

**THE HIGHLAND COUNCIL**  
**Finance Housing and Resources Committee**  
**27 November 2013**

Agenda Item	<b>19</b>
Report No	<b>FHR/ 163/13</b>

**CHIEF EXECUTIVE'S SERVICE**  
**CAPITAL BUDGET EXPENDITURE MONITORING TO 30 SEPTEMBER 2013**

**Report by the Chief Executive**

**Summary**

This report sets out the position for the Chief Executive's Service 2013-14 capital budget for the period to 30 September 2013.

**1 Introduction**

The attached appendix shows the monitoring position for the Chief Executive's Service capital programme for the period to 30 September 2013. This shows capital projects amounting to £4.660m for the financial year 2013/14 with (£0.515m) spend accounted for to date. £0.644m of this is currently showing as a Service credit which is explained in paragraph 2.2, below. The Service is estimating a combined underspend of £2.558m at the end of the financial year which is an improvement on the position reported to the last committee, when an underspend of £2.747m was forecast.

**2. Budget Movements**

- 2.1 Since the Service Capital programme was last reported to committee, the budgets for Unified Communications and the ICT Contract Asset Investment have been amended to better reflect the split of funding between two projects. This has resulted a transfer of £0.2m from the ICT Contract Asset Investment budget into the Unified Communications budget for 2013/14.
- 2.2 The ICT Contract Asset Investment budget is currently showing a credit sum of £0.644m. This reflects that whilst expenditure of £0.644m has been accounted for, the Council is still waiting to be invoiced for the actual costs. Once these charges have gone through, the figure will move from a credit to a debit amount.
- 2.3 A number of budget headings have been removed from the Chief Executive's Capital programme because the projects are complete. These are Lochaber House, Fort William Town Centre Regeneration, Nairn Office Rationalisation, and HQ Refurbishment. In total, these projects came in under budget by £40,000 and this has been returned to the unallocated Corporate Capital budget.

### **3. Outturns and slippage**

- 3.1 The Service is predicting an underspend of £2.708m, due to an under spend of £1.774m on the Kingussie office rationalisation project, an anticipated underspend of £0.576m on ICT Contract Asset Investment and £0.200m on the Unified Communications Project.
- 3.2 The reasons for the slippage in the Kingussie office rationalisation project were reported to members in June. Since then, the project has kept to its revised schedule having recently completed the land purchase and is now proceeding with the detailed planning application. The construction phase is due to commence early in the next financial year.
- 3.3 The predicted underspend in the ICT Contract Asset Investment budget has arisen because the rolling refresh is not as advanced as expected, however this is likely to be addressed by some bulk orders of equipment within the current financial year. The project is due to complete in 2014/15.
- 3.4 The predicted underspend in the Unified Communications budget reflects the fact that the project has only recently commenced following Committee approval in October for a limited rollout. There is already a good degree of accelerated expenditure with the installation of new video conferencing equipment in Committee Rooms 1 & 2 and good progress being made in support of the Dingwall office accommodation project which is due to complete before the end of the year. A number of steps still need to be taken to establish a fully operational partnership arrangement with Argyll and Bute Council following pilot rollout to support the Dingwall project. A detailed report on Unified Communications will be presented to the Committee early in 2014. This report will explain the outcome of discussions with Argyll and Bute Council and will provide more clarity on project costs and benefits.

### **4. Recommendation**

Members are asked to agree the capital monitoring report for the period to 30 September 2013.

Signature:

Designation: Chief Executive

Date: 15 November 2013

Author: Kate Lackie, Business Manager

THE HIGHLAND COUNCIL  
MONITORING OF CAPITAL EXPENDITURE  
PERIOD TO 30th SEPTEMBER 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	To be used in-year
ICT Contract Asset Investment	CE015	1,321	0	1,321	(644)	0	(644)	745	0	745	(576)	While the Curriculum Rolling Refresh has not advanced as expected, it is scheduled to complete in 14/15.
Carbon Management Plan Investment	CE018	(37)	0	(37)	4	2	2	(37)	0	(37)	0	Budget to be transferred to TECS/H&P CMP
Alness Service Point	CE020	21	0	21	0	0	0	21	0	21	0	To be used in-year
Destination Development	CE022	45	0	45	0	0	0	45	0	45	0	
Kingussie Office Rationalisation	CE023	2,186	0	2,186	63	0	63	412	0	412	(1,774)	Land purchase completed in November and should be shown in the ledger by next committee
Regeneration of Cameron Square, Fort William	CE024	540	0	540	64	0	64	532	0	532	(8)	1.5% retention
Unified Communications Project	CE025	500	0	500	0	0	0	300	0	300	(200)	The Telephony Project has been withdrawn and any unused budget has been used to fund this project.
Inverness City Gateways	CE026	66	0	66	0	0	0	66	0	66	0	Contribution to Ness River Public Art Programme: see committee report.
		<b>4,660</b>	<b>0</b>	<b>4,660</b>	<b>(513)</b>	<b>2</b>	<b>(515)</b>	<b>2,102</b>	<b>0</b>	<b>2,102</b>	<b>(2,558)</b>	

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