

## ABERDEEN CITY COUNCIL

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**COMMITTEE:** Finance and Resources  
**DATE:** 12 November 2009  
**REPORT BY:** Director and City Chamberlain  
**TITLE OF REPORT:** Capital Budget Progress Report  
**REPORT NUMBER:** CG/11/113

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### 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 services.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee considers and notes the content of this report in relation to the projects outlined at Appendix A.

### 3. FINANCIAL IMPLICATIONS

- 3.1 The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. The General Fund has adequate resources available to finance the capital spend in 2009/2010.
- 3.2 The overall cost of Capital is calculated on a Council-wide basis and therefore the impact on the Council will be included within the summary report to Finance and Resources Committee. It is important that approved projects are managed and monitored in a robust way to ensure there is accuracy in relation to expenditure projections and thereby enable the Council to calculate and evaluate the overall need for, and cost of, borrowing

### 4. SERVICE & COMMUNITY IMPACT

- 4.1 The Council operates within overall capital control mechanisms laid down by the Scottish Government as well as recommended accounting practice and policies in accordance with the Prudential Code.

### 5. OTHER IMPLICATIONS

- 5.1 Failure to invest adequately in the Council's asset base may lead to the Council not complying with current health and safety requirements nor capturing the benefits that can be derived from, for example, improved design and construction practices.
- 5.2 If the continuation of close budgetary control is not exercised and maintained the Council may operate out-with the capital control mechanisms laid down by the Scottish Government in relation to the Prudential Code for the 2009/2010 Non Housing Capital Programme.

## **6. REPORT**

- 6.1 Appendix A outlines the Non-Housing Capital Programme projects aligned to Corporate Governance services and provides for each project the budget for 2009/10, spend to the end of September 2009 and forecast out-turn.
- 6.2 The spend to the end of September 2009 only reflects payments made and processed. It excludes commitments that have been made and will be due to be paid by the year end. Such commitments will be reflected in the forecast position.
- 6.3 Comments on particular projects, where appropriate, are included in the narrative.
- 6.4 It should be noted that the budgeted figures include slippage from 2008/09.
- 6.5 A review of projects is being undertaken specifically the benefits to be derived from ICT investments.

## **7. AUTHORISED SIGNATURE**

Stewart Carruth  
Director of Corporate Governance  
[scarruth@aberdeencity.gov.uk](mailto:scarruth@aberdeencity.gov.uk)  
01224 522550

Susan Cooper  
City Chamberlain  
[sucooper@aberdeencity.gov.uk](mailto:sucooper@aberdeencity.gov.uk)  
01224 522551

## **8. REPORT AUTHOR DETAILS**

Hugh Coleman, Finance Manager  
[hcoleman@aberdeencity.gov.uk](mailto:hcoleman@aberdeencity.gov.uk)  
01224 522556

## **9. BACKGROUND PAPERS**

Financial ledger data, extracted for the period.

## Non-Housing Capital Projects – Corporate Governance

| Project  | Previous Spend<br>£'000 | Total Budget 2009/10 (inc carry forward)<br>£'000 | Expenditure as at 30 Sept 2009 *<br>£'000 | Forecast Out-turn<br>£'000 | Project Description / Project Progress   |
|--|-------------------------|---|---|----------------------------|--|
| 334 Mobile Working                                   | Rolling                 | 1,370   | 13  | 400                        | Providing ICT equipment to allow mobile working. Includes the provision of user devices for Marischal. Tender process underway and currently completing a tender evaluation for hardware underway which will account for the bulk of this expenditure. The spend will be required in future years to enable our transition to WorkSmart and to the Corporate Accommodation at Marischal College. |
| 630 Data Centre Move                                 | 815                     | 4,135   | 126                                       | 4,135                      | This budget is for the Council's main Data Centre move to Frederick Street from St Nicholas House. The forecast is subject to review based upon the outcome of options for provision.  |
| 657 Customer First Programme                         | Rolling                 | 1,261   | 33  | 394                        | Progress the implementation of the various customer access points, ongoing development of the Corporate Contact Centre and implementation of a Customer Relationship Management System.  |
| 277 IT Infrastructure Improvements, Repairs/Renewals | Rolling                 | 1,422   | 154                                       | 1,410                      | Continuing project to improve the ICT infrastructure and the ongoing replacement of ICT infrastructure assets. 50% of this allocation is linked to ICT infrastructure for the proposed new Data Centre. Progress on this project will impact on the current forecasts  |
| 346 IT Hardware & Software Development               | Rolling                 | 220   | 10  | 220                        | For the purchase of new items of hardware and software.  |
| 565 ICT Disaster Recovery Funding                    | Rolling                 | 160   | 43  | 160                        | To fund the reduction or elimination of prioritised single points of failure on the ICT infrastructure   |
| 666 Corporate Asset Management System                | 923                     | 373   | 40  | 373                        | Procurement and implementation of the Corporate Asset Management System. Full budget required.   |

## Non-Housing Capital Projects – Corporate Governance

| Project  | Previous Spend<br>£'000 | Total Budget 2009/10 (inc carry forward)<br>£'000 | Expenditure as at 30 Sept 2009 *<br>£'000 | Forecast Out-turn<br>£'000 | Project Description / Project Progress  |
|--|-------------------------|---|---|----------------------------|---|
| 708 E Government Stage 4 Implementation                | 40                      | 435   | 18  | 435                        | Will allow citizens access to back end systems via the website. ICT is working with services to draw up business cases.   |
| 709 Integrated Document Management                     | 530                     | 880   | 123                                       | 497                        | Purchase of a corporate electronic document management and workflow solution, to ensure that paper and digital based records are available to all parts of the council.   |
| 711 Electronic Corporate Performance Management System | 80                      | 100   | 21  | 55                         | The purpose of this project is to improve the Council's measurement, monitoring, reporting and management of performance data and performance outcomes.   |
| 714 Identity Management                                | 181                     | 67  | 10  | 50                         | To create a link between several ICT systems all of which hold and use information about employees. The development work planned has changed to another method of achieving the same outcome which costs less and offers better value resulting in a projected underspend of £17,000                                      |
| 690 Consol Upgrade/Replacement                         | 463                     | 140   | 88  | 140                        | Upgrade or replacement of the existing job costing system for Building Services and Roads services with possible extension for Environmental & Ground Services. Budget has been fully committed with development being delivered as part of the system changes. Outstanding balance expected to be cleared by early 2010. |
| 746 Application Processing System                      | Rolling                 | 73  | 10  | 55                         | Ongoing review of planning systems to meet the requirements of the Planning etc (Scotland) Act 2006 and the development of e-planning. Project Manager's contract expires at the end of the year when he expects 75% of budget to be used.  |

## Non-Housing Capital Projects – Corporate Governance

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|-----------------------------------|-------------------------|---|---|----------------------------|--|
| New HR/Payroll                    | 0                       | 125   | 0   | 1                          | Procurement and implementation of a new HR/Payroll. Options are being explored. If EU procurement is adopted the outcomes would not be expected until into 2010.   |
| 769 Police - Capital Grant        | 0                       | 1,433   | 0   | 1,433                      | This is fully committed and will be paid in full by the year-end to Grampian Police. It represents the total sum requisitioned by Grampian Joint Police Board to the City Council being our share in support of the Board's capital programme. |
| <b>Total Corporate Governance</b> |                         | <b>12,194</b>                                     | <b>688</b>                                | <b>9,758</b>               |  |

\* Reflects payments made only and not the costs of commitments made for orders placed or work in progress for accepted tenders which will be reflected in the forecast position.