

BROMSGROVE DISTRICT COUNCIL

CABINET

3rd SEPTEMBER 2008

REVIEW OF CAPITAL PROGRAMME

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Jayne Pickering
Key Decision – Non-Key	

1. SUMMARY

- 1.1 To update members on the review of the Capital Programme to ensure the funds are utilised to deliver projects as approved during the Medium Term Financial Plan.

2. RECOMMENDATION

- 2.1 Cabinet recommend to Full Council to approve the carry forward requests from 2007/08 as detailed in Appendix 1.
- 2.2 Cabinet recommend to Full Council to reduce the Capital Programme 2008/09 by £3.935m as detailed in Appendix 2 to reflect both the savings achieved through procurement efficiencies and the projects that due to factors detailed in this report will not be delivered during 2008/09.
- 2.3 Cabinet request officers to continue to review the Capital Programme with the aim to assess the requirements of project delivery as part of the review of the Medium Term Financial Plan.

3. BACKGROUND

- 3.1 As part of the Use of Resources assessment the Council must demonstrate that it has a robust Capital Programme that is delivered on time and within budget. This evidence forms part of the Value for Money judgement.
- 3.2 Following the significant underspend in capital during 2007/08 a working group was established to review all projects scheduled within the programme for 2008/09. The aim was to assess the delivery of the project, the external influences and the budget available in order to realign the funding of the project if necessary.
- 3.3 Key issues identified were :
- Carry forwards not been approved from 2007/08

- Schemes where savings have been made due to improved procurement practices
 - Schemes that were to be delayed due to external factors and would need to be reassessed to agree a revised timeline of delivery.
- 3.4 Appendix 1 details the carry forward requests that were not identified during the closedown process that will be utilised during 2008/09
- 3.5 Appendix 2 details savings achieved due to improved procurement and negotiation practices. It is proposed that the funds saved will be transferred back to the Capital Receipts fund for future projects.
- 3.6 Appendix 2 also details the projects that due to a number of factors will not be delivered in 2008/09 and it is proposed that these be transferred into 2009/10 and reviewed again as part of the Medium Term Financial Plan. The projects delayed include:
- Spatial project Phase 2. Due to the level of funding required, the Spatial project Board are reviewing the integration that will be delivered as part of Phase 2 to assess any alternative ways of delivery.
 - Adaptations to Council Buildings. There is a programme of works being undertaken in Council Buildings as a result of the stock condition survey. It has been decided that during the period of review as to the potential move of staff from the Council House within the next 3-5 years no material spend will be used on this building.
- 3.7 The capital working group will meet with Heads of Service in October to review the achievement of the project delivery. In addition the integrated finance and performance report for September will reflect the revised position on the Capital Programme for monitoring purposes.

4. FINANCIAL IMPLICATIONS

- 4.1 The revision to the Capital Programme will release a potential £3.935 into the bank to increase the interest on investments during 2008/09. Depending on the review of Phase 2 of the Spatial project the additional funds would increase the revenue received by £200k in 2008/09.

5. LEGAL IMPLICATIONS

- 5.1 N/A

6. COUNCIL OBJECTIVES

- 6.1 To improve our management of Capital Projects for the delivery of the front line services to our residents..

7. RISK MANAGEMENT

7.1 The risk associated with the delivery of the accurate budget monitoring for the Capital Programme is included in Financial Services risk register:

7.2 Objective No 6 : Effective and Efficient Accountancy Service

7.3 Key Controls:

- PI monitoring of production of Financial Monitoring reports
- Use of Resources action plan to develop the key areas of improvement to both maintain current scoring and improve for future and subject to ongoing revision.
- Preparation of the medium term financial plan and setting Council Tax in line with, council priorities and statutory timescale

8. CUSTOMER IMPLICATIONS

8.1 The effective management of the Capital Programme will ensure that customers benefit from the projects in an agreed framework.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 The contracts for the procurement of any supply associated with the Capital Programme reflects the Councils support of ensuring all companies comply with our equality and diversity values. In addition the process for contracting with the Council allows all companies, where relevant, to bid for our work.

10. VALUE FOR MONEY IMPLICATIONS

10.1 The realignment of the Capital Programme is a key element of the Value for Money judgement within Use of Resources.

11. OTHER IMPLICATIONS

Procurement Issues – as required by contract & procedure rules
Personnel Implications None
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy None
Environmental None

12. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	No
Executive Director - Partnerships and Projects	No
Executive Director - Services	No
Assistant Chief Executive	No
Head of Service	No
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

13. WARDS AFFECTED

All Wards

14. APPENDICES

Appendix 1 – Statement of Carry Forward requests

Appendix 2 – Statement of Savings achieved & projects to be reviewed

15. BACKGROUND PAPERS

Capital Programme – approved January 2008

Capital Programme monitoring schedules

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