

Agenda Item	<b>7</b>
Report No	<b>RES/05/17</b>

**CORPORATE DEVELOPMENT SERVICE  
CAPITAL BUDGET MONITORING REPORT TO 31 DECEMBER 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 31 December 2016.

**1 Introduction**

- 1.1 This report and appendices set out the capital monitoring position for the Corporate Development Service capital budget to December 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 £12.071m against a total budget of £16.11m.
- 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 out turn shows an improved position from the last report to Resources Committee, when the predicted slippage was £13.997m. This is because there has been faster spend on the ICT re-provision line than had been previously predicted as a result of partial milestone payments being made to Wipro (£2.755m). All other out-turns have remained unchanged from the previously reported position.

### **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. The majority of spend is anticipated in 2017/18 when the new contract will be in place and the project is due to complete at the end of 2018/9.

### **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 31 December 2016.

Signature: Michelle Morris

Designation: Depute Chief Executive and Director of Corporate Development

Author: Kate Lackie, Business Manager

Date: 26 January 2017

THE HIGHLAND COUNCIL							APPENDIX 1
MONITORING OF CAPITAL EXPENDITURE - 1ST JULY 2016 TO 31ST DECEMBER 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	150	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 is currently being assessed and will be included in the next Capital Monitoring statement
ICT Re-provision	2,755	9,600	2,835	(6,765)	(6,765)		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. There have also been partial milestone payments made to Wipro (£2,755k).
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	25	743	437	(306)	(306)		The detailed procurement exercises for this project were completed November 2016, with the associated deployments planned for completion by end of 2017. The full budget will not be spent in 16/17, but the remainder will be spent in 17/18.
<b>OVERALL TOTAL</b>	<b>2,930</b>	<b>16,111</b>	<b>4,040</b>	<b>(12,071)</b>	<b>(12,071)</b>	<b>0</b>	

<b>Capital Expenditure Monitoring Report - Projects over £4m</b>
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<b>1 April - 31st March 2016</b>
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Total Project Budget						
Project	Original Budget	Approved Change	Approved Change	Revised Total	Original Completion Date	Revised Completion Date
	£000	£000	£000	£000		
ICT Reprovision	12,200	3,000		15,200	Mar-18	Mar-19

Projected Lifetime Outturn			
Spend To Date	Projected Future Spend	Projected Project Outturn	Projected Lifetime Variance
£000	£000	£000	£000
2,755	12,445	15,200	0