

The Highland Council
Community Services Committee
5 November 2015

Agenda Item	6.
Report No	COM 53/15

Capital Expenditure Monitoring – 1 April 2015 to 30 September 2015

Report by Director of Community Services

Summary

This report invites Members to approve the capital expenditure monitoring position for the period from 1 April 2015 to 30 September 2015 for both the Community Services element of the Council's approved capital programme and the HRA capital programme.

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.

2. New Style Monitoring Statement

- 2.1 To provide clarity on the capital programme a new style of monitoring report has been developed. There is no longer a split of gross expenditure and gross income shown on the statement, instead only the net financial position is shown. Columns for estimated year end outturns and year end variance are retained, however columns have been added to further analyse the year end variance.
- 2.2 To inform Members of the current status of projects, the year end variance is further analysed between slippage/acceleration and under/over spends. Previously where a project was delayed or brought forward, this was shown as an underspend or overspend respectively. This did not reflect the correct financial status of the project. Any delayed or brought forward projects will now be shown in the slippage/acceleration column. Real cash (budget targets exceeded or not required) under and over spends on projects will now be shown in the anticipated year end (under)/over column.

3. Capital Programme 2015-16

- 3.1 The summary of capital expenditure against current programme and estimated outturn is included in **Appendix A**. The "Revised Net Budget" column is that approved by the Highland Council on 12 March 2015, amended to include the 2014/15 underspend of £3.416m.

4. Current Position

- 4.1 After 6 months of the financial year the net expenditure is £4.092m representing 26.7% of the 2015/16 programmed figure.

4.2 Progress on capital projects is as reported in the notes column on **Appendix A**.

5. Estimated Outturn and Variances

5.1 The projected outturns for net expenditure is £15.231m leading to a net variance of £Nil. The net variance is represented by overspends totalling £0.325m and is offset by underspends totalling £0.325m leading to a balanced programme at the end of the financial year.

6. Major Issues and Variances

6.1 At present there are no major issues or variances.

7. HRA Capital Programme 2015-16

7.1 The HRA capital programme reflects the Council's commitment to meet the Scottish Housing Quality Standard (SHQS), to ensure that properties are adapted to meet the changing needs of tenants, and the Council house building programme.

7.2 The mainstream HRA Capital Programme 2013/15 was approved by the Finance, Housing and Resources (FHR) Committee on 3 October 2012, subsequently updated for revised cost estimates, and approved by the FHR Committee on 9 October 2013 and Community Services Committee on 5 February 2015. Allowing for the underspend in 2014/15 the remaining budget to fund SHQS work, adaptations, and other improvements to existing housing is £44.825m. The mainstream HRA capital budget for 2015/16 as £44.825m.

7.3 The Council house building programme was approved by the FHR Committee on 30 January 2013, and further amended at the Highland Council meeting on 7 March 2013, giving an overall target of 688 new Council houses by 2017. The total programme cost is estimated to be of the order of £92m. To allow progression and continuation of the programme, the Council house building element of the HRA capital programme for 2015/16 as £19.701m.

8. Current Position

8.1 After 6 months of the financial year end the net expenditure is £17.939m representing 27.6% of the 2015/16 programmed figure.

8.2 Progress on capital projects is as reported in the notes column on **Appendix B**.

10. Estimated Outturn and Variances

10.1 The projected outturn for net expenditure is £61.091m leading to a net variance of £3.935m. The net variance is represented by slippage of £1.367m; accelerated expenditure of £0.483m; and a net underspend of £3.051m.

10.2 The net underspend comprises an underspend on the SHQS of £3.616m and an overspend in the Council house building element of the HRA capital programme.

- 10.3 Unutilised contingency sums in Scape contracts are the principal reason for the underspend. As projects progress the underspend may vary between now and the end of the financial year. The Scape framework is an alternative procurement route. It is not based solely on lowest price but instead focuses on providing value for money through: open book accounting, collaborative working, reallocation of risk, attention to both overall and individual programme delivery, management contractor input and high quality service delivery, pro-active risk assessment and management and downward pressure on final cost outturns.

11. Major Issues

- 11.1 At present there are no major issues to highlight.

12. SHQS Compliance Update

- 12.1 The current SHQS programme was initially approved at Finance, Housing and Resources Committee on 3 October 2012. Since 2012 work has taken place through 55 individual contracts. In addition the current programme comprises 32 individual projects aimed at completing all outstanding work.
- 12.2 Of the “current” SHQS projects 10 have been completed relating to bathroom replacement, kitchen replacement, re-roofing, window and door replacement and external wall insulation. This accounts for 1,620 properties in total.
- 12.3 There are also 22 heating projects in the programme, of which 8 are complete, and 14 are on site. To date 2,161 heating systems have been installed as part of the current programme, with 1,498 houses still to be completed. It is anticipated that work on 7 projects will be complete on site by the end of the calendar year and that all work will be complete on site for the remaining 7 projects by the end of the financial year.
- 12.4 It should be noted that there have been a significant numbers of addresses added to the existing projects as individual SHQS failures have been identified since project initiation. Overall there has been a 32% increase in the number of properties undertaken in the programme.
- 12.5 The current programme is based on SHQS failures identified through a fairly comprehensive in-house property survey and some extrapolation of data to similar houses where the Council could not get access. There may be some properties now identified as failures which the Council have not been able to reach within current contracts. The Community Services Committee recently approved a new Capital Plan and it is expected that individual SHQS failures that the Council have not been able to address through the current years’ programme would be picked up as priorities in the 2016/17 programme.
- 12.6 The table below identifies current SHQS compliance in comparison with other registered social landlords in Highlands and Islands. These landlords are considered the best comparators for Highland due to similar challenges associated with lack of fuel choice:

