

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

Date: For pre-decision scrutiny by the Environment and Community Services
PDS Committee on 11th March 2021

Decision Type: Non-Urgent Leader Non-Key

Title: CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2020/21
& CAPITAL STRATEGY 2020 TO 2025

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 10th February 2021, the Leader received a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2020/21 and presenting for approval the new capital schemes in the annual capital review process. The Leader agreed a revised capital programme for the five year period 2020/21 to 2024/25. This report highlights changes agreed by the Leader in respect of the Capital Programme for the Environment & Community Services 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 paragraph 3.6.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and acknowledge the changes agreed by the Leader on 10th February 2021.

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". 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 £2.55m over the five years 2020/21 to 2024/25, mainly due to the approval and addition of £2.2m for the TfL Formula Funding scheme and £350k addition to the Winter Maintenance capital scheme.
2. Ongoing costs: Not Applicable
3. Budget head/performance centre: Capital Programme
4. Total current budget for this head: £26.2m for the Environment & Community Services Portfolio over the five years 2020/21 to 2024/25
5. Source of funding: Capital grants, capital receipts 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 Leader on 10th February 2021

3.1 A revised Capital Programme was approved by the Leader on 10th February 2021, following a detailed monitoring exercise carried out after the 3rd quarter of 2020/21. The base position is the programme approved by the Leader on 18th November 2020, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Environment & Community Services 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 18/11/2020	11,749	6,496	3,210	2,210	0	23,665
<u>Variations approved by Leader 10/02/21</u>						
Winter Maintenance	0	0	350	0	0	350
Transport for London (Highways and Traffic Schemes)	0	0	0	0	2,200	2,200
Feasibility Studies	0	0	0	0	10	10
Total amendments to the Capital Programme	0	0	350	0	2,210	2,560
Total Revised Environment & Community Services Programme	11,749	6,496	3,560	2,210	2,210	26,225

3.2 Winter Maintenance Service (£ 350k increase in 2022/23)

This capital estimate will continue the programmed replacement of gritting vehicles and various equipment used for winter service and snow clearance. The selection of suitable equipment will initially focus on replacing three front-line gritters that will further update the fleet, to become compliant for the London Low Emission Zone. This proposal underpins the provision of an effective response to winter weather conditions in the Borough in order to meet statutory duties and to ensure the highway provides a safe means of travel for all users and residents in the borough.

3.3 TfL Highways and Traffic Schemes (£2.2m increase in 2024/25)

Further Highways and Traffic schemes to be fully funded by TfL on the basis of the bid in the Borough Spending Plan (BSP). The Capital Programme currently includes estimates for 2021/22 to 2023/24 and these will all be adjusted to reflect any subsequent changes in approvals/allocations.

3.4 Feasibility Studies (£10k increase in 2024/25)

Provision for 2021/22 - 2023/24 already in Capital Programme to fund feasibility works in respect of potential new schemes.

Annual Capital Review – new scheme proposals

- 3.5 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.
- 3.6 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. The 2024/25 annual provisions for TfL funded Highways and Traffic schemes (£2.2m) and feasibility studies (£10k) and for the Winter Maintenance capital scheme (£350k) were approved and have 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. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. A post completion report on the following scheme is currently due for the Environment & Community Services Portfolio:
- The Woodland Improvement Programme

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 10th February 2021. Changes agreed by the Leader for the Environment & Community Services 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 2020/21 (Leader 18/11/20) Capital Programme Monitoring Qtr 3 2019/20 (Leader 10/02/21)