

Decision Maker: RESOURCES, COMMISSIONING & CONTRACTS
MANAGEMENT PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Executive, Resources & Contracts PDS
Committee on 11th 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 presenting for approval the new capital schemes in the annual capital review process. The Executive 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 Resources, Commissioning & Contracts Management (RC&CM) 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 £16k to the Banbury House Demolition Site Preparation scheme, over the four years 2019/20 to 2022/23
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £36.9m for the Resources, Commissioning & Contracts Management 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 Resources, Commissioning & Contracts Management Portfolio Programme are itemised in the table below and further details are included in paragraphs 3.2 and 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 included 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	34,704	1,689	348	0	36,741
Rephasing of schemes at 2018/19 outturn (Para 3.2)	Cr 133	0	0	0	Cr 133
Property Disposal / Feasibility Works (Exec 21/05/19)	250	0	0	0	250
	34,821	1,689	348	0	36,858
Variations approved by Executive 10/07/19					
Increase £16k to Banbury House Demolition scheme (Para 3.3)	16	0	0	0	16
Schemes rephased from 2019/20 into 2020/21 (Para 3.4)	Cr 28,493	28,493	0	0	0
Total amendments to the Capital Programme	Cr 28,477	28,493	0	0	16
Total Revised RC&CM Programme	6,344	30,182	348	0	36,874

3.2 Net Overspend 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 Resources, Commissioning & Contracts Management Portfolio schemes was £974k compared to a revised budget of £841k approved by the Executive in February. The £133k overspend has been met from 2019/20 budget.

3.3 Banbury House Demolition Site Preparation scheme (£16k increase in 2019/20)

Following the completion of the Banbury House Demolition Site preparation scheme, the costs for this project had exceeded the approved budget of £16k. On 10th July, 2019, Executive agreed the addition of £16k to the scheme, funded from revenue.

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

As part of the 1st quarter monitoring exercise, a total of £28,493k has been rephased from 2019/20 into 2020/21 to reflect revised estimates of when expenditure is likely to be incurred. This included the Property Investment Fund, Civic Centre Development Strategy, IT Transformation scheme, and the Sharepoint Productivity Platform upgrade scheme. This has no overall impact on the total approved estimate for the capital programme. Scheme rephasings are itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure - Rephasing in Q1 Monitoring	2019/20	2020/21	TOTAL
	£'000	£'000	£'000
Civic Centre Development Strategy	Cr 12,000	12,000	0
Property Investment Fund	Cr 15,393	15,393	0
Post-Completion Reports	Cr 600	600	0
Sharepoint Productivity Platform upgrade / replacement	Cr 500	500	0
Total RC&CM Portfolio rephasing	Cr 28,493	28,493	0

3.5 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. A post-completion report on the Banbury House Demolition Site preparation scheme will be reported to this PDS committee this year.

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 Resources, Commissioning & Contracts Management 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)