

**Decision Maker:** **PORTFOLIO HOLDER FOR RESOURCES, COMMISSIONING AND CONTRACT MANAGEMENT**

**Date:** For pre-decision scrutiny by the Executive, Resources and Contracts Policy Development and Scrutiny Committee on 23 November 2022

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** **CAPITAL PROGRAMME MONITORING - QUARTER 2 2022/23**

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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

On 30 November 2022, the Executive will receive a report summarising the current position on capital expenditure and receipts following the second quarter of 2022/23 and be asked to agree a revised capital programme for the four-year period 2022/23 to 2025/26. This report highlights changes to be put to the Executive and the Leader in respect of the capital programme for the Resources, Commissioning and Contract Management 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. **RECOMMENDATIONS**

**The Portfolio Holder is asked to note and acknowledge the changes to be put to the Executive on 30 November 2022.**

## 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. Ongoing costs: Not Applicable
2. Budget head/performance centre: capital programme
3. Total current budget for this head: £106,524k for the Resources, Commissioning and Contract Management portfolio over the four years 2022/23 to 2025/26
4. Source of funding: capital grants, capital receipts and earmarked revenue contributions

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#### Personnel

1. Number of staff (current and additional): 1fte
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 to be put to the Executive on 30 November 2022

3.1 A revised capital programme will be put to the Executive on 30 November 2022, following a detailed monitoring exercise carried out after the second quarter of 2022/23. The base position is the programme approved by the Executive on 6 October 2022 (postponed from 21 September 2022 due to the official mourning period for the death of the monarch.) All changes to schemes in the Resources, Commissioning and Contract Management 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 Resources, Commissioning and Contract Management portfolio is attached as Appendix A, whilst Appendix B shows actual spend against budget in the second quarter of 2022/23, together with detailed comments on individual scheme progress.

	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 09/02/22	23,191	29,051	9,472	545	62,259
Net underspend 21/22 rephased to 22/23	17,938				17,938
Net changes agreed in Q1 monitoring	Cr 143	162	40	5,297	5,357
<b>Approved programme prior to second quarter monitoring</b>	<b>40,986</b>	<b>29,213</b>	<b>9,512</b>	<b>5,842</b>	<b>85,554</b>
<b>Changes requiring approval by Executive</b>					
Addition to estimated costs of Project Smith	0	20,970	0	0	20,970
<b>Changes not requiring approval by Executive</b>					
Net rephasing from 22/23 into future years	Cr 300	300	0	0	0
<b>New schemes added to programme</b>	0	0	0	0	0
<b>Revised Resources, Commissioning and Contract Management capital programme</b>	<b>40,686</b>	<b>50,483</b>	<b>9,512</b>	<b>5,842</b>	<b>106,524</b>

#### 3.2 Variations approved at subsequent Executive meetings

No new variations have been approved in this cycle.

#### 3.3 Variations requiring the approval of the Executive (£20,970k net increase)

The costs of Project Smith are to increase by a net £20,970k, currently phased in 2023/24. This is because the existing capital budget for the Civic Centre redevelopment scheme has been increased to allow for the additional costs associated with the preferred option (Project Smith.) These increased costs will be partially mitigated by an expected capital receipt in the following year, 2024/25.

#### 3.4 Schemes re-phased from 2022/23 into future financial years

As part of the second quarter monitoring exercise, a total of £300k has been re-phased from 2022/23 into 2023/24 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.

	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total
	£'000	£'000	£'000	£'000	£'000
Financial systems replacement	Cr 300	300	0	0	0
<b>Total - Resources Commissioning and Contract Management</b>	<b>Cr 300</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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. 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 Resources, Commissioning and Contract Management 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

## 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 will be reported in full to the Executive on 30 November 2022. Changes to be put to the Executive for the Resources, Commissioning and Contract Management 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 Q2 2022/23 (Executive 30/11/2022) Capital programme monitoring Q3 2021/22 (Executive 09/02/22)