

Decision Maker: EXECUTIVE, RESOURCES & CONTRACTS PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Executive, Resources & Contracts PDS Committee on 10th September 2020

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2020/21

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

Ward: All

1. Reason for report

On 8th July 2020, the Leader received a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2020/21, and agreed a revised Capital Programme for the four year period 2020/21 to 2023/24. This report highlights changes agreed by the Executive and the Leader in respect of the Capital Programme for the Executive, Resources & Contracts 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 2019/20 outturn position are included in Appendix C.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Leader on 8th July 2020.

Impact on Vulnerable Adults and Children:

1. Summary of Impact:

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. Ongoing costs: Not Applicable
 2. Budget head/performance centre: Capital Programme
 3. Total current budget for this head: £38.5m for the Executive, Resources & Contracts Portfolio over the four years 2020/21 to 2023/24
 4. Source of funding: Capital grants, capital receipts, S106 and earmarked revenue contributions.
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Personnel

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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Procurement:

1. Summary of Procurement Implications:
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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 Leader on 8th July 2020

3.1 A revised Capital Programme was approved by the Leader on 8th July 2020, following a detailed monitoring exercise carried out after the 1st quarter of 2020/21. The base position is the programme approved by the Executive on 12th February 2020, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Executive, Resources & Contracts Portfolio Programme are itemised in the table below and further details are included in paragraphs 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 2020/21, together with detailed comments on individual scheme progress. Appendix C includes details of the final outturn in 2019/20.

	2020/21	2021/22	2022/23	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 12/02/2020	5,318	13,691	16,000	0	35,009
Net underspend 2019/20 re-phased to 2020/21 (Para 3.2)	339				339
Approved programme prior to 1st Quarter monitoring	5,657	13,691	16,000	0	35,348
Variations approved by the Leader 08/07/20					
Social Care Case Management System IT (Moved from Adult Care & Health Portfolio)	1,468	1,270			2,738
IT Transformation	385				385
Re-phasing to 2021/22 (Para 3.4)	Cr 2,848	2,848			0
Total approved variations	Cr 995	4,118	0	0	3,123
Revised Executive Resources & Contracts Portfolio	4,662	17,809	16,000	0	38,471

3.2 Net Underspend 2019/20 re-phased into 2020/21

The 2019/20 Capital Outturn was reported to the Leader on 27th May 2020. The final capital outturn for the year for the Executive, Resources & Contracts Portfolio schemes was £3,621k compared to a revised budget of £3,960k approved by the Executive in February 2020. The £339k underspend has been re-phased into 2020/21.

3.3 IT Capital Transformation Scheme (£385k increase to budget in 2020/21)

At the meeting on 8th July the Leader agreed to add £385k to the capital programme for IT. Due to the COVID-19 pandemic, the IT Transformation project was paused and the resources were diverted to assist all LBB staff to work from home. This resulted in 1,400+ staff being able to work from home and carry out their duties as well as support COVID-19 projects such as Shielding. The Windows 10 rollout has now resumed at 50% of its original rate, with 100 laptops a week now being issued. This will ensure that all the prerequisites are met, and social distancing is maintained in line with Government and our Public Health guidance. This has doubled the deployment time. Officers have managed to secure the project delivery at a fixed price; hence the risk of any further delays in rolling out of the Windows 10 devices due to technical issues resides with BT. However, any risks or additional costs from staff not coming to collect the devices or another enforcement of lockdown that is beyond BT's control rests with

the Council. The COVID-19 pause of the project and increased deployment time to comply with social distancing has added projected costs of £350k plus 10% contingency.

3.4 Schemes re-phased from 2020/21 into 2021/22

As part of the 1st quarter monitoring exercise, a total of £2,848k has been re-phased from 2020/21 into 2021/22 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	2020/21	2021/22	Total
	£'000	£'000	£'000
Customer Services IT System Replacement	Cr 325	325	0
IT Transformation	Cr 348	348	0
Social Care Case Management System	Cr 1,369	1,369	0
SharePoint PP update/replacement	Cr 306	306	0
Financial system replacement	Cr 500	500	0
Total Executive, Resources & Contracts Re-phasing	Cr 2,848	2,848	0

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. 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 Executive, Resources & Contracts Portfolio:

- Upgrade of Core Network Hardware
- Replacement of Storage Area Network
- Rollout of Windows 7 and Office 2000
- Replacement of MD110 telephone switch
- Windows Server 2003 Replacement Programme
- Performance Management/ Children's Services Information Technology
- Carbon Management Programme (Invest to Save funding)
- Banbury House Demolition/Site Prep
- Review of Corporate Customer Services IT System
- Upgrade of MS Dynamics CRM System

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 Leader on 8th July 2020. Changes agreed by the Executive and the Leader for the Executive, Resources & Contracts 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 2020/21 (Leader 08/07/20) Capital Outturn report (Executive 27/05/20) Capital Programme Monitoring Qtr.3 2019/20 (Executive 12/02/20)