



**Sandwell**  
Metropolitan Borough Council

**CAPITAL STRATEGY**  
**2018/19 – 2021/22**

## 1.0 Introduction

- 1.1 The council is required to operate a balanced budget where the cash that it raises during the year equals its cash expenditure for the same period. Part of the treasury management function is to make sure that this cash flow is adequately planned and managed, ensuring that cash is available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return. Where there is a shortfall of cash the Council will plan to borrow accordingly at the best rates available. Details of the Councils financial investments and borrowings are included within the Treasury Management Strategy Statement (TMSS) that is produced and reported separately as Appendix E to the budget report.
- 1.2 Another main function of the treasury management service is to fund the council's capital plans. These capital plans help to inform the borrowing need of the council and the longer term cash flow planning to ensure that the council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic to do so, any debt previously drawn may be restructured to meet council risk or cost objectives.
- 1.3 In the period 2018/19–2021/22 total capital expenditure is expected to be in the region of £307m and it is currently proposed that this expenditure will be financed as follows:-
- £124m Prudential Borrowing
  - £ 75m Revenue Contribution
  - £ 66m Capital Grants
  - £ 42m Capital Receipts

The effective use of these resources is intrinsic to the fulfilment of the strategic vision of both the council and its partners. It is recognised that a strategic approach is required to ensure that funds are invested in capital projects that support the longer-term objectives of the council, its partners and to ensure value for money at minimum risk.

- 1.4 The overarching 2030 vision is for Sandwell to be a thriving, optimistic and resilient community. It's where we call home and where we're proud to belong – where we choose to bring up our families, where we feel safe and cared for, enjoying good health, rewarding work, feeling connected and valued in our neighbourhoods and communities, confident in the future, and benefiting fully from a revitalised West Midlands. The 10 ambitions set by the Council all aim to achieve this 2030 vision and the Capital Strategy helps to underpin all the individual ambitions. The 10 ambitions which make up the Sandwell 2030 Vision are listed below:-
- Ambition 1 – Raising Aspirations & Resilience
  - Ambition 2 – Healthier for longer & safer
  - Ambition 3 – Young People have skills for the future
  - Ambition 4 – Raising the quality of Schools
  - Ambition 5 – Lowering Crime & ASB
  - Ambition 6 – Excellent public transport to the region & beyond
  - Ambition 7 – Major new housing along major transport routes & employment sites
  - Ambition 8 – Create environments in the 6 towns where people choose to live
  - Ambition 9 – Hosting industries of the future

- Ambition 10 – National reputation for getting things done

#### 1.5 Major new capital investment within Sandwell includes:

- Investment in Educational provision.
- All public-sector housing with modern energy efficient facilities, being warm and weatherproof.
- A network of health centres and a new specialist hospital.
- West Bromwich Town Centre being transformed.
- Other centres are vibrant.
- More affordable housing, both private homes and council stock.
- New job opportunities.
- New leisure facilities, including a proposed new Aquatic's Centre for the Commonwealth Games in 2022.
- Improvements to Parks and Open Spaces, libraries, museums and disabled access.
- West Midlands Strategic Transport Plan – Highways, Bridges & Street Lighting
- ICT Strategy
- Property Refurbishment, including the new Children's Trust accommodation works.
- Improving the Council's Vehicle Fleet.

1.6 The full list of approved capital schemes and how they are planned to be financed are detailed in the 5 Year Capital Programme document that is produced and reported separately as Appendix F to the budget report.

1.7 Every year policy summits are held with the council's Cabinet and Senior Management Board to set the strategic direction and identify priorities in response to available resources, identified need, statistical evidence and citizen feedback.

