

Report of The Head of Finance

Capital Review Progress update

1 Purpose of report

This report sets out an updated position on the progress of the capital programme review requested by this Committee. It also outlines the further actions that are needed to complete the full review over the coming months.

2 Executive summary

The Resources Committee requested a review of the capital programme be undertaken, to ensure the capital resources allocated to the schemes in the programme reflected the priorities of members and were appropriately allocated.

An initial review took place, and a project plan was drawn up for the full review of both the current programme of agreed schemes, and the governance arrangements for the approval of future schemes. A meeting with members took place on 18 August 2014 and this report provides an update on those discussions and the actions and recommendations that came out of the meeting.

3 Appendices

Appendix 1: Process flow chart

Appendix 2: High level timeline

Appendix 3: New reporting style for monitoring of the capital programme

4 Proposed action: The committee is invited to RESOLVE to :

4.1 NOTE the progress to date on the review and the key tasks to be undertaken as part of the full review process

4.2 AGREE to the proposed process, reporting template and timeline as outlined in Appendices 1, 2 and 3

4.3 AGREE to the inclusion of a recommendation in the draft capital programme report as outlined in section 6.7

5 Background

- 5.1 The Resources Committee regularly receives monitoring reports on the capital programme and each year as part of the capital planning process a full report on the new programme to be recommended to council.
- 5.2 It has been noted that the progress of some capital schemes has not been as originally expected and that at each year end a proportion of those schemes is “re-profiled” into the following year.
- 5.3 Members of the Resources Committee acknowledged that improvements in the monitoring process have been made, however, they felt a full scale review of the current capital programme and governance arrangements would be beneficial. This report is an update on the work to date on that review and also the further actions proposed to complete the review.
- 5.4 In June 2014 a report on the capital review was presented to this committee. It outlined the review of the current programme and the steps to be taken to fully review the process and governance of the capital programme.
- 5.5 The proposed methodology was discussed by the senior management team and the leaders and deputy leaders of both parties. A wider discussion, to which all members were invited, took place on 18 August 2014. Those present discussed members’ involvement in the process and proposals for changes in the future governance arrangements of the programme.

6 Outcome of the member discussion

- 6.1 The meeting on 18 August 2014 consisted of a short presentation by the Head of Finance followed by an informal discussion on the member’s involvement in the agreement of capital schemes going forward. This also included a discussion around the governance arrangements of the programme and the need to link both the Asset Management Strategy and Capital Strategy together.
- 6.2 A need for more qualitative information on capital schemes was identified. A stronger project management structure focussing on key deliverables was suggested, along with robust business cases for schemes that propose invest to save or potential income generation, with key benefits and returns identified as part of this.
- 6.3 A new project initiation document is currently being worked on by the accountancy team and these needs will be built into its design.
- 6.4 A focus on the outcomes of the capital programme and the themes within these outcomes was agreed. Appendix 3 of this report shows the current proposed analysis of the programme by outcome and key theme. Other key schemes were discussed and will be included as the programme develops in the future. These included areas such as the Town Centre Plan, the Local Plan and more generic borough wide improvements, to demonstrate how the capital programme is delivering a change to the borough and making it a place to be proud of. Above all these themes need to reflect the policy decisions of members.
- 6.5 The key outcomes and themes will form an integral part of the Capital Strategy going forward. Once a robust Capital Strategy, that reflects the policy decisions of members, and a robust Asset Management Strategy, that reflects the need to develop and maintain the councils assets, are agreed, these will form the primary drivers for all capital projects and will be a key part of the capital governance arrangements.

- 6.6 Once these strategies have been agreed with members then the capital programme will more accurately reflect the member's needs, and as such it was felt that this would initially be sufficient involvement in the capital planning process.
- 6.7 However, a suggestion that when a draft Capital Strategy and programme are presented to the Resources Committee in December each year, a recommendation should be included that asks the committee members whether they see the need for a capital review meeting, before the final capital programme is presented again in February of the following year.

7 Key actions following the meeting

- 7.1 Following the meeting the Head of Finance has reviewed the actions necessary and they are summarised below:
- (a) Update the Project Initiation Document to reflect the information needs as identified by members. This will then form the basis for scheme monitoring going forwards
 - (b) Ensure that the Asset Management Strategy and Capital Strategy are linked and reflect the needs of the organisation and the policy decisions of members.
 - (c) Improve the information presented as part of the monitoring process. The first step is to agree the new format for presentation. Following on from this the information on key deliverables and benefits will be requested from managers as part of the improvements to the process and reported accordingly
 - (d) Policy decisions and key themes will need to be further discussed and included in the draft Capital Strategy to be presented to Resources Committee in December 2014. Members will need to be involved and the Head of Finance will seek opinions on how best to do this.
 - (e) If agreed as part of section 4 of this report, the draft Capital Strategy and programme presented to Resources Committee in December 2014, will include a recommendation for members to advise on the need for a further review meeting, prior to the agreement of the full capital programme
 - (f) The revised process and timelines as outlined in the appendices to this report be put into place for the current financial planning cycle.

