

PART 1 - PUBLIC

Decision Maker: Environment Portfolio Holder

**For pre-decision scrutiny by the Environment PDS
Committee on 1st March 2011**

Date: 1st March 2011

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME - 3RD QUARTER MONITORING
2010/11 & 2010 CAPITAL REVIEW

Contact Officer: Martin Reeves, Group Accountant (Technical)
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

Chief Officer: Director of Resources

Ward: All

1. Reason for report

On 2nd February 2011, the Executive received the 3rd quarterly capital monitoring report for 2010/11 and agreed a revised Capital Programme for the four year period 2010/11 to 2013/14. This report highlights in paragraph 3.2 changes agreed by the Executive in respect of the Capital Programme for the Environment Portfolio. At that meeting, the Executive also approved new capital bids recommended by Chief Officers in this year's Capital Review process and details of successful Environment Portfolio bids are included in paragraph 3.1. The revised programme for this portfolio is set out in Appendix A.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the report.

Corporate Policy

1. Policy Status: Existing policy. 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.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: Estimated cost N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A (Capital Programme)
 4. Total current budget for this head: £Total £24.6m for Environment Portfolio over five years 2010/11 to 2014/15
 5. Source of funding: Capital grants, capital receipts and revenue contributions
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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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? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

New schemes

3.1 The 2010 capital bidding process did not produce many absolutely critical proposals. For the Environment Portfolio, the following new schemes were approved by the Executive on 2nd February 2011 for inclusion in the Capital Programme:

- Highway schemes funded by Transport for London (£4.0m): approved in 2014/15 for further highway schemes to be fully funded by TfL. The Capital Programme previously included estimates for 2010/11 to 2013/14 and all will be adjusted to reflect any subsequent changes in approvals/allocations;
- Winter maintenance – replacement of gritters (£250k): approved between 2012/13 and 2014/15 to complete the phased replacement of the Council’s aging winter maintenance equipment and vehicles, which will enable the continuation of a reliable winter maintenance service;
- Minor provision in 2014/15 for feasibility studies (£10k).

Capital Monitoring – variations reported to the Executive on 2nd February 2011

3.2 A revised Capital Programme was approved by the Executive in February, following a detailed monitoring exercise carried out after the 3rd quarter of 2010/11. The monitoring exercise resulted in one change to the approved programme (detailed in paragraph 3.3 below). In addition, slippage was identified on a number of schemes, as a result of which a net total of £310k was rephased from 2010/11 into 2011/12. All changes are itemised in the table below. The revised Programme for the Environment Portfolio (including approved new schemes) is attached as Appendix A and a summary of all the variations agreed by the Executive is set out below.

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	TOTAL £000
Approved Programme before Executive	9,010	6,133	5,540	4,022	-	24,705
New schemes approved by Feb Executive						
- Highway schemes funded by TfL	-	-	-	-	4,000	4,000
- Winter maintenance equipment	-	-	170	40	40	250
- Feasibility studies	-	-	-	-	10	10
Changes agreed by Feb Executive						
- Revised TfL grant allocations	67	-1,609	-1,956	-842	-	-4,340
Rephasing						
- Carbon Management Programme	-250	250	-	-	-	-
- The Hill MSCP – strengthening works	-60	60	-	-	-	-
Revised Environment Capital Programme	8,767	4,834	3,754	3,220	4,050	24,625

3.3 Transport for London – revised support for highway schemes (overall reduction of £4,340k)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2010/11 to 2013/14 on the basis of the bid in our Borough Spending Plan (BSP). Notification of an increase of £67k in 2010/11 has been received from TfL, but a total reduction of £4,407k has been made in later years to reflect revised forecasts of the level of TfL funding in those years. TfL grant allocations change frequently and any further variations will be reported in subsequent capital monitoring reports.

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 2nd February 2011. Changes approved by the Executive to the Capital Programme for the Environment Portfolio are set out in the table in paragraph 3.2.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns January 2011. Approved Capital Programme (Executive 3/11/10). New scheme proposals from Chief Officers in September 2010. Capital monitoring and Review reports to Executive in January and February 2011.