

# POLICY, FINANCE & ADMINISTRATION COMMITTEE

11 APRIL 2018

## REPORT OF DIRECTOR FOR CORPORATE SERVICES

### PROVISIONAL CAPITAL PROGRAMME YEAR END POSITION 2017-18

#### 1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide information on the provisional Capital Programme year end position for 2017-18, including a range of performance measures, and to give consideration for requests for carrying forward unspent budgets in 2017-18 to 2018-19 in respect of specific schemes.

#### 2.0 RECOMMENDATIONS

2.1 That those schemes in the 2017-18 Capital Programme totalling £1,842,000 and shown in the column headed "Amount to Carry Forward to 2018-19 Scheme Specific" at Appendix A be carried forward and included in the Capital Programme as funded schemes.

2.2 That delegated authority be granted to the Director for Corporate Services to vary the amount of the agreed carry forward on any scheme subject to the spending on any scheme not exceeding the total authorised funds for that scheme.

2.3 To approve the project mandate relating to a procurement of a new finance system for inclusion into the 2019-20 capital programme for the sum of £250,000 as referred to in para 3.8 and attached in Appendix B.

#### 3.0 KEY ISSUES

3.1 It is seen as good practice for spend on the capital programme against budget to be at a reasonable level with slippage kept at a minimum. In order to monitor this during the year, progress against budget for each project within the capital programme is considered by the Council's Senior Management Team on a quarterly basis.

3.2 In addition to the above, quarterly monitoring of the programme is reported to each of the policy committees and to members generally via the Members Newsletter.

#### 3.3 Provisional Year End Position

3.3.1 The provisional year end position is now available for the 2017-18 Capital Programme and is shown at Appendix A and summarised in the table below:

	Authorised Funding 2017-18	Estimated Year End Position 2017-18	Underspend 2017-18	Budget Spent	Amount C/fwd to 2018-19 Scheme Specific
	£'000	£'000	£'000	%	£'000
<b>General Expenses</b>					
Community & Social Affairs	763	222	541	29	502
Melton, Economic and Environmental	1,006	996	10	99	37

Affairs Policy Finance & Administration	69	27	42	39	3
<b>Total General Expenses</b>	<b>1,838</b>	<b>1,245</b>	<b>593</b>	<b>68</b>	<b>542</b>
<b>Special Expenses</b>					
Town Area Committee	18	18	0	100	0
<b>Total Special Expenses</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>Housing Revenue Account</b>	<b>4,131</b>	<b>2,831</b>	<b>1,298</b>	<b>69</b>	<b>1,300</b>
<b>Total – All Services</b>	<b>5,987</b>	<b>4,094</b>	<b>1,891</b>	<b>68</b>	<b>1,842</b>

Members may note that where the carry forward is more than underspend, this is due to business cases for some projects not yet being completed and approved and therefore, whilst there are allocated funds (budget) there are no authorised funds shown above.

- 3.4 Overall the level of spending achieved is 68% of the authorised amount. This compares with a figure of 71% for 2016-17.
- 3.5 Any surplus funds from the underspends will go back into the appropriate reserve when the year end is closed down.
- 3.7 As previously reported, Disabled Facilities Grants are now managed through the Lightbulb project hosted by Blaby. The funding received from MHCLG has exceeded demand but MHCLG have agreed that any unspent funding can be carried forward into 2018/19 to be spent on DFG or similar grants such as Home Support Grants.
- 3.8 A project mandate for a proposed new scheme is submitted for approval for inclusion into the 2019/20 Capital Programme. The Project Mandate, as approved by the Councils Senior Management Team is attached as Appendix B and is for a replacement Finance System for the Council at a cost of £250k in 2019/20. The current financial system is due to be de-supported from December 2019 which would leave the Council on a platform that is not able to implement legislative changes and security of data could be at risk. This would also compromise the integrity of the finance system and impact on the successful closure of the accounts. The potential cost of upgrading on a like for like basis is estimated to be in the region of £400k. The view from ICT is that we need to move to a cloud or externally hosted service to reduce hardware costs and improve resilience within the ICT service team. In addition to this the view of officers is that the current system isn't fit for purpose to meet the future needs of a district council the size of Melton and therefore a new system should be explored. Initial market testing has suggested the Council should be able to get a new system that addresses all the current issues, meets the requirement of ICT for a much cheaper price than simply moving to the next version with the incumbent supplier. Depending on the final outcome of the tender process and the supplier selected if a cloud based service was chosen the accounting requirements may require this to be classed as revenue expenditure and funded accordingly. Due to the lengthy procurement timelines and implementation requirements in conjunction with the potential collaborative approach the Council is looking to take this request is being brought to members now in order to progress.

3.9 Members should also note there is a full review of the future ICT delivery roadmap being undertaken by the ICT Partnership which is looking at the ongoing requirements of the computer systems across the Council to provide clarity on when upgrades and implementations will be required in the future. This will look to provide the 'cost of doing business' to ensure the Council systems remain fit for purpose to ensure ongoing effective service delivery to customers and the Council as a whole. Therefore, there may be future funding requests which come forward in due course to support the ICT infrastructure across the Council. The council's is currently developing a capital strategy that will be presented with the budget for 2019/20 and this will bring all of the future capital spending requirements together into one document including ICT.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

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

5.1 There are no other financial and resource implications arising from this report.

#### **6.0 LEGAL IMPLICATIONS**

6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

#### **7.0 COMMUNITY SAFETY**

7.1 Community issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

#### **8.0 EQUALITIES**

8.1 Equality issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

#### **9.0 RISKS**

9.1 Any risks associated with the new finance system project mandate are outlined in section 5 of Appendix B.

#### **10.0 CLIMATE CHANGE**

10.1 Climate change issues were addressed in setting the current year's budget. There are no further climate change issues arising from this report.

#### **11.0 CONSULTATION**

11.1 Consultation takes place with budget holders and Heads of Service to enable the appendices of this report to be completed.

#### **12.0 WARDS AFFECTED**

12.1 To varying degrees, all wards are affected by schemes included in the Councils' Capital Programme.

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Contact Officer: Natasha Allsopp

Date: 16 March 2018

Appendices: Appendix A – Provisional Year End Position 2017-18  
Appendix B – New Finance System project mandate

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Background Papers: Oracle Financial Reports

Reference: X:\Cttee, Council & Sub Cttees\PFA\2017-18\11 April 2018 -DG - Provisional Capital Programme Year End Position 2017-18