## 2.0 Key Objectives

2.1 Capital investment decisions will only be taken by the council after having first considered how those capital investments will contribute to the fulfilment of the Sandwell 2030 Vision along with neighbourhood renewal strategic priorities and the council priorities for improvement and transformation. Service level objectives that underpin this are:

### 2.2 Housing

New housing stock continues to be one of the main priorities of the council, both facilitating new private homes investment and building new council stock. The latest HRA investment plan was approved in November 2017. This links in to the Housing Revenue Account business plan to 2020/21 and will show plans to spend £70 million on new homes over the next 3 years. It is estimated that this will deliver around an extra 500 new council homes. Some of the new build will relate to additional provision of extra care housing to enable people to continue to live independently but with care support on site.

The plan links into the councils 2030 vision, and will meet the following ambitions :-

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**Ambition 1**

To provide good quality homes that raise the aspirations of families by ensuring the success of the decent homes program is continued with a series of discreet programs to address failing components as necessary to make sure our tenants homes remain in a good state of repair.

**Ambition 2**

To deliver new homes and remodel existing stock to help protect our most vulnerable adults and children with approximately £70m of investment in new housing, along with the remodeling of existing properties by adding bedrooms and loft conversions where appropriate.

**Ambition 5**

To help prevent crime and anti-social behavior by extending our coverage of CCTV to flatted accommodation.

**Ambition 7**

To improve the delivery of development opportunities near to key transport routes.

Generally, a number of energy efficiency upgrades to heating systems and boilers are being installed across council properties in order to help reduce fuel poverty across Sandwell. The HRA business plan includes £3 million annually for these improvements and a further £3 million annually for disabled adaptations to council homes.

## 2.3 Childrens Services

**Ambitions 3 & 4**

Since 2007 the council has had to focus the majority of its available resources from its basic need and school condition allocations on the provision of new school places to ensure it meets its statutory responsibility. The Pupil Place Planning Strategy continues to build on the Councils commitment of ensuring every Sandwell child has access to a place at a good school by expanding successful and popular schools. Between 2010 and 2017 an additional 5108 primary places have been provided. The birth rate has decreased since peaking at 5063 in 2012 and the places provided in primary schools are now sufficient in number to provide adequate surpluses in reception. More pressure is placed on schools because of inward migration as cohorts move through. It is anticipated that based on existing trends, reception cohorts could increase by as much as 4% (200 pupils) by the time that cohort reaches Year 6. A further 420 primary places will be delivered for September 2019 in Smethwick with the opening of Shireland High Tech Primary Free School and this will assist with providing more places for children moving into the area.

The impact on secondary provision will be seen from 2017 with around 3845 new secondary places needed across the borough by 2025. This is in addition to the 1500 new secondary places already provided for 2017. Some of this need will be met with the opening of a new 750 place secondary school on Kelvin Way in West Bromwich in 2019 with a second secondary free school for West Bromwich planned in 2020.

In addition, the schools' capital programme continues to maintain investment in the existing school estates through a contribution to the school repair account planned maintenance programme.

## 2.4 Adult Social Care

### **Ambition 2**

The capital resources available to Adult Social care will be utilised in two main areas:

- To support the implementation and ongoing development of the social care business system which will increase the integration of finance and care management information and assist the service to comply with responsibilities arising from the Care Act 2014.
- To fund a range of ICT related expenditure to support mobile working, an integral element in the adult social care customer journey.

## 2.5 Transport

### **Ambitions 6, 8 & 10**

The West Midlands Strategic Transport Plan “Movement for Growth” was approved by Integrated Transport Authority in December 2015 and sets out the overall approach to deliver a new vision for transport; guiding improvements to be made year in, year out, over the long term. These improvements will match the scale of the challenges faced to support growth, and regeneration, and to foster environmental and social improvements by:

