

## HIGHLAND COUNCIL

<b>Agenda Item</b>	<b>6</b>
<b>Report No</b>	<b>RES/04/19</b>

**Committee:** Corporate Resources Committee

**Date:** 27 February 2019

**Report Title:** Corporate Resources Service Budget - Capital Monitoring to 31 December 2018

**Report By:** Depute Chief Executive/Director of Corporate Resources

### 1. Purpose/Executive Summary

- 1.1 The attached report and appendices show the monitoring position for the Corporate Resources Service 2018/19 capital budget for the period to 31 December 2018.
- 1.2 **Appendix 1** sets out the in-year monitoring position and shows a net slippage of £1.914m against a total budget of £16.865m.
- 1.3 **Appendix 2** sets out the position for major projects with a value exceeding £1 million. Within Corporate Resources Service, this is a single project, ICT Transformation, which to date has a current approved budget of £19.793m and current expenditure to date of £5.184m per the Capital Programme March 2018.

### 2. Recommendations

- 2.1 Members are asked to:
  - Consider and agree the financial position of the Corporate Resources Service capital budget as at 31 December 2018.

### **3. Capital Monitoring**

- 3.1 **Appendix 1** shows the Quarter 3 monitoring position for the Corporate Resources Service capital budget for 2018/19 financial year. The total budget is £16.865m, with a £5.984m spend to date.
- 3.2 The outturn for ICT Transformation Programme reflects the current rollout plan and shows a slippage of £2.072m against an annual budget in 2018/19 of £16.102m. This heading covers the costs of the device refresh, the Network refresh, payment of the remaining transition milestone and payment of Retention monies. The actual expenditure to be incurred in 2018/19 is dependent on a number of factors including dependencies between the various projects and overall delays in the Wipro Transformation Programme. The slippage is due to the previously reported delay in the managed device roll out which is expected to fall into the following financial year.
- 3.3 The outturn for the Solar P.V. project and the Whin Park Hydro project are shown as accelerations as they are self-financing projects. The project manager has advised of the outturn for the year at Quarter 3 based on his profile for the Capital spend.

### **4. Appendix 2: 2018/19 Capital Expenditure, Major Projects**

- 4.1 There is one major project listed in **Appendix 2** – ICT Transformation, as referred to in 3.2 above.
- 4.2 Appendix 2 shows there was an initial total project budget of £21.543m as per the Capital Programme approved in March 2018, after adjusting for the carry forward position of £12.014m from 2017/18. During this financial year, due to forecast lower overall ICT Transformation costs, there was an approved transfer from this budget of £1.750m to Roads Projects; £0.250m to Crask Junction and £1.5m to roads structural works. The total project spend to date amounts to £5.184m due to the significant slippage in the project.

### **5. Implications**

- 5.1 Resource - There are no resource implications other than those already set out.
- 5.2 There are no Legal, Community (Equality, Poverty and Rural), Climate Change/Carbon Clever, Risk or Gaelic implications arising as a direct result of this report.

Designation: Depute Chief Executive / Director of Corporate Resources

Date: 08.02.2019

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## MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 31ST December 2018

## SERVICE: CORPORATE RESOURCES

Project Description	Actual Net	Revised Net	Year End	Year End	(Slippage)/	Anticipated	COMMENTS
	Year to Date	Net Budget	Estimated Net	Net	Acceleration	Year End	
	£000	£000	Outturn	Variance	Net	(Under)/Over	
			£000	£000	£000	£000	
ICT Transformation	5,184	16,102	14,030	(2,072)	(2,072)	0	This line covers the costs of the device refresh, the Network refresh, payment of the remaining transition milestone and payment of Retention monies. The slippage is due to continuing delays in the refresh of managed devices. A separate report to this Committee gives more detail.
Unified Communications & Chamber Refurbishment	70	70	70	0	0	0	Project Completed
Capital Discretionary Fund	611	611	611	0	0	0	New Embo Community Centre £70k; Lovat Shinty Club £60k; Isle of Canna Community Development Trust £10k; South Loch Ness Trail £60k; Gairloch & District Heritage Co Ltd £200k; Cromarty Harbour Trust 1k; Fort Augustus & Glenmoriston Community Company £50k
Solar PV	41	0	82	82	82	0	The Solar PV project is self funding with the income being achieved in future years.
Whin Park Hydro	78	0	120	120	120	0	The Whin Park Hydro project is self funding with the income being achieved in future years.
Service Point Improvements Future Years	0	16	16	0	0	0	Provision of improvements including public access wi-fi to take place during 18/19.
City Gateways	0	66	22	(44)	(44)	0	Monitored at Inverness City Committee
<b>OVERALL TOTAL</b>	<b>5,984</b>	<b>16,865</b>	<b>14,951</b>	<b>(1,914)</b>	<b>(1,914)</b>	<b>0</b>	

Project description	Approved Budget			Forecast Project Spend			Forecast end of Project Variance	Project Completion Dates	
	Approved Budget March 2018	Approved Change-transfer to Roads Projects	Current Approved Budget	Total Project Spend to Date	Forecast Future Spend	Forecast Total Project Spend		Planned at March 2018	Current Estimate
	£000	£000	£000	£000	£000	£000			
ICT Transformation	21,543	-1,750	<b>19,793</b>	5,184	14,609	<b>19,793</b>	<b>0</b>	Mar-23	Mar-23