

THE HIGHLAND COUNCIL
PLANNING, DEVELOPMENT AND INFRASTRUCTURE
COMMITTEE

Agenda Item	6i
Report No	PDI 22/14

20 AUGUST 2014

CAPITAL BUDGET – FINAL OUT TURN 2013/14

Report by Director of Development & Infrastructure

SUMMARY

This report comments on the final outturn for the capital budget (as it impacts on the Projects and Facilities team delivery of the Capital Programme and the delivery of the Vacant and Derelict Land Fund across Highland) for the year to 31 March 2014.

This activity 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 urban centres.

1 Planning and Development Capital Budget Financial Year 2013/14 Outturn

- 1.1 The final monitoring statement is attached as Appendix 1. The statement shows for the year 31 March 2014 that the service had a final budget of £0.619m, actual expenditure in the year was £0.318m resulting in an underspend of £0.301m.
- 1.2 The underspend is in line with the position previously reported to Resources Committee on 28th May 2014 and is due in the main to project lead in times being longer than anticipated and a shortfall in staff resources. Underspends on specific projects have been carried forward to 2014/15 for completion and delivery.

2 Vacant and Derelict Land Fund (VDLF) Financial Year 2013/14 Outturn

- 2.1 Gross expenditure to the end of March 2014 was £451k. The Council received Ministerial approval on the 7 July 2014 to carry over the £1,804,000 (including £227k legally committed) underspend into 2014/15. Appendix 2 illustrates the financial breakdown of this carry over and Appendix 3 provides an update on the individual projects.

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. Potential implications are considered as an integral part of the project planning process.
- 3.3 Equality
Equality issues are considered for each project as an integral part of the project planning process.
- 3.4 Climate Change / Carbon Clever
Opportunities and constraints are considered as an integral part of the project planning 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 planning process. There are no specific concerns regarding current capital programme or VDLF projects.
- 3.6 Gaelic
Opportunities for the inclusion of Gaelic are considered as an integral part of the project planning process.
- 3.7 Rural
The VDLF grant from the Scottish Government can be invested in any location in the Highlands as long as the eligibility criteria are met.

RECOMMENDATION

The Members are asked to note the Planning & Development Capital Budget outturn statement for 2013/14.

