

ABERDEEN CITY COUNCIL

COMMITTEE: Finance and Resources
DATE: 11 May 2010
REPORT BY: Director and City Chamberlain
TITLE OF REPORT: Capital Budget Progress Report
REPORT NUMBER: CG/10/076

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 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 March 2010 and forecast out-turn. The appendix also outlines future years budget profiles and any current project forecast variance.
- 6.2 The spend to the end of March 2010 only reflects payments made and processed. It excludes commitments that have been made which will be due to be accrued by the end of the year. Such commitments will be reflected in the forecast position.
- 6.3 Comments on particular projects, where appropriate, are included in the narrative.
- 6.4 A review of projects is being undertaken specifically the benefits to be derived from ICT investment.

7. AUTHORISED SIGNATURE

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9. BACKGROUND PAPERS

Financial ledger data, extracted for the period.

Non-Housing Capital Projects – Corporate Governance

Project	Total Approved Project Costs (from 2009/10 for Rolling Projects) £'000	Previous Years Project Spend £'000	2009/10				Future Years Budget Profiles			Total Forecast Costs £'000	Project Forecast Variance £'000
			Total Budget 2009/10 £'000	Spend as at 30 March 2010 £'000	Commitments £'000	Forecast Out-turn £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000		
334 Mobile Working	1,370	Rolling	1,370	235	0	235	1,135	0	0	1,370	0
Project Description/Project Cost											
<p>Providing ICT equipment to allow mobile working for any Service that will benefit from adopting such an approach. Three tender processes are live at the moment. One for the equipment to enable mobile working; one for a storage audit; and a third for building business cases to help services make the changes that mobile working can offer. There will be spending requirements in future years as this project cannot be achieved in just one year and therefore is reprofiled into 2010/11.</p>											
630 Data Centre Move	5,751	814	4,135	154	33	187	4,350	400	0	5,751	0
Project Description/Project Cost											
<p>The subject of this project is the procurement of a Managed Data Centre, to replace the existing facility within St Nicholas House, and the implementation of a Virtual Desktop Environment (VDE) to support the move to Marischal College and allow increased flexible working in the future. A review of our Data Centre options has been completed and a decision was taken by CMT to progress with the Managed Data Centre model. A report on this subject was presented to Finance and Resources Committee on 28th January 2010 and permission granted to proceed with a related procurement exercise which is now in progress.</p> <p>The majority of spend will now fall into 2010/11 and the budget has been re-profiled to reflect this.</p>											

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657 Customer First Programme – CRM System	1,394	Rolling	261	52	0	52	450	450	442	1,394	0
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 the Customer Relationship Management system. There are no further commitments for the CRM system in 2009/10											
657 Customer First Programme – Frederick Street	2,670	Rolling	1,000	138	0	138	2,462	70	0	2670	0
A further element in Customer First Programme is the development of a Customer Contact Center and Training Suite at Fredrick Street which has accounted for the bulk of the expenditure in this financial year (09/10). The outline project plan for the refurbishment of Fredrick Street is now available and it is evident that the expenditure will be largely incurred in 10/11. The profile has been be amended to reflect this and the Project Outturn confirmed with Gardiner and Theobald.											

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277 IT Infrastructure Improvements, Repairs/Renewals	4,617	Rolling	1,422	594	50	644	1,776	1,023	1,086	4,529	(88)
Project Description/Project Cost											
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	220	Rolling	220	126	0	126	81	0	0	207	(13)
Project Description/Project Cost											
For the purchase of new items of hardware and software for Services in the Council. The internal audit system is now not likely to be required hence the reduction in anticipated outturn and a projected underspend of £13,000.											

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565 ICT Disaster Recovery Funding	460	Rolling	160	99	48	147	113	100	100	460	0
Project Description/Project Cost											
To fund the reduction or elimination of prioritised single points of failure on the ICT infrastructure. Exact elements of work and timescale will depend on risks identified as part of ongoing day to day operational management. In addition to immediate response when a high risk is identified it is intended to review the operational risks on a quarterly basis and address as required.											
666 Corporate Asset Management System	1,296	923	373	141	71	212	112	0	0	1,247	(49)
Project Description/Project Cost											
Procurement and implementation of the Corporate Asset Management System. In terms of progress this project has made significant headway in recent months. Phase one of the work is now completing. However delays in the Non Housing implementation element will require a reprofiling of costs into the next financial year.											

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708 E Government Stage 4 Implementation	475	40	435	76	15	91	170	100	74	475	0
Project Description/Project Cost											
Electronic Service Delivery gives citizens access to back end systems via the website. This allows self service which is sought by citizens. It also facilitates efficiencies within the council in respect of processing of forms etc. ICT is working with Services to draw up business cases. Delivery of the business cases will require joint working between the Services and ICT. There is potential to increase the pace of delivery hence less than expected progress this year will necessitate a reprofiling into next and future years.											
709 Integrated Document Management	2,210	530	880	183	57	240	489	200	0	1,459	(751)
Project Description/Project Cost											
Implementation of a corporate electronic document management and workflow solution. Will ensure that paper and digital based records are available to all parts of the council. This work is a direct support to many processes being delivered more efficiently. The project will not be implemented as widely as originally envisaged resulting in the underspend indicated.											

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711 Electronic Corporate Performance Management System	180	80	100	45	0	45	55	0	0	180	0
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											
714 Identity Management	248	181	67	28	0	28	22	0	0	231	(17)
Project Description/Project Cost											
The outcome of this project is to create a link between several ICT systems all of which hold and use information about employees. The development work will now be achieved by a method different to that included in the initial costs. This will result in the same outcome, less cost and therefore better value. Projected underspend of £17,000.											

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690 Consol Upgrade/ Replacement	603	463	140	135	5	140	0	0	0	603	0
Project Description/Project Cost											
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	113	Rolling	73	10	37	47	20	10	10	87	(26)
Project Description/Project Cost											
Ongoing review of planning systems to meet the requirements of the Planning etc (Scotland) Act 2006 and the development of e-planning. Underspend of £26,000.											

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771 New HR/Payroll	525	0	125	0	0	0	525	525	0	525	0
Project Description/Project Cost											
The current position with the HR/ Payroll project is the ongoing exploration of joint procurement or sharing arrangement options is creating a considerable delay to the HR/ Payroll project time frame. The outcome of the exploration exercise will dictate how the project is going to be progressed but if EU procurement is to be adopted this will not be completed until May 2010, at the earliest. It is therefore very unlikely all the above funding will be required for this project during 2009/10. Current indications are the only expenditure for 2009/10 will be in relation to providing catering at meetings and possibly travel and accommodation for external meetings and/ or site visits. Forecasted out-turn for 2009/10 is therefore estimated to be £1,000 but this may increase slightly depending on the number of external meetings.											
769 Police - Capital Grant	5,995	Rolling	1,433	900	0	900	1,874	1,494	1,494	5,719	(276)
Project Description/Project Cost											
The projected forecast of £900k reflects the final expected requisition for capital grant from Grampian Joint Police Board. This is based on their revised out-turn which is lower than the budgeted sum. The consequence of this is that a refund of grant will be made in 2009/10 and paid in 2010/11.											
Total Corporate Governance	28,127	3,031	12,194	2,916	316	3,232	13,632	3,804	3,206	26,905	(1,222)

Notes:

Non-Housing Capital Projects – Corporate Governance

Spend as at 31/03/10 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 actual out-turn as part of the year end accounting procedures.