- Tackling Congestion / provide alternatives to the private car
- Maximising use of existing assets / Smarter Management
- Ensuring delivery with limited resources to support a low carbon economy and regeneration
- Integration /alignment of land use and transport
- Quality of life / Social inclusion
- Public and Child Safety on Roads - Accident reduction schemes, safe routes to schools, safety education, school crossing patrols, accident analysis, road safety plan, bikeability
- Regeneration and Jobs - Major road schemes, route improvement schemes, alleviating congestion, sustainable transport, highway improvements for new development
- Local Economy - Traffic Regulation Orders, provision and control of parking on street and off street
- Asset management – Capital maintenance of highway infrastructure including roads, footways, bridges, and street lighting. Transport Asset Management is required to ensure that the transport network fit for purpose, is safe, provides for expeditious movement of traffic and supports long term sustainable economic growth. Highways Asset Management will be undertaken in alignment with the council’s Highways Asset Management Plan (HAMP), which establishes the condition of the highway assets and the consequent funding requirements to maintain them. This will enable appropriate proactive and planned maintenance that can deliver significant benefits, including maximising value for money.

## 2.6 Leisure and Cultural Services

### **Ambition 8**

The asset management plan focuses on the development of fewer but higher quality community spaces, buildings and activities. There is continued investment in the council’s primary green spaces and parks in particular West Smethwick Park. The successful delivery of a Heritage Lottery Fund stage 2 grant of £5.2 million, which includes £550k

match funding contribution by the council will see West Smethwick Park benefit from a new Community Pavillion and enhanced greenspace and historical features.

### **Ambitions 1, 2, 9 & 10**

The Council also continues to develop modern leisure facilities within the borough. Over the past four years the Council opened four new leisure centres, including three replacements of old buildings that were no longer suitable, in Tipton, Oldbury, West Bromwich, and Wednesbury. In 2017 the Council undertook widescale consultation on the future of older sport & leisure facilities. This consultation and the work of the Select Committee for Sport & Leisure Provision culminated in the development of the Sandwell Sport & Leisure Built Facilities Strategy. This strategy details all potential opportunities to improve built and outlines potential future capital projects. One of these projects is the development of a new Aquatics Centre in Smethwick, which will be used to host the swimming events at the Commonwealth Games in 2022.

### **Ambitions 1 & 8**

Following the successful capital renovation of Oak House barns with Heritage Lottery Fund grant support, the authority has submitted a further bid to HLF to improve the Manor House museum as a visitor attraction and local community asset. Repair work on Oak House in 2017 revealed a number of significant issues which could threaten the integrity of the structure in the short to medium term. A full condition survey has now been completed and options for funding the necessary works are currently being considered.

## **3.0 Capital Investment Decisions**

### **3.1 Revenue Implications of Capital Investment**

The council takes into consideration the ongoing revenue implications of capital investment and has a consolidated revenue budget and capital programme setting process. The Cabinet receives all reports and information pertaining to the council's revenue and capital strategies and expenditure plans. The merging of the two processes allows the council to fully consider the implications on revenue of any capital schemes (whether savings or increased costs) and also places it in a position to consider the impact of the Prudential Framework in the future.

The cost of borrowing over the medium term expressed through the Minimum Revenue Provision is fully incorporated into the revenue budget setting process to ensure prudence and affordability.

The appraisal forms submitted when requesting a scheme to be included within the capital programme highlights both the financing of borrowing costs that the council may need to incur in pursuing the scheme together with the ongoing revenue costs of 'running' the asset once it is operational. The inclusion of these costs allows decisions to be taken with full consideration of the impact on the revenue position of the council.

### **3.2 Approach to PFI**

The council has actively pursued the use of Public Private Partnerships and Private Finance Initiatives as a means of funding the investment identified through the Capital Strategy and Capital Programme. The council will continue to consider future opportunities as they arise, however all investment identified by services must fit policy priorities and be appropriate for PPP/PFI.

### **3.3 Approach to Commercial Activity**

At present the Council is not actively pursuing investment in commercial properties as a means of generating revenue income streams to the authority. However, where opportunities do arise in this area each scheme will be evaluated in line with the following framework to ensure that Members are fully informed of the risks and rewards of such investments.