8 Legal powers

Local Government Act 2003
Local Government Finance Act.

9 Financial and value for money implications

Capital resources and the level of funding are dealt with via the Capital Strategy and governance arrangements currently in place. This report does not directly impact on those levels or arrangements.

10 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Capital resources are not prioritised to the correct schemes	Capital priorities would not be met	low	Capital Strategy and governance arrangements

11 Implications for resources

None

12 Implications for stronger and safer communities

None

13 Implications for equalities

None.

14 Author and contact officer

Liz Elliott Head of Finance

15 Consultees

SMT

16 Background papers

Previous committee reports on Capital.



Capital programme planning and decision making timetable

Sept

- Service Areas are asked to submit any new capital schemes for consideration via a PID to Finance

Oct

- PIDs are developed and sent to finance
- Finance reviews the PIDs and services self scoring. Referring back any that need further details or revisions

Oct/Nov

- Senior Management **Team** review the PIDs and scores and meet with Capital managers on **their** schemes if necessary
- Schemes are prioritised according to their initial scores. (Gateway 1)

Nov

- Available funding is reviewed and initial recommendations are included as the Draft Capital **P**rogramme

Dec

- Draft Capital Programme is sent to **R**esources Committee to agree for consultation and member review

Jan

- Members review the Draft Capital Programme and revise accordingly for recommendation to Resources **C**ommittee (Gateway 2)

Feb

- Resources Committee receive the **F**inal Capital **P**rogramme to recommend to Full Council (Gateway 3)
- Full Council receives the recommendation and agrees the final programme (Gateway 4)

