

Regulatory and Audit Committee

Title: Capital Programme Audit - Feedback on Recommendations

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Local members affected:

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Summary

This report provides an update of progress in responding to the audit of the capital programme management. Most particularly the implementation of a Capital Gateway process and more detailed monitoring arrangements.

Recommendation

The Committee are asked to note the actions taken to date in responding to the audit recommendations

Overview

The first report on the management response to the audit report was provided to the Committee at its meeting on 16 April 2014. At that point the Committee were informed that the Business Investment Group had just adopted a new Gateway process.

As part of the implementation of the process the Business Investment Group reviewed each line of the Capital Programme to determine to which lines of the programme the gateway process would apply. It was agreed that the gateway process would not apply to block allocations for rolling programmes of activity which were essentially a series of small projects, such as for property maintenance. It was also agreed that for practical purposes the gateway process would not be applied retrospectively to projects that were committed, i.e. contracts were let, or works had commenced. A de-minimus of £250k was also set. Other than that all new projects are expected to follow the gateway process.



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Since the report in April the monitoring arrangements for the Capital Programme have been amended. Previously the Business Investment Group received a monitoring report aggregated at portfolio level. The new report follows a similar format to the Programme itself, listing each individual project, or block projects, as appropriate. It, therefore, provides much improved visibility and understanding of progress against approved capital schemes. Furthermore, the new report distinguishes between funds which have been released through the gateway process and those that are included in the programme but are still pending release.

Work has begun, but is still in progress, in respect of the templates required to support the gateway process, such as the specific requirements of Outline and Full Business Cases.

Since adoption of the gateway process there has only been limited opportunity to test its suitability. A few relatively small scale school build projects have passed through the process. The real test, however, will come as part of the strategic planning process in the autumn, when new bids will need to be presented via the new gateway process. This should also then lead to better profiling of capital schemes across financial years and reduce the level of slippage that has been seen over recent years.

Resource implications

Given that this report is for information there are no direct resource implications arising from this report. However, the subject of this report does concern itself with the effective management of the Capital Programme and, therefore, a significant amount of resources managed by the Council.

The resources consumed in delivering improved management of the Capital Programme are basically the use of staff time and of IT systems. As part of the Future Shape Programme consideration is being given to providing more dedicated staff resource to support and raise the profile of the Capital Programme. Any financial implications will be taken into account as part of the overall Future Shape planning.

Legal implications

There are no legal implications arising directly from this report

Other implications/issues

There may be implications for project managers in service areas of complying with a more rigorous and transparent process. In developing the process and supporting templates any bureaucratic burden will be kept to a minimum.

Background Papers

Previous report to Regulatory and Audit Committee dated 16 April 2014. Appended to this report were:

Audit recommendations
Capital Gateway Process.