### **4.0 The Framework for Allocating Resources to Capital Projects, Managing and Monitoring the capital programme**

#### **4.1 Prioritising Capital Project Bids**

4.2 The council has for some time adopted a project appraisal process as its method for allocating resources for capital investment. Project appraisal requires proposed capital projects to be considered against the background of the council's and its partner's priorities and allows for projects to be submitted in a uniform manner allowing officers and members of the council to allocate resources on an informed basis. The current information requirements for each project seeking capital resources are detailed in Appendix Gi.

4.3 Where projects involve proposals with regard to the disposal, acquisition and transfer or re-use of land and buildings that are currently held in Directorate stewardship, in the first instance Corporate Landlord should be contacted, who will provide advice on the process to be followed and best use of resources.

4.4 The project appraisal process commences with the project officer submitting a capital appraisal form to Strategic Finance (SF) for independent appraisal and evaluation. The evaluation criteria use a scoring matrix to assess each individual capital project in order that limited resources can be allocated to capital schemes, which best meet the priorities of the council.

4.5 The appraisal form also allows an assessment to be made of the suitability of capital schemes to draw down funding from external sources (e.g. PFI, ERDF, Lottery, HCA, regional grants etc) If the scheme is such that it is unlikely to attract external funding directly, consideration is given to its inclusion within the council's 5-year capital programme (i.e. funded from general resources of borrowing and capital receipts).

4.6 Officers from within (SF) will discuss the outcome of the appraisal with the project officer and following on from this, where the appraisal score would recommend approval, projects will proceed to Cabinet for formal approval.

4.7 A report to the Cabinet will need to be provided by the project officer together with the final appraisal and evaluation outcome undertaken by (SF) as an appendix. The action points identified in the appraisal report must be included in the recommendations of the cabinet report. Approval for the project is sought from the Cabinet. The project will need to commence within 1 year of Cabinet approval. If it does not, then a report back to the Cabinet will be required specifying why the project has not started and there is a risk that the project may be aborted.

#### **4.8 Project Monitoring & Evaluating Progress**

- 4.9 Monthly capital monitoring is completed and reported to members via Cabinet on a quarterly basis. Narrative is included in the quarterly monitoring report to explain movements in capital budgets since the previous period. Project Officers are consulted monthly to ensure capital forecast expenditure is accurate. Expenditure is monitored and analysed to ensure it is in accordance with the nature of the project, and can be applied to the relevant asset register. Slippage of capital resources into future years is reflected where necessary. Capital Grant Claims are completed in accordance with grant terms and conditions to ensure all expenditure is financed. Capital Receipts are analysed monthly, to ensure all projects are financed correctly.
- 4.10 The information from the individual monitoring meeting returns is aggregated and summarised to form the basis for regular reports submitted to Members regarding the progress of the capital programme. Where slippage is identified, the opportunity may be taken to commence additional schemes from prioritised appraisals.
- 4.11 The responsibilities of the Officers, Members and the various groups involved with this process are detailed in the Council's Financial Regulations within the section entitled 'Capital Programme'.

#### **5.0 Links to Other Strategies and Plans**

As outlined earlier, the council's overall strategy will be driven by the council's vision, objectives and scorecard. Within that overall framework, there will be a clear hierarchy of strategies and plans to ensure that the key priorities are progressed, together with individual service objectives. These are brought together within the council's 2030 Vision.



## Project application for capital schemes

<b>Name of Project</b>				
<b>Total Grant Funding (£)</b>				
<b>Total SMBC Funding (£)</b>				
<b>Total Project Cost (£)</b>				
<b>Project Start Date</b>				
<b>Project End Date</b>				
<b>Directorate</b>				
<b>Service Area</b>				
<b>Project Lead Officer</b>				
	<b>Name</b>		<b>Yes (Date)</b>	<b>No</b>
<b>Director</b>		<b>Have they been consulted?</b>		
<b>Finance Officer</b>		<b>Have they been consulted?</b>		
<b>Form Completed by &amp; Contact Tel. No.</b>				

## **Introduction to the Capital Project Application Form and Appraisal Process**

The Council has adopted project appraisal as a means of assessing the merits and identifying the risks of individual capital schemes and the evaluation and comparison of such schemes for selection in times of limited resources.

