

ABERDEEN CITY COUNCIL

COMMITTEE	Corporate Governance
DATE	16 June 2011
DIRECTOR	Stuart Carruth Director of Corporate Governance
TITLE OF REPORT	2010/11Capital Budget Progress Report
REPORT NUMBER:	CG/11/065

1. PURPOSE OF REPORT

- 1.1 This report provides an update to Committee of the progress being made on the various projects within the Non-Housing Capital Programme, previously approved by Council, which are currently aligned to Corporate Governance.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes the content of this report in relation to the projects outlined at Appendix A, and
- b) Instructs the relevant officers to continue to work closely with the Corporate Asset Group and the Head of Asset Management and Operations and the Head of Finance to ensure effective monitoring of the programme going forward.

3. FINANCIAL IMPLICATIONS

- 3.1 The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. In recent years the overall programme has been set at a level which assumed a certain level of underspend would be achieved and thus the funding available was set on this basis. In previous years such underspend has been achievable but with significant spend this year on Corporate Accommodation, this was at risk.
- 3.2 This risk was reported to the Finance and Resources Committee which confirmed that funding for the programme should remain at the previously agreed level and instructed officers to proactively manage spend to be within that limit.

- 3.3 Since then, the Corporate Asset Group has worked with Services to determine their minimum spend requirement for the year. This has now been successful in bringing this requirement within the funding available.
- 3.4 The budget for 2011/12 was set at Council on 10 February 2011 at £40M of which £4M relates to Corporate Governance. This took account of the difficulties in sustaining the previously agreed capital position due to reducing capital funding support from the Scottish Government, increasing costs of borrowing and falling revenue funding.

4. OTHER IMPLICATIONS

- 4.1 Failure to invest adequately in the Council's asset base may lead to the erosion of those assets and their value. It may also reduce the effectiveness and efficiency of service delivery and furthermore lead to the Council not complying with current health and safety requirements.
- 4.2 If the continuation of close budgetary control is not exercised and maintained the Council may operate outwith the capital control mechanisms laid down by the Scottish Government in relation to the Prudential Code for the Non Housing Capital Programme.

5. BACKGROUND/MAIN ISSUES

- 5.1 Appendix A outlines the projects aligned to Corporate Governance and for each project shows the 2010/11 budget including any carry forward from 2009/10, the current service determined minimum spend requirement and near actual spend to 31 March 2011.
- 5.3 Comments from project managers are included in the narrative where appropriate.

6. IMPACT

Corporate – the projects considered in this report contribute to a number of the key priorities within the Community Plan and the Single Outcome Agreement in relation to improving the transport infrastructure, redeveloping the city centre and supporting the economic development of the city.

Public – this report is likely to be of interest to the public as a number of the projects covered by this report involve significant amounts of capital expenditure and have a high public profile.

7. BACKGROUND PAPERS

Financial ledger data extracted for the period.

8. REPORT AUTHOR DETAILS

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Appendix A

Non-Housing Capital Projects - Corporate Governance

Project	Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to March 2011 £'000	Variance (actual to Minimum Requirement) £'000	Percentage Spend to Requirement %	
334	Mobile Working	970	58	58	0	99.12%
Project Description/Project Cost - Providing ICT equipment to allow mobile working for any Service that will benefit from adopting such an approach. Project to be closed at the end of March 2011. Priority areas for development will be incorporated within Project 790 ICT Investment Programme from 11/12.						
630	Data Centre Move	4,381	2,199	2,255	56	102.53%
Project Description/Project Cost - Managed Data Centre Services contract signed, and currently in process of migrating servers from Aberdeen to Livingston by end of June 2011. Virtual Desktop proof of concept successful and now into Pilot stage of project. Full rollout to commence subject to completion of successful pilot from end of June and will take approximately 6 months to complete. Variance in spend due to approved changes in project milestone dates into financial year 11/12.						
657A	Customer First Programme - CRM System	450	0	0	0	n/a
Project Description/Project Cost - The Customer First Programme is a key vehicle for transforming the way in which our customers access our services one element of which is the implementation of Customer Relationship Management technologies to support streamlined service delivery. No capital funding has been allocated from Non housing Capital Programme in 11/12.						
657B	Customer First Programme - Frederick Street	2,462	1,610	1,663	53	103.30%
Project Description/Project Costs – Building works completed. Next phase is the relocation of existing telephony contact teams to Frederick Street.						
		8,263	3,868	3,976	108	102.80%
<u>Corporate ICT</u>						
277	IT Infrastructure Improvements Repairs/Renewals	1,895	122	78	-44	63.56%
Project Description/Project Costs - Rolling programme of works to improve the ICT Infrastructure and ongoing replacement of ICT Infrastructure assets which are not performing adequately and/or have reached the end of their natural lifespan. Project to be merged with project 710, to new project 790 – ICT investment programme from April 2011. Variance in spend due to ICT investments related to MDC/VDE changed project milestone dates.						
346	IT Hardware & Software Development	60	0	0	0	n/a

Project		Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to March 2011 £'000	Variance (actual to Minimum, Requirement) £'000	Percentage Spend to Requirement %
565	ICT Disaster Recovery Funding	125	57	57	0	98.55%
Project Description/Project Cost - This project funds the reduction or elimination of prioritised single points of failure on the ICT Infrastructure, identified through major ICT incidents and regular ICT Disaster Recovery scenarios. Project to be closed at the end of March 2011. Prioritised investments will be picked up through new Project 790 – ICT Investment Programme from 11/12.						
708	Development of Online Service Delivery	150	19	23	4	121.40%
Project Description/Project Cost - Under the new common CSAP structure, the work of CRM and e-Government Teams are much more closely aligned. This is reflected in the options being developed for the five year costed business plan which will see a single approach to the development of service delivery across all channels: F2F and Telephone (CRM) and online (e-Government). No funding has been allocated from non Housing Capital Programme for 11/12.						
709	Integrated Document Management	824	75	58	-17	76.73%
Project Description/Project Cost - Project concentrating on finance document management/workflow only and to be closed end of March 2011. Variance due to completion of final works in April 2011.						
711	Electronic Corporate Performance Management System	55	33	30	3	90.13%
Project Description/Project Cost - The purpose of this project is to improve the Council's measurement, monitoring, reporting and management of performance and project data. Project focused on improved reporting of absence management only and is to be closed at the end of March 2011.						
		3,109	307	245	-62	79.73%
	Other ICT					
690	Consol Upgrade/Replacement	5	5	4	-1	77.33%
Project Description/Project Cost - Upgrade or replacement of the existing job costing, contract management and management information system for Building Services, Roads Services, and Ground Services. Additional functionality includes mobile working, appointments and dynamic labour scheduling plus repairs diagnostics tool for Contact Centre. Consol replacement is complete. Project closed at end of March 2011.						
771	HR/Payroll	120	0	0	0	0.00%
Project Description/Project Cost - No action in 2010/11. Project withdrawn from 11/12 Capital Programme.						
		125	5	4	-1	75.94%
	Miscellaneous					
769	Police - Capital Grant	1,941	1,874	1,130	-744	60.31%
		1,941	1,874	1,130	-744	60.31%
	Total - Corporate Governance	13,438	6,053	5,355	-698	88.46%