

Agenda Item	8
Report No	RES/26/21

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 25th August 2021

Report Title: Corporate Resources Capital Monitoring – Outturn for 2020/21 and Quarter 1 2021/22

Report By: Executive Chief Officer- Resources and Finance

1. Purpose/Executive Summary

- 1.1 This report provides members with an out-turn monitoring statement for the 2020/21 financial year, as well as the first reported position for the new 2021/22 financial year, for the Quarter to end June 2021.
- 1.2 In relation to the 2020/21 out-turn, as recently reported to the June Council meeting, Corporate Resources had an underspend of £0.244m.
- 1.3 Net spend on capital projects in the first quarter of financial year 2021/22 totalled £1.056m.
- 1.4 Given this is the first quarter of the financial year, the fact Covid is still having an impact and based on present expenditure trends a balanced position for the year end is forecast.

2. Recommendations

- 2.1 Members are asked to:
 - i. Note the capital outturn position for the 2020/21 financial year.
 - ii. Consider the financial position as at 30 June 2021 and note the estimated year end forecast.

3. Implications

- 3.1 Resource - Resource implications are discussed in the report.
- 3.2 Risk - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.
- 3.3 Legal - The contents of this report and the annual accounts aim to satisfy the requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting'.
- 3.4 There are no specific equality, climate change/Carbon Clever, rural or Gaelic implications arising as a direct result of this report.

4. Capital Programme Outturn 2020/21

- 4.1 **Appendix 1** provides a summary of the reprofiled current year budgets and spend and income for the year ended 31 March 2021. The reprofiled budget was approved at Highland Council in January 2021. The year end actual figures provided reflect the net project expenditure, i.e. project costs incurred less project-specific income received.
- 4.2 Overall there has been a net expenditure of £1.669m for the 2020/21 financial year. Total expenditure incurred was £3.428m with income received of £1.759m. The reprofiled net budget was £1.913m and after taking account of the outturn position, left an underspend of £0.244m which comprised £0.251m of slippage and a small overspend of £0.007m. The slippage was carried forward to the 2021/22 financial year.

5. Capital Programme 2021/22

- 5.1 The capital programme summary is included in **Appendix 2**. It shows net expenditure to 30 June 2021 of £1.056m. The estimated outturn position shows a net expenditure of £1.509m. Given this is the first quarter of the financial year, the fact Covid is still having an impact and based on present expenditure trends a balanced position for the year end is forecast.
- 5.2 Progress on capital projects is as reported in the notes column on **Appendix 2**.

Designation: Executive Chief Officer- Finance and Resources

Date: 12th August 2021

Author: Mike Mitchell, Services Finance Manager

Background Papers:

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2020 TO 31ST MARCH 2021

SERVICE: CORPORATE RESOURCES

Project Description	Actual Net	2020/21	2020/21	2020/21	2020/21	2020/21
	Year to Date	Reprofiled	Actual	Actual	Acceleration /	Overspend /
	£000	Budget	Expenditure	Income	(Slippage)	(Underspend)
		£000	£000	£000	£000	£000
ICT Transformation	552	1,130	1,207	(655)	(578)	0
Digital Inclusion	0	0	1,104	(1,104)	0	0
Service Point Improvements	4	0	4	0	0	4
Capital Discretionary Fund	36	33	36	0	0	3
Solar PV	812	500	812	0	312	0
Whin Park Hydro	265	250	265	0	15	0
OVERALL TOTAL	1,669	1,913	3,428	(1,759)	(251)	7

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MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2021 TO 30TH JUNE 2021

SERVICE: CORPORATE RESOURCES

Project Description	Actual Net Year to Date	2021/22 Reprofiled Budget	2021/22 Actual Expenditure	2021/22 Actual Income	2021/22 Estimated Outturn	2021/22 Acceleration / (Slippage)	2021/22 Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000	£000
ICT Transformation	464	1,258	464	0	1,258	0	0
Inverness City Gateways	110	66	110	0	66	0	0
Destination Development	(34)	0	0	(34)	0	0	0
Capital Discretionary Fund	335	512	335	0	512	0	0
Solar PV	28	(312)	28	0	(312)	0	0
Whin Park Hydro	153	(15)	153	0	(15)	0	0
OVERALL TOTAL	1,056	1,509	1,090	(34)	1,509	0	0

COMMENTS
Roll-out of replacement programme ongoing. Full spend expected.
Monitored at Inverness City Committee.
£250k paid to Elsie Mormington Foundation; £85k for roof repairs to Nevis Centre, Fort William.
The Solar PV project is self funding with the income being achieved in future years.
The Whin Park Hydro project is self funding with the income being achieved in future years.