

Capital Programme Review 2002/2003

Report of: The Strategic Director for Finance & Corporate Services	WARDS AFFECTED
Report Author: John Moyles Chief Accountant Tel (01865) 252294	ALL
Lead Member Responsible: Cllr Hollingsworth	
Overview and Scrutiny Finance and Performance Committee Management Responsibility:	
Key Decision: No	

SUMMARY AND RECOMMENDATIONS

A key issue for the first three months of the new Administration was to undertake a review of the capital programme. In order to make clear to officers what the revised capital programme is going to be, the Executive Board needs to make decisions as soon as possible.

Recommendations

The Executive Board is asked to:-

1. Review the projects identified within the appendices and to request Officers to provide detailed progress reports on such schemes as they choose;
2. Note the current level of uncommitted capital resources immediately available for new investment and the estimate of resources expected to be available during the year;
3. Approve that a further report be brought back to the Executive in the Autumn on resources becoming available for 2002/03 and 2003/04;
4. Approve the new list of schemes, Appendix B, waiting for release once resources are available;
5. Approve that the 'Capital Bids' process be assimilated in to Business Planning thus moving investment decisions in line with the annual revenue budgeting cycle;

6. Ask Business Managers to develop detailed project timetables that are then matched against a resources timetable in order manage the overall Capital Programme more effectively.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:

Cllr Hollingsworth, Portfolio Holder

Marion Headicar, Chief Executive

Mark Luntley, Strategic Director for Finance & Corporate Services

Background papers:

Report Executive Board, 'Update on availability of Capital Resources' 23/04/02

1. Background

- 1.1 The Executive Board, at its meeting of the 27th May, asked for a review to be carried out on schemes within the current capital programme where resources did not seem to be actively committed. This report provides further information on possible areas for more detailed reviews.

2. Current Situation

- 2.1 There are three main elements of review within the current capital programme:
- previous year items on which there has been no progress but which are funded
 - current year items on which there has been no progress but which are funded
 - current year items which are NOT funded

In addition to this the Executive Board will need to add any new commitments e.g. those identified within the Labour Group's manifesto (such as the investment in leisure centres).

- 2.2 In order to try and identify schemes where no progress has been made, Finance Officers interrogated the Council's finance system (Agresso) for schemes where there has been no spending. Additionally, the Capital Programme itself was examined to see what schemes appeared to show significant slippage (time delays) which might indicate the possibility these being further delayed in order to re-prioritise resources, or cancelled in order to release those resources. In addition to these, the list of new / recently approved and fully funded schemes (reported to 23rd April Executive as Tranche A) have also been included as, Appendix A. For all these schemes shown, a preliminary review has already been carried out by the Leader who, in some cases, has asked for a detailed report to be brought back to the Executive in order that ongoing funding decisions can be properly made.

- 2.3 The Capital Resources report to the 23rd April also identified a number of schemes that were held awaiting resources to become available, these were referred to as Tranche B. This list of schemes has now been updated, by the current administration, and a new 'waiting list' is attached at Appendix B for approval.

- 2.4 In arriving at these schemes shown within Appendix A, Finance Officers were not able to take into account any contractual commitment or invoices not yet processed in to Agresso. If the Executive decides it might wish to alter the funding available on these schemes then it needs to commission detailed reports from the appropriate Business Unit Manager on current progress including any contractual commitments

3 Available Resources

- 3.1 When last reported to the Executive Board on the 23rd April 2002, the estimated new capital resources expected to be received and available for spending in the current financial year amounted to £3,628,000. The current position, as advised by Head of Property, is as follows:-

Type of Receipt	Amount Available £
Right to Buys – usable part	1,438,000
Medium Term Financial Strategy	2,125,000
Other general receipts	<u>521,000</u>
TOTAL RECEIPTS	4,084,000

The Executive Board is reminded that it can only spend resources of this nature once they have been physically received in our bank. In that regard, of the £4,084,000 approximately £462,000 has already been received to date as is immediately available for spending.

- 3.2 The Executive Board is asked to instruct Officers to develop a detailed timetable per project, including 'spending / cash flow' start dates, and also the receipt of resources so that the Council can benefit from better cash flow management and more effective project management. The information will also identify overall cash flow pinch points and has been illustrated at Appendix C.

