender@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 11th July 2018, the Executive received a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2018/19 and agreed 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 Environment and Community Portfolio. The revised programme for this portfolio is set out in Appendix A, detailed comments on individual schemes are shown in Appendix B, and details of the 2017/18 outturn position are included in Appendix C.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 11th July 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".
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Total increase of £7.7m over the four years 2018/19 to 2021/22, mainly due to the approval and addition of the Depot Improvement Scheme with a budget of £6.46m
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £28.2m for the Environment & Community Portfolio over the four years 2018/19 to 2021/22
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

1. Number of staff (current and additional): 1 fte
 2. If from existing staff resources, number of staff hours: 36 hours per week
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

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 11th July 2018

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

	2018/19	2019/20	2020/21	2021/22	TOTAL 2018/19 to 2021/22
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 07/02/18	10,886	2,210	2,210	2,210	17,516
Rephasing from 2017/18 to 2018/19 (Para 3.2)	3,020				3,020
Approved Programme prior to 1st Quarter Monitoring	13,906	2,210	2,210	2,210	20,536
<u>Variations approved by Executive 11/07/18</u>					
Increase in TfL funding for Highways & Traffic (para 3.3)	472	0	0	0	472
Depot Improvement Scheme (para 3.4)	300	3,000	3,162	0	6,462
Central Depot Wall Scheme (para 3.5)	716	0	0	0	716
Total amendments to the Capital Programme	1,488	3,000	3,162	0	7,650
Total Revised Environment & Community Programme	15,394	5,210	5,372	2,210	28,186

3.2 Net Underspend in 2017/18 rephased 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 Environment & Community Portfolio schemes was £11,699k compared to a revised budget of £14,719k approved by the Executive in February; an underspend of £3,020k, which has been rephased into 2018/19. This is mainly due to slippage of £1,738k on the Transport for London schemes, and £1,159k and £250k on Highways Investment and Street Lighting schemes respectively. Details of the 2017/18 outturn for this Portfolio are set out in Appendix C.

3.3 Increase in TfL funding for Highways & Traffic Scheme

An increase to the 2018/19 budget of £472k was approved by the Executive to reflect the revised allocations following the re-instatement of budgets which were reduced by £1.8m by TfL in November 2017 and reported to Members in February 2018 monitoring. TfL budgets change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.4 Depot Improvement Scheme

This scheme was presented to the Executive for approval on 11th July 2018 for the addition of £6,462k to the Capital Programme for a range of essential capital works at depots including the replacement of hard standings and the demolition of dilapidated buildings, to be funded from capital receipts.

3.5 Central Depot Wall Scheme (£716k addition in 2018/19)

This scheme was approved by the Executive on 28th March 2018 and funded from £163k revenue budget carry forward and £553k from the Infrastructure Investment Fund. The funds are to be used to reconstruct the brickwork to the Old Stable Wall at Central Depot.

Post-Completion Reports

3.8 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 Environment & Community Portfolio before the end of the 2018/19 monitoring cycle:

- Borough Cycling
- Depots – Standby generators
- Land Acquisition – Cornwall Drive (Waste4Fuel site)

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 11th July 2018. Changes agreed by the Executive for the Environment & Community 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 3 2017/18 & Annual Capital Review 2018-2022 (Executive 07/02/18) Capital Programme Monitoring Qtr 1 2018/19 (Executive 11/07/18) Capital Programme Outturn 2017/18 report (Executive 21/05/18)