

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT & DEVELOPMENT COMMITTEE

15 May 2013

Agenda Item	5
Report No	PED 30/13

CAPITAL EXPENDITURE MONITORING 2013/14

Report by Director of Planning and Development

SUMMARY

This report outlines the Expenditure and Income to 30 April 2013 for the 2013/14 Capital Programme.

The Planning and Development Service Capital Programme and use of the Vacant and Derelict Land Fund supports the Council's programme of support for the Highland economy and specifically helps make Highland an attractive environment for business and supports the development of Highland's urban centres.

1. 2013/14 Capital Programme

- 1.1 The Capital Monitoring Statement to 30 April 2013 is not available at the time of writing due to the proximity of the Committee date to the close of the financial reporting period. At this stage in the new financial year expenditure is minimal. A verbal update will be provided.
- 1.2 Final outturns for 2012/13 are not yet confirmed, but will be reported to Council in June 2013 and to this Committee in August. Gross expenditure for 2012/13 is estimated to be in the region of £400k.
- 1.3 Completed Projects The following projects were completed during 2012/13 although minor works and routine defects maintenance periods may stretch into 2013/14: Core Path Network (Rogie footbridge), Beaully Square, Inverlochty Regeneration, Ullapool, Visitor Signage and Interpretation (Gairloch, Firemore, Iconic Locations (part), Dingwall High Street, Fort Augustus, Munlochty and Taret Ness.
- 1.4 Carry Forward Projects The following projects are ongoing from 2012/13 for completion in 2013/14: Community Woodland (Strathpeffer Spa); Portree; Visitor Signage and Interpretation (rolling annual programme: Wild Coastal Trail, Strathnaver Trail, Wartime Loch Ewe); Storr Woodland Restructuring; Nairn High Street; Ballachulish Inclined Plane; Helmsdale; Dunnet; Wick; Thurso; and Inverness City Gateways.
- 1.5 New Projects The following new projects will be initiated in 2013/14: Kilt Rock; Leallt Gorge; Raasay; Kyle Prospect; Chanonry Point; and Inverness Academy Street.

- 1.6 Future Capital Programme The Service has submitted Outline Business Cases (OBC) for inclusion within the Council's Capital Programme to 2022/23. The OBCs seek funding for two generic project types: 'Town and Countryside Regeneration' and 'Vacant and Derelict Land Regeneration'. Both will now be subject to evaluation through the Council's OBC appraisal process, which it is understood will be reported to the Council in June 2013.

2. Vacant and Derelict Land Fund

- 2.1 The Capital Monitoring Statement to 30 April 2013 is not available at the time of writing due to the proximity of the Committee date to the close of the financial reporting period. No expenditure beyond legally committed works will occur this financial year until the Scottish Government approves the 2013/14 Delivery Plan. Discussions are on-going between the Council and the Scottish Government in respect to refining those projects that are contained in the Plan.
- 2.2 Final outturns for 2012/13 are not yet confirmed, but will be reported to Council in June 2013 and to this Committee in August. Gross expenditure for 2012/13 is estimated to be in the region of £1.2m. Appendices 1 and 2 offer a detailed update on the individual approved 2012/13 projects. As previously reported, an estimated underspend of £1,351k (of which £187k is legally committed) has been carried forward into the 2013/14 VDLF Delivery Plan.

3. Implications

- 3.1 Resource: The core programme projects are funded from the Capital Programme with external funding secured in addition whenever possible. The scope of projects is tailored to the funds available and therefore there are no additional resource implications for the Council. As the VDLF is grant funding from the Scottish Government there are no direct resource implications for the Council apart from the administration of the fund.
- 3.2 Legal: There are no legal implications.
- 3.3 Equality: Equality issues are considered for each project as an integral part of the project management process.
- 3.4 Climate Change: Climate Change issues are currently addressed on a project specific basis and in the future will be introduced as an integral part of the project management process.
- 3.5 Risk: Risk implications vary due to the wide range of projects undertaken and consideration of risk is an integral part of the project management process. There are no specific concerns regarding current capital programme or VDLF projects. If significant risks are foreseen, these are reported to Senior Management for inclusion as appropriate in the Service Risk Register.

4. RECOMMENDATION

4.1 The Committee is recommended to note the contents of this report.

Designation: Director of Planning & Development

Date: 26 April 2013

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Appendix 1: Vacant and Derelict Land Fund 2012/13

Site Address		Budget 2012-2013	Expenditure up to 31 March 2013 2012-13	Legally committed expenditure 2012-13
Nairn	Nairn Town Centre*	£155,000	£199,196	£0
Inverness	Carsegate Estate*	£1,000	£6,500	£0
	Harbour Road*	£1,000	£710	£0
	Longman East	£508,000	£1,000	£36,000 <i>(£36k legally committed)</i>
	Huntly House	£200,000	£0	£0
	Jolly Drover*	£56,000	£58,000	£0
Ross & Cromarty	Nigg*	£653,000	£653,000	£0
Invergordon	High Street	£80,000	£0	£80,000 <i>(£80k legally committed)</i>
	Cromlet Park	£125,000	£5,000	£0
Fort William	Angus Centre*	£44,000	£37,000	£0
	Inverlochy Distillery	£25,000	£4,500	£0
Skye	Former Swimming Pool*	£55,000	£55,000	£0
Wick	Grounds of Rhind House	£80,000	£0	£0
	South East Harbour Road	£75,000	£1,000	£0
Errogie	Errogie	£85,000	£0	£0
Balmacara	Former Dairy	£125,000	£0	£51,000 <i>(£51k legally committed)</i>