4 Future Capital Bids

- 4.1 As the Executive Board will be aware, much work has gone in to developing a Business Planning process that drives the annual Revenue Budget process. It was also intended that Business Planning would set in place the requirements for Capital Investment. Year 2 of the Business Planning will shortly get underway and the Executive Board is now asked to approve the assimilation of the 'Capital Bids' process in to the Business Planning environment. The main advantages of this would be that Capital Investments would be closer aligned to financial years, which should improve spend performance, and would mean that the Executive Board would be taking capital investments decisions at the same time as Business Unit expansion / reduction decisions. This should focus resources in to achieving aspects of the Council's vision in a more coherent and timely way.
- 4.2 The Property Manager has been asked to bring to a future Executive Board, options for generating capital resources of approx. £5m for the year 2003/04. At this stage the Leader has indicated that the areas of priority spend are:- Renovation Grants and areas highlighted as part of the Community Buildings Best Value review. The Executive Board is asked to confirm these priorities and request that Business Mangers consider these when developing their Business Plans for 2003/04.

Business Unit	Scheme Number	Scheme	£000's	Comments (where available)
B24	IS	New	445.0	Subject to Major Project approval
B25	Estates	B7802	15.0	Awaiting contractor to carry out work
B25	Estates	B9012	15.0	Awaiting agreement with tenant regarding repairs
B25	Estates	B7801	14.9	
B25	Estates	B9013	15.0	Work in progress, not complete
B25	Estates	B9019	61.9	Works delayed due to other priorities
B25	Estates	B8021	15.1	Design work in progress
B25	Estates	B8031	12.7	Design work in progress
B25	Estates	B8041	12.7	Design work in progress
B25	Estates	B8050	13.9	
B25	Estates	B8061	12.5	
B25	Estates	B8071	12.7	
B25	Estates	B8072	39.1	
B25	Estates	B8073	12.7	
B25	Estates	B8120	12.7	
B25	Estates	B8130	11.9	
B25	Estates	B8160	12.9	
B25	Estates	B8161	16.7	
B25	Estates		500.0	
B25	Estates		100.0	
B40	Housing Management	Control Centre (Community alarms)	25.0	
B41	Customer Services	Customer contact centre	70.0	Detailed report required
B43	OBS	Repay HRA re Repairs Contact Centre	280.0	
B44	N'hood Renewal	A3035	398.4	Rescheduling for 2003/04?
B44	N'hood Renewal	P4041	725.8	

Business Unit	Scheme Number	Scheme	£000's	Comments (where available)
B44	N'hood Renewal A3040	Community Facilities - Horspath	29.9	Detailed report required
B44	N'hood Renewal ANew	Barton SRB/Headington Swimming Pool	1,050.0	
B44	N'hood Renewal P4038	Partnership for Youth	1,905.6	Detailed report required
B44	N'hood Renewal	Horspath Community Facilities	450.0	Detailed report required
B44	N'hood Renewal C3203	Tourist Information Centre	200.0	Detailed report required
B44	N'hood Renewal	Wolvercote Hall (£120k in total)	25.0	
B45	Health	Renovation Grants	850.0	Policy driven
B60	Built Environment F1193	Cornmarket Street Environmental Enhancements	1,180.6	investigation underway into cracking, work suspended. Review
B62	Planning H9110	Leaf - SRB East Oxford Shopfronts	22.5	
B64	Transport & Parking FNew	Thornhill P&R Pay Machines (drr £12,500)	12.5	scheme not progressing, County's responsibility now
B64	Transport & Parking F0002	IS Data Capture (now earmarked for Worcester Street Machines)	30.0	
B64	Transport & Parking F0005	Gloucester Green Bus Station	30.0	
B66	Parks & Green A2061	Fettiplace Road Changing Units	32.5	
TOTAL			<u>8,670.2</u>	

Comments (where available)

£000's

Business Unit Scheme Number

APPENDIX B (Unfunded schemes)

2002/2003 onwards

B24	IS	PC replacement prog	450.0
B65	Leisure	Leisure Centres, phase 1	2,600.0
B25	Estates	Estates shops security measures	50.0
B44	Neighbourhood Renewal	Anti Social Behaviour, city centre	50.0
B45	Health	Renovation grants	150.0
B61	City Works	Cowley Marsh phones	40.0
B66	Parks & Green	Street sports	75.0
		Peugeot garage site demolition	<u>40.0</u>

2003/2004 onwards

Various		Town Hall and Community Buildings	?
B45	Health	Renovation Grants	?

Example of Capital Programme Cash Flow Management

Scheme	Cash Spending (Forecast)	Cumulative Spending (Forecast)	Month	Capital Receipt (Forecast)	Cumulative Receipts (Forecast)
a	1,000	1,000	1	700	700
b	2,400	3,400	2	700	1,400
c	234	3,634	3	700	2,100
d	45	3,679	4	700	2,800
e	234	3,913	5	700	3,500
f	34	3,947	6	700	4,200
g	2,546	6,493	7	700	4,900
h	435	6,928	8	700	5,600
i	35	6,963	9	700	6,300
j	764	7,727	10	700	7,000
k	220	7,947	11	700	7,700
l	345	8,292	12	700	8,400
Total	8,292			8400	

