

**Decision Maker:** PORTFOLIO HOLDER FOR EDUCATION, CHILDREN AND FAMILIES

**Date:** For Pre-Decision Scrutiny by the Education, Children & Families Budget and Performance Monitoring Sub-Committee on 10<sup>th</sup> April 2019

**Decision Type:** Non-Urgent Executive Non-Key

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

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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

On 13<sup>th</sup> February 2019, the Executive received a report summarising the current position on capital expenditure and receipts following the 3<sup>rd</sup> 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 Education, Children & Families Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are shown in Appendix B.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 13<sup>th</sup> 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: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £33.0m for the Education, Children and Families Portfolio over the five years 2018/19 to 2022/23
  5. Source of funding: Capital grants, capital receipts, S106 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 13<sup>th</sup> February 2019

3.1 A revised Capital Programme has been submitted for approval to the Executive on 13<sup>th</sup> February 2019, following a detailed monitoring exercise carried out after the 3<sup>rd</sup> quarter of 2018/19. The base position is the programme approved by the Executive on 28<sup>th</sup> November 2018, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Education, Children & Families Portfolio Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.4. 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
	£'000	£'000	£'000	£'000	£'000	2018/19 to 2022/23
						£'000
Programme approved by Executive 28/11/18	16,003	14,945	875	10	0	31,833
<u>Variations approved by Executive 13/02/19</u>						
Additional Basic Need	0	1,208	0	0	0	1,208
Langley Park Boys School -BSF (see para 3.2)	Cr 3	0	0	0	0	Cr 3
The Highway Primary (see para 3.2)	0 Cr	113	0	0	0	Cr 113
Basic Need (see para 3.2)	3	113	0	0	0	116
Suitability/Modernisation Issues in Schools (see para 3.3)	0 Cr	386	0	0	0	Cr 386
Universal Free School Meals (see para 3.3)	0 Cr	19	0	0	0	Cr 19
Capital Maintenance in Schools (see para 3.3)	405	0	0	0	0	405
Rephasing from 2018/19 into 2019/20 (see para 3.4)	Cr 2,772	2,772	0	0	0	0
New Schemes (see para 3.6)	0	0	0	0	10	10
Total amendments to the Capital Programme	Cr 2,367	3,575	0	0	10	1,218
<b>Revised Education, Children &amp; Families Programme</b>	<b>13,636</b>	<b>18,520</b>	<b>875</b>	<b>10</b>	<b>10</b>	<b>33,051</b>

#### 3.2 Reallocation of budgets from completed schemes to Basic Need:

The Executive on 13<sup>th</sup> February 2019 approved the reallocation of £3k in 2018/19 from Langley Park Boys and £113k in 2019/20 from The Highway Primary completed schemes to the Basic Need programme. The budget had initially been set aside to cover any additional spend that may have arisen beyond the defects and snagging period, however this is no longer required.

#### 3.3 Reallocation of budgets from completed schemes to Capital Maintenance in Schools:

The Executive on 13<sup>th</sup> February 2019 approved the reallocation of £386k and £19k in 2019/20 from Suitability/Modernisation issues in Schools, and Universal Free School Meals completed schemes respectively, to the Capital Maintenance in Schools scheme budget in 2018/19 due to the main improvement works falling under this scheme.

#### 3.4 Schemes re-phased from 2018/19 into 2019/20:

As part of the 3<sup>rd</sup> quarter monitoring exercise, a total of £2,772k 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 adjusting the Basic Need scheme so that is in line with the most recent

projected cash flow provided by consultants. Scheme rephasings are itemised in the table below and comments on scheme progress are provided in Appendix B.

<b>Capital Expenditure - Rephasing in Q3 Monitoring</b>	<b>2018/19</b>	<b>2019/20</b>	<b>TOTAL</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Healthy Pupil Capital Fund	Cr 29	29	<b>0</b>
Basic Need	Cr 2,600	2,600	<b>0</b>
Security Works	Cr 35	35	<b>0</b>
Children and Family Centres	Cr 50	50	<b>0</b>
30 Hours Funded Childcare IT Solution Scheme	Cr 43	43	<b>0</b>
Mobile Technology to Support Childrens Social Workers	Cr 15	15	<b>0</b>
<b>Total Education, Children &amp; Families rephasing</b>	<b>Cr 2,772</b>	<b>2,772</b>	<b>0</b>

### **Annual Capital Review – new scheme proposals**

- 3.5 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
- 3.6 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 bid for Feasibility Studies, no bids for new schemes were received for the Education, Children & Families Portfolio. The 2022/23 annual provision for feasibility studies (£10k) was approved and has been added to the Capital Programme.

### **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 the end of the 2019/20 monitoring cycle:
- Langley Park Boys School (BSF)
  - The Highway Primary
  - Universal Free School Meals

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 13<sup>th</sup> February 2019. Changes agreed by the Executive for the Education, Children & Families Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	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)