

THE HIGHLAND COUNCIL
Finance Housing and Resources Committee
26 August 2015

Agenda Item	7
Report No	RES/ 59/15

CORPORATE DEVELOPMENT SERVICE
FINAL OUT-TURN REPORT FOR 2014/15 AND CAPITAL BUDGET MONITORING
REPORT TO 30 JUNE 2015

Report by the Depute Chief Executive/Director of Corporate Development

Summary

This report sets out the final out turn position for the Corporate Development Service's Capital budget for the period 1 April 2014 to 31 March 2015 and the position for the Corporate Development Service's 2015-16 capital budget for the period to 30 June 2015.

1 Introduction

1.1 The attached 2 appendices show the final out-turn position for the Corporate Development Service's Capital budget for the period 1 April 2014 to 31 March 2015 and monitoring position for the Corporate Development Service's capital programme for the period to 30 June 2015. The former shows a series of capital projects amounting to a gross capital budget of £1.614m with total gross expenditure of £0.685m. The latter shows capital projects amounting to £6.529m for the financial year 2015/16 with no expenditure to date.

2. Final out-turn 2014/15

2.1 **Appendix 1** shows the position for the Corporate Development Service's capital programme for the period March 2014 to April 2015. There were three separate budget headings: Service Point Improvements (£0.036m); ICT Contract Asset Investment (£0.334m); and Unified Communications and Chamber Refurbishment (£1.244m).

2.2 Members were informed at the Resources Committee meeting in November 2014 that no expenditure was expected in the Service Point Improvement budget in the 2014/15 financial year as expenditure was being held back until the outcome of the Customer Services Review was known. It is anticipated that the budget will be fully spent by the end of the current financial year.

2.3 The underspend against the Unified Communications budget was anticipated and reported to Resources Committee in February 2015. At that time, the anticipated underspend was £0.882m against an actual underspend of £0.851m. The ICT Contract Asset Investment budget was expected to be fully spent by the

year end but £0.042m has been rolled forward into the current financial year, resulting in a total underspend of £0.929m at the year end.

3. 2015/16 Monitoring

- 3.1 **Appendix 2** sets out the capital budget and monitoring position to the end of June 2015. The Corporate Development Service's budget has 5 capital budget headings for the financial year 2015/16: Digital Outreach (0.800m); ICT Re-provision (£4.8m); Service Point Improvements (0.036m); ICT Contract Asset Investment (£0.042m); and Unified Communications and Chamber Refurbishment (£0.851m). Underspends are anticipated by the end of the financial year on the first two projects and the latter project is expected to overspend, resulting in a total predicted underspend of £4.927m.
- 3.2 The Council's provision for ICT Capital spend is closely linked to the ICT Re-provision Programme which just commenced formal procurement on 1 July 2015. Now that the Council has commenced the competition stage of the Programme, Finance colleagues will work with ICT Re-Provision colleagues to re-profile the capital budget for the next committee meeting to ensure that it accurately matches the needs of the programme.
- 3.3 It is anticipated that most of the spend will occur from Quarter 2 in 2016, following dialogue with bidders and contract award in July 2016, but that before then there may be an need for small amounts of capital spend to underpin the review of the Council's LAN/WLAN network and Office 365 offering, and this will be part of the re-profiling exercise which will be undertaken with Finance colleagues.
- 3.4 Whilst the Service is currently reporting an overspend of £0.220m in the Unified Communications and Chamber Refurbishment project, this is currently under review and it is likely that this figure will change. A fuller report on progress on this project and a revised spend profile will be brought forward for members' consideration at the next meeting of the Committee.

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

- 4.1 Members are asked to consider the final out-turn position for the Corporate Development Service's capital budget for the period 1 April 2014 to 31 March 2015 and the capital monitoring position for the period 1 April 2015 to 30 June 2015.

Signature: Michelle Morris

Designation: Depute Chief Executive and Director of Corporate Development

Date: 17 August 2015

Author: Kate Lackie, Business Manager

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE
PERIOD TO 31st MARCH 2015
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. Public Consultation running until Mid March 2015 so more than likley that spend will slip into next financial year.
ICT Contract Asset Investment	CE015	334	0	334	292	0	292	292	0	292	(42)	
Unified Communications & Chamber Refurbishm	CE025	1,244	0	1,244	393	0	393	393	0	393	(851)	Project currently 6 months behind schedule due to complex technical issues which have taken time to resolve
		1,614	0	1,614	685	0	685	685	0	685	(929)	

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE
PERIOD TO 30th JUNE 2015

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	
Digital Outreach	D0003	800		800			0	453		453	(347)	This is the best estimate of spend given the information available. A site survey has been commissioned and once this is complete we will have more information on the work that needs to be carried out. Once this is known a detailed transition plan will be drawn up and this will give more information on how this work is to be undertaken. Projections will be updated once all this is complete
ICT Reprovision	D0004	4,800		4,800			0	0		0	(4,800)	Spend dependent on reprovision - not likely to be any spend this year.
Service Point Improvements Future Years	D0005	36	0	36	0	0	0	36	0	36	0	
ICT Contract Asset Investment	D0001	42	0	42	0	0	0	42	0	42	0	
Unified Communications & Chamber Refurbishm	D0002	851	0	851	0	0	0	1,071	0	1,071	220	Project currently 6 months behind schedule due to complex technical issues which have taken time to resolve
		6,529	0	6,529	0	0	0	1,602	0	1,602	4,927	