Project appraisal forms the basis for formal monitoring and reporting on any capital schemes which are approved.

All capital application forms should be submitted, at the outset, to Strategic Finance (SF) for independent appraisal and evaluation. SF will produce an appraisal report of their findings back to the project officer. It is the responsibility of the Project Lead Officer to allow sufficient time for the capital approvals process when considering applying for capital resources. For reporting deadlines, please refer to the Financial Planning Team page on the Intranet.

Once the appraisal has achieved a score which would enable it to be recommended for approval it is the responsibility of the project lead to submit a report to the Cabinet to obtain formal budget approval.

**Guidance for the completion of this document is shown in italics under the relevant headings. Please type over the guidance when completing the required information.**

### **1 STRATEGIC CASE**

#### **(a) Location of your project**

- i. Address/Site including postal code**
- ii. Area/Wards /Neighbourhoods Served**  
*(Attach plan/site map where available)*

#### **(b) Detailed description of project (30 marks)**

**Please provide clearly stated aims and objectives of the project and its primary activities. *This should demonstrate that the project is SMART (Specific, Measurable, Achievable, Realistic and Time bound).***

#### **(c) Need for project (30 marks)**

**Please explain what problem this project will be addressing.**

**Please explain the problems with the current situation.**

**Please supply supporting evidence of the need that the project is to address.**

#### **Demand for project (20 marks)**

**Please identify the demand for the project (with supporting evidence, along with details of any public/stakeholder consultation which has been undertaken).**

**(d) Sandwell Vision 2030 (30 marks)**

**Please identify which following priority(s) the proposal will address:**

- *Ambition 1 – Raising Aspirations & Resilience*
- *Ambition 2 – Healthier for longer & safer*
- *Ambition 3 – Young People have skills for the future*
- *Ambition 4 – Raising the quality of Schools*
- *Ambition 5 – Lowering Crime & ASB*
- *Ambition 6 – Excellent public transport to the region & beyond*
- *Ambition 7 – Major new housing along major transport routes & employment sites*
- *Ambition 8 – Create environments in the 6 towns where people choose to live*
- *Ambition 9 – Hosting industries of the future*
- *Ambition 10 – National reputation for getting things done*

**Please include the sub heading(s) contained within the Sandwell Vision 2030 and explain how this will be achieved.**

*Services should also consider any cross cutting issues/provision of joined up services, which will result from undertaking the scheme.*

**2. ECONOMIC CASE**

**a) Option Analysis (30 marks)**

**Please outline the alternative methods that have been considered to achieve the objectives outlined in 1b) above and the reasons for choosing the option now submitted (services should supply working papers to support their choice).**

*Services should have undertaken their own internal option appraisal where both qualitative and quantitative alternatives were considered and the preferred option chosen. A minimum of **three options** should be considered, including the 'do nothing' option.*

*A whole life costing exercise should be undertaken as part of the option appraisal (see Tables 4a and 4b). For projects which will incur costs and/or generate income over a period longer than 5 years, the whole life costs should be discounted back to the net present value.*

*Your relevant Finance Team will be able to assist with these calculations.*

*Services should also attempt to outline the funding options considered and the preferred method of funding together with the reason for the selection of this funding option.*

**b) Sensitivity analysis (20 marks)**

**Please provide an appropriate level of sensitivity analysis on projected costs and benefits, including a 'worst case scenario'.**

*Sensitivity analysis should be considered in relation to the growth of wage cost, projected income, demand, prices and the level of risk.*

