

# North Lanarkshire Council Report

## Transformation & Digitisation Committee

approval  noting

Ref GMcE/KH

Date 02/09/20

## Business Solutions - Capital Monitoring Report 1 April to 24 July 2020 (Period 04)

**From** Katrina Hassell - Head of Business Solutions

**Email** HassellK@northlan.gov.uk

**Telephone** 01698 302235

### Executive Summary

This report highlights the financial performance of Business Solutions for the 2020/21 capital programme for period ended 24 July 2020 (Period 04).

In summary, the Business Solutions Division has a total capital budget of £8.986m, with all work streams contained within the Composite Programme. The Service is projecting break-even position as this stage of the financial year.

Further explanation of project variances and management action taken by the Service are included in the main report and attached Appendices.

### Recommendations

The Transformation and Digitisation committee is recommended to:

- (1) Note the financial position of the 2020/21 Business Solutions Division.
- (2) Note the budget movements per Appendix 1.
- (3) Note the Summary Expenditure by Thematic Category per Appendix 2.
- (4) Note the Summary Expenditure by Division per Appendix 3.
- (5) Note the revised 2020/21 profile of Themes, following SCDG approvals on 15<sup>th</sup> July 2020, per Appendix 4.
- (6) Note the considerations stated in section 2.3

### The Plan for North Lanarkshire

Priority Enhance participation, capacity, and empowerment across our communities

Ambition statement (18) Ensure our digital transformation is responsive to all people's needs and enable access to the services they need

## **1. Background**

- 1.1 Financial year 2020/21 is the third year of the 5 year capital programme.
- 1.2 The Chief Executive Service Composite Capital Programme of £7.923m was approved by the Policy and Strategy Committee on 19 March 2020. The programme has since been increased by £1.063m as a result of previously approved budget movements as detailed in Appendix 1. This has resulted in a revised Composite Capital Programme of £8.986m.
- 1.3 The Council's approved Financial Regulations require Executive Directors and Heads of Service to remain within their approved budgetary provision, and to report all significant deviations – defined as the higher of £100,000 or 5% - within their budget monitoring reports. Where significant deviations were identified, Executive Directors and Heads of Service must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

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## **2. Report**

- 2.1 The Service is projecting a break-even position regarding the capital work streams stated. Capital budgets and expenditure are summarised into Thematic Categories (see Appendix 2) and Divisional Themes (see Appendix 3). The explanations of significant variances within each division are summarised below.

### **2.2 Business Solutions (Break-Even)**

The Division is projecting a break-even position for the current year of the Composite Capital Programme.

Following the meeting of the SCDG on 15 July 2020 the "Capital Budget Review 20/21 to 22/23" report, as submitted by the Head of Financial Solutions, was approved. Service submissions for legal and essential spend were approved by the SCDG resulting in a net budget increase of £1.170m in the current financial year. As such all Themes within the current year capital programme have been revised in line with these approvals. Please see Appendix 4 of this report for further breakdown of the categorising of these work streams in the current year.

The Digital Council Transformation (DigitalNL) programme is projecting a break-even position in the current financial year. The service is in the process of reviewing the profile of the programme in line with legal and essential commitments as approved by SCDG. It is anticipated that on completion of this work the future profile of the programme will be updated, with relevant details submitted to the SCDG, DigitalNL Delivery Board and Committee accordingly.

### **2.3 Other Considerations**

#### **DigitalNL**

As previously reported, the DigitalNL Programme requires estimated capital funding of £16.800m, but only £12.500m was included within the 5-year programme approved by the former Policy & Resources Committee. However, with good progress made in implementing the key technology components, an opportunity exists to review the current spending profile and future investment requirement of the Programme. Details will be reported to the SCDG in the first instance, and DigitalNL Delivery Board and

Committee thereafter, to enable the future requirements of the DigitalNL Programme to be considered as part of the imminent new 5year capital programme.

As at Period 04; the current 5 year projection regarding the estimated capital requirement for DigitalNL is currently £15.860m therefore giving a revised estimated shortfall in capital resources of £3.360m.

### **Windows10**

In the previous financial year the Windows10 project demonstrated a final cost of £1.527m relative to a budget of £0.615m, resulting in a shortfall of £0.912m. In order to manage this, it was agreed in the first instance that funding allocated to the DigitalNL programme would be used for this project. Following the last SCDG on 15 July 2020, the Service utilised funding within the Theme of Communication & Digital to support the Windows10 project. This project has been classified as a support project closely aligned to the Digital NL Agenda, Ambition Statement 18 and within the Thematic Category of Key Ambition.

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## **3. Equality and Diversity**

- 3.1 Fairer Scotland Duty  
There were no specific impacts on Fairer Scotland.
- 3.2 Equality Impact Assessment  
There were no specific Equability Impact Assessments to note.

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## **4. Implications**

- 4.1 Financial Impact  
The Service aims to operate within approved funding levels and utilise budget virements to support emerging issues and mitigate variances across budget heads.
- 4.2 HR/Policy/Legislative Impact  
There were no specific HR/Policy/Legislative impacts.
- 4.3 Environmental Impact  
There were no specific environmental impacts.
- 4.4 Risk Impact
  - 4.4.1 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services managed these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.
  - 4.4.2 To minimise risk this report was prepared by service based Financial Solutions personnel in consultation with budget managers, in accordance with the Financial Regulations.

