

THE HIGHLAND COUNCIL
Finance Housing and Resources Committee
28 August 2013

Agenda Item	7
Report No	FHR/92/13

CHIEF EXECUTIVE'S SERVICE
FINAL OUT-TURN REPORT FOR 2012/13 AND CAPITAL BUDGET MONITORING
REPORT TO 30 JUNE 2013

Report by The Chief Executive

Summary

This report sets out the final out turn position for the Chief Executive's Service Capital budget for the period 1 April 2012 to 31 March 2013 and the position for the Chief Executive's Service 2013-14 capital budget for the period to 30 June 2013.

1 Introduction

- 1.1 The attached 2 appendices show the final out-turn position for the Chief Executive's Service Capital budget for the period 1 April 2012 to 31 March 2013 and monitoring position for the Chief Executive's Service capital programme for the period to 30 June 2013. The former shows a series of capital projects amounting to a gross capital budget of £5.885m with total gross expenditure of £2.843m. The latter shows capital projects amounting to £4.594m for the financial year 2013/14 with £0.705m spent to date.

2. Final out-turn 2012/13

- 2.1 Appendix 1 shows the position for the Chief Executive's Service capital programme for the period March 2012 to April 2013, resulting in an underspend of £3.042m at the year end.
- 2.2 A number of projects had completed by the end of 2012/13: The Highlander Museum; CCTV; Nairn Office Rationalisation; Loch Ness Tourism Infrastructure; Lochaber House; Block A Refurbishment; Sailwest; and Fort William Regeneration.
- 2.3. The largest single underspend was in the Kingussie Office Rationalisation Project (£1.801m). This project had been highlighted at FHR Committee earlier in the year as unlikely to commence expenditure until 2013/14. The project is now moving ahead well and more information on progress is given in para 3.5 below, under the section on 2013/14 monitoring.
- 2.4 The ICT Contract Asset Investment Project was also underspent at the end of 2012/13 which was primarily due to slippage in the Telephony Project. Separate detailed reports on the ICT Contract have been regularly included at FHR Committee and the likelihood of a sizeable underspend was predicted in

the last two capital monitoring reports presented to Committee prior to the year-end. At Committee in February 2013 it was reported that the predicted underspend of £1.5m was likely to be brought down further and this was indeed the case, with the final underspend confirmed at £1.194m.

3. 2012/13 Monitoring

- 3.1 Appendix 2 sets out the budget and monitoring position for the Chief Executive's Capital Budget 2013/14. The Chief Executive's Service' programme has a series of capital projects amounting to £4.594m for the financial year 2013/14 with £0.705m spent to date. The Service is predicting an underspend of £1.782m.
- 3.2 The budget reflects the inclusion of 2 new projects: the Video Conferencing, Webcasting and Voting Systems Project and Cameron Square, Fort William – both approved under the Council's new capital programme. It also reflects the continuation of a number projects from the preceding year.
- 3.3 Expenditure of £0.707m is already showing against the ICT Contract Asset Management project. Preparatory work is also well underway for the review and refresh of the Council's Video Conferencing capability. The Council's broader communications requirements, including telephony and video conferencing are being looked at in the round and a report setting out more detail in relation to the 'Unified Communications Project' is included later in the Committee agenda.
- 3.4 The Cameron Square Project is also underway and is on target to complete before the end of the financial year, with the bulk of the expenditure expected between December 2013 to March 2014. Approximately 1.5% of the project budget is likely to be kept back for retention until the end of 2014/15.
- 3.5 After a delayed start, the Kingussie Office Rationalisation Project is also now making good headway. Make-safe works are now complete, a Service Level Agreement has been agreed with the Police to co-occupy space in the new Courthouse building and survey results have concluded that there are no bat species roosting, allowing us to move forward with the proposed programme. Extensive consultations with the cross-Service appointed Project Team, conservation experts and other relevant stakeholders, have resulted in the design being agreed and our in-house design team is now producing the technical drawings required for the planning application.
- 3.6 The next steps are to proceed with the necessary land purchase; successfully complete the planning application process and to dispose of the two vacated properties ring-fenced for this project (Ruthven Road and 100 High Street, Kingussie). The Service is anticipating expenditure on this project in the current financial year of £0.412m, made up of a combination of professional fees, enablement works and land purchase costs. The bulk of expenditure is not expected until 2014/15 which means the Service is predicting an underspend of £1.774m at the end of the current financial year.