*NB. The 'appropriate level' of sensitivity analysis will be dependent on the size and scale of the project. Further clarification can be obtained from the Strategic Finance team.*

**c) Identification & assessment of risk (30 marks)**

**Please complete and include a project risk register for the project that complies with the Council's [Corporate Risk Management Strategy](#).**

*A [programme/project risk management template](#) for completion can be found on the Council's Intranet. Risks during the design, build and operational phases of the project should be identified, along with appropriate mitigating actions. Further advice and information should be sought from Risk Management if required:*

*Narinder Phagura – Risk Management Adviser*

*Tel: 0121 569 3654*

*Email: [narinder\\_phagura@sandwell.gov.uk](mailto:narinder_phagura@sandwell.gov.uk)*

**d) Value for money (30 marks)**

**Please detail how the scheme proposed presents the best value for money for the Council.**

*Value for money calculations should be undertaken and evidence of the process provided as part of the supporting information. It is anticipated that the development of more modern, efficient and better suited facilities will result in ongoing revenue savings. These anticipated savings should be highlighted in this section.*

**e) 'Added value' offered by project (20 marks)**

**Outline the positive impacts of carrying out the project and how the proposed project will provide additional benefits to the Authority in return for the investment made e.g. Revenue savings, service efficiencies, improved public perception or other non-financial benefits such as benefit to residents, fit with existing project and so on.**

*In order to identify 'added value', the following should be used as guidance:*

*Quantifiable Benefits*

- Benefits that reduce the costs and/or increase the income of the organisation, i.e. staff or assets.*

*Qualitative Benefits*

- Non-quantifiable benefits – benefits that cannot be quantified, i.e. value to the public, staff morale etc.*

**f) Future sustainability of project (10 marks)**

**Outline how the project will sustain itself after completion or/and any costs required to close the project.**

**g) Strategic asset implications (10 marks)**

**State who owns any existing assets to be utilised in the project, for example, land to be built on, building to be refurbished and whether there are any restrictions which may affect the project proposal, e.g., covenants, access rights and previous grant conditions such as ERDF 20 year rule and so on.**

**Outline how the proposed project links to the Corporate Landlord (for example: identified as a requirement, aids a requirement, contributes to rationalisation, improves service provision and so on) and cross reference to relevant parts of the Corporate Landlord Strategy.**

*For further information, contact Lee Constable, Asset Team Manager, 0121 569 3993.*

**3. COMMERCIAL CASE**

**a) Procurement (20 marks)**

**Please explain how the procurement requirements of the Council and any external funding body are being met, e.g. approved frameworks etc.**

**b) Delivery arrangements (20 marks)**

**(i) Please provide details of other bodies involved and the current level of involvement e.g. fully committed, funding negotiated, have expressed an interest, have not been contacted.**

**(ii) Where the project is to be delivered externally or in partnership, please detail the considerations given to the following:**

- **Contract duration**
- **Draft contractual agreement, including key contractual clauses**
- **Charging mechanism**
- **Performance indicators and penalty default clause**
- **Personnel implications, including TUPE**
- **Risk transfer to contractor**
- **Accountancy treatment on balance sheet**

*If partners are involved in the project, a written agreement should be obtained clearly stating roles and responsibilities of each partner.*

**c) State Aid (10 marks)**

Please identify any potential State Aid implications and detail any advice provided by Legal Services.

Information regarding State Aid can be obtained from the [Department for Business Innovation and Skills website](#). Legal advice should be sought for all State Aid issues.

**4. FINANCIAL CASE**

**a) Source of funding (30 marks)**

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total Costs £'000	Secured *
Council Capital						<input type="checkbox"/>
Main Programme						<input type="checkbox"/>
Prudential Borrowing						<input type="checkbox"/>
Revenue (cost centre)						<input type="checkbox"/>
External Grants (detail)						<input type="checkbox"/>
Partnership Funding (detail)						<input type="checkbox"/>
Other (detail)						<input type="checkbox"/>
<b>Total Project Cost</b>						

Please add further columns and lines as necessary.

