STRATEGIC RESOURCES BOARD UPDATE PAPER

Executive summary

1. This paper updates on the activity of the SRB over the 6-month period from October 2017. The SRB remit can be found here.

Issues and Options

2. The most significant activities over this period have been overseeing the preparation and presentation of the draft 2018-19 budget and the medium term financial plan to LG, SPCB and the Finance and Constitution Committee; and management of the 2017-18 contingency to meet operational pressures and manage project spend.

3. Key points to note are:

   - The contingency position, which SRB considers at each of its meetings, has been developed to include the level of probability and cost certainty for each potential cost pressure and each potential transfer to contingency. A total of £1.4m has been reallocated via contingency to date in the current financial year and a further £0.75m of project expenditure has been authorised by SRB, funded by anticipated areas of underspend elsewhere within the SPCB’s budget. Contingency has broadly been used to fund in year operational staffing pressures; FM project spend (which includes work to better understand significant FM projects in future years); broadcasting equipment spend (as part of a larger programme to replace cameras in the committee rooms); staffing for the Security Maturity programme and the Security Systems Replacement project; and a number of other smaller projects such as the Leadership Development programme and the finance systems project.

   - SRB agreed in January that BIT should use underspend from its planned 2017-18 project expenditure budget to buy equipment that it had planned within its approved 2018-19 budget allocation.

   - FM/BIT/Broadcasting decisions in 17-18 have, to varying degrees, relieved some pressure on 18-19 onwards budgets and work is ongoing to consider this at a forthcoming SRB meeting.

   - Of the major projects in the portfolio progress has been, in the main, as planned. Two major FM maintenance contracts have been agreed, along with the new Digital Services contract. These contracts represent some of the largest commitments we make as an organisation. The system for the register of lobbyists was completed. The Digital Workplace programme for members as well as SPS staff has made significant progress and the last 6 months has seen the creation of the Security Maturity Programme. This has incorporated the project to replace our security systems which is now at the point of contract award and will progress to site activities that will be completed over the next two financial years.

   - A 6-year project pipeline was pulled together based on information that was submitted as part of the 18/19 bidding round. This information is currently being further enhanced ahead of preparation for 19/20 budgeting.
and will aid in considering the balance across the key emerging portfolios (Digital, FM, Broadcasting, Security). PPO will continue to work with business areas to update the pipeline in order to aid decision making at a strategic level for project and programme planning.

- The SPCB budget outturn is expected to be within the 0-2.5% target.

4. Whilst the overall outturn will be within the target range, SRB have noted that despite much earlier and regular prioritisation of contingency, we are still showing a traditional low spend during the first quarter of the year and significantly higher during the last quarter. Although part of this is due to the allocation of additional funds from contingency, SRB intend to consider this further at its forthcoming meeting; greater emphasis on early planning and commitment of project expenditure is at least part of a possible solution.

5. Leadership Group have agreed to revisit its strategy and the high level delivery plan this spring to inform the budgeting process for 19/20 onwards. We expect to have a clearer idea of the project pipeline to inform this work.

Resource Implications

6. There are no resource implications arising from this update report.

Dependencies

7. The work of the SRB is supported primarily by the Finance Office. In a wider sense it depends on effective collaboration with business areas in managing competing demands for finite resources. The success of the SRB ultimately depends on it being accepted as a final arbiter in a range of financial and resource decisions.

Governance issues

8. The SRB was established by and reports to the Leadership Group.

Publication Scheme

9. This paper can be published.

Decision

10. LG is invited to discuss this update report.

Michelle Hegarty
Assistant Chief Executive
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