

Decision Maker: EXECUTIVE, RESOURCES & CONTRACTS PORTFOLIO HOLDER

Date: For pre-decision scrutiny by the Executive, Resources & Contracts PDS Committee on 15th September 2021

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2021/22

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 15th July 2021, the Executive received a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2021/22 and agreed a revised Capital Programme for the four-year period 2021/22 to 2024/25. 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 detailed comments on individual schemes are shown in Appendix B, and details of the 2020/21 outturn position are included in Appendix C.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and acknowledge the changes agreed by the Executive on 15th July 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".
 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: £39m for the Executive, Resources & Contracts Portfolio over the four years 2021/22 to 2024/25
 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 Executive on 15th July 2021

- 3.1 A revised Capital Programme was approved by the Executive on 15th July 2021, following a detailed monitoring exercise carried out after the 1st quarter of 2021/22. The base position is the programme approved by the Executive on 10th February 2021, 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 3.3. The revised Programme for the Portfolio is attached as Appendix A whilst Appendix B shows actual spend against budget in the first quarter of 2021/22, together with detailed comments on individual scheme progress. Appendix C includes details of the final outturn in 2020/21.

	2021/22	2022/23	2023/24	2024/25	Total 2021/22 to 2024/25
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 10/02/2021	20,321	17,204	279	0	37,804
Net underspend 2020/21 re-phased to 2021/22 (Para 3.2)	1,171				1,171
Approved programme prior to 1st Quarter monitoring	21,492	17,204	279	0	38,975
Variations approved by the Executive 15/07/21					
Financial Systems Replacement	Cr 150	150			0
Total approved variations	Cr 150	150	0	0	0
Revised Executive Resources & Contracts Portfolio	21,342	17,354	279	0	38,975

3.2 Net Underspend 2020/21 re-phased into 2021/22

The 2020/21 Capital Outturn was reported to the Executive on 30th June 2021. There was overall slippage of £1.2m on schemes in the Executive, Resources & Contracts portfolio compared to a total portfolio budget of £4m. There was slippage of £0.9m on the IT Transformation scheme, and £0.8m on the Civic Centre Development Strategy, offset by offset by accelerated expenditure on the Social Care Case Management scheme. The £1.2m underspend has been re-phased into 2021/22.

3.3 Schemes re-phased from 2021/22 into 2022/23

As part of the 1st quarter monitoring exercise, a total of £150k has been re-phased from 2021/22 into 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 Q1 Monitoring	2021/22	2022/23	Total
	£'000	£'000	£'000
Financial system replacement	Cr 150	150	0
Total Executive, Resources & Contracts Re-phasing	Cr 150	150	0

Post-Completion Reports

3.4 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
- Review of Corporate Customer Services IT 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 Executive on 15th July 2021. 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 2021/22(Executive 15/07/21) Capital Outturn report (Executive 30/06/21) Capital Programme Monitoring Qtr.3 2020/21 (Executive 10/02/21)