

Agenda Item	23
Report No	RES/51/14

**CHIEF EXECUTIVE'S SERVICE CAPITAL BUDGET
FINAL OUT-TURN 2013/14**

Report by The Chief Executive

Summary

This report sets out the final out turn position for the Chief Executive's Service Capital budget for the period 1 April 2013 to 31 March 2014.

1 Introduction

- 1.1 The attached appendix shows the final out-turn position for the Chief Executive's Service capital budget for the period 1 April 2013 to 31 March 2014. This shows a series of projects amounting to a gross capital budget of £4.709m with total gross expenditure of £1.246m.

2. Final out-turn 2013/14

- 2.1 Appendix 1 shows the position for the Chief Executive's Service capital programme for the period to April 2014, resulting in an underspend of £3.464m at the year end. The underspend is as predicted and previously reported to Resources Committee on 28th May 2014. Underspends on specific projects have been carried forward to 2014/15 for completion and delivery, primarily in the Chief Executive's Office capital programme or the Corporate Development Service capital programme, each of which is reported separately on the August Resources Committee agenda.
- 2.2 An exception to this is the Kingussie Office Rationalisation Project which has been moved into the Development and Infrastructure Service 2014/15 capital programme. This project was underspent by £1.992m and slippage had been highlighted at previous Committees because it was known the project was unlikely to commence the construction phase until 2014/15. The project and further progress will now be reported to the Planning, Development and Infrastructure Committee.
- 2.3 The underspend in the ICT Contract Asset Investment Project was primarily due to slippage in the Curriculum Rolling Refresh. In addition, there was an underspend in the Unified Communications Project. Separate detailed reports on both these projects have been included at previous FHR and Resources Committees and the likelihood of an underspend was first highlighted at FHR Committee in November 2013. These projects have been moved into the Corporate Development Service 2014/15 Capital programme.

- 2.4 Delays in Service Point capital expenditure were anticipated, following the decision by members to broaden out the consultation on the Customer Services Review as part of the Council's wider budget consultation process. For 2014/15 the three separate Service Point Budgets have been combined into a single heading and will be used in support of any capital outlay required to facilitate the outcomes of the Customer Services Review. This project has been moved into the Corporate Development Service 2014/15 capital programme.
- 2.5 There was a delay in completion for the Cameron Square project in Fort William due to a delay in the delivery of materials because of bad weather. This was reported to Committee in February 2014 when it was anticipated that the remaining costs of £0.135m would be spent within the first quarter of 2014/15. This has indeed been the case and the project has now completed, with a small sum kept back for retention purposes. This project has been moved into the Chief Executive's Office 2014/15 capital programme.
- 2.6 Inverness City Gateways was unspent at the end of 2013/14 because the project was awaiting stage 2 Creative Scotland consent. This is expected in September 2014 and full spend is anticipated for 2014/15. Destination Development was also unspent at the end of 2013/14. This budget forms part of a larger project to improve car parking at Foyers and was subject to a complimentary bid to the Council's Capital Discretionary budget which was approved in January 2014. The total project budget is now £0.120m and it is expected that the project will complete in 2014/15. These projects have been moved into the Chief Executive's Office 2014/15 capital programme.
- 2.7 A number of projects were completed by the end of 2013/14: Nairn Office Rationalisation; Lochaber House; Block A Refurbishment; and Plock of Kyle Access Road.

3. Implications

- 3.1 Legal - there are no legal implications for The Highland Council.
- 3.2 Equalities and Climate Change - there are no negative equality or climate change implications arising from this report.
- 3.3 Risk, Gaelic and Rural - there are no risk, Gaelic or rural implications arising from this report.
- 3.4 Resource - There are no resource implications other than those already set out.

4. Recommendation

- 4.1 Members are asked to consider the final out-turn position for the Chief Executive's Service Capital budget for the period 1 April 2013 to 31 March 2014.

Signature: Steve Barron
Designation: Chief Executive
Author: Kate Lackie, Business Manager
Date: 18 August 2014

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE
PERIOD TO 31st MARCH 2014
CHIEF EXECUTIVE'S SERVICE

Project	Project Code	Budget			Year to Date Actual			Estimated outturn			Variance	Comments
		A	B	C	D	E	F	G	H	I	J	
		Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Column I minus Column C	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Service Point Improvements Future Years	22152	18	0	18	2	0	2	2	0	2	(16)	
Lochaber House	CE008	0	0	0	1	0	1	1	0	1	1	
ICT Contract Asset Investment	CE015	1,321	0	1,321	544	0	544	544	0	544	(777)	Curriculum Rolling Refresh has not advanced as expected - will be complete in 14/15
Nairn Office Rationalisation	CE016	0	0	0	(2)	0	(2)	(2)	0	(2)	(2)	
Carbon Management Plan Investment	CE018	(37)	0	(37)	0	0	0	0	0	0	37	
HQ Block A	CE019	0	0	0	3		3	3	0	3	3	
Alness Service Point	CE020	21	0	21	0	0	0	0	0	0	(21)	
Destination Development	CE022	45	0	45	0	0	0	0	0	0	(45)	£45k for land purchase element of Foyers Pier development. Planning Permission has been applied for but will run into the next financial year, the purchase should occur before June. Further £75k funding required for structural work.
Kingussie Office Rationalisation	CE023	2,186	0	2,186	194	0	194	194	0	194	(1,992)	Land Purchase has not been completed which has led to an underspend
Regeneration of Cameron Square, Fort William	CE024	540	0	540	292	0	292	292	0	292	(248)	Slippage of 6 to 10 weeks has occurred due to issues with the contractor over materials. Delivery of materials was delayed due to weather issues.
Unified Communications Project	CE025	500	0	500	162	0	162	162	0	162	(338)	
Inverness City Gateways	CE026	66	0	66	0	0	0	0	0	0	(66)	Contribution to Ness River Public Art Programme (plus £165k form Common Good): awaiting stage 2 Creative Scotland consent, now expected Aug/September. Full spend is anticipated for 2014/15.
Plock of Kyle Access Road	CE027	49		49	49		49	49	0	49	0	
		4,709	0	4,709	1,246	0	1,246	1,246	0	1,246	(3,464)	