Designation: Director of Development & Infrastructure

Date: 7 August 2014

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SERVICE: PLANNING, ENVIRONMENT & DEVELOPMENT

Project Description	BUDGET			ACTUAL YEAR TO DATE			OUTTURN			VARIANCE	COMMENTS
	A	B	C	D	E	F	G	H	I	J	K
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Column I minus Column C	CF = Carry Forward LC = Legally Committed FY = Financial Year ITT / ITQ = Invitation to Tender / Quote
Core Projects											
Community Woodland	10	-	10	2	-	2	2	-	2	(8)	Path upgrade contract awarded. Underspend carried forward for completion FY 2014/15
Core Path Network Development	45	-	45	15	-	15	15	-	15	(30)	Replacement of two footbridges on Great Glen Way. Engineers appointed. Fabrication underway. Underspend CF for completion FY 2014/15.
Visitor Management	100	-	100	91	-	91	91	-	91	(9)	Ongoing signage and interpretation projects. Underspend to be carried forward 14/15.
Dunnet	75	-	75	14	-	14	14	-	14	(61)	Final scope agreed with community. Contract management consultants appointed - ITT in prep. Underspend CF for completion 2014/15
Kilt, Lealt, Raasay, Kyle, Storr	116	-	116	64	14	50	64	14	50	(66)	Storr Woodland restructuring ongoing with SRDP income. Kilt, Lealt, Storr: options appraisal let. Kyle steps due to complete May 2014. Underspend CF for completion 2014/15.
Beaully Square	-	28	(28)	7	27	(20)	7	27	(20)	8	Complete. Retention paid. Final Leader income claimed and due. Modest overspend.
Helmsdale	88	-	88	142	-	142	142	-	142	54	Complete - awaiting final account. 3% Retention 2014/15. Overspend - additional £30k required and agreed by PED in Jan 2014 to meet total project costs of £111K. £30,724.20 should show as expenditure in Thurso.
Wick	120	-	120	-	-	-	-	-	-	(120)	Coghill footbridge upgrade - structural engineers appointed for options appraisal. Underspend CF for completion 2014/15.
Thurso	30	-	30	-	-	-	-	-	-	(30)	Complete - issue with re-charge see above.
Inverlochy Village Centre Regeneration	3	-	3	2	4	(2)	2	4	(2)	(5)	Complete. Leader income, modest underspend.
Inverness City Gateways	-	-	-	4	-	4	4	-	4	4	Lead in work re 2014/15 project: consultants appointed.
Portree Regeneration Phase 2	54	-	54	20	-	20	20	-	20	(34)	Bayfield steps upgrade - steps underway, likely to be
Ballachulish inclined plane	6	-	6	2	-	2	2	-	2	(4)	Heritage Lottery final application near complete. Historic Scotland £77k grant approved. £200K + project. Underspend carried forward for completion 2014/15.
Subtotal Core Projects	647	28	619	363	45	318	363	45	318	(301)	
Vacant and Derelict Land Fund											
Huntly House, Inverness	-	-	-	70	70	-	70	70	-	-	VDLF eligible works complete.
Rhind House, Wick	-	-	-	18	18	-	18	18	-	-	VDLF eligible works complete.
Longman Estate, Inverness	150	150	-	32	32	-	32	32	-	-	Dialogue with SEPA remains ongoing. No VDLF investment anticipated this financial year.
Cromlet Park, Invergordon	100	100	-	-	-	-	-	-	-	-	Phase II Intrusive Site Investigation Strategy agreed. Ongoing dialogue with landowner to bring forward development proposals.
Inverlochy Distillery, Fort William	-	-	-	19	19	-	19	19	-	-	VDLF eligible works complete.
Glebe Street, Inverness	-	-	-	-	-	-	-	-	-	-	VDLF financial support not required.

SERVICE: PLANNING, ENVIRONMENT & DEVELOPMENT

Project Description	BUDGET			ACTUAL YEAR TO DATE			OUTTURN			VARIANCE	COMMENTS	
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	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Column I minus Column C	CF = Carry Forward LC = Legally Committed FY = Financial Year	
Westercraigs Site 2B, Inverness	-	-	-	-	-	-	-	-	-	-	-	VDLF eligible works complete.
Viewhill House, Inverness	50	50	-	-	-	-	-	-	-	-	-	Awaiting the findings of the Highland Building Preservation Trust options appraisal.
Former Victoria Garage, Invergordon	300	300	-	-	-	-	-	-	-	-	-	Site owner unwilling to sell. VDLF not anticipated in the short term.
SMO, Kilbeg Village Devpt, Skye	200	200	-	-	-	-	-	-	-	-	-	VDLF Legal agreement being prepared. VDLF to be drawn down by end of September 2014.
Former sawmill, Smithton, Culloden	120	120	-	55	55	-	55	55	-	-	-	Works commenced. VDLF will be drawn down by end of September 2014.
Glenborrodale School	-	-	-	-	-	-	-	-	-	-	-	Specification and designs being finalised with start on site expected in January 2015.
Whiteness Head, Ardersier	-	-	-	-	-	-	-	-	-	-	-	Due diligence underway. Decision to be made by end of September 2014.
Invergordon Industrial Estate	-	-	-	-	-	-	-	-	-	-	-	Project not proceeding.
Invergordon High Street	-	-	-	-	-	-	-	-	-	-	-	VDLF grant offer being reviewed in light of project outputs deviating from application.
Balmacara, Former Dairy	-	-	-	55	55	-	55	55	-	-	-	VDLF eligible works complete.
Riverside Field, Dingwall	-	-	-	1	1	-	1	1	-	-	-	Phase I Desktop Study complete. Phase II Intrusive Site Investigations required. Client Service to agree to works proceeding.
Kingsteps Quarry - Nairn	-	-	-	1	1	-	1	1	-	-	-	Phase I Desktop Study complete. Phase II Intrusive Site Investigations necessary.
Former Glenfield Hotel, Ullapool	-	-	-	200	200	-	200	200	-	-	-	Remaining VDLF grant to be drawn down by end of calendar year.
Technical Studies	-	-	-	-	-	-	-	-	-	-	-	
				-								
Subtotal Vacant & Derelict Land Fund	920	920	-	451	451	-	451	451	-	-	-	
GRAND TOTAL	1,567	948	619	814	496	318	814	496	318	(301)		

