

## Overview & Scrutiny SUB-COMMITTEE

DATE 18 November 2014

### REVIEW OF Capital Expenditure Challenge

31 October 2014

1	<b>SUBJECT</b>	The Capital Funding Challenge
2	<b>COMMITTEE</b>	O&S Sub-Committee
3	<b>REVIEW GROUP</b>	<p><b>Councillors</b>            Cllr Barry Macleod-Cullinane (C)            Cllr Manji Kara (C)            Cllr Marilyn Ashton (C)            Cllr Vina Mithani (C)  <b>Cllr Barry Kendler</b> (Chair) (L)            Cllr Jeff Anderson (L)            Cllr Nitin Parekh (L)            Cllr Phillip O'Dell (L)</p> <p><b>Co-optees</b></p>
4	<b>AIMS/ OBJECTIVES/ OUTCOMES</b>	<ul style="list-style-type: none"> <li>• To identify the key reasons for recurrent General Fund underspending.</li> <li>• To review the management of the Council's capital programme (General Fund and HRA).</li> <li>• To identify proposals designed to improve the management of the Council's capital programme.</li> <li>• To examine the capital programme's funding criteria.</li> <li>• To understand the impact that capital underspending has upon the council's and its partners' services in terms of delivery and performance.</li> <li>• To understand the financial implications of capital underspends.</li> </ul>
5	<b>MEASURES OF SUCCESS OF REVIEW</b>	<ul style="list-style-type: none"> <li>• Understand the reasons for capital programme underspend.</li> <li>• Develop proposals to achieve a reduction in underspend of the capital programme ensuring that the capital programme is realistically profiled and spent to within 5% -10% of profile.</li> <li>• To identify improvement in the management of the Council's capital programme.</li> <li>• To track the financial and performance implications of Capital budget underspending on the Revenue budget.</li> </ul>
6	<b>SCOPE</b>	The challenge panel will investigate the way that the Council

		manages its capital programme (covering both General Fund & HRA). It will identify the reasons for underspending and recommend proposals to improve its management.
7	<b>SERVICE PRIORITIES (Corporate/Dept)</b>	<ul style="list-style-type: none"> <li>• Making a difference for the most vulnerable</li> <li>• Making a difference for communities</li> <li>• Making a difference for families</li> <li>• Making a difference for local businesses</li> </ul>
8	<b>REVIEW SPONSOR</b>	Simon George
9	<b>ACCOUNTABLE MANAGER</b>	Rachel Gapp
10	<b>SUPPORT OFFICER</b>	Stella Agunabor - Policy Officer
11	<b>ADMINISTRATIVE SUPPORT</b>	Business Support Service
12	<b>EXTERNAL INPUT</b>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Project Managers of amber &amp; red projects</li> <li>• Portfolio Holder</li> <li>• The Director of Finance and Assurance</li> <li>• The Capital Forum</li> </ul>
13	<b>METHODOLOGY</b>	<p>The Challenge Panel will involve three phases. A desk-based research phase which will look at written material and responses from other authorities, evidence will be taken from interested bodies and officer networks and any partners.</p> <p>The information from this phase will inform the structure and lines of questioning for the Challenge Panel. At the Challenge Panel, evidence will be taken from key officers, managers and the Portfolio Holder.</p> <p>The report and recommendations will be written-up and submitted to Cabinet.</p>
14	<b>EQUALITY IMPLICATIONS</b>	The review will consider, during the course of its work, how equality implications have been taken into account in current policy and practice and consider the possible implications of any changes it recommends.
15	<b>ASSUMPTIONS/ CONSTRAINTS</b>	The success of the challenge panel will be dependent on the ability and willingness of officers, partners and stakeholders to participate and contribute fully in this work.

16	<b>SECTION 17 IMPLICATIONS</b>	1) Agree panel members and draft scope virtually – late October 2) O&S 18 <sup>th</sup> November – agree scope 3) Capital Challenge Panel - January 4) O&S agree report & forward to cabinet - 24 <sup>th</sup> February 5) Cabinet review report –19 <sup>th</sup> March 6) Cabinet respond to report – 23 <sup>rd</sup> April
17	<b>TIMESCALE</b>	October 2014 – April 2015
18	<b>RESOURCE COMMITMENTS</b>	Project costs will be met from the existing scrutiny resources
19	<b>REPORT AUTHOR</b>	Stella Agunabor, in consultation with Challenge Panel members.
20	<b>REPORTING ARRANGEMENTS</b>	Outline of formal reporting process: To Service Director           [ ]    When..... To Portfolio Holder           [ ]    When..... To O & S                         [x]    When..... To Cabinet                      [x]    When.....
21	<b>FOLLOW UP ARRANGEMENTS (proposals)</b>	Cabinet will respond to any recommendations made at the Cabinet meeting in April. Any agreement reached could be implemented in the 2015/16 financial year.