

Agenda Item	8
Report No	RES/16/19

HIGHLAND COUNCIL

Committee:	Corporate Resources Committee
Date:	23 May 2019
Report Title:	Corporate Resources Service Budget - Capital Monitoring to 31 March 2019
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 March 2019.
- 1.2 **Appendix 1** sets out the Near Final monitoring position and shows a net slippage of £7.566m against a total budget of £17.018m.
- 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 £8.616m 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 March 2019.

3. Capital Monitoring

- 3.1 **Appendix 1** shows the Near Final monitoring position for the Corporate Resources Service capital budget for 2018/19 financial year. The total budget is £17.081m, with a spend of £9.452m.
- 3.2 The outturn for ICT Transformation Programme reflects the current rollout plan and shows a slippage of £7.486m 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 expenditure in 2018/19 has been 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 overall delays to the programme, meaning that a milestone payment has not been made and the bulk of refresh computers have not yet been purchased. Hardware is only ordered when required to make best use of the device warranty. Although the overall programme has only slipped a further 4 weeks since the report to the February 2019 Committee, this has pushed most of the expenditure into 2019/20.

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 £8.616m 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: 13.05.2019

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THE HIGHLAND COUNCIL							Appendix 1
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 31ST MARCH 2019							
SERVICE: CORPORATE RESOURCES							
Project Description	Actual Net Year to Date £000	Revised Net Budget £000	Year End Net Outturn £000	Year End Net Variance £000	(Slippage)/Acceleration Net £000	Anticipated Year End (Under)/Over £000	COMMENTS
ICT Transformation	8,616	16,102	8,616	(7,486)	(7,486)	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 delays in the refresh of managed devices.
Unified Communications & Chamber Refurbishment	70	70	70	0	0	0	Project Completed
Capital Discretionary Fund	621	621	621	0	0	0	New Embo Community Centre £70k; Lovat Shinty Club £80k; 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; Muir Of Ord Hall & Facilities Company £50k; WASPS Ltd 100k
Solar PV	94	94	94	0	0	0	The Solar PV project is self funding with the income being achieved in future years.
Whin Park Hydro	49	49	49	0	0	0	The Whin Park Hydro project is self funding with the income being achieved in future years.
Service Point Improvements Future Years	2	16	2	(14)	(14)	0	Provision of improvements including public access wi-fi to take place during 18/19 and 19/20.
City Gateways	0	66	0	(66)	(66)	0	Monitored at Inverness City Committee.
OVERALL TOTAL	9,452	17,018	9,452	(7,566)	(7,566)	0	

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	19,793	8,616	11,177	19,793	0	Mar-23	Mar-23

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