

Decision Maker: **ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO HOLDER**
For Pre-Decision Scrutiny by the Environment and Community Services PDS Committee on:

Date: **28th August 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 Environment & Community Services Portfolio. The revised programme for this portfolio is set out in Appendix A, 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 £1.922m over the four years 2019/20 to 2022/23, due to the approval and addition of 2019/20 TfL Formula Funded schemes.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £25.9m for the Environment & Community Services Portfolio over the four years 2019/20 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 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 Environment & Community Services 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 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 for 2018/19.

	2019/20	2020/21	2021/22	2022/23	TOTAL 2019/20 to 2022/23
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 13/02/19	9,311	5,372	2,210	2,210	19,103
Net underspend in 2018/19 rephased into 2019/20 (para 3.2)	4,902	0	0	0	4,902
TfL Traffic and Highways Scheme (Executive 21/05/19)	Cr 6	0	0	0	Cr 6
Approved Programme prior to 1st Qtr Monitoring	14,207	5,372	2,210	2,210	23,999
<u>Variations approved by Executive 10/07/19</u>					
Increase in TfL 2019/20 funding for Highways & Traffic (para 3.3)	1,922	0	0	0	1,922
Schemes rephased from 2019/20 into 2020/21 (para 3.4)	Cr 3,944	3,944	0	0	0
Total amendments to the Capital Programme	Cr 2,022	3,944	0	0	1,922
Total Revised Environment & Community Programme	12,185	9,316	2,210	2,210	25,921

3.2 Net Underspend in 2018/19 rephased 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 Environment & Community Services Portfolio schemes was £7,312k compared to a revised budget of £12,214k approved by the Executive in February; an underspend of £4,902k, which has been rephased into 2019/20. This is mainly due to slippage of £2,608k on the Transport for London schemes, £1,612k on Highways Investment, £385k on Beckenham Town Centre Improvements scheme and £132k on the Orpington Railway Station scheme. Details of the 2018/19 outturn for this Portfolio are set out in Appendix C.

3.3 Transport for London (TfL) 2019/20 funding for Highways and Traffic Schemes

Provision for transport schemes is 100% funded by TfL and forms the basis of the bid in the Borough Spending Plan (BSP) for the next 3 years. An increase to the 2019/20 budget of £1,922k was approved by the Executive on 10th July 2019 to reflect the allocations provided for this financial year. TfL budgets change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.4 Schemes rephased from 2019/20 into 2020/21

As part of the 1st quarter monitoring exercise, £3,944k was rephased from 2019/20 into 2020/21 to reflect revised estimates of when expenditure on Environment and Community schemes are 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
LIP Formula Funding	Cr 1,400	1,400
Winter Maintenance - Gritter Replacement	Cr 250	250
Depot Improvement Works	Cr 2,294	2,294
Total Environment & Community Portfolio rephasing	Cr 3,944	3,944

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. No post-completion reports are currently due for the Environment and Community Portfolio, but 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 10th July 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 3 2018/19 (Executive 13/02/19) Capital Outturn report (Executive 21/05/19) Capital Programme Monitoring Qtr 1 2019/20 (Executive 10/07/19)