

**THE HIGHLAND COUNCIL**

**Resources Committee  
25 February 2015**

Agenda Item	<b>16</b>
Report No	<b>RES/ 18/15</b>

**CORPORATE DEVELOPMENT SERVICE  
CAPITAL BUDGET EXPENDITURE MONITORING TO 31 DECEMBER 2014**

**Report by the Depute Chief Executive/Director of Corporate Development**

**Summary**

This report sets out the position for the Corporate Development Service 2014/15 capital budget for the period to 31 December 2014.

**1 Introduction**

- 1.1 The attached **Appendix** shows the monitoring position for the Corporate Development Service capital programme for the period to 31 December 2014. This shows capital projects amounting to £1.614m for the financial year 2014/15, with £0.286m accounted for to date. The Service is currently estimating an underspend of £0.918m at the end of the financial year.

**2. Project Progress and Expenditure**

- 2.1 Expenditure on the ICT Contract Asset Investment project was £0.144m by the end of December 2014 against a total project budget of £0.334m. Full expenditure is expected by the end of the financial year.
- 2.2 £0.606m has been transferred out of the ICT Contract Asset Investment project budget and into the Unified Communications Project budget. This was the remainder of the cancelled Fujitsu Telephony Project budget which is now being used to support the implementation of the Council's Unified Communications.
- 2.3 Expenditure has commenced on the Unified Communications Project which is showing expenditure at the end of December 2014 of £0.142m against a total budget of £1.244m. The Project has deployed Microsoft Lync to Dingwall staff and this pilot is now complete. A number of technical issues that arose as a consequence of the pilot are currently being worked through, prior rolling out to the new Wick offices and thereafter to HQ. Final installation and payment is not expected to be completed prior to the end of March 2015. An underspend of £0.151m was being predicted at the end of the last reporting period, but this has now increased to £0.882m due to the transfer of budget referred to in paragraph 2.2 above.

2.4 In November 2014 it was reported that expenditure was not expected to commence on Service Point Improvements in 2014/15. This was because Service Point investment is dependent on the results of the Customer Services Review, the outcome of which is still to be determined. This position remains as before and so expenditure will slip into the next financial year.

### **3. End of year Variances**

3.1 The Corporate Development Service is predicting a total underspend of £0.918m at the end of 2014/15. This represents a further slippage of £0.731m on the position reported to Committee in November 2014. There are two main reasons for this increase. The first is that the project to replace the Chamber voting equipment and associated technology will not commence before the end of the financial year. This is because the Chamber needs to be out of use for a number of days and so it can only be done during a recess period. The works are scheduled to take place over the Easter break and so full expenditure of the £0.100m budget is expected early in the new financial year. The remainder of the underspend is attributable to the Unified Communications project

### **4. Implications**

4.1 Resources - There are no resource implications other than those already set out.

4.2 Legal - there are no legal implications for The Highland Council.

4.3 Equalities and Climate Change - there are no negative equality or climate change implications arising from this report.

4.4 Risk, Gaelic and Rural - there are no risk, Gaelic or rural implications to The Highland Council.

### **4. Recommendation**

Members are asked to consider the capital monitoring report for the period to 31 December 2014.

Signature: Michelle Morris

Designation: Depute Chief Executive

Date: 12 February 2015

Author: Kate Lackie, Business Manager

Attachments: Appendix 1 – Corporate Development Service Capital Monitoring to 31 December 2014

THE HIGHLAND COUNCIL  
MONITORING OF CAPITAL EXPENDITURE  
PERIOD TO 31st DECEMBER 2014  
CORPORATE DEVELOPMENT 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	36	0	36	0	0	0	0	0	0	(36)	Spend dependent on the outcome of the Customer Services Review. Decision not expected until December so more than likley that spend will slip into next financial year.
ICT Contract Asset Investment	CE015	334	0	334	144	0	144	334	0	334	0	
Unified Communications & Chamber Refurbishm	CE025	1,244	0	1,244	142	0	142	362	0	362	(882)	Project currently 6 months behind schedule due to complex technical issues which have taken time to resolve
		<b>1,614</b>	<b>0</b>	<b>1,614</b>	<b>286</b>	<b>0</b>	<b>286</b>	<b>696</b>	<b>0</b>	<b>696</b>	<b>(918)</b>	