

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

Date: For Pre-Decision Scrutiny by the Environment and Community Services
PDS Committee on 5th February 2019

Decision Type: Non-Urgent Executive Non-Key

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

Contact Officer: Jo-Anne Chang-Rogers, Principal Accountant
Tel: 020 8313 4292 E-mail: Jo-Anne.Chang-Rogers@bromley.gov.uk

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 Environment and Community Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are 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
-

Financial

1. Cost of proposal: Total increase of £1.0m over the four years 2018/19 to 2021/22, due to the approval and addition of £1.12m for the Local Highways Maintenance (Potholes) scheme and a reduction of £0.2m from the TfL Formula Funding scheme.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £29.1m 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 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 Environment & Community Portfolio Programme 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, 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
	£'000	£'000	£'000	£'000	2018/19 to 2021/22 £'000
Programme approved by Executive 11/07/18	15,394	5,210	5,372	2,210	28,186
<u>Variations approved by Executive 28/11/18</u>					
Reduction to TfL Formula Funding (Para 3.2)	Cr 192	0	0	0	Cr 192
Removal of Woodlands Improvements Programme (Para 3.3)	Cr 4	0	0	0	Cr 4
Local Highways Maintenance - Potholes etc (Para 3.4)	1,117	0	0	0	1,117
Schemes rephased from 2018/19 into 2019/20 (Para 3.5)	Cr 976	976	0	0	0
Total amendments to the Capital Programme	Cr 55	976	0	0	921
Total Revised Environment & Community Programme	15,339	6,186	5,372	2,210	29,107

3.2 Decrease in TfL funding for Highways & Traffic Scheme

A decrease to the 2018/19 budget of £192k was approved by the Executive to reflect the revised allocations. TfL budgets change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3 Removal of Woodlands Improvements Programme

The scheme completed last year and a small budget of £4k was rephased at the end of 2017/18 for outstanding payments, however this is no longer required as no further spend is expected. Members at 28 November 2018 Executive approved the removal of this sum from the Capital Programme.

3.4 Local Highways Maintenance – Potholes, Damaged Roads

On 28th November 2018, Executive approved an increase in the 2018/19 Capital Programme to reflect additional local transport funding of £1.1m to fund carriage maintenance schemes. A report will be submitted to the Environment and Community Services PDS Committee in February 2019 to identify progress on schemes during 2018/19 and agree additional capital schemes for completion during 2019/20.

3.5 Schemes rephased from 2018/19 into 2019/20

As part of the 2nd quarter monitoring exercise, a total of £976k has been rephased from 2018/19 into 2019/20 to reflect revised estimates of when expenditure is likely to be incurred. This is primarily due to a number of schemes currently going through design and development before being delivered in 2019/20. 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
Winter Maintenance - Gritter Replacement	Cr	250	250	0
Central Depot Wall Scheme	Cr	576	576	0
Depot Improvement Works	Cr	150	150	0
Total Renewal, Recreation and Housing Portfolio rephasing	Cr	976	976	0

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. 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)

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 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 1 2018/19 (Executive 11/07/18) Capital Programme Monitoring Qtr 2 2018/19 (Executive 28/11/18)