

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Capital Monitoring – Corporate Governance Projects
REPORT NUMBER:	EPI/11/282

1. PURPOSE OF REPORT

To advise the Committee of the capital spend to date for the Corporate Governance projects included within the Non-Housing Capital Programme.

2. RECOMMENDATION

The Committee note the current position.

3. FINANCIAL IMPLICATIONS

The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme.

As detailed further in this report, there is an over spend of £422,000 currently profiled for item 630 – Data Centre Move. The over spend of £60,000 profiled for Item 790 is now re – profiled as Item 790B - ICT Investment Programme - Fleet Management Software

There is an under spend of £746,000 profiled for item 657B - Customer First Programme - Frederick Street.

4. OTHER IMPLICATIONS

There are no other implications at this time but as projects progress or indeed fail to progress then other implications may arise and will be reported at an appropriate Committee.

5. BACKGROUND/MAIN ISSUES

As reported at the Finance & Resources Committee in June 2011 the overall responsibility for the monitoring/management of the Capital Programme lies with the Head of Asset Management & Operations. The Planning & Monitoring Officer within Asset Management & Operations is in regular contact with the Service Representative and the Capital Accountant, reporting in the first instance to the Corporate Asset Group. This ensures that the spend figures are always up to date and accurate.

Corporate Governance has a total of £4.667 million allocated to it from the Non-Housing Capital Programme. The projects included in the programme are:-

- 1) Data Centre Move
- 2) Customer First Programme - Frederick Street
- 3) Police - Capital Grant
- 4) ICT Investment Programme
- 5) ICT Investment Programme - Fleet Management Software

The total expenditure at the end of period 4 is £785,000 which is a spend so far of 16.8%. Appendix A provides a detailed breakdown of this spend.

Discussions so far have identified an over spend prediction on the following projects:

Item 630 - Data Centre Move. Projected overspend £422,000.

The Corporate Asset Group is aware of this projected overspend and it should be noted that the overall programme is still within budget. The Corporate Asset Group approved expenditure, subject to this Committee approval, for the purchase of Microsoft licences required for the Virtual Desktop Environment which is a contractual responsibility of the Council. The original whole life cost of this project was £4.4 million, however the expected out turn is now profiled at £3.9 million. This will complete the Data Centre Move project.

Item 790 - ICT Investment Programme. With a projected overspend of £60,000, this item has been given a new Capital code 790B, with the approval of the Corporate Asset Group, and is being used to fund fleet management software the budget holder erroneously thought that approval had been given to cover the cost of the software. Corporate Asset Group recognised the significant revenue savings to the Council by the introduction of this software. The spend falls within the 10% overspend threshold delegated to the Asset Management & Operations Head of Service and has been approved by the Corporate Asset

Group. An update on the Capital position will be reported to this Committee in November. dsa

6. IMPACT

Corporate - The capital programme encompasses projects which link to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans and Vibrant, Dynamic & Forward Looking.

Public - This report will be of interest to the public as it outlines the Council's capital spending to date on Corporate Governance Projects.

7. BACKGROUND PAPERS

Non-Housing Capital Programme 2011/12 – Monitoring Report approved at Finance & Resources Committee on 17 June 2011.

8. REPORT AUTHOR DETAILS

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Appendix A - Non Housing Capital: Corporate Governance spend to Period 4 (July)

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
630	Data Centre Move	1,111	1,533	97	1,227	8.7%
<p>Notes Project has anticipated £422,000 overspend.</p>						
657B	Customer First Programme - Frederick Street	920	174	0	0	2.2%
<p>Notes A decision to fund £729,000 for the Joint Customer Contact Centre with Grampian Police has been deferred to next year. The remaining Capital for this project is identified as a saving this financial year and will be subjected to a new bid next year if required.</p>						
769	Police - Capital Grant	1,900	1,897	633	1,897	33.3%
<p>Notes Capital spend on this project is divided into 12 equal instalments from the base budget. Monies not spent from this budget remaining at the end of the financial year are paid back to the Council in full.</p>						

Appendix A continued - Non Housing Capital: Corporate Governance spend to Period 4 (July)

Project I.D.	Project Description	Total Budget 11/12 £'000	Projected Spend Full Year £'000	Actual Spend to July 31 £'000	Legal Commitments to July 31 £'000	Percentage of budget spent to July 31
790	ICT Investment Programme	676	673	50	43	7.3%
<p>Notes ICT Rolling Programme Currently profiling under spend of £3,000.</p>						
790B	ICT Investment Programme - Fleet Management Software	60	60	0	60	0%
<p>Notes Item added to Capital Plan by agreement from Corporate Asset Group in June. This was the final part of a larger project and the budget holder erroneously thought that approval had been given to cover the cost of the software. Corporate Asset Group recognised the significant revenue savings to the Council by the introduction of this software.</p>						