

Decision Maker: PORTFOLIO HOLDER FOR CHILDREN, EDUCATION AND FAMILIES

Date: For Pre-Decision Scrutiny by the Education, Children & Families PDS Committee on 8th October 2019

Decision Type: Non-Urgent Executive Non-Key

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

Contact Officer: David Bradshaw, 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 Education, Children and 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, 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 £199k over the four years 2019/20 to 2022/23, due to the addition of Devolved Capital Formula budget and removal of the £40k residual balance on the Phoenix Centre.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £20.6m for the Education, Children and Families 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 Education, Children & Families Portfolio Programme are itemised in the table below and further details are included in paragraph 3.2 to 3.6. The revised Programme for the Education, Children & Families 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	17,312	875	10	10	18,207
Net underspend in 2018/19 rephased into 2019/20 (Para 3.2)	2,212	0	0	0	2,212
Approved programme prior to 1st quarter monitoring	19,524	875	10	10	20,419
Variations approved by Executive 10/07/19					
Beacon House Refurb scheme (Para 3.3)	Cr 391	0	0	0	Cr 391
Basic Need scheme (Para 3.3)	391	0	0	0	391
Phoenix Centre scheme (Para 3.4)	Cr 40	0	0	0	Cr 40
Devolved Formula Capital (Para 3.5)	239	0	0	0	239
Schemes rephased from 2019/20 into 2020/21 (Para 3.6)	Cr 5,818	5,818	0	0	0
Total amendments to the Capital Programme	Cr 5,619	5,818	0	0	199
Revised Education, Children & Families Programme	13,905	6,693	10	10	20,618

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 Education, Children & Families Portfolio schemes was £11,424k compared to a revised budget of £13,636k approved by the Executive in February; an underspend of £2,212k, which has been rephased into 2019/20. This is mainly due to slippage of £398k on the Glebe School Expansion scheme, £632k on Capital Maintenance in Schools and £990k on Basic Need scheme. Details of the 2018/19 outturn for this Portfolio are set out in Appendix C.

3.3 Reallocation of Beacon House Refurb Scheme to Basic Needs scheme:

On 10th July 2019 Executive approved the reallocation of £391k residual balance from Beacon House Refurb scheme, which has completed, to the Basic Need scheme budget where it was initially part funded from.

3.4 Removal of Phoenix Centre Scheme (£40k reduction in 2019/20):

The scheme was reinstated in 2015/16 as some outstanding requests for payment had been received from NHS Property Services, however no further costs are now anticipated, and the Executive on 10th July 2019 agreed to remove the residual balance of £40k from the Capital Programme.

3.5 Devolved Formula Capital (£239k increase in 2019/20)

The Devolved Formula Capital scheme is funded by a grant from the Department for Education, which is passed straight on to Council maintained schools. The Council received allocation of £182k for 2018/19 and £57k for 2019/20 and the Executive on 10th July 2019 agreed a total increase of £239k to reflect the level of revised funding.

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

As part of the 1st quarter monitoring exercise, a total of £5,818k 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	TOTAL
	£'000	£'000	£'000
Seed Challenge	Cr 200	200	0
Schools Access Initiative	Cr 100	100	0
Capital Maintenance in Schools	Cr 130	130	0
Basic Need	Cr 5,000	5,000	0
S106 - Education (unallocated)	Cr 388	388	0
Total Education, Children & Families rephasing	Cr 5,818	5,818	0

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:

- Widmore Centre
- Beacon House Refurbishment
- Phoenix Centre

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 Education, Children & Families 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)