

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 18 September 2023**

Decision Type: Non-Urgent Executive Non-Key

Title: **CAPITAL PROGRAMME MONITORING - QUARTER 1 2023/24**

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 20 September 2023, the Executive will receive a report summarising the current position on capital expenditure and receipts following the first quarter of 2023/24 and be asked to agree a revised capital programme for the five-year period 2023/24 to 2027/28. 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; while Appendix C details the variance between the 2022/23 budget and the outturn position at year end. .

2. **RECOMMENDATIONS**

The Portfolio Holder is asked to note and acknowledge the changes to be put to the Executive on 20 September 2023.

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 "Making Bromley Even Better". 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. Ongoing costs: Not Applicable
2. Budget head/performance centre: capital programme
3. Total current budget for this head: £79,803k for the Resources, Commissioning and Contract Management portfolio over the four years 2023/24 to 2027/28
4. Source of funding: capital grants, capital receipts and earmarked revenue contributions

Personnel

1. Number of staff (current and additional): 1fte
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 to be put to the Executive on 20 September 2023

- 3.1 A revised capital programme will be put to the Executive on 20 September 2023, following a detailed monitoring exercise carried out after the first quarter of 2023/24. The base position is the programme approved by the Executive on 18 January 2023. 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 3.5. The revised programme for the Resources, Commissioning and Contract Management portfolio is attached as Appendix A, whilst Appendix B shows actual spend against budget as at the first quarter of 2023/24, together with detailed comments on individual scheme progress; and Appendix C shows the outturn position for 2022/23.
- 3.2 If all the changes proposed in this report are approved, the total capital programme 2023/24 to 2027/28 would decrease for presentational purposes by £63,167k.

	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 18/01/23	54,313	19,607	25,864	1,500	0	101,284
Net underspend 22/23 rephased to 23/24	32,686					32,686
Approved programme prior to Q3 monitoring	86,999	19,607	25,864	1,500	0	133,970
Net rephasing from 23/24 to future years (p. 3.4)	Cr 6,831	3,416	3,415	0	0	0
Allocation of Property Investment Fund to housing projects (p. 3.3)	Cr 11,688					Cr 11,688
Change in presentation for OPR (p. 3.3)	Cr 13,025	Cr 16,587	Cr 17,117	0	0	Cr 46,729
S/T - changes not requiring Executive approval	Cr 31,544	Cr 13,171	Cr 13,702	0	0	Cr 58,417
Supplementary estimate: Churchill Court (p. 3.5)	0	4,250	0	0	0	4,250
S/T - changes requiring Executive approval	0	4,250	0	0	0	4,250
Revised RCCM capital programme	55,455	10,686	12,162	1,500	0	79,803

- 3.3 Variations not requiring the approval of Executive (£11,688k total net decrease)

Allocation of Property Investment Fund to housing projects (net decrease of £11,688k)

There has been a reduction in the Property Investment Fund budget to reflect the fact that funding had previously been allocated from the Investment Fund earmarked reserve for affordable housing schemes. The impact is a net decrease of £11,688k.

Changes in presentation re: OPR (£46,729k net decrease, presentational only)

When the Operational Property Review (OPR) was added to the Council's capital programme in January 2023 it was presented for monitoring purposes as a single overarching project, with a separate budget for leisure centres, which fell within the Renewal, Recreation and Housing portfolio. Subsequent work has now disaggregated this larger budget and it has been decided to reflect projects in the appropriate portfolio (though overall project management for all non-RRH schemes remains within Resources, Commissioning and Contract Management.) As such, only two OPR schemes – surface car parks and cemetery properties – are now to be monitored in

reports to the Resources, Commissioning and Contract Management portfolio holder. The budgets for contingency and for the Churchill Theatre also remain within this portfolio. Budgets include an element of the delivery budget, which has been apportioned out across schemes for reporting to the OPR Board. The total change for this portfolio, which is purely presentational and does not represent any change in total resources, is a decrease of £46,729k.

3.4 Scheme re-phasing

As part of the Q1 monitoring exercise, a total of £6,831k has been specifically re-phased from 2023/24 into future years 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 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Property Investment Fund	Cr 6,831	3,416	3,415	0	0	0
Total for portfolio	Cr 6,831	3,416	3,415	0	0	0

3.5 Variations requiring the approval of the Executive (£4,250k net increase)

Churchill Court (£4,250k net increase)

Approval will be sought to add a supplementary estimate of £4,250k to the Churchill Court programme in 2024/25 to cover inflationary pressures. The costs of this increase will be met from £2,000k from contingency, and £2,250k from the Growth Fund.

3.6 Post-completion reports

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 20 September 2023. 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.

Non-applicable sections:	Legal, Personnel and Procurement Implications, Impact on Vulnerable Adults and Children
Background documents: (Access via contact officer)	Capital programme monitoring Q4 2022/23 (Executive 05/07/2023) Capital programme monitoring Q3 2022/23 (Executive 18/01/2023)