

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

Agenda Item	10
Report No	RES/ 09/16

**CHIEF EXECUTIVE'S OFFICE
CAPITAL BUDGET MONITORING REPORT TO 31 DECEMBER 2015**

Report by The Chief Executive

Summary

This report sets out the monitoring position for the Chief Executive's Office 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 Chief Executive's Office budget does not have any projects above £4m. However, there is a second appendix included in the Chief Executive's Office Capital Monitoring providing greater detail on the projects supported by the Carbon Clever Capital Budget.
- 1.3 In addition, payments from the Council's Capital Discretionary Fund are now shown in the Chief Executive's Office Capital Budget to assist with monitoring. Decisions with regard to Capital Discretionary Budget awards are taken on a case by case basis at Resources Committee and only show in the budget once payment has been made.

2. 2015/16 Capital Budget Monitoring

- 2.1 **Appendix A** sets out the capital budget and monitoring position to the end of December 2015. The Chief Executive's Office' budget has four capital budget headings for the financial year 2015/16: Capital Discretionary Fund; Regeneration of Cameron Square, Fort William; Carbon Clever Community Grant Fund; and Inverness City Gateways. At present, these four headings amount to a net budget of £0.604m, with £0.546m spent to date.
- 2.2 Slippage of £0.066m on the ICArts River Connections Project will be carried forward to 2016/17. An underspend of £0.050m arises from the Carbon Clever

Community Grant Fund, although this may decrease if suitable applications are approved at relevant committees before the end of the financial year. This means the Chief Executive's Capital programme is forecasting a total slippage at the end of the year of £0.116m.

- 2.2 **Appendix B** sets out the monitoring position for the Carbon Clever Capital Budget. This budget is separate from the Carbon Clever Community Grant Fund monitored in **Appendix A**. The latter provides funding for non-council community based projects whereas the budget in **Appendix B** is specifically to support projects that assist the Council in meeting its carbon reduction targets. The Carbon Clever Capital Budget has £0.595m spent out of a total budget of £0.850m. Expenditure is anticipated to be higher than previously reported estimates but ultimately a carry forward £0.255m is predicted due to a lack of suitable projects being identified in 2015/16.

3. Implications

- 3.1 Resources - There are no resource implications other than those already set out.
- 3.2 Legal - there are no legal implications for The Highland Council.
- 3.3 Equalities and Climate Change - there are no negative equality or climate change implications arising from this report.
- 3.4 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 capital monitoring position for the Chief Executive's Office Capital Budget for the period 1 April 2015 to 31 December 2015

Signature: Steve Barron

Designation: Chief Executive

Date: 12 February 2015

Author: Kate Lackie, Business Manager

THE HIGHLAND COUNCIL						APPENDIX A	
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2015 TO 31ST DECEMBER 2015							
SERVICE: CHIEF EXECUTIVES SERVICE							
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
Discretionary Fund	403	332	332	0			£281k CAB; £50k Alexandra Bridge; £50k Archie Foundation; £22k Highland Hospice
Regeneration of Cameron Square, Fort William	6	6	6	0			Project complete. Retention to be paid in 15/16
Inverness City Gateways	0	66	0	(66)	(66)		ICArts River Connections Project - expenditure will not be incurred in 15/16 financial year but will be spent in 16/17.
Carbon Clever Community Grant Fund	137	200	150	(50)		(50)	
OVERALL TOTAL	546	604	488	(116)	(66)	(50)	

THE HIGHLAND COUNCIL							APPENDIX B
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2015 TO 31ST DECEMBER 2015							
SERVICE: CARBON CLEVER							
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
Carbon Clever	595	850	595	(255)		(255)	Slippage due to time taken to identify suitable projects and gain committee approval
OVERALL TOTAL	595	850	595	(255)	0	(255)	