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## **5. Measures of success**

- 5.1 The Service aims to be in a break-even position at the financial year-end.
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**6. Supporting documents**

6.1 Appendix 1: Budget Movements

Appendix 2: Summary Expenditure by Thematic Category

Appendix 3: Summary Expenditure by Division

Appendix 4: Revised Theme Profiles (following SCDG Approvals – 15<sup>th</sup> July 2020)

A handwritten signature in black ink that reads "Katrina M Hassell". The signature is written in a cursive style with a large, stylized initial 'K'.

**Katrina M Hassell**  
**Head of Business Solutions (Chief Executive Service)**

**Business Solutions: Capital Programme 2020/21**  
**Budget Movements 2020/21**

**Appendix 1**

Period 4 ( 1 April - 24 July 2020 )

£                      £  
 Composite Programme Budget

<b>Total Approved Budget 2020/21</b>		7,923,184
<b>Adjustments Approved in Previous Years</b>	0	
<b>Impact of 2019/20 Carry Forward</b>	(107,222)	
<b>Amounts Approved by SCDG 2020/21</b>	1,169,836	
<b>Additional Resources</b>	0	
<b>Total Approved Movements</b>		1,062,614
<b>Approved Revised Budget</b>		<b>8,985,798</b>

**Management Action for Noting**

**Movements to 2020/21 Composite Programme Budget**

(i) Acceleration from Future Years

N/A	0	0
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(ii) Reprofiting to Future Years

N/A	0	0
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(iii) Budget Transfers (to)/from Other Services

N/A	0	0
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(iv) Additional Funding

N/A	0	0
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(v) Budget Reductions

N/A	0	0
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**Sub-Total of Budget Movements**

**REVISED BUDGET TOTAL**

**8,985,798**

## Summary Expenditure by Thematic Category

Period 4 ( 1 April - 24 July 2020 )

Thematic Category	Budget £	YTD					OUTTURN	
		Actual £	Actual %	Committed £	Committed %	Uncommitted £	Projected Outturn £	Outturn variance £
<b>Core Capital Programme</b>								
Unavoidable	0	0	0%	0	0%	0	0	0
Key Ambition	8,985,798	954,907	11%	4,808,172	54%	4,177,626	8,985,798	0
External Funding	0	0	0%	0	0%	0	0	0
<b>Total</b>	<b>8,985,798</b>	<b>954,907</b>	<b>11%</b>	<b>4,808,172</b>	<b>54%</b>	<b>4,177,626</b>	<b>8,985,798</b>	<b>0</b>

## Period 4 ( 1 April - 24 July 2020 )

Theme	Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
<b>Business Solutions</b>						
<b>Unavoidable</b>						
N/A	0	0	0	0	0	0
<b>Key Ambition</b>						
Digitisation	8,678,798	797,439	4,506,704	4,172,094	8,678,798	0
LAN Refresh	0	0	0	0	0	0
Communication & Digital	307,000	157,468	301,468	5,532	307,000	0
<b>External Funding</b>						
N/A	0	0	0	0	0	0
<b>TOTAL BUSINESS SOLUTIONS</b>	<b>8,985,798</b>	<b>954,907</b>	<b>4,808,172</b>	<b>4,177,626</b>	<b>8,985,798</b>	<b>0</b>
<b>TOTAL COMPOSITE CAPITAL PROGRAMME</b>	<b>8,985,798</b>	<b>954,907</b>	<b>4,808,172</b>	<b>4,177,626</b>	<b>8,985,798</b>	<b>0</b>
<b>TOTAL CHIEF EXECUTIVE SERVICE</b>	<b>8,985,798</b>	<b>954,907</b>	<b>4,808,172</b>	<b>4,177,626</b>	<b>8,985,798</b>	<b>0</b>

The breakdown of the current year profile of £8.986m, as approved at the SCDG on 15<sup>th</sup> July 2020, is contained within Appendix 4 of this report

## Appendix 4

Revised Theme Profiles (following SCDG Approvals – 15<sup>th</sup> July 2020)

Theme	Project / Work stream	2020/21	2021/22	2022/23	Total
<b>Digitisation</b>	DigitalNL	£6,405,798	£2,651,524	£Nil	£9,057,322
	Cloud and Datacentre	£327,500	£120,000	£60,000	£507,500
	Digital Change Enablement	£1,945,500	£635,000	£55,000	£2,635,500
	<b>TOTAL</b>	<b>£8,678,798</b>	<b>£3,406,524</b>	<b>£115,000</b>	<b>£12,200,322</b>
<b>LAN Refresh</b>	Corporate Building ICT Infrastructure	£Nil	£145,000	£145,000	£290,000
	<b>TOTAL</b>	<b>£Nil</b>	<b>£145,000</b>	<b>£145,000</b>	<b>£290,000</b>
<b>Communication &amp; Digital</b>	Education ICT Infrastructure	£163,000	£84,000	£Nil	£247,000
	Education Digital Enablement	£144,000	£Nil	£Nil	£144,000
	<b>TOTAL</b>	<b>£307,000</b>	<b>£84,000</b>	<b>£Nil</b>	<b>£391,000</b>
<b>Chief Executives – Total Composite Programme</b>		<b>£8,985,798</b>	<b>£3,635,524</b>	<b>£260,000</b>	<b>£12,881,322</b>
<b>Represented By:</b>					
<b>Legal</b>		£6,850,798	£3,066,524	£205,000	£10,122,322
<b>Essential</b>		£2,135,000	£569,000	£55,000	£2,759,000

Note:

- Only the 2020/21 Profile was approved by the SCDG on 15<sup>th</sup> July 2020.
- Succeeding financial years will be considered by the Service as part of the next 5year capital programme and are included within this appendix for completion purposes only.
- All “Themes” are within the Thematic Category of “Key Ambition”.