

Slippage on the Capital Programme

A Scrutiny Review of the way the Capital programme is managed and monitored



Draft Final Report

What's the review about?

The Scrutiny Committee had identified for some time concern that the capital budget has been 'underspent' for a number of years. This was picked up by the Governance Committee when they were considering the 2009/2010 accounts and asked the Scrutiny Committee to look at the reasons for this in more detail.

The purpose of this review is to investigate why the programme has continually 'underspent' and to make recommendations on the way forward to improve the situation.

Who was on the review team?

- ▶ Councillor Mary Robinson (chair)
- ▶ Councillor Colin Coulton
- ▶ Councillor Mike Nelson
- ▶ Councillor Tom Sharratt
- ▶ Councillor Linda Williams

What was the purpose the review?

- ▶ To look at the reasons for the 'underspend' on the capital programme
- ▶ To look at the process of agreeing projects for the capital programme
- ▶ Make appropriate recommendations

What has the review done?

The review team has carried out a great deal of research as part of the review. Some of the research included:

- ▶ Summary of research and best practice from other organisations as part of desktop research
- ▶ Review of previous accounts/budgets, project management framework and other documentation
- ▶ Interviews with witnesses:
 - ▶ Councillor Stephen Robinson – Cabinet Member for Finance & Resources

- ▶ Martin Fahy – Property Services Manager
- ▶ Mark Gaffney – Director of Neighbourhoods
- ▶ Susan Guinness – Head of Financial Shared Services

What is the outcome of the review?

The review team has come up with the following recommendations:

- ▶ The Council's Corporate Projects Framework is reviewed and updated to include guidance on budget profiling, monitoring and reporting on projects.
- ▶ Financial responsibilities of capital project managers are clarified and made explicit in the project management framework guidance.
- ▶ Capital budgets are profiled and reported over five years.
- ▶ Project managers improve the profiling of when budgets are to be spent.
- ▶ Budget monitoring reports include greater explanation as to where projects are up to.
- ▶ Budget monitoring sheets include expenditure that might be ordered / committed, but not paid for, so that spend on projects can be more accurately monitored.
- ▶ Terminology around the words and connotations with the words 'slippage' and 'underspend' is clarified and used appropriately.
- ▶ Officers involve Cabinet Members in capital project planning and monitoring of projects.

What now?

We very much hope that the Council will agree to take forward our recommendations. The Scrutiny Committee looks forward to the Council's response and will monitor progress on the review in the future.

We would like to thank the employees, councillors and everyone involved in the review for their time and help with the review.

How do I get more information?

For further information or to see the detailed comprehensive information gathered as part of the review, please contact Darren Cranshaw, Community Engagement Manager on 01772 625512, email: dcranshaw@southribble.gov.uk, or visit the Scrutiny website at: www.southribble.gov.uk.