All sources of potential funding should be identified within this table.

\* If funding has been secured, evidence is required of either a Cabinet Member Decision (in the form of a Council Minute) or Finance Officer approval, as appropriate.

If external grant or partnership funding is being sought, please supply evidence of funding being secured or details of when a decision is expected.

If revenue contribution from SMBC budgets is to be used, please detail the relevant cost centre where funding will come from.

**b) Project costs (60 marks)**

**Please provide a budget breakdown of your project costs:**

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total Costs £'000	Funding Source, i.e. grant, SMBC (cost centre), PMA etc.	Secured *
<b>CAPITAL COSTS</b>							
Land/Building (purchase costs)						N/A	<input type="checkbox"/>
Contractor Payments						N/A	<input type="checkbox"/>
Utility Costs						N/A	<input type="checkbox"/>
Site Supervision						N/A	<input type="checkbox"/>
Engineers Fees						N/A	<input type="checkbox"/>
Architects Fees						N/A	<input type="checkbox"/>
Furniture & Equipment						N/A	<input type="checkbox"/>
Grants						N/A	<input type="checkbox"/>
Consultants Fees						N/A	<input type="checkbox"/>
Land Compensation						N/A	<input type="checkbox"/>
Contingency**							
Other Costs (please explain)						N/A	<input type="checkbox"/>
<b>TOTAL CAPITAL EXPENDITURE</b>							

REVENUE COSTS						
Employees (inc. salaries, redundancy & other costs)					N/A	<input type="checkbox"/>
Premises					N/A	<input type="checkbox"/>
Transport					N/A	<input type="checkbox"/>
Supplies & Services					N/A	<input type="checkbox"/>
Capital Charges (Cost of Borrowing / Leasing Charges)					N/A	<input type="checkbox"/>
Maintenance Implications					N/A	<input type="checkbox"/>
Other (detail)					N/A	<input type="checkbox"/>
<b>TOTAL REVENUE EXPENDITURE</b>						
<b>TOTAL PROJECT COST</b>						
Income					N/A	<input type="checkbox"/>
Savings					N/A	<input type="checkbox"/>
<b>NET COSTS</b>						

**Please add further columns and lines as necessary**

*The above should be completed and profiled as accurately as possible.*

*All estimated costs should be realistic and fully justified and **supporting evidence must be provided** in the form of detailed costing spreadsheets, feasibility studies or quotes from potential contractors or stakeholders.*

*The capital funding requirement specified will form the basis of a cash limited capital approval should the scheme be approved and will subsequently be the expenditure figure on which the schemes progress is monitored.*

*Please note the Strategic Finance monitoring officer will request a quarterly expenditure profile at the initial monitoring meeting.*

*Ongoing revenue costs need to be included, given the overall constraints on local authority funding. Services should bear in mind any additional revenue costs and how they will be met from their existing target budgets since it is unlikely that additional revenue resources will be made available.*

*If Prudential borrowing is being considered as a source of funding, estimated costs*  
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*of borrowing should be calculated, included as a revenue cost and budgets identified. Assistance in calculating costs of borrowing can be obtained from Carl Burke, Corporate Finance, 0121 569 3509.*

*\* If funding has been secured, evidence is required of either a Cabinet Member Decision (in the form of a Council Minute) or Finance Officer approval, as appropriate.*

*\*\* The level of contingency included within the estimated cost breakdown will be reviewed for reasonableness in relation to the total cost of the project.*

*Please ensure that the totals shown within the Source of Funding (4a) and Project Costs (4b) tables agree.*

