

Decision Maker: RENEWAL, RECREATION & HOUSING PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Renewal, Recreation & Housing PDS Committee on 25th March 2020

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2019/20 & CAPITAL STRATEGY 2020 TO 2024

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 12th February 2020, the Executive received a report summarising the current position on capital expenditure and receipts following the 3rd 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 five year period 2019/20 to 2023/24. 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 the new schemes approved for this Portfolio are set out in paragraphs 3.5 & 3.6.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to

2.1 Note and confirm the changes agreed by the Executive on 12th February 2020.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising from this report.

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". The capital review process requires Council Directors to ensure that bids for capital investment provide value for money and match Council plans and priorities.
2. BBB Priority: Excellent Council

Financial

1. Cost of proposal: Total Increase of £3.15m over the five years 2019/20 to 2023/24, mainly due to the new scheme added.
2. Ongoing costs: Not Applicable
3. Budget head/performance centre: Capital Programme
4. Total current budget for this head: £58.7m for the Renewal, Recreation & Housing Portfolio over the five years 2019/20 to 2023/24
5. Source of funding: Capital grants, capital receipts, S106 and earmarked revenue contributions

Personnel

1. Number of staff (current and additional): 1 fte
2. If from existing staff resources, number of staff hours: 36 hours per week

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
2. Call-in: Applicable

Procurement:

1. Summary of Procurement Implications:

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A

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 12th February 2020

3.1 A revised Capital Programme was agreed by the Executive on 12th February 2020, following a detailed monitoring exercise carried out after the 3rd quarter of 2019/20. The base position is the programme approved by the Executive on 27th November 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 3.6. The revised Programme for the Portfolio is attached as Appendix A, whilst Appendix B shows actual spend against budget in 2019/20, together with detailed comments on individual scheme progress.

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL 2019/20 to 2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 27/11/19	12,514	21,331	9,699	12,010	0	55,554
<u>Variations approved by Executive 12/02/20</u>						
Re-phasing from 2019/20 (see para 3.2)	Cr 5,353	5,102	251	0	0	0
New Schemes (see paras 3.5 & 3.6)	0	3,141	0	0	10	3,151
Total amendments to the Capital Programme	Cr 5,353	8,243	251	0	10	3,151
Total Revised Renewal, Recreation & Housing Programme	7,161	29,574	9,950	12,010	10	58,705

3.2 Schemes re-phased from 2019/20 into later years

As part of the 3rd quarter monitoring exercise, a total of £5,353k has been re-phased from 2019/20 into later years to reflect revised estimates of when expenditure is likely to be incurred. Scheme re-phasings are itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure - Rephasing in Q3 Monitoring	2019/20	2020/21	2021/22	TOTAL
	£'000	£'000	£'000	£'000
Housing Payment in Lieu Fund (Unallocated)	Cr 3,206	3,206	0	0
London Private Sector Renewal Schemes	Cr 411	206	206	0
Empty Homes Programme	Cr 91	46	46	0
Payment in Lieu Fund - Property Acquisitions	Cr 57	57	0	0
Provision of Housing supply in Anerley & Chislehurst	Cr 190	190	0	0
Star Lane Traveller Site	Cr 133	133	0	0
Crystal Palace Park - Alternative Management Options	Cr 50	50	0	0
Bromley High Street Improvements	Cr 1,000	1,000	0	0
Bromley North Village	Cr 65	65	0	0
Penge Town Centre	Cr 150	150	0	0
Total Renewal, Recreation and Housing Portfolio rephasing	Cr 5,353	5,102	251	0

Annual Capital Review – new scheme proposals

3.3 In recent years, the Council has steadily scaled down new capital expenditure plans and has transferred all of the rolling maintenance programmes to the revenue budget. General (un-earmarked) reserves, established from the disposal of housing stock and the Glades Site, have been gradually spent and have fallen from £131m in 1997 to £49.3m (including unapplied capital receipts) as at 31st March 2019. The Council's asset disposal programme has

diminished and any new capital spending will effectively have to be met from the Council's remaining revenue reserves

3.4 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment, including Invest to Save bids which were particularly encouraged. Apart from the regular annual capital bid for Feasibility Studies, one bid for a new scheme was received for the Renewal, Recreation & Housing Portfolio, and is outlined below in paragraph 3.5.

3.5 Crystal Palace subway (£3,141k addition to 2020/21 budget)

This capital estimate for £3,141k is for restoration works to Crystal Palace park subway on the basis that this will be fully funded by grants and contributions from the Strategic Investment Pot (£2,340k), Historic England grant (£500k), TfL Highway works (£296k) and the Friends of Crystal Palace Subway group (£5k).

3.6 The 2023/24 annual provision for feasibility studies (£10k) was approved and has been added to the Capital Programme.

Post-Completion Reports

3.7 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 12th February 2020. 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 2 2019/20 (Executive 27/11/19) Capital Programme Monitoring Qtr 3 2019/20 (Executive 12/02/20)