

THE HIGHLAND COUNCIL  
Resources Committee  
23 November 2016

Agenda Item	8
Report No	RES/ 74/16

CORPORATE DEVELOPMENT SERVICE  
CAPITAL BUDGET MONITORING REPORT TO 30 SEPTEMBER 2016

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 2016-17 capital budget for the period to 30 September 2016.

**1 Introduction**

- 1.1 This report and appendices set out the capital monitoring position for the Corporate Development Service capital budget to September 2016. **Appendix 1** provides the in year 2016-17 programme cash flow monitoring report for the whole programme. **Appendix 2** provides the monitoring position for major projects on a multi-year basis, giving information on both cost and programme predictions, against the baseline position.

**2. 2016-17 Monitoring – Appendix 1**

- 2.1 **Appendix 1** sets out the in-year monitoring position and shows slippage of £13.976m against a total budget of £16.111m.
- 2.2 The Corporate Development Service's budget has 5 capital budget headings for the financial year 2016-17: SWAN THC (£0.713m); ICT Reprovision (£9.6m); Service Point Improvements (£0.055m); Digital Outreach (£5m); and Unified Communications and Chamber Refurbishment (£0.743m). A brief summary of the status for each project within the Corporate Development capital budget is included in the comments column in **Appendix 1**.
- 2.3 The position is largely unchanged from the last report to Resources Committee, when the predicted slippage was £13.997m. This is mainly due to the need to re-profile spend for the new ICT contract. This includes the use of the Digital Outreach budget, as agreed by the ICT Reprovision Board, to meet the increased costs associated with the decision made by ECAS Committee to roll out one-to-one devices to pupils from 2017 and as part of the new contract delivery. Minor slippage is also anticipated in the Unified Communications project. A detailed report on ICT Transition / SWAN / Network Programme is included on today's Committee agenda.

### **3. 2016/17 Monitoring – Appendix 2, Major Projects**

- 3.2 There is one major project listed in **Appendix 2** – ICT Reprovision. This shows an initial total project budget of £12.2m, rising to £15.2m for the whole life (multi-year) project budget reflecting the use of the Digital Outreach budget to fund the increased costs set out in paragraph 2.3 above. This has a total budget of £13.2m with £9.6m originally programmed for spend in 2016/17. The majority of spend is now anticipated in 2017/18 when the new contract will be in place.

### **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.

### **5. Recommendation**

Members are asked to consider the monitoring position for the Corporate Development Service's capital budget for the period 1 April 2016 to 30 September 2016.

Signature: Michelle Morris

Designation: Depute Chief Executive and Director of Corporate Development

Author: Kate Lackie, Business Manager

Date: 14 November 2016

THE HIGHLAND COUNCIL							APPENDIX 1
MONITORING OF CAPITAL EXPENDITURE - 1ST JULY 2016 TO 30TH SEPT 2016							
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	74	713	713	0	0		Completion of the SWAN implementation programme is running late due to contractor issues. Based on recent forecasts from the contractor it is currently anticipated that the completion date will be July 2017. The financial implications of this delayed roll out are reported separately to Resources Committee and the consequent impact on capital expenditure will be included in the next Capital Monitoring statement.
ICT Reprovision	0	9,600	930	(8,670)	(8,670)		The anticipated spend on LAN/WLAN (£850k) in 2016/17 is now unlikely to be incurred and this will require a reprofiling of the Lan/Wlan expenditure into 2017/18. This adjustment will be incorporated into the next Capital Monitoring Statement.
Service Point Improvements Future Years	0	55	55	0	0		
Digital Outreach	0	5,000	0	(5,000)	(5,000)		Use of the Digital Outreach budget was agreed by the ICT Re-provision Board in order to meet the increased costs associated with the decision made by ECAS Committee to roll out 1-2-1 devices to pupils from 2017 as part of the new ICT Service delivery.
Unified Communications & Chamber Refurbishment	6	743	437	(306)	(306)		The VC contract has been let. Deployment will commence on 12 December 2016 in Portree and will be fully rolled across the whole estate by the end of February 2017. The remaining budget relates to the telephony project and will be spent in 17/18.
<b>OVERALL TOTAL</b>	<b>80</b>	<b>16,111</b>	<b>2,135</b>	<b>(13,976)</b>	<b>(13,976)</b>	<b>0</b>	