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<b>Decision Maker:</b>	<b>PORTFOLIO HOLDER FOR CHILDREN, EDUCATION, AND FAMILIES</b>
<b>Date:</b>	<b>For Pre-Decision Scrutiny by the Children, Education, &amp; Families PDS Committee on 10<sup>th</sup> March 2021</b>
	Non-Urgent                      Leader                      Non-Key
<b>Title:</b>	<b>CAPITAL PROGRAMME MONITORING - 3<sup>RD</sup> QUARTER 2020/21 &amp; CAPITAL STRATEGY 2021 TO 2025</b>
<b>Contact Officer:</b>	Katherine Ball, Principal Accountant Tel: 020 8313 4792 E-mail: Katherine.Ball@bromley.gov.uk
<b>Chief Officer:</b>	Director of Finance
<b>Ward:</b>	All

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1. Reason for report

On 10<sup>th</sup> February 2021, the Executive received a report summarising the current position on capital expenditure and receipts following the 3<sup>rd</sup> quarter of 2020/21, 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 2020/21 to 2024/25. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Children, Education & 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.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to note and acknowledge the changes agreed by the Executive on 10<sup>th</sup> February 2021.**

## Impact on Vulnerable Adults and Children:

1. Summary of Impact:

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### 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

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### Financial

1. Cost of proposal: Total increase of £145k over the five years 2020/21 to 2024/25, mainly due to the approval and addition for Feasibility Studies and for s106 Education receipts.
2. Ongoing costs: Not Applicable
3. Budget head/performance centre: Capital Programme
4. Total current budget for this head: £21.3m for the Children, Education and Families Portfolio over the five years 2020/21 to 2024/25
5. 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 Executive on 10<sup>th</sup> February 2021

- 3.1 A revised Capital Programme was approved by the Executive on 10<sup>th</sup> February 2021, following a detailed monitoring exercise carried out after the 3<sup>rd</sup> quarter of 2020/21. The base position is the programme approved by the Leader in November 2020, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Children, Education & Families 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 2020/21, together with detailed comments on individual scheme progress.

		2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL 2020/21 to 2024/25
		£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Leader Nov 2020		13,040	7,966	190	10	0	21,206
Variations approved by Executive 10/02/21							
s106 Education receipts (see para 3.2)		0	135	0	0	0	135
Rephasing from 2020/21 into 2021/22 (see para 3.3)	Cr	3,204	3,204	0	0	0	0
New scheme (see para 3.6)		0	0	0	0	10	10
	Cr	3,204	3,339	0	0	10	145
<b>Revised Children, Education &amp; Families Programme</b>		<b>9,835</b>	<b>11,305</b>	<b>190</b>	<b>10</b>	<b>10</b>	<b>21,350</b>

#### 3.2 Section 106 Education (net increase of £135k in 2021/22)

At its meeting on February 10<sup>th</sup> 2021 the Executive agreed an increase of £135k in the Capital Programme budget for Education s106 in respect of additional receipts received since the last report. S106 Education contributions are secured to mitigate the impact of development on the need for school places and school facilities. Until recently, changes in regulations contributions had to be secured against a named school at which the funds must be spent. Funds have been allocated to schemes being developed by the Council in line with the Basic Need programme agreed by Members. Officers monitor s106 contributions closely and there are no s106 contributions at risk of being lost or clawed back.

#### 3.3 Schemes re-phased from 2020/21 into 2021/22

As part of the 3<sup>rd</sup> quarter monitoring exercise, a total of £3,204k 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.

<b>Capital Expenditure - Rephasing in Q3 Monitoring</b>	<b>2020/21</b>	<b>2021/22</b>	<b>TOTAL</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Basic Need	Cr 2,400	2,400	<b>0</b>
Glebe School Expansion	Cr 382	382	<b>0</b>
Seed Challenge Fund	Cr 100	100	<b>0</b>
Security Works	Cr 46	46	<b>0</b>
Capital Maintenance	Cr 200	200	<b>0</b>
School Access Initiative	Cr 76	76	<b>0</b>
<b>Total Children, Education &amp; Families re-phasing</b>	<b>Cr 3,204</b>	<b>3,204</b>	<b>0</b>

## Annual Capital Review – new scheme proposals

- 3.4 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 £44.4m (including unapplied capital receipts) as at 31st March 2020. 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
- 3.5 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.
- 3.6 The 2024/25 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 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 Children, Education and Families Portfolio:
- Langley Park Boys School (BSF) (Langley Park Learning Trust)
  - The Highway Primary (South Orpington Learning Alliance)
  - Beacon House Refurbishment (LSEC)
  - Universal Free School Meals

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 10<sup>th</sup> February 2021. Changes agreed by the Executive for the Children, Education & Families 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 2 2020/21 (Leader 18/11/20) Capital Programme Monitoring Qtr 3 2020/21 (Executive 10/02/21)