

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

Date: For Pre-Decision Scrutiny by the Environment & Community Services
PDS Committee on 9th April 2019

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2018/19
& CAPITAL STRATEGY 2019 TO 2023

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

Ward: All

1. Reason for report

On 13th February 2019, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2018/19, 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 2018/19 to 2022/23. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Environment & 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 13th February 2019.

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 £2.2m over the five years 2018/19 to 2022/23, mainly due to the approval and addition of £2.2m for the TfL Formula Funding scheme.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £31.3m for the Environment & Community Portfolio over the five years 2018/19 to 2022/23
 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 13th February 2019

3.1 A revised Capital Programme has been submitted for approval to the Executive on 13th February 2019, following a detailed monitoring exercise carried out after the 3rd quarter of 2018/19. The base position is the programme approved by the Executive on 28th November 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 2018/19, together with detailed comments on individual scheme progress.

	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL 2018/19 to 2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 28/11/18	15,339	6,186	5,372	2,210	0	29,107
<u>Variations approved by Executive 13/02/19</u>						
Schemes rephased from 2018/19 into 2019/20 (Para 3.2)	Cr 3,125	3,125	0	0	0	0
New Schemes (see para 3.4)	0	0	0	0	2,210	2,210
Total amendments to the Capital Programme	Cr 3,125	3,125	0	0	2,210	2,210
Total Revised Environment & Community Programme	12,214	9,311	5,372	2,210	2,210	31,317

3.2 Schemes rephased from 2018/19 into 2019/20

As part of the 3rd quarter monitoring exercise, a total of £3,125k has been rephased between 2018/19 and 2019/20 to reflect revised estimates of when expenditure is likely to be incurred. This is primarily due to 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 Q3 Monitoring	2018/19	2019/20	TOTAL
	£'000	£'000	£'000
Beckenham Town Centre Improvements	Cr 200	200	0
Central Depot Wall Scheme	Cr 130	130	0
Depot Improvement Works	Cr 140	140	0
Highways Investment	Cr 2,300	2,300	0
Street Lighting (Invest 2 Save Initiative)	Cr 200	200	0
Scadbury Park Moated Manor	Cr 155	155	0
Total Environment & Community Portfolio rephasing	Cr 3,125	3,125	0

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 £45.7m (including unapplied capital receipts) as at 31st March 2018. 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. . Apart from the regular annual capital bids (TfL funded Highway and Traffic schemes and Feasibility Studies), no additional bids were submitted. The 2022/23 annual provisions for TfL funded Highways and Traffic schemes (£2.2m) and feasibility studies (£10k) was approved and has been added to the Capital Programme.

Post-Completion Reports

3.5 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. Post completion reports on the following schemes are currently due for the Environment & Community Portfolio before the end of the 2019/20 monitoring cycle:

- The Woodland Improvement Programme

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 13th February 2019. 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 2 2018/19 (Executive 28/11/18) Capital Programme Monitoring Qtr 3 2018/19 (Executive 13/02/19)