

**Wards Affected:**

All Wards

**ITEM 16****CABINET****30 JANUARY 2013****REVISIONS TO CAPITAL PROGRAMME AND SPEND APPROVALS REPORT**

Authors: Tim Hannam (Corporate Director Resources) - Tel: (01908) 252756  
Nicole Jones (Assistant Director [Financial Management])  
Tel: (01908) 252079

**Executive Summary:**

Before spending on any scheme can begin within the capital programme, project documentation has to be updated and appraised through a formal review process to ensure projects will deliver required outcomes, are fully funded and provide value for money. This review point is the spend approval stage, where following officer scrutiny members agree to allow spending against allocated resources for individual projects. Once spend approval has been agreed any changes to resourcing need to be reported to Cabinet for approval.

This report advises Cabinet of changes to the 2012/13 Capital Programme as a result of new schemes reaching the stage requiring Spend Approval and amendments to the existing programme. These are summarised in Tables 1 and 2 of Annex A and Annex B and set out in detail in Annex C.

The changes outlined in this report result in a revised Capital Programme for 2012/13 of £111.63m with Spend Approval of £109.23m. This programme is fully funded.

**1. Recommendation(s)**

- 1.1 That the amended resource allocation and spend approvals for the 2012/13 Capital Programme be approved.
- 1.2 That the rephased resource allocation and spend approvals for the 2012/13 Capital Programme be approved.
- 1.3 That the funding position for the 2012/13 Capital Programme be noted.

**2. Amendments to the 2012/13 Capital Programme**

- 2.1 There are a number of schemes that were not included in the original 2012/13 Capital Programme but have now completed the officer review process for resource allocation and spend approval. Cabinet approval for resource allocation and spend approval is now sought so that the new capital projects (summarised in **Annex B**) are included in the 2012/13 Capital Programme.
- 2.2 The new schemes submitted for inclusion in the 2012/13 Capital Programme in **Annex B** are:

Howe Park Increasing Pupil Places (resource allocation and spend approval of £15k in 2012/13, resource allocation of £175k in 2013/14 & £446k in 2014/15)

Woughton Leisure Centre Fitness Equipment Procurement (resource allocation and spend approval of £25k in 2012/13)

- 2.3 Approval is sought to amend the resource allocation and spend approval for existing projects which have previously been allocated resources within the 2012/13 Capital Programme and to approve spending on these projects. The main changes are summarised in **Annex B**. The significant requests for resource allocation and spend approval for existing projects in the 2012/13 Capital Programme, as set out in **Annex B** are:

**Additions**

Resource allocation and spend approval for Proposed Middleton Primary School 1Form of Entry £412k

**Virement (with additional funding)**

A virement for Play Area Improvement Fund 2012/13 £19k to part fund the Galley Hill Play Area and CMK Play Area projects below:

Resource allocation and spend approval for Galley Hill Play Area £61k

Resource allocation and spend approval for CMK Play Area £61k

- 2.4 A summary of proposed revisions to Capital Programme for 2012/13 is shown in **Annex A, Table 1**. These revisions are set out in detail in **Annex C**.

- 2.5 The Capital Programme spend approvals are requested monthly, where project managers satisfy the Capital Programme Review Panel (Corporate Director Resources, colleagues from Finance and the Portfolio Office, and a representative of the Corporate Leadership Team) that the project is well controlled and managed, and that funding is confirmed as available. While some projects have been through this process and been allocated spend approval, there are a number of schemes where spend approval has not been requested or where the Capital Programme Review Panel has requested further work / assurance before the scheme can be brought to Members.

- 2.6 The revised 2012/13 Capital Programme resource allocation and spend approval, including schemes still to be given spend approval is available on the Council website at <http://www.milton-keynes.gov.uk/finance>.

- 2.7 **Table 2** in **Annex A** shows the funding position for the 2012/13 Capital Programme.

**3. Spend Approvals Across Multiple Years**

- 3.1 Some major capital schemes require spend approval for more than the current financial year. In approving spend approval for the project resources are effectively being committed for the future. This is usually for major schemes which could not be completed in a single financial year, or where the most effective timing of a project crosses financial years e.g. opening a school in September.

3.2 There are currently eleven projects with spend approval phased across multiple years. These projects are fully funded with all of their funding having been confirmed as available within 2012/13. These projects along with the phasing of the spend approvals are detailed in **Annex A, Table 3**.

4. **Annexes to this Report**

<b>ANNEX A</b>	<b>Summary of changes to the Capital Programme and Financing</b>
<b>ANNEX B</b>	<b>Details of additional Schemes and significant changes to resource allocation and spend approval</b>
<b>ANNEX C</b>	<b>Detailed list of changes to the 2012/13 Capital Programme</b>

5. **Implications**

5.1 Policy

The recommendations of this report are consistent with the Council's Medium Term Financial Plan.

5.2 Resources and Risk

Capital implications are fully considered throughout the report. Revenue implications may arise from capital schemes in respect of:

- a) Borrowing to fund capital expenditure (principal and interest),
- b) Running costs associated with capital schemes, and
- c) Efficiency savings (e.g. reduced maintenance costs).

These are built into the Council's debt financing and other revenue budgets as appropriate through the Medium Term Planning process.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

5.3 Carbon and Energy Management

All capital schemes consider Carbon and Energy Management implications at the capital appraisal stage before they are added to the capital programme. There are no further implications as a result of this report.

5.4 Legal

Legal implications may arise in relation to specific capital schemes. In particular a capital scheme may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals.

There are no significant legal implications arising as a result of this report.

5.5 Other Implications

There are no other implications arising as a result of this report.

N	Equalities / Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers:            Officer Working Papers, report to all Members  
    Previous reports to both Cabinet and Council as mentioned  
    within the body of the report