

# THE HIGHLAND COUNCIL

## PLANNING, DEVELOPMENT & INFRASTRUCTURE COMMITTEE

20 AUGUST 2014

Agenda Item	6ii
Report No	PDI 23/14

### CAPITAL EXPENDITURE MONITORING – 1 APRIL 2014 TO 30 JUNE 2014

#### Report by Director of Development & Infrastructure

#### Summary

This report invites Members to approve the capital expenditure monitoring position for the period from 1 April 2014 to 30 June 2014.

#### 1 Background

1.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome agreement.

1.2 The Council's Capital Programme was approved at Highland Council on 27 June 2013, and reflected £10m over-programming. Over-programming represents the difference between the capital programme agreed, and the funding in place. It reflects a plan to set a higher level of programme, on the basis that some degree of slippage in the year is to be expected, which would bring the programme down to the funded level. Over-programming has been introduced to avoid issues experienced in past years where slippage resulted in the Council underspending its capital programme.

1.3 The summary of capital expenditure against current programme and estimated outturn is included in **Appendix A**. The "Budget" column is that approved by the Highland Council on 27 June 2013, amended to include the 2013/14 underspend of £2.844m.

1.4 The Inverness Starter Business Units budget has increased by £0.674m to meet increased costs at the Carse industrial estate for substantial imported fill to raise the levels of the site to comply with SEPA regulations. The increased borrowing will be met by the anticipated rental stream from the units.

#### 2 Expenditure

2.1 After 3 months of the financial year end the gross expenditure is £5.550m representing 13.0% of the 2014/15 programmed figure.

#### 3 Income

3.1 After 3 months of the financial year the gross income is £2.587m representing 180.8% of the 2014/15 programmed figure. Included in the gross income is a sum

of £1.804m carried forward from 2013/14 in respect of the Vacant & Derelict Land Fund (VDLF). The Council received Ministerial approval on the 7 July 2014 to carry over the underspend into 2014/15.

#### **4 Progress on Capital Projects**

- 4.1 Progress on capital projects is as reported in the notes column on **Appendix A**.
- 4.2 The Council received Ministerial approval of the 2014/15 VDLF Delivery Plan on the 21 July 2014. A summary of the revised submission has been included in the Members bulletin. However, as a result of the delay in obtaining in approval of the Delivery Plan it is now necessary to undertake a review of the individual projects to determine whether they can in fact be delivered this financial year. A full update on the 2014/15 projects will be provided at the next Committee meeting.

#### **5 Estimated Outturn**

- 5.1 The projected outturns for expenditure and income are £42.549m and £1.431m respectively leading to a balanced programme.

#### **6 Major Issues and Variances**

- 6.1 At present there are no major issues or variances.

#### **7 Implications**

- 7.1 Resource implications are discussed in the report.
- 7.2 There are no legal, equalities, climate change/carbon clever, risk, Gaelic and rural implications arising as a direct result of this report.

### **Recommendations**

Members are invited to approve the capital expenditure monitoring position for the period 1 April 2014 to 30 June 2014.

Designation: Director of Development & Infrastructure

Date: 5 August 2014

Author: Mike Mitchell, Service Finance Manager

Background Papers: Monitoring Statements 30/06/14 and the Highland Council Financial Ledger