4. Recommendation

- 4.1 Members are asked to consider the final out-turn position for the Chief Executive's Service Capital budget for the period 1 April 2012 to 31 March 2013 and the capital monitoring report for the period 1 April 2013 to 30 June 2013.

Signature:

Designation: Chief Executive

Date: 13 August 2012

Author: Kate Lackie, Business Manager

THE HIGHLAND COUNCIL

CAPITAL EXPENDITURE – FINAL OUTTURN 2012/13

CHIEF EXECUTIVE'S SERVICE

Project	Project Code	Budget			Year to Date Actual			Estimated outturn			Variance	Comments
		A	B	C	D	E	F	G	H	I	J	
		Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Column I minus Column C	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Service Point Improvements Future Years	22152	50	0	50	32	0	32	32	0	32	(18)	Underspend in 12/13
CCTV on-going capital costs	22158	10	0	10	10	0	10	10	0	10	0	
Highlander Museum	CE003	50	0	50	50	0	50	50	0	50	0	
Lochaber House	CE008	(5)	0	(5)	1	0	1	1	0	1	6	Project complete
Fort William Town Centre Regeneration	CE011	46	0	46	0	0	0	0	0	0	(46)	Project complete
ICT Contract Asset Investment	CE015	3,790	0	3,790	2,596	0	2,596	2,596	0	2,596	(1,194)	Slippage of £1,194k on telephony project
Nairn Office Rationalisation	CE016	7	0	7	2	0	2	2	0	2	(5)	Project complete
Sail West	CE017	20	0	20	20	0	20	20	0	20	0	
Carbon Management Plan Investment	CE018	(79)	0	(79)	0	0	0	0	0	0	79	
HQ Block A Refurbishment	CE019	0	0	0	3	0	3	3	0	3	3	
Alness Service Point	CE020	40	0	40	19	0	19	19	0	19	(21)	Underspend in 12/13
Kingussie Office Rationalisation	CE023	1,801	0	1,801	0	0	0	0	0	0	(1,801)	Per Project Manager land acquisition (£145k) and 30% of HAPS fees up to RIBA work Phase D (£117k) payable in 12/13, but neither have materialised.
Inverness City Developments				0			0			0		
Loch Ness Tourism Infrastructure	CE013	102	0	102	102	0	102	102	0	102	0	Project complete
Destination Development	CE022	53	0	53	8	0	8	8	0	8	(45)	Underspend in 12/13
		5,885	0	5,885	2,843	0	2,843	2,843	0	2,843	(3,042)	

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE
PERIOD TO 30TH JUNE 2013

CHIEF EXECUTIVE'S SERVICE

Project	Project Code	Budget			Year to Date Actual			Estimated outturn			Variance	Comments
		A	B	C	D	E	F	G	H	I	J	
		Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Column I minus Column C	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Service Point Improvements Future Years	22152	18	0	18	0	0	0	18	0	18	0	
Regeneration of Cameron Square, Fort William	tbc	540	0	540	0	0	0	532	0	532	(8)	1.5% retention to be paid in 14-15
Video Conferencing, Web-casting and Voting Systems	tbc	300	0	300	0	0	0	300	0	300	0	
Carbon Management		(79)	0	(79)	0	0	0	(79)	0	(79)	0	
Lochaber House	CE008	(6)	0	(6)	0	0	0	(6)	0	(6)	0	
Fort William Town Centre Regeneration	CE011	46	0	46	0	0	0	46	0	46	0	
ICT Contract Asset Investment	CE015	1,521	0	1,521	(707)	0	(707)	1,521	0	1,521	0	
Nairn Office Rationalisation	CE016	5	0	5	0	0	0	0	0	0	(5)	
HQ Block A Refurbishment	CE019	(3)	0	(3)	2	0	2	2	0	2	5	
Alness Service Point	CE020	21	0	21	0	0	0	21	0	21	0	
Destination Development	CE022	45	0	45	0	0	0	45	0	45	0	
Kingussie Office Rationalisation	CE023	2,186	0	2,186	0	0	0	412	0	412	(1,774)	Land purchase should occur in 2013 although a number of planning issues remain. Project can then commence.
		4,594	0	4,594	(705)	0	(705)	2,812	0	2,812	(1,782)	

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