

# AGENDA ITEM 7

## POLICY, FINANCE AND ADMINISTRATION COMMITTEE

4 DECEMBER 2012

### REPORT OF HEAD OF CENTRAL SERVICES

#### CAPITAL PROGRAMME 2012-17

#### 1.0 PURPOSE OF THE REPORT

- 1.1 To determine the Committee's Capital Programme for 2012-17 based on a review of spending in the current year's programme and schemes included in the programme for later years.

#### 2.0 RECOMMENDATIONS

##### 2.1 It is recommended that:-

- (i) the Committee notes the Capital Programme for 2012-17.
- (ii) Members consider the schemes being submitted in 2012-17 for funding as part of the budget setting process to ensure they meet the Council's priorities.
- (iii) As discussed in paragraph 3.2.2 Members are asked to approve the project mandate and documentation including a business case in respect of the upgrade/re-implementation of Oracle financials project for inclusion in the capital programme. Members are also asked to approve a supplementary estimate of £53k from capital receipts to cover the costs of the project in 2012/13.

#### 3.0 KEY ISSUES

##### 3.1 Capital Programme 2012-17

- 3.1.1 The Capital Programme 2012-17 for this Committee is attached at Appendix A. The Programme gives the total cost of each scheme, the spending profile, the amounts authorised to be spent and the stage each scheme has reached within the Capital Programme Project Appraisal System.

##### 3.2 Changes to the Programme

- 3.2.1 The changes that have been made to the Capital Programme for the current and future years are set out in Appendix B. Of the £459,000 reduction shown in the current year, £99k represents schemes removed from the programme and £360k represents our contribution to the countywide broadband scheme which is now expected to be requested in the latter part of 2013/14. This scheme had allocated funding in the current year and it is proposed that the scheme and its funding be moved to 2013/14
- 3.2.2 At its meeting on 3<sup>rd</sup> July 2012 this committee considered the Council's overall ICT Strategy for the period 2012-2015. One of the systems included in the strategy was the Oracle financial system, a corporate system providing a financial management service to the Council. The current version of the system the Council is using is due to be de-supported with effect from October 2013, although since the approval of the strategy this date may now be extended on a limited basis to October 2014.

Following the consideration of the strategy in July, work has been conducted looking at the various options available to ensure that we have a supported product. Part of the remit of this project also includes the replacement of the existing sundry debtors system. This was included in the original capital programme as a separate scheme with an estimate of £50k and has now been removed as part of the changes shown in Appendix B, as it now falls within the scope of this project. An analysis of all the options

has indicated a preferred option of upgrading/re-implementing our existing software. These options are discussed in greater detail in the attached project documentation.

All estimates included in the project mandate are subject to confirmation as the project will need to be subject to a formal tender process.

Indications are that the costs of either of the preferred upgrade/re-implement options are broadly similar and the final decision as to which of these options to pursue will be made in consultation with the consultants appointed to oversee the project. In order to complete the project, within the timescale allowed, the extension to the support has yet to be confirmed, means that expenditure will be needed to be incurred in the current financial year. The business case indicates the purchase of a new server at a cost of £50k and the purchase of a licence for the use of Oracle receivables at a cost of £3k; the total being £53k. The costs in respect of the server represent a replacement which would be necessary within the next two years and thus represent the bringing forward of this element of the project. The costs shown in the business case for oracle report manager and the generic payroll interface can be met from within existing budgets.

It is therefore recommended that members approve the project documentation including the business case attached at Appendix C in respect of the project, the phasing of the costs being £53k in 2012/13 and the balance of £207k in 2013/14. In order to finance the costs in the current year a supplementary estimate approval is required funded from capital receipts. The remaining balance will progress through the budget approval process for 2013/14.

- 3.2.3 The changes outlined in the above paragraphs and those shown in Appendix B result in £607,000 of schemes being included in the capital programme for 2013-14 as detailed in Appendix A, all related to General Expenses.

### **3.3 Transformational Change Programme**

- 3.3.1 The transformational change programme is a key area of activity for the Council moving forward. A separate report is being considered as part of the agenda for this meeting. Any changes coming out from the specific item on the agenda will be dealt with at the meeting and the capital programme updated accordingly following any approval.

## **4.0 POLICY AND CORPORATE IMPLICATIONS**

- 4.1 These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

## **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 All financial and resource implications have been addressed within paragraph 3.

## **6.0 LEGAL IMPLICATIONS**

- 6.1 Individual schemes could have links to legal issues. These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

## **7.0 COMMUNITY SAFETY**

- 7.1 See comment above.

## **8.0 EQUALITIES**

- 8.1 See comment above.

## **9.0 RISKS**

- 9.1 There will be risks associated with each of the individual projects and these should be considered as the schemes progress through the decision making process.

## **10.0 CLIMATE CHANGE**

10.1 Individual schemes could have links to climate change issues. These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

## **11.0 CONSULTATION**

11.1 In preparing the appendices to this report consultation takes place between Project Managers and the Accountancy Assistant – Community Services regarding changes to the existing programme and new schemes to be included. In addition, the capital programmes reports are submitted to the Council's Programme Board. The extent to which consultation has been undertaken on individual schemes is set out in the associated project mandates.

## **12.0 WARDS AFFECTED**

12.1 To varying degrees all wards are affected by capital schemes within this Committee.

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Date: 19 November 2012

Appendices: Appendix A - Capital Programme 2012-17  
Appendix B - Capital Programme Amendments  
Appendix C – Project documentation in respect of the Oracle Financials Project

Background Papers: Capital Programme as per Budget Book  
Programme Board Minutes

Reference: X: C'ttee, Council & Sub-C'ttee's /PFA/2012-13/4-12-12/DG - Capital Programme 2012-17