THE HIGHLAND COUNCIL											APPENDIX A
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2014 TO 30TH JUNE 2014											
SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES											
Project Description	BUDGET			YEAR TO DATE ACTUAL			ESTIMATED OUTTURN			Variance	COMMENTS
	A	B	C	D	E	F	G	H	I	J	
	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 £000	
<b>ROADS AND BRIDGES</b>											
<b>Major Road Improvements</b>											
The Inverness West Link	476	0	476	164	0	164	476	0	476	0	Matters progressing. Public enquiry to confirm compulsory purchase order to take place.
West Link - Sports Hub	0	0	0	15	0	15	0	0	0	0	Matters progressing.
West Link - Torvean Golf Course	0	0	0	79	0	79	0	0	0	0	
West Link - Highland Rugby Club	0	0	0	8	0	8	0	0	0	0	
Inshes Junction Phase 1 - Culloden Rd Improvement	35	0	35	0	0	0	35	0	35	0	Retention due in 2014/2015, fully funded by Developer's Contributions.
Inshes Junction Phase 2 - Improvements West of Inshes	500	0	500	51	0	51	500	0	500	0	Design work ongoing. Traffic modelling work well developed. Work being coordinated with Transport Scotland and their work on the East Link, now entitled A9/A96 Connectivity Study. Fully funded by Developer's Contributions.
Kinnairdie Link Road, Dingwall - Phase 1	176	0	176	12	0	12	176	0	176	0	Design work ongoing, planning application submitted, objections are being considered, issues raised by Network Rail regarding level crossings which are being looked into as is land access for the works. Flooding issues also being addressed to ensure that where opportunities arise flood mitigation can be provided. Funded by Developer's Contributions.
Stromeferry Rockface	90	0	90	0	0	0	90	0	90	0	High priority maintenance work as defined in the consultants report. Committee approval obtained to investigate the options for a permanent solution.
<b>Minor Roads</b>											
A99 Keiss to North of Keiss Widening	400	0	400	76	0	76	400	0	400	0	Project to commence in 2014/15 with completion in 2015/16. Work to be carried out by Community Services operatives.
B851/B862 South Loch Ness Road Improvements	630	(600)	30	52	(901)	(849)	630	(600)	30	0	Scheme progressing well. Majority of funding is from developers contributions and Timber Transport Fund.
A832 Slattadale Widening	800	0	800	8	0	8	800	0	800	0	Design Works ongoing. Forecast tender date of February 2014 is on hold at present.
A890 Strathcarron Widening	800	0	800	0	0	0	800	0	800	0	Works incorporated in same contract as ERDF budget TC965. Some spend forecast this year. Contract completion set to achieve remaining spend of this budget - June 2014.
B9091 Clephanton Bends Improvement	50	0	50	1	0	1	50	0	50	0	Preliminary design.
Achnasheen Road Restraint System	250	0	250	0	0	0	250	0	250	0	
<b>Lifeline Roads</b>											
A855 - Portree to Staffin	0	0	0	4	0	4	0	0	0	0	Works complete on strip widening scheme. Monitoring being carried out of deformation at one location arising from peat under existing road.
A861 Drynie Hill - ERDF	0	(144)	(144)	1	0	1	0	(144)	(144)	0	ERDF funding to be received.
A890 Strathcarron Junction to Balnacra - ERDF	(540)	0	(540)	457	0	457	(540)	0	(540)	0	Contract awarded to Wills Bros and now underway. ERDF spend complete by March 2014 - contract Key Dates written to place responsibility to achieve projected spend.
Laxford Bridge North Approach	20	(167)	(147)	3	0	3	20	(167)	(147)	0	Retention due and ERDF funding to be received.
A890 Balnacra to Lair Rail Bridge	75	0	75	0	0	0	75	0	75	0	
<b>Major Bridge Works</b>											
A862 Muir of Ord Railway Bridge	100	0	100	1	0	1	100	0	100	0	Design Complete. Major advance Public Utilities work taking place.
A836 Naver Bridge, Bettyhill, Sutherland	100	0	100	0	0	0	100	0	100	0	Preliminary design.
B863 Invercoe Bridge, Lochaber	140	0	140	16	0	16	140	0	140	0	Preliminary design.
Wick Harbour Bridge	10	0	10	0	0	0	10	0	10	0	Preliminary design.
<b>Lifeline Bridges</b>											
B8021 Sand - Lifeline Bridges	10	0	10	2	0	2	10	0	10	0	Works complete - in maintenance.
A986 Chada - Lifeline Bridges	100	0	100	7	0	7	100	0	100	0	Preliminary design.
B8007 Glenmore Bridge	200	0	200	7	0	7	200	0	200	0	Preliminary design.
B8005 Bridge Replacements - Lifeline Bridges (5)	100	0	100	6	0	6	100	0	100	0	3 Structures Complete - 2 outstanding pending budget availability.
U1547 Muchrachd - Lifeline Bridges	15	0	15	17	0	17	15	0	15	0	Works complete - in maintenance.
U1074 Ruthven Bridge	150	0	150	0	0	0	150	0	150	0	Preliminary design.
A855 Leasgary Bridge	25	0	25	0	0	0	25	0	25	0	Preliminary design.
A855 Rigg Culverts (3)	100	0	100	0	0	0	100	0	100	0	Preliminary design.

