
Decision Maker: **RESOURCES, COMMISSIONING & CONTRACTS
MANAGEMENT PORTFOLIO HOLDER**

Date: **For pre-decision scrutiny by the Executive, Resources & Contracts PDS
Committee on 8th January 2019**

Decision Type: Non-Urgent Executive Non-Key

Title: **CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2018/19**

Contact Officer: Jo-Anne Chang-Rogers, Principal Accountant
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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 28th November 2018, the Executive received a report summarising the current position on capital expenditure and receipts following the 2nd 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 Resources, Commissioning & Contracts Management Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes shown in Appendix B.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 28th November 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
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Financial

1. Cost of proposal: Total Increase of £3.456m over the four years 2018/19 to 2021/22, due to the addition of the IT Transformation scheme
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £37.47m for the Resources 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: 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 28th November 2018

- 3.1 A revised Capital Programme was approved by the Executive on 28th November 2018, following a detailed monitoring exercise carried out after the 2nd quarter of 2018/19. The base position is the programme approved by the Executive on 11th July 2018, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Resources, Commissioning & Contracts Management Portfolio Programme are itemised in the table below and further details are included in paragraphs 3.2 and 3.3. The revised Programme for the Portfolio is attached as Appendix A whilst Appendix B shows actual spend against budget in 2018/19, together with detailed comments on individual scheme progress.

	2018/19	2019/20	2020/21	2021/22	TOTAL 2018/19 to 2021/22
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 11/07/18	17,418	15,633	960	0	34,011
<u>Variations approved by Executive 28/11/18</u>					
IT Transformation scheme (3.2)	1,238	3,066	729	348	5,381
Reduction of funding from previously approved IT schemes	Cr 420	Cr 1,505	0	0	Cr 1,925
Schemes rephased from 2018/19 into 2019/20 (para 3.3)	Cr 15,878	15,878	0	0	0
Total amendments to the Capital Programme	Cr 15,060	17,439	729	348	3,456
Total Revised Resources, Commissioning & Contracts Management Programme	2,358	33,072	1,689	348	37,467

3.2 IT Transformation – (£5,381k new scheme addition)

The Executive on 28th November 2018 approved the addition of £5.381m to the Capital Programme to undertake the delivery of the ICT transformation project between 2019 and 2022. This is funded from a total reduction of £1.925m to existing IT capital schemes (£420k in 2018/19 and £1,505k in 2019/20) and £3,456k set aside in the Technology Fund earmarked reserve from underspends in 2018/19.

3.3 Schemes re-phased from 2018/19 into future years

As part of the 2nd quarter monitoring exercise, a total of £15,878k has been rephased from 2018/19 into 2019/20 to reflect revised estimates of when expenditure is likely to be incurred. This mainly relates to the Property Investment Fund where only a small amount of expenditure is expected for the remainder of the year. This has no overall impact on the total approved estimate for the capital programme. Scheme rephasings are itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure - Rephasing in Q2 Monitoring	2018/19	2019/20	TOTAL
	£'000	£'000	£'000
Civic Centre Development Strategy	Cr 100	100	0
Property Investment Fund	Cr 15,400	15,400	0
Carbon Management Programmes	Cr 378	378	0
Total Resources, Commissioning & Contracts Management Scheme rephasing	Cr 15,878	15,878	0

Post-Completion Reports

- 3.4 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 Resources, Commissioning & Contracts Management Portfolio before the end of the 2018/19 monitoring cycle:

- Digital Print Strategy

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 28th November 2018. Changes agreed by the Executive for the Resources, Commissioning & Contracts Management 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 2018/19 (Executive 11/07/18) Capital Programme Monitoring Qtr 2 2018/19 (Executive 28/11/18) IT Transformation scheme (Executive 28/11/18)