

**Decision Maker:** RENEWAL, RECREATION & HOUSING PORTFOLIO HOLDER

**Date:** For pre-decision scrutiny by the Renewal, Recreation & Housing PDS Committee on 21<sup>st</sup> January 2020

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

**Title:** CAPITAL PROGRAMME MONITORING - 2<sup>ND</sup> QUARTER 2019/20

**Contact Officer:** Katherine Ball, Principal Accountant  
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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

On 27<sup>th</sup> November 2019, the Executive received a report summarising the current position on capital expenditure and receipts following the 2<sup>nd</sup> 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.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 27<sup>th</sup> November 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 £10.4m over the four years 2019/20 to 2022/23, mainly due to the approval of Provision of Housing in Burnt Ash Lane (£6m) and Modular Homes at York Rise (£3.8m)
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £55.5m 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 27<sup>th</sup> November 2019

- 3.1 A revised Capital Programme was approved by the Executive on 27<sup>th</sup> November 2019, following a detailed monitoring exercise carried out after the 2nd quarter of 2019/20. The base position is the programme approved by the Executive on 10<sup>th</sup> July 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 paragraphs 3.2 to 3.3. The revised Programme for the Renewal, Recreation & Housing Portfolio is attached as Appendix A whilst Appendix B shows actual spend against budget, in the second quarter of 2019/20, together with detailed comments on individual scheme progress.

	2019/20	2020/21	2021/22	2022/23	TOTAL 2019/20 to 2022/23
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 10/07/19	18,815	26,317	10	10	45,152
Modular Homes at York Rise Site (Council 15/07/19)	500	5,000	500	0	6,000
Provision of Housing in Burnt Ash Lane (Council 14/10/19)	250	3,000	536	0	3,786
Approved Programme prior to 2nd Quarter monitoring	19,565	34,317	1,046	10	54,938
<u>Variations approved by Executive 27/11/19</u>					
London Private Sector Renewal Scheme (See para 3.2)	499	0	0	0	499
Disabled Facilities Grant Scheme (See para 3.2)	117	0	0	0	117
Schemes rephased from 2019/20 into 2020/21 (para 3.3)	Cr 7,667	Cr 12,986	8,653	12,000	0
Total amendments to the Capital Programme	Cr 7,051	Cr 12,986	8,653	12,000	616
<b>Total Revised Renewal, Recreation &amp; Housing Programme</b>	<b>12,514</b>	<b>21,331</b>	<b>9,699</b>	<b>12,010</b>	<b>55,554</b>

- 3.2 Loan Repayment (Net Increase of £616k in 2019/20; London Private Sector Renewal Scheme £499k, Disabled Facilities Grant £117k)

Members agreed, at the 27 November 2019 Executive a net increase of £616k in 2019/20; £499k to the London Private Sector Renewal Scheme and £117k to the Disabled Facilities Grant Scheme to reflect the total funding available. The total accumulated funding available includes repayments of £31k on Home Improvement Loans, £94k on Empty Homes grant, £374k on SELHP grant, and £117k on DFG renovation grant repayments.

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

As part of the 2<sup>nd</sup> quarter monitoring exercise, a total of £20,653k has been re-phased from 2019/20 and 2020/21 into 2021/22 and 2022/23 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 Q2 Monitoring	2019/20	2020/21	2021/22	2022/23	TOTAL
	£'000	£'000	£'000	£'000	£'000
Payment in Lieu Fund - Properties Acquisitions	Cr 60	60	0	0	0
Provision of Housing Supply in Anerley and Chislehurst	Cr 3,200	Cr 1,800	1,000	4,000	0
Disabled Facilities Grant (DFG) Renovation Grants	0	Cr 1,153	1,153	0	0
Site G	Cr 3,157	Cr 11,343	6,500	8,000	0
Replacement of District Heating System Boilers and Works to Walnuts Leisure Centre	Cr 1,250	1,250	0	0	0
<b>Total Renewal, Recreation and Housing Portfolio rephasing</b>	<b>Cr 7,667</b>	<b>Cr 12,986</b>	<b>8,653</b>	<b>12,000</b>	<b>0</b>

## Post-Completion Reports

3.4 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 27<sup>th</sup> November 2019. Changes agreed by the Executive for the Renewal, Recreation & Housing 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 1 2019/20 (Executive 10/07/19); Capital Programme Monitoring Qtr 2 2019/20 (Executive 27/11/19)