Appendix 2: Vacant and Derelict Land Fund 2013/14 Underspend Breakdown

Site Address		Budget 2014-2015	Expenditure up to 7 August 2014	Remaining Expenditure to Year End (including contractually committed) 2014-15
Inverness	Huntly House*	£10,000	£6,000	£0
	Westercraigs Site 2B*	£125,000	£68,000	£0
Culloden	Former Smithon Sawmill*	£131,000	£0	£131,000 (£131k legally committed)
Ardersier	Whiteness Head*	£450,000	£0	£450,000
Nairn	Kingsteps Quarry*	£72,000	£0	£72,000
Aviemore	Former Petrol Filling Station*	£100,000	£0	£30,000
Invergordon	High Street*	£80,000	£0	£80,000
Dornoch	Former Abattoir*	£250,000	£0	£300,000
Skye	Kilbeg Village	£200,000	£0	£200,000
Thurso	30 Princes Street*	£300,000	£0	£300,000
Glenborrodale	Glenborrodale School*	£40,000	£0	£40,000
Technical Studies		£20,000	£0	£20,000 (£20k legally committed)
	Unallocated 2013/14 Underspend	£26,000		£107,000
Sub-Total		£1,804,000	£74,000	£1,730,000
2014/15 Grant		£1,351,000		
Total VDLF Budget Available 2014/15		£3,155,000		

*2013/14 Carry Over

Appendix 3: Vacant and Derelict Land Fund (VDLF) Project Update

1. Huntly House (Inverness)

1.1 VDLF eligible works complete.

2. Westercraigs Site 2B (Inverness)

2.1 VDLF eligible works complete.

3. Whiteness Head (Ardersier)

3.1 VDLF financial support was to be made in accordance with the European Commission Support for Land Remediation Scheme. However, due diligence was not complete before the Scheme expired on the 30 June 2014. Therefore it is now necessary for the Council to explore other avenues for awarding grant that takes account of state aid implications.

4. Kingsteps Quarry (Nairn)

4.1 Contaminated Land Phase I desktop study complete. Phase II Intrusive Site Investigation Strategy being developed. Given the sites previous use this has proven a complicated exercise requiring input from the Council's Contaminated Land Unit and SEPA. It is anticipated that this exercise will be complete by the end of August 2014. In anticipation of Phase III remediation being required a notional budget has been included in the 2014/15 VDLF Delivery Plan.

5. Former Petrol Filling Station (Aviemore)

5.1 Independent valuation of the site complete. Tenders have also been received. If a VDLF grant is required then it is anticipated that the demolition work will take place in the second quarter of 2014/15.

6. High Street (Invergordon)

6.1 The Scottish Government approved VDLF financial assistance for this project on the understanding that the output would be for storage and laydown space associated with port activity. The current use as a car park is not in accordance with the project approval and therefore clarification has been sought from the Cromarty Firth Port Authority as to whether they still require VDLF assistance to create storage and laydown space. A deadline of the 20 August 2014 has been set and a verbal update will be provided.

7. Former Abattoir (Dornoch)

7.1 VDLF financial support was to be made in accordance with the European Commission Support for Land Remediation Scheme. However, due diligence was not complete before the Scheme expired on the 30 June 2014. Therefore it is now necessary for the Council to explore other avenues for awarding grant that takes account of state aid implications. In addition it is evident from work carried out to date that the abnormal costs are in excess of the current budget allocated and therefore it will be necessary to increase this using the 2014/15 grant.

8. Kilbeg Village (Skye)

- 8.1 Works commenced. VDLF legal agreement nearing completion and to be issued the week commencing Monday 11 August 2014. VDLF grant to be drawn down by end of September 2014.

9. 30 Princes Street (Thurso)

- 9.1 Design work underway. VDLF eligible works to be complete by 31 March 2015.

10. Glenborrodale School (Glenborrodale)

- 10.1 Specification and designs being finalised. However, the requirement to undertake survey work has resulted in a project commencement date of late 2014.