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Project Description	BUDGET			YEAR TO DATE ACTUAL			ESTIMATED OUTTURN			Variance	COMMENTS
	A	B	C	D	E	F	G	H	I	J	
	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 £000	
<b>Structural Road Works</b>											
A861 Glenuig - Storm Damage	400	0	400	19	0	19	400	0	400	0	Detailed design, scheme as a consequence of storm damage December 2013.
<b>ACTIVE TRAVEL</b>											
ERDF - Green & Active Travel - Millburn Road	(129)	0	(129)	16	(55)	(39)	(129)	0	(129)	0	Works underway.
<b>FLOOD PREVENTION</b>											
<b>Flood Prevention Schemes</b>											
River Ness Flood Prevention - Tidal Section (Incl Str	13,573	0	13,573	1,529	200	1,729	13,573	0	13,573	0	Both Phase 1 and Phase 2 contracts underway, including streetscape element.
South West Inverness Storm Water Relief	0	0	0	7	0	7	0	0	0	0	Works complete.
<b>Flood Prevention Orders</b>											
Acharacle Flood Prevention	325	0	325	115	0	115	325	0	325	0	Works progressing, nearing completion.
River Enrick Flood Prevention, Drumnadrochit	50	0	50	1	0	1	50	0	50	0	Development of flood defences within field progressing as well as Kilmichael Road raising.
Dell Burn, Inverness Flood Study	20	0	20	0	0	0	20	0	20	0	Design work ongoing.
River Lochy - Caol Flood Scheme	75	0	75	10	0	10	75	0	75	0	Design work ongoing on Land & Utilities. JBA appointed to re-assess flood mapping and finalise flood levels for various return periods. Section on River Lochy requires re-survey.
Mill Burn Flood Prevention	20	0	20	0	0	0	20	0	20	0	Ongoing assessment of survey results and scheme options. Progressing construction consents.
Smithton / Culloden Flood Alleviation	720	0	720	110	0	110	720	0	720	0	Ongoing Phase 3B work will continue with 2nd contract in summer 2014.
Feabuie (Near Balloch) Flood Alleviation	20	0	20	23	0	23	20	0	20	0	Design work ongoing.
Balmacaan - Drumnadrochit - Flood Alleviation	0	0	0	1	0	1	0	0	0	0	Design work ongoing.
Blairninch - Strathpeffer - Flooding	0	0	0	10	0	10	0	0	0	0	Design work ongoing.
<b>WASTE MANAGEMENT</b>											
<b>Landfill Extensions</b>											
Landfill Capacity Extensions - Ph B & C Seater - Cell	1,400	0	1,400	13	0	13	1,400	0	1,400	0	Cell 10 and capping to Cell 5 design work on-going. Construction start imminent and works complete by late 2014.
<b>Landfill Restorations</b>											
Croftaugh Remedial Works to Landfill Site	20	0	20	6	0	6	20	0	20	0	Design on-going. No planned start date for construction.
<b>FERRIES AND HARBOURS</b>											
Raasay Ferry Terminal	0	0	0	1	0	1	0	0	0	0	Works complete.
Sconser Ferry Terminal	30	(500)	(470)	0	0	0	30	(500)	(470)	0	Retention due and ERDF funding to be received.
<b>Parks and Play Areas - Development</b>											
Inshes Park (Phases 1 to 3)	50	0	50	2	0	2	50	0	50	0	Budget to be used for rectifying defects.
<b>STRATEGIC ASSET MANAGEMENT</b>											
Health & Safety & Statutory Compliance	2,608	0	2,608	537	0	537	2,608	0	2,608	0	21% of budget spent, on track to fully spend by end of the financial year.
Starter Business Units Inverness	1,119	0	1,119	134	0	134	1,119	0	1,119	0	Phase 1 complete. Phase 2 contract awarded.
Wick Office	3,633	0	3,633	428	0	428	3,633	0	3,633	0	Project progressing, due for completion this financial year.
Dingwall Office Rationalisation	443	0	443	233	0	233	443	0	443	0	Rationalisation of office space is ongoing.
Fort William Office Rationalisation	1,801	0	1,801	0	0	0	1,801	0	1,801	0	Negotiations ongoing on Fort William lease agreements.
Kingussie Office Rationalisation	1,994	0	1,994	0	0	0	1,994	0	1,994	0	Proceeding with necessary land purchase and planning application process.
Energy Management	2,087	(20)	2,067	418	(20)	398	2,087	(20)	2,067	0	19% of budget spent, on track to fully spend by end of the financial year.
<b>HOUSING (NON HRA)</b>											
National Housing Trust Advances	3,470	0	3,470	867	0	867	3,470	0	3,470	0	Current activity indicates that the targets will be achieved this financial year.
Private Sector Housing Grants	2,722	0	2,722	45	0	45	2,722	0	2,722	0	Levels of demand indicate the targets will be achieved this financial year.

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	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>PLANNING &amp; DEVELOPMENT</b>											
Pan Highland Projects	88	0	88	11	0	11	88	0	88	0	Strathpeffer path upgrade, Millburn road and Great Glen Way footbridges - schemes progressing.
Town & Countryside Regeneration	590	0	590	21	(7)	14	590	0	590	0	Schemes progressing.
Village & Small Town Regeneration	308	0	308	0	0	0	308	0	308	0	Schemes progressing.
Property Upgrading Projects	54	0	54	0	0	0	54	0	54	0	Ballachulish - Heritage Lottery application submitted. Historic Scotland £77k grant approved. £200K + project. Underspend carried forward for completion 2014/15. Likely to need additional capital funds.
Inverness City Developments	246	0	246	3	0	3	246	0	246	0	Inverness City Gateways - Consultants appointed. Inverness Academy Street THI - project delayed to future years.
Vacant & Derelict Land Fund	0	0	0	3	(1,804)	(1,801)	0	0	0	0	Projects deliverability currently under review.
<b>OVERALL TOTAL</b>	<b>42,549</b>	<b>(1,431)</b>	<b>41,118</b>	<b>5,550</b>	<b>(2,587)</b>	<b>2,963</b>	<b>42,549</b>	<b>(1,431)</b>	<b>41,118</b>	<b>0</b>	