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Decision Maker:	<b>PORTFOLIO HOLDER FOR RESOURCES, COMMISSIONING AND CONTRACT MANAGEMENT</b>		
Date:	For pre-decision scrutiny by the Executive, Resources and Contracts Policy Development and Scrutiny Committee on 27 November 2023		
Decision Type:	Non-Urgent	Executive	Non-Key
Title:	<b>CAPITAL PROGRAMME MONITORING - QUARTER 2 2023/24</b>		
Contact Officer:	Sean Cosgrove, Principal Accountant Tel: 020 8313 4792 E-mail: <a href="mailto:sean.cosgrove@bromley.gov.uk">sean.cosgrove@bromley.gov.uk</a>		
Chief Officer:	Director of Finance		
Ward:	All		

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1. Reason for report

On 29 November 2023, the Executive will receive a report summarising the current position on capital expenditure and receipts following the second 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. .

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2. **RECOMMENDATIONS**

**The Portfolio Holder is asked to note and acknowledge the changes to be put to the Executive on 29 November 2023.**

## 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 "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

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#### Financial

1. Ongoing costs: Not Applicable
2. Budget head/performance centre: capital programme
3. Total current budget for this head: £83,503k 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

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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 29 November 2023

- 3.1 A revised capital programme will be put to the Executive on 29 November 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 second quarter of 2023/24, together with detailed comments on individual scheme progress.
- 3.2 If all the changes proposed in this report are approved, the total capital programme 2023/24 to 2027/28 would increase by £3,700k.

	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
Net changes agreed in Q1 monitoring	Cr 31,544	Cr 8,921	Cr 13,702			Cr 54,167
<b>Approved programme prior to Q2 monitoring</b>	<b>55,455</b>	<b>10,686</b>	<b>12,162</b>	<b>1,500</b>	<b>0</b>	<b>79,803</b>
Net rephasing from 23/24 to future years (p. 3.4)	Cr 14,020	9,768	252	4,000		0
Addition of budget for Central Library		500				500
Use of OPR Churchill Theatre contingency		Cr 500				Cr 500
<b>S/T - changes not requiring Executive approval</b>	<b>Cr 14,020</b>	<b>9,768</b>	<b>252</b>	<b>4,000</b>	<b>0</b>	<b>0</b>
Supplementary estimate: RAAC (p. 3.5)		3,000				3,000
Supplementary estimate: Liquid Logic (p. 3.5)	700					700
<b>S/T - changes requiring Executive approval</b>	<b>700</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,700</b>
<b>Revised RCCM capital programme</b>	<b>42,135</b>	<b>23,454</b>	<b>12,414</b>	<b>5,500</b>	<b>0</b>	<b>83,503</b>

#### 3.3 Variations not requiring the approval of Executive (no net change)

##### *Central Library (no net change)*

At the October 2023 meeting of the Executive, Members approved a capital estimate of £500k for initial works to relocate the Central Library, currently housed in the same building as the Churchill Theatre in Bromley. This estimate is to be funded from the budget already in the capital programme for the Churchill Theatre as part of the Operational Property Review (OPR) and therefore the net impact of this decision is cost neutral.

#### 3.4 Scheme re-phasing

As part of the Q2 monitoring exercise, a total of £14,020k has been re-phased from 2023/24 into future years to reflect revised estimates of when expenditure will be incurred. 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
Health and Wellbeing Centre	Cr 9,000	8,750	250	0	0	0
OPR (all projects)	Cr 5,020	1,018	2	4,000		0
<b>Total for portfolio</b>	<b>Cr 14,020</b>	<b>9,768</b>	<b>252</b>	<b>4,000</b>	<b>0</b>	<b>0</b>

### 3.5 Variations requiring the approval of the Executive (£3,700k net increase)

#### *Reinforced autoclaved aerated concrete (RAAC) (£3,000k net increase)*

A report elsewhere on the agenda for the Executive of 29 November 2023 requests approval of a supplementary estimate of £3,000k to cover the costs of investigative surveys relating to reinforced autoclaved aerated concrete (RAAC) and subsequent remedial works required across the Council's property portfolio. The Property team has implemented a full review of the Council's estate for the presence of RAAC. A building surveying practice has been commissioned and surveys are progressing. It is anticipated this will take six months to complete. Properties in the OPR are being reviewed as part of this commission. Funding will come from provisions in the capital programme for financing uncertainty and future schemes.

#### *Supplementary estimate for the social care case management system (£700k increase)*

Given existing and forecast overspends on the social care case management system, it is recommended that a supplementary estimate, assessed at £700k, be added to the capital programme to avoid a shortfall in overall funding in future years.

### 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 29 November 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.

<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 Q1 23/24 (Executive 20/09/2023) Capital programme monitoring Q3 22/23 (Executive 18/01/2023)