

Cabinet

04/04/2024

Title: Capital and Project Budgets

Report of: Director of Corporate Services and S151 Officer

Cabinet Portfolio: Finance

Key Decision: Yes

Confidentiality: Non Exempt report, Exempt Appendix

Reason for Exempt material:

Commercial sensitive information

Purpose of Report

1. To approve the procurement outcome for new financial systems and review requests for carrying forward capital budgets for ongoing or committed projects from 2023/24.

Recommendation

2. Cabinet is requested to:
 - A. Approve the requests to carry forward capital/project budgets to 2024/25, as detailed in Table 1 below, and
 - B. Note the outcome of the procurement process for new financial systems and the Director of Corporate Services proposal to award to the highest-ranked supplier, in consultation with the Portfolio Holder for Finance.
 - C. Approve a new capital scheme of £201k to install PV panels at Hart Leisure Centre, funded by the Government's Swimming Pool fund grant.

Background

3. In February of each year, the Council approves the capital programme for the following year. Regular progress updates are reported to the Project Board, O&S Committee and Cabinet throughout the year. In the event of any unforeseen circumstances preventing capital budgets from being fully spent within the financial year, the service manager can request a carry forward of the unspent budget and associated funding to the next financial year for project completion. Such requests are typically included in the overall outturn report, which is presented to Cabinet in August.
4. In December 2023, Cabinet also approved a project to replace the Council's core financial systems as the current system is part of the 5C's Capita contract that ends in September 2025. Approval was given to a £200k implementation budget and the commencement of the procurement exercise.

Main Issues

5. This report recommends securing early approval to carry forward the budget for certain capital projects. These projects have already begun or have been committed to before March 31st, with earmarked and flexible funding. Without early approval, delays or additional costs may occur, so officers have identified these projects and listed them below.

Table 1 – proposed carryforwards

Scheme/Project	Total approved budget 2023/24 £000	Carry forward to 2024/25 requested £000	Comments
Bramshot Car Park	137	127	Design underway
Hartley Wintney Central Common Access Impr.	76	66	Design complete, will tender Apr/May
Edenbrook Bike Park	165	165	Started on site
Edenbrook Boardwalk	40	27	Underway
Hazeley Heath Fencing	11	4	Underway
Edenbrook Teen Health	65	25	Contract awarded, works in May
Cove Road Crossing	255	255	Confirmation of funding is required for HCC
Green Grid Signage	29	20	Underway
Whitewater culvert	20	3	Complete in April
Whitewater fencing	30	14	Underway
Edenbrook water supply	20	2	Complete in April
Total	848	708	

6. The finance system replacement project team evaluated potential suppliers using the G-Cloud framework. Based on pre-agreed criteria and technical assessments, the highest-scoring supplier was chosen. Cabinet is requested to endorse this decision as the costs are within budget and the procurement process was in accordance with Hart's Contract Procedure Rules.
7. The Council received £201k from the Swimming Pool Fund to install PV panels on Hart Leisure Centre. Cabinet approval is required to proceed with the project, which will be funded entirely by the grant. A government-approved procurement framework will be used for the supply and installation, and progress will be monitored quarterly.

Alternative Options Considered and Rejected

8. That carry forwards are not approved at this stage and, instead, wait until the overall outturn report in August. Given the forecast underspend across revenue and capital budgets in 2023/24, we have sufficient confidence that the budgets and funding are available to commit to. The disruption to these capital projects would, however, be impactful to residents.
9. Due to legal constraints, negotiating an extension to the current finance systems is not possible. The Council must appraise the current and alternative systems to determine their suitability for meeting business needs and compare their value for money.

Corporate Governance Considerations

10. Budget carry forwards require Cabinet approval as per Financial Regulations, which are part of the Scheme of Delegation. Although the procurement outcome for new finance systems is within budget, it is important to seek Cabinet's endorsement for transparency.

Relevance to the Corporate Plan and/or The Hart Vision 2040

11. The Council's focus for the next four years in partnership with the Hart community, is:

- Planet—By 2035, all areas directly under the Council's control should be carbon neutral, and Hart should be a carbon neutral district by 2040.
- People – fair treatment for all, help for those in need, and a sustainable economy that makes Hart a great place to live, work and enjoy.
- Place - delivering warmer, better homes in sustainable locations where people can afford to live.

This will be underpinned by providing a resilient and financially sound Council – getting services right first time and delivering what matters to residents.

Service Plan

- Is the proposal identified in the Service Plan? Yes
- Is the proposal being funded from current budgets? Yes
- Have staffing resources already been identified and set aside for this proposal? Yes but additional implementation resource will be secured from the budget

Legal and Constitutional Issues

12. No direct issues. Legal services will review the contractual matters relating to the new finance systems

Financial and Resource Implications

13. The proposals in this report are with approved budgets.

Risk Management

14. There is a separate risk register for the financial system project. The finance systems must be replaced as their contract ends in September 2025. The risk of a procurement challenge should be mitigated using the Government's G-Cloud framework, which has been carefully considered and documented.

Equalities

15. All activity will comply with the authority's statutory duties.

Climate Change Implications

- 12 There are no direct carbon/environmental impacts arising from the recommendations other than installing PV panels on the leisure centre which will significantly improve the environmental performance of this key operational building.

Action

16. Subject to Cabinet's approval the respective projects will be progressed.

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Appendices

Exempt appendix – evaluation of financial systems