

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 5th February 2024

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - QUARTER 3 2023/24

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

At its meeting on 7th February 2024, the Executive will receive a report summarising the current position on capital expenditure and receipts following the third 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 considered by the Executive 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.

2. **RECOMMENDATIONS**

The Portfolio Holder is asked to note and acknowledge the changes to be considered by the Executive on 7th February 2024.

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. Making Bromley Even Better Priority: To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

Financial

1. Ongoing costs: Not Applicable
2. Budget head/performance centre: Capital Programme
3. Total current budget for this head: £84,303k 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 considered by the Executive on 7th February 2024

- 3.1 A revised capital programme will be considered by the Executive at its meeting on 7th February 2024, following a detailed monitoring exercise carried out after the third quarter of 2023/24. The base position is the programme approved by the Executive on 18th 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 third 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 £800k.

	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
Net changes agreed in Q2 monitoring	Cr 13,320	12,768	252	4,000		3,700
Approved programme prior to Q3 monitoring	42,135	23,454	12,414	5,500	0	83,503
Net rephasing from 23/24 to future years (p. 3.4)	Cr 12,821	11,998	823			0
Reduction in Financial Systems Replacement scheme	Cr 200					Cr 200
S/T - changes not requiring Executive approval	Cr 13,021	11,998	823	0	0	Cr 200
Public Switched Telephone Network (PSTN) Switch Off		1,000				1,000
S/T - changes requiring Executive approval	0	1,000	0	0	0	1,000
Revised RCCM capital programme	29,114	36,452	13,237	5,500	0	84,303

3.3 Variations not requiring the approval of Executive (decrease of £200k)

Reduction in Financial Systems Replacement Scheme (decrease of £200k)

As part of the third quarter monitoring exercise, a review identified that the Financial Systems Replacement schemes could be reduced by £200k based on revised estimates of total scheme expenditure.

3.4 Scheme re-phasing

As part of the Q3 monitoring exercise, a total of £12,821k 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
Churchill Theatre	Cr 4,498	4,498			0	0
Churchill Court	Cr 8,000	8,000				0

Financial Systems Replacement	Cr 250	250				0
Emergency Works on Surplus Sites	Cr 47	47				0
Property Disposal/Feasibility Work	Cr 26	26				0
OPR Surface Car Parks		Cr 823	823			0
Total for Portfolio	Cr 12,821	11,998	823	0	0	0

3.5 Variations requiring the approval of the Executive (£1,000k increase)

Public Switched Telephone Network (PSTN) Switch Off (£1,000k increase)

3.5.1 The Public Switched Telephone Network (PSTN) is scheduled to be switched off on 31st December 2025. This means that all traditional landline connection will be replaced with Voice over Internet Protocol (VoIP). The PSTN lines are used to deliver various services i.e. Emergency Lines, old telephone lines, emergency lines in Lifts, TeleCare Service Lines etc. The PSTN is the analogue copper cable telephone network that has been in use since 1876. As well as landline services, the PSTN also provides standard ADSL and fibre-to-the-cabinet (FTTC) broadband services via fibre optic cables.

3.5.2 The replacement, VoIP, is entirely digital and uses an internet connection to transmit voice calls and data. It's the same technology that is used for messaging and video call services like Skype, Teams and WhatsApp.

3.5.3 This change impacts everyone in the UK, both home and business customers. The capital estimate of £1m will cover the cost of investigation of all PSTN lines that are used for the service delivered by the Council as well as the lines used by the services and support our residents. The estimate also includes the cost of resources for procurement, implementation, change management and support the program to change the technology to the supported services.

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
- Review of Corporate Customer Services I.T Systems
- Upgrade of MS Dynamics CRM 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 will be reported in full to the Executive on 7th February 2024. Changes to be considered by 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 Q1 23/24 (Executive 20/09/2023) Capital programme monitoring Q2 23/24 (Executive 29/11/2023) Capital programme monitoring Q3 22/23 (Executive 18/01/2023)