

Decision Maker: RENEWAL, RECREATION & HOUSING PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Renewal, Recreation & Housing PDS Committee on 3rd September 2019

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2019/20

Contact Officer: Claire Martin, Head of Finance
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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 10th July 2019, the Executive received a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2019/20 and agreed a revised Capital Programme for the four year period 2019/20 to 2022/23. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Renewal, Recreation & Housing Portfolio. The revised programme for this portfolio is set out in Appendix A, and detailed comments on individual schemes are shown in Appendix B, and details of the 2018/19 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 10th July 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 £1.5m over the four years 2019/20 to 2022/23, due to the approval of the Replacement of District Heating System at Walnuts Leisure Centre scheme
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £45.2m for the Renewal, Recreation & Housing Portfolio over the four years 2019/20 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 10th July 2019

- 3.1 A revised Capital Programme was approved by the Executive on 10th July 2019, following a detailed monitoring exercise carried out after the 1st quarter of 2019/20. The base position is the programme approved by the Executive on 13th February 2019, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Renewal, Recreation & Housing Portfolio Programme are itemised in the table below and further details are included in paragraph 3.2 to 3.4. The revised Programme for the Renewal, Recreation & Housing Portfolio is attached as Appendix A whilst Appendix B shows actual spend against budget, in the first quarter of 2019/20, together with detailed comments on individual scheme progress. Appendix C includes details of the final outturn in 2018/19.

	2019/20	2020/21	2021/22	2022/23	TOTAL
	£'000	£'000	£'000	£'000	2019/20 to 2022/23 £'000
Programme approved by Executive 13/02/19	17,642	14,104	10	10	31,766
Net overspend in 2018/19 rephased into 2019/20 (para 3.2)	Cr 89	0	0	0	Cr 89
Provision of Housing supply in Anerley & Chislehurst (Council 22/05/19)	3,400	5,000	0	0	8,400
Gateway Review of Housing IT Scheme (Exec. 21/05/19)	20	0	0	0	20
Orpington Town Centre (Exec. 21/05/19)	81	0	0	0	81
Disabled Facilities Grant (Exec. 21/05/19)	2,153	0	0	0	2,153
Housing unallocated PIL (Exec. 21/05/19)	1,321	0	0	0	1,321
Approved Programme prior to 1st Quarter monitoring	24,528	19,104	10	10	43,652
Variations approved by Executive 10/07/19					
Replacement of district heating system at Walnuts Leisure Centre (para 3.3)	1,500	0	0	0	1,500
Schemes rephased from 2019/20 into 2020/21 (para 3.4)	Cr 7,213	7,213	0	0	0
Total amendments to the Capital Programme	Cr 5,713	7,213	0	0	1,500
Total Revised Renewal, Recreation & Housing Programme	18,815	26,317	10	10	45,152

3.2 Net Overspend in 2018/19 re-phased into 2019/20

The 2018/19 Capital Outturn was reported to the Executive on 21st May 2019. The final capital outturn for the year for Renewal, Recreation & Housing Portfolio schemes was £10,874k compared to a revised budget of £10,785k approved by the Executive in July 2019; an overspend of £89k, which has been re-phased into 2019/20. Details of the 2018/19 outturn for this Portfolio are set out in Appendix C.

3.3 Replacement of District Heating System at Walnuts Leisure Centre (£1,500k increase in 2019/20)

On 10th July 2019, Executive approved £1.5m from capital receipts to fund the renewal of the district heating system and the secondary plant. This was approved by Full Council on 15th July 2019. The scheme covers the essential replacement works of the Walnuts District Heating System and repairs to the secondary heating plant at the Walnuts Leisure Centre.

3.4 Schemes re-phased from 2019/20 to 2020/21

As part of the 1st quarter monitoring exercise, a total of £7,213k has been re-phased from 2019/20 into 2020/21 to reflect revised estimates of when expenditure is likely to be incurred. This is itemised in the table below and comments on scheme progress are provided in Appendix B. This has no overall impact on the total approved estimate for the capital programme.

Capital Expenditure - Rephasing in Q1 Monitoring	2019/20	2020/21
	£'000	£'000
Empty Homes Programme	Cr 60	60
Renovation Grants (Disabled Facilities)	Cr 3,153	3,153
Site G	Cr 4,000	4,000
Total Renewal, Recreation and Housing Portfolio rephasing	Cr 7,213	7,213

Post-Completion Reports

3.5 Under approved Capital Programme procedures, capital schemes are 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. There are no post-completion reports currently due for the Renewal, Recreation & Housing Portfolio.

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 10th July 2019. Changes agreed by the Executive for the Renewal, Recreation & Housing 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 2019/20 (Executive 10/07/19) Capital Outturn report (Executive 21/05/19) Capital Programme Monitoring Qtr 3 2018/19 (Executive 13/02/19)