

**THE HIGHLAND COUNCIL
Resources Committee
24 February 2016**

Agenda Item	8
Report No	RES/ 07/16

**CORPORATE DEVELOPMENT SERVICE
CAPITAL BUDGET MONITORING REPORT TO 31 DECEMBER 2015**

Report by The Depute Chief Executive and Director of Corporate Development

Summary

This report sets out the monitoring position for the Corporate Development Service's 2015-16 capital budget for the period to 31 December 2015.

1 Introduction

- 1.1 This report and appendices reflect a new approach to the reporting of capital monitoring in response to recommendations from an Audit Scotland National report which was considered by Resources Committee in May 2015.
- 1.2 The revised approach places greater emphasis on the monitoring of major projects (those with a value greater than £4m) and the monitoring of projects on a full-life (multi-year) basis. The revised approach brings an enhanced level of information and transparency in relation to the monitoring of capital projects. The approach introduced 2 new appendices to the report:
 - i. Appendix 1: in year 2015/16 programme cash flow monitoring report for the whole programme (broadly similar to the format used for previous capital monitoring reports)
 - ii. Appendix 2: a monitoring position for major projects on a multi-year basis, giving information on both cost and programme predictions, against the baseline position.

2. 2015/16 Monitoring – Appendix 1

- 2.1 Appendix 1 sets out the in-year monitoring position and shows an underspend of £0.016m and £0.474m slippage against a total budget for the year of £0.862m.
- 2.2 The Corporate Development Service's budget has 5 capital budget headings for the financial year 2015/16: SWAN THC - (0.550m); ICT Reprovision (£0.08m); Service Point Improvements (0.036m); ICT Contract Asset Investment (£0.042m); and Unified Communications and Chamber Refurbishment (£0.154m). A brief summary of the status for each of the individual projects within the Corporate Development capital budget is included in the comments column in Appendix 1.

3. **2015/16 Monitoring – Appendix 2, Major Projects**

- 3.2 There is one major project listed in Appendix 2 – ICT Reprovision. This has a total budget of £12.2m. £4.8m was originally programmed for spend in 2015/16 and it was agreed at the last Resources Committee to re-profile this budget to reflect changes in the project timetable which will require the majority of the £4.8m to be spent in 2016/17. This change is reflected in Annex 1.

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:

1. consider the monitoring position for the Corporate Development Service's capital budget for the period 1 April 2014 to 31 December.

Signature: Michelle Morris

Designation: Depute Chief Executive and Director of Corporate Development

Author: Kate Lackie, Business Manager

Date: 10 February 2016

THE HIGHLAND COUNCIL							Appendix 1
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2015 TO 31ST DECEMBER 2015							
SERVICE: CORPORATE DEVELOPMENT							
Project Description	Actual Net Year to Date £000	Revised Net Budget £000	Year End Estimated Net Outturn £000	Year End Net Variance £000	(Slippage)/ Acceleration Net £000	Anticipated Year End (Under)/Over £000	COMMENTS
SWAN THC	2	550	138	(412)	(412)		This is an estimate of spend pending a site survey which will provide 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 with the remainder expected to be spent in 16/17.
ICT Reprovision	0	80	80	0	0		Some small spend is expected on Members ICT refresh but the majority of the spend is expected in 16/17.
Service Point Improvements Future Years	0	36	6	(30)	(30)		Work on service point investments will continue as the service continues to implement the customer services 3 review and any balance is expected to be carried over into 2016/17
ICT Contract Asset Investment	20	42	27	(15)		(15)	Expected projected final underspend for the Curriculum Rolling Refresh, as project is closing and discussions are underway with Finance as to the treatment of remaining funds.
Unified Communications & Chamber Refurbishment	58	154	122	(32)	(32)		As reported to Resources Committee in November a change of approach for Unified Communications has delayed spend. It is anticipated that the majority of the budget will be spent in 16/17.
OVERALL TOTAL	80	862	373	(489)	(474)	(15)	

Capital Expenditure Monitoring Report - Projects over £4m

1 April - 30th September 2015

Total Project Budget						
Project	Original Budget	Approved Change	Approved Change	Revised Total	Original Completion Date	Revised Completion Date
	£000	£000	£000	£000		
ICT Reprovision	12,200			12,200	Mar-18	Mar-19

Projected Lifetime Outturn			
Spend To Date	Projected Future Spend	Projected Project Outturn	Projected Lifetime Variance
£000	£000	£000	£000
0	12,200	12,200	0