

Agenda Item	8.
Report No	RES/39/18

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 29 August 2018

Report Title: Corporate Resources Service Budget - Capital Monitoring to 30 June 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 30 June 2018.
- 1.2 **Appendix 1** sets out the in-year monitoring position and shows slippage of £2.176m against a total budget of £16.865m.
- 1.3 **Appendix 2** sets out the position for major projects with a value exceeding £4 million. In the case of Corporate Resources Service, this is a single project, ICT Transformation, which has a whole lifecycle budget of £27.929m and current expenditure to date of £9.511.

2. **Recommendations**

- 2.1 Members are asked to:
 - Consider and agree the financial position of the Corporate Resources Service capital budget as at 30 June 2018.

3. Capital Monitoring

- 3.1 **Appendix 1** shows the Quarter 1 monitoring position for the Corporate Resources Service capital budget for 2018/19 financial year. The total budget is £16.865m, with a £1.874m spend to date.
- 3.2 The outturn for ICT Transformation Programme reflects the current rollout plan and shows a slippage of £2.231m against an annual budget in 2018/19 of £16.352m. 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 delays in the Chromebook and managed device roll out which is expected to fall into the following financial year.
- 3.3 The outturn for the Solar P.V. project is shown as acceleration as it is a self-financing project. A project manager has been appointed to this project and he will develop a detailed budget 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. This expenditure covers the costs of the device refresh, the Network refresh (phase one), payment of the remaining transition milestone and payment of retention monies.
- 4.2 **Appendix 2** shows there was an initial total project budget of £12.2m. An in year virement from Digital Outreach increased the Budget to £19.9m with a total spend of £7.886m at the end of the 2017/18 financial year. The New Capital Programme has increased the budget by £8.029, making up a revised project budget of £27.929m. The total spend to date amounts to £9.511m due to the significant slippage in the project in 2017/18 and is now due to be completed at the end of 2019/20.

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: 13 August 2018

Author: Rachel Rae, Trainee Accountant

THE HIGHLAND COUNCIL											Appendix 1
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 2018											
SERVICE: CORPORATE RESOURCES											
	Actual Net	Revised Net	Year End Estimated Net	Year End Net	(Slippage)/ Acceleration	Anticipated Year End	COMMENTS				
Project Description	Year to Date	Budget	Outturn	Variance	Net	(Under)/Over					
	£000	£000	£000	£000	£000	£000					
ICT Transformation	1,625	16,352	14,121	(2,231)	(2,231)	0	This line covers the costs of the device refresh, the Network refresh, payment of the remaining transition milestone and payment of Retention monies. There was slippage from last year due to delays in the overall Wipro Transformation Programme as outlined in a separate report to Corporate Resources Committee. The programme is now delivering to a new plan and significant expenditure will be forthcoming for IT hardware and milestone payments. The forecast slippage of £2.2m relates to delays in the Chromebook and managed device rollout and will be carried forward as that project will continue into next year.				
Unified Communications & Chamber Refurbishment	(116)	70	70	0	0	0	Due to delays caused by Vodafone lack of delivery of technical SIP solution to THC for continued Corporate Telephony Deployment workstream of UC Project, the project will not now complete until 6th August 2018. Full capital spend will be utilised by project in year 18/19.				
Capital Discretionary Fund	361	361	361	0	0	0	New Embo Community Centre £70k; Lovat Shinty Club £20k; Isle of Canna Community Development Trust £10k; South Loch Ness Trail £60k; Gairloch & District Heritage Co Ltd £200k; Cromarty Harbour Trust 1k				
Solar PV	5	0	55	55	55	0	The Solar PV 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	66	0	0	0	Monitored at Inverness City Committee				
OVERALL TOTAL	1.874	16.865	14.689	(2.176)	(2.176)	0					

Capital Expenditure Monitoring Report - Projects over £4m

1 April - 30 June 2018

Total Project Budget						
Project	Original Budget	Approved Change	Approved Change	Revised Total	Original Completion Date	Revised Completion Date
	£000	Digital Outreach transfer £000	Current Capital Programme £000	£000		
ICT Transformation	12,200	7,700	8,029	27,929	Mar-18	Mar-20

Projected Lifetime Outturn			
Spend To Date	Projected Future Spend	Projected Project Outturn	Projected Lifetime Variance
£000	£000	£000	£000
9,511	18,418	27,929	0