Ullapool	Former Hotel	£250,000	£166,000	£0
Technical Studies		£36,000	£16,000	£20,000 <i>(£20k legally committed)</i>
Total		£2,554,000	£1,202,906	£187,000

***2011/12 Legally Committed
Projects**

Underspend	£1,164,094
2013/14 VDLF Grant	£919,784
Total VDLF available 2013/14	£2,083,878

Appendix 2: Vacant and Derelict Land Fund Project Update

1 Nairn Town Centre (Nairn)

- 1.1 Demolition of the former community centre is complete.
- 1.2 Demolition of the former petrol filling station is complete.

2 Longman (Inverness)

- 2.1 The Highland Council has reached an agreement with Transport Scotland to work in partnership to explore long term solutions to addressing the lack of capacity experienced at the Longman roundabout and thus the major barrier to realising any development of the former landfill. This in turn has provided the appropriate level of confidence to invest further VDLF in a number of work packages which will seek to explore and inform the development potential of the former landfill. Consequently, AECOM have been commissioned to carry out further transportation focussed feasibility work including updated modelling and detail junction design and costing work. The other area requiring attention is to determine what SEPA will require in terms of achieving a partial surrender of the waste management license. ERS have been commissioned to carry out a scoping exercise to ascertain what the requirements would be. Both pieces of work will be complete by the middle of May 2013.
- 2.2 The Longman project is included in the Council's 2013/14 Draft VDLF Delivery Plan as it is clear from the work carried out to date that potential exists to build upon the findings as well as exploring the implications of the changes in legislation which would allow for the partial surrender of the current waste management license.

3 Huntly House (Inverness)

- 3.1 H&PS were unable to proceed with the project in 2012/13 and will now seek to do in 2013/14. The project is included in the Council's 2013/14 Draft VDLF Delivery Plan.

4 Jolly Drover Pub (Inverness)

- 4.1 Project complete. This project has resulted in a cleared site capable of accommodating a residential development.

5 Nigg

- 5.1 Project complete. The VDLF grant has assisted with the demolition of obsolete structures and associated restoration works. The focus of the project is a 2.38 hectare area of land adjacent to the main entrance of the Nigg Energy Park. In the short term the clearance of this area of land has dramatically improved the appearance of the Energy Park and provides confidence to potential inward investors. In the medium to long term the site will be capable of accommodating development under Use Classes 4, 5 and 6.

6 High Street (Invergordon)

- 6.1 VDLF eligible expenditure currently being assessed. Works have been undertaken at risk by the Port Authority and are largely complete which will necessitate a retrospective VDLF grant payment being made subject to the normal assessment procedures.

7 Cromlet Park (Invergordon)

- 7.1 Phase 1 Desktop Study complete. Phase 2 Intrusive Site Investigations are

necessary. In order to engage SEPA in this process it will require a planning application to be submitted. Discussions are on-going with the landowner as to how best to proceed. The project is included in the Council's 2013/14 Draft VDLF Delivery Plan.

8 Angus Centre (Fort William)

8.1 Demolition of the Angus Centre is complete.

9 Former Distillery (Fort William)

9.1 Phase 1 Desktop Study complete. Phase 2 Intrusive Site Investigations complete. H&PS are currently purchasing the site with a view to redeveloping it for new Council houses.

10 Former Swimming Pool (Portree)

10.1 Demolition of the former of the former swimming pool is effectively complete.

11 Rhind House (Wick)

11.1 Revised cost plan indicates that VDLF support of £19k is required and will be legally committed by year end. The unspent budget forms part of the Council's 2013/14 VDLF Delivery Plan.

12 South East Harbour Road (Wick)

12.1 Phase 1 Desktop Study is complete and has been reviewed by TECS. Phase 2 intrusive site investigations are not necessary. The purpose of this project is to assist Wick Harbour Trust in exploring the development potential of a Council owned site within close proximity to the Harbour. The unspent budget forms part of the Council's 2013/14 VDLF Delivery Plan.

13 Errogie

13.1 Project not proceeding. The unspent budget forms part of the Council's 2013/14 VDLF Delivery Plan.

14 Former Dairy (Balmacara)

14.1 Housing & Property Services have purchased the site and site clearance works were complete on 26 April 2013.

15 Former Hotel (Ullapool)

15.1 H&PS have now purchased this site. VDLF has been drawn down to assist with acquisition and the remainder will be invested in site clearance works.