

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE		Subject: FINANCE & CUSTOMER SERVICES – CAPITAL PROGRAMME 2014/15 MONITORING REPORT 1 APRIL 2014 TO 27 FEBRUARY 2015 (PERIOD 12)
From: EXECUTIVE DIRECTOR OF FINANCE AND CUSTOMER SERVICES		
Date: 13 MARCH 2015	Ref: PH/VS/SJ	

1 Purpose of Report

1.1 The purpose of this report is to update the Sub-Committee on the current capital programme for Finance & Customer Services and provide a summary of the financial performance of the Service as at 27 February 2015 (Period 12).

2 Introduction

2.1 The Finance & Customer Services' approved Capital Programme for 2014/15 is £1.212m and consists of various projects within Enterprise Computing and Corporate Telecommunications including review of the corporate internet and filtering infrastructure, server replacement and the maintenance/replacement of telecommunications equipment.

3 Summary of Financial Position

3.1 The Service is anticipating a projected outturn of £1.155m (95.3%) as at financial year end reflecting slippage of £0.057m. This represents an increase in projected spend of £0.028m from the previously reported position, largely due to a small increase in the maintenance/replacement of telecommunications equipment outturn.

3.2 As at period 12 actual expenditure incurred totalled £0.723m, representing 59.6% of the current programme budget and 62.6% of the projected outturn. Total commitments amount to £1.136m, which equates to 93.7% of the programme and 98.4% of the projected outturn.

4 Capital Programme

4.1 The paragraphs that follow discuss the progress of the capital programme and the main variances in more detail –

4.1.1 As previously advised the slippage in relation to the Redevelopment of the Metro Network following the decision not to proceed with SWAN until June 2016 will be offset by the advance purchase of hardware in relation to LAN equipment (£0.332m) from the 2015/16 capital programme.

4.1.2 Due to additional value being achieved in the chosen solution for the Corporate Internet & Filtering Infrastructure an underspend of £0.132m will be realised. This will be utilised to increase the funding allocated to the Server Replacement Programme (£0.111m) and also the implementation of Media Web Chat (£0.021m) within the Customer Contact Centre as part of the works in relation to channel shift.

4.1.3 Due to procurement delays slippage of £0.295m is anticipated in the Schools Network Hardware Refresh project. This project is subject to finalisation of the single vendor framework, which is unlikely to be completed before August 2015.

4.1.4 The slippage outlined in paragraph 4.1.3 will allow the Service to accommodate the earlier purchase of hardware in respect of the Core Site Telephone System Replacement project (£0.141m) in the current financial year. New priorities including Automated Call Distribution (£0.062m) and the Windows 2003 server upgrade (£0.044m) will offset the remainder of the reported slippage. The cost of the new priorities will be managed as part of the overall five year capital programme, with further spend anticipated in the Windows 2003 project of £0.116m in 2015/16.

5 One-Off Growth Funding

5.1 In February 2014 the Council set aside £15m to provide additional one-off investment of which £5m was allocated to EGASD in recognition of the 5-year ICT strategy. On the 21st May 2014 P&R Finance Sub-Committee approved the implementation of 3 key projects which comprises Phase 1 of the ICT Transformation Programme.

5.2 The Transformation Programme remains within the early stages of development. As previously reported, due to changing priorities and the requirement to procure hardware through a single vendor framework, £1.000m is anticipated to be incurred this financial year. As at period 12 actual expenditure of £0.823m (82%) has been incurred across the 3 project areas: Network Redesign, Flexible and Mobile Working (FAMW) and Schools Bandwidth & Hardware Refresh. In acknowledging that the funding is expected to be utilised across more than one financial year any unutilised funds will be ear-marked for 2015/16.

5.3 Since 1 January 2015 priority has been given to the delivery of iPads alongside the required infrastructure for Elected Members, a major work stream within flexible and mobile working, which was implemented on a phased basis during week commencing 9 March 2015. Other work streams are being progressed, with a finalised consultant's report anticipated in due course in support of the desired flexible and mobile working solution.

5.4 Submissions have been received from five suppliers in response to the ITQ to carry out surveys for the High Schools' Hardware refresh. These have been evaluated and the successful contractor, Hutchinson Networks, is scheduled to begin work on 16 March 2015.

5.5 Preliminary discussions have taken place internally on the Network Redesign project. This will be progressed in its early stages through a combination of whiteboard sessions and input from technical assurance consultants to deliver the final design.

5.6 In recognising that when the programme was established additional projects were likely to be proposed, P&R Finance Sub-Committee on the 25th February 2015 agreed to a further three projects to be undertaken as part of the Transformation Programme: Schools Service Desk (Phase 2), Paperlite and Biztalk Upgrade. No additional funding will be required beyond that already allocated with these projects commencing in 2015/16.

6 Recommendation

6.1 The Sub-Committee is asked to approve the contents of this report.

A handwritten signature in black ink, appearing to read "A. L. L.", is positioned below the text of the recommendation.

Executive Director of Finance and Customer Services