Desired Outcomes	Themes	Reference	Title	Responsible Officer	Cost including cfwd 2014-15	Cost 2015-16	Cost 2016-17	Cost 2017-18	Total Costs	External or S106	Total cost to BCW	Forecast 2014-15 Completion RAG Status	Comments	
					£	£	£	£	£	£				
Current Capital Programme 2014-15 to 2018-19														
Essential for service delivery	Asset maintenance for H&S / Compliance - operational	J130	ICT Security	Ian Peters	6,418				6,418		6,418		Completion expected 2014-15	
		J133	Active Migration / Exchange Migration	Ian Peters	57,376				57,376		57,376		Completion expected 2014-15	
		J121	Academy Upgrade	Nigel Robinson	10,035				10,035		10,035		Completion expected 2014-15	
		J041	Non Operational Property	Paul Burnett	23,520				23,520		23,520		Ongoing - emergency property maintenance budget	
		J128	ICT Resilience	Ian Peters	-			28,418	28,418		28,418		Remaining budget profiled in 2017-18	
		J150	Disaster Recovery / Business Continuity for ICT	Ian Peters	33,000				33,000		33,000	TBC	Revised bid £33k received	
	Asset maintenance for H&S / Compliance - investment	J152	SQL Database replacement/licensing consolidation	Ian Peters	50,000				50,000		50,000	TBC		
		J157	Agresso Upgrade	Liz Elliott	30,000				30,000		30,000		Completion expected 2014-15	
		J116	Croyland Hall Abbey	Paul Burnett	250,000				250,000		250,000		Completion expected 2014-15	
	Maintenance for H&S / Compliance	J119	Tithe Barn Roof	Paul Burnett	98,594				98,594		98,594		Revised costings received potential saving of approx £100k between two projects	
		J118	29-30 Sheep Street	Paul Burnett	153,594				153,594		153,594		Advised shortfall approx £200k	
	New assets for operational use	J037	Wellingborough Road Adoptions Scheme	John Udall	612,303				612,303		612,303		Advised shortfall approx £11.5k	
		J113	Nest Farm Road Wall	Paul Burnett	97,604				97,604		97,604		Completed	
J158		Olympic Way Car Park	Victoria Phillipson	16,433				16,433	12,000	4,433		Completion expected 2014-15		
J106		Electronic Data Record System	Kathryn Rance	20,131				20,131		20,131		Completion expected 2014-15		
		J107	Telephone System	Alison Curtis	72,500				72,500		72,500		Completion expected 2014-15	
		J132	Desktop Equipment Replacement and Windows7	Alison Curtis	-			89,000	89,000		89,000		Remaining budget profiled in 2017-18	
To generate further revenue resources	Invest to generate income return	J126	Crematorium	Liz Elliott	327,979	3,886,431			4,214,410		4,214,410		Advised shortfall approx £2m	
		J154	Photovoltaic Panels	Paul Burnett	760,000				760,000		760,000	TBC	New scheme - to be investigated	
		J156	Waste Transfer Station	John Casserly	105,000				105,000		105,000	TBC	Planning agreed Aug '14	
	Wellbeing and grants (to avoid revenue costs)	J100	Wellingborough Heritage and Shop Front Grant Initiative	John Udall	955,087	621,000	443,000		2,019,087	1,372,979	646,108		Awaiting agreement from HLF on revised budget (68% HLF funding). Sale of Hind Hotel likely to impact on scheme delivery	
		K001	Renovation Grant-Discretionary	Vicki Jessop	82,762	60,000	60,000	60,000	262,762		262,762		Initially delayed due to initial administrative processes, advised by VJ & CC remainder of budget committed.	
		K002	Disabled Facilities Grant	Vicki Jessop	533,145	212,000	212,000	212,000	1,169,145	848,000	321,145		Delayed due to initial administrative processes, ongoing (Grant funding)	
		J151	Shop Front Improvements	John Udall	130,000	130,000		260,000	176,800	83,200	TBC	Ongoing		
To achieve policy objectives	Invest to save	K302	Kick Start Housing Development	Vicki Jessop	60,000	100,000			160,000	-	160,000		Part funded in 2014-15 awaiting further resources	
		J127	Private Sector Housing Grant - homelessness initiative	Vicki Jessop	10,000	45,000	45,000		100,000		100,000		VJ to provide cost benefit analysis	
	CPO / Empty properties	K007	Empty Properties	Vicki Jessop	376,038				376,038		376,038		CPO properties	
		K010	Empty Properties vacant land and CPO	Vicki Jessop	31,736				31,736		31,736		Suggest remainder of (CPO Lea Way) budget be combined with CPO Fund	
		J149	CPO Fund	Victoria Phillipson	305,000	555,000			860,000		860,000		New scheme - ongoing rolling CPO fund	
		J105	Bandstand Castle Fields S106	Amanda Johnson	5,055				5,055	5,055	-		S106 - no cost to BCW	
	Community / S106	K221	Parish Council Irchester	Liz Elliott	12,975				12,975		12,975		Completion expected 2014-15	
		J148	Allotment Improvements S106	Victoria Phillipson	7,986				7,986	7,986	-		S106 - no cost to BCW	
		J134	Expanding grave spaces	Victoria Phillipson	36,000				36,000		36,000		Completed. Requesting underspend approx £17k be used in subsequent bid £28k	
		J139	Castle Fields Park S106	Victoria Phillipson	268,745				268,745	268,745	-		S106 - no cost to BCW	
		J140	Eastfields Park S106	Victoria Phillipson	27,462				27,462	27,462	-		S106 - no cost to BCW	
		J141	Croyland Park S106	Victoria Phillipson	51,700				51,700	51,700	-		S106 - no cost to BCW	
		J143	Bassett's Close S106	Victoria Phillipson	28,866				28,866	28,866	-		S106 - no cost to BCW	
		J144	Queensway Open Space S106	Victoria Phillipson	16,676				16,676	16,676	-		S106 - no cost to BCW	
		J146	Austin Close, Irchester S106	Victoria Phillipson	30,587				30,587	30,587	-		S106 - no cost to BCW	
		J147	Finedon Recreation Projects S106	Victoria Phillipson	30,763				30,763	30,763	-		S106 - no cost to BCW	
		J153	Bassetts Park Skate Park	Victoria Phillipson	110,000				110,000	75,000	35,000	TBC		
		J155	Town Centre CCTV Equipment replacement	Gill Chapman	15,965	8,770			24,735		24,735	TBC		
		Public Realm	J042	High Street Development	Jennifer Bell	79,853				79,853		79,853		Delayed due to CPO process, completion expected 2014-15
			J102	High Street Development British Legion	Jennifer Bell	40,000				40,000		40,000		Delayed due to CPO process, completion expected 2014-15
J103	High Street Development Mobile Radio		Jennifer Bell	458,655				458,655		458,655		Revised budget forecast £320k potential saving of approx £130k		
J122	Street Furniture		Jennifer Bell	46,490				46,490		46,490		Ongoing - further discussion with Market Working Group required to progress		

Current Programme Totals **6,476,033** **5,618,201** **760,000** **389,418** **13,243,652** **2,952,619** **10,291,033**