**c) VAT implications (10 marks)**

**Please identify any potential VAT implications.**

*Advice and guidance on VAT/tax implications can be sought (if required) from:*

*Grant Hitchman – Tax Accountant*

*Tel No. 0121 569 3520*

*Email: grant\_hitchman@sandwell.gov.uk*

**d) Cashflow management (10 marks)**

**Please detail how the cashflow of the project will be managed, i.e. is the cash for the project readily available, borrowing required, dependent on income generation etc.**

**e) Finance Team review (20 marks)**

**Please confirm the name of the relevant officer within the Finance Team that has assisted/ reviewed the financial data contained in the application.**

*Financial support and approval must be sought from the relevant out posted finance team with confirmation that any funding from SMBC budgets is secured.*

*Strategic Finance will contact the appropriate Finance Officer to confirm the level of involvement and to verify the reasonableness of the financial information contained within the application.*

**5. MANAGEMENT CASE**

**a) Project management and monitoring (20 marks)**

**Please provide a project management structure, including roles and responsibilities for undertaking the management and monitoring of the project. Confirm how the management and monitoring roles will be resourced, i.e. additional cost to be incurred (how funded), existing resources etc.**

**b) Project Delivery Plan (20 marks)**

**Please complete the following with estimated project timescales:**

	Month	Year
Detailed Design Work to Start		
Estimated Contract Start Date		
Estimated Length of Contract		
Estimated Physical Completion Date		
Estimated Financial Completion Date		
Date of Land Purchase (If Applicable)		

**Please also provide a comprehensive project plan/Gantt chart to support the delivery of the project, ensuring that realistic and deliverable key project milestones are identified.**

**c) Post Implementation Evaluation (20 marks)**

**(i) Please identify a responsible officer who will undertake the post implementation evaluation of the project.**

**(ii) Please detail how this will be undertaken and an expected date for completion.**

**6. MANAGING OTHER RESOURCES**

**a) Implications of not undertaking the project**

**Please detail the risks and implications to the Council and the Council's Scorecard should the proposals not be supported.**

*An attempt should be made to address the possible risks and implications of partial support e.g. reduction in funding: part of the scheme could still be completed but not all objectives will be achieved. Failure to meet statutory responsibilities should also be highlighted in this section.*

**b) Contribution to Sustainable Development**

**Please detail how the project will contribute to sustainable development or reduction of carbon dioxide emissions.**

*Assistance in identifying these issues can be obtained from Phil Kingston, Senior Energy Officer, 0121 569 4507.*

**7. Project Outputs/Outcomes/Impacts**

**Please detail the proposed projects outputs and outcomes, which should be quantifiable and measurable.**

*Outputs – direct, measurable consequences of product activities, i.e. no. of houses built.*

*Outcomes – consequences of wider community benefits of product activities, i.e. health benefits.*

*Where outputs and outcomes will be achieved over a period of time, a profile should also be provided. All quantitative and qualitative outputs should be stated. It is important to state when the outputs can be achieved and to indicate how they will be monitored and who will be responsible.*

*Outputs, outcomes and impacts should be realistic and evidence should be provided to justify how they have been estimated.*

*Please add further columns and lines as necessary.*

	Means of Monitoring And Officer Responsible	Profile of Achievement				
		2018/19	2019/20	2020/21	2021/22	Total
<b><u>Outputs</u></b>						
<b><u>Outcomes</u></b>						

## Check List

Please include any additional information you consider appropriate to support the proposed project.

Please include the following documents if they are available:

Document	Please tick box if included with application for appraisal
Project Risk Register	
Planning Documents	
Detailed Budget Spreadsheet	
Gantt Chart	
Prudential Borrowing Costs Spreadsheet	
Management Structure Diagram	

Democratic Services are required to publish 28 days notice of **all** key decisions. The Project Lead Officer is responsible for notifying Democratic Services of key decisions in accordance with their timetable. Please refer to the Financial Planning Team's Intranet website for [2018/19 timetable](#).

Further guidance on what constitutes a key decision and the required timescales can be obtained from Democratic Services Unit on 0121 569 3736.