	% meeting SHQS at 31.3.15	Estimated % meeting SHQS 31.3.16
Albyn HA	70.11%	74.59%
Cairn HA	86.26%	86.85%
Highland Council	85.15%	95.7% *
Orkney Council	85.11%	86.18%
Shetland Council	89.04%	88.91%

* remaining stock are properties where tenants have declined improvements

12.7 As part of the Council's Annual Charter Return to the Scottish Housing Regulator, Community Services has to provide details of tenant satisfaction. This includes satisfaction with capital works. The Council carries out these satisfaction surveys on an ongoing basis at all properties where it has carried out capital works. Questions are based on guidance from the Scottish Housing Regulator. The core format of the surveys is a phone survey but the Council has also carried out postal questionnaires. Survey feedback is used to help identify any performance issues or tenant concerns relating to capital works.

12.8 The survey results reported in 2014-15 indicate:

- 84.3% of respondents were very/fairly satisfied with the information they got from the Highland Council before work started
- 92.5% of respondents considered the contractors helpful if they had to speak to them
- 88.7% of respondents were very/fairly satisfied with the quality of the completed works
- 88.8% of respondents who had heating installed would recommend their system to other tenants.

12.9 At Committee on 20 August 2015, it was agreed that a detailed report would be submitted to track delivery of the ongoing SHQS programme. **Appendix C** presents a summary of progress with the current "live" projects.

13. Implications

13.1 Resource implications are discussed in the report.

13.2 There are no legal, equalities, climate change/carbon clever, risk, Gaelic and rural implications arising as a direct result of this report.

14. Recommendations

- 14.1 Members are invited to approve the capital expenditure monitoring position for the period 1 April 2015 to 30 September 2015.

Designation: Director of Community Services

Date: 27 October 2015

Author: Mike Mitchell, Service Finance Manager and
David Goldie, Head of Housing

Background Papers: Monitoring Statements 30/09/15 and the Highland
Council Financial Ledger

THE HIGHLAND COUNCIL							APPENDIX A
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2015 TO 30TH SEPTEMBER 2015							
SERVICE: COMMUNITY SERVICES							
Project Description	Actual	Revised	Year End	Year End	(Slippage)/	Anticipated	COMMENTS
	Net	Net	Estimated Net	Net	Acceleration	Year End	
	Year to Date	Budget	Outturn	Variance	Net	(Under)/Over	
	£000	£000	£000	£000	£000	£000	
ROADS AND BRIDGES							
Structural Road Works							
Road Structural Capital Works	666	2,841	2,841	0	0	0	Works ongoing in all Areas, target completion by year end.
Road Surface Dressing Capital	650	1,687	1,687	0	0	0	Works ongoing in all Areas, target completion by year end.
Bridges, Retaining Walls & Culverts	59	489	489	0	0	0	Works ongoing, target completion by year end.
Area Minor Capital Works							
Area Minor Works - Traffic Calming	8	165	100	(65)	0	(65)	Works ongoing.
Timber Extraction	(104)	46	46	0	0	0	Completion of schemes underway.
ACTIVE TRAVEL							
Cycling, Walking & Safer Streets	157	245	245	0	0	0	Works ongoing - at design, tender stage and currently underway.
20mph Zones	15	142	100	(42)	0	(42)	Designs in progress.
Bus Shelters	34	232	232	0	0	0	Ward discussions ongoing on programme of bus shelter installations. Framework contract now awarded. to be discussed with Wards.
Traffic Management Improvements	3	0	5	5	0	5	Designs in progress for Munloch and Fortrose.
LIGHTING							
Structural Lighting Works	795	2,588	2,588	0	0	0	Works ongoing in all Areas. Funding allocated to replacement of old columns & defected cabling. LED replacements ongoing in all areas. Additional investment of £2m linked to revenue saving on electricity costs.
FERRIES AND HARBOURS							
Harbours General Structural Works	47	476	476	0	0	0	Schemes approved at Harbour Management Board - to be progressed.
Pontoons	2	76	76	0	0	0	Installations ongoing.
ENVIRONMENTAL HEALTH							
Contaminated Land	27	102	77	(25)	0	(25)	Works on-going, allocation will not be fully spent by the end of the year.
COMMUNITY WORKS							
Burials and Cremations							
Burial Ground Extension - Portree	3	97	97	0	0	0	Design work ongoing. Phase 1 works to be undertaken in 2015/16.
Burial Ground Extension - Nairn	141	676	700	24	0	24	SSE due to complete diversion works in October (5 months late). Main works contract to be awarded early November. Due for completion by March 2016.
Burial Ground Acharacle	235	0	125	125	0	125	Works complete except landscaping. Capital contribution to be transferred from Care & Learning, underway, to be completed this financial year.
Burial Ground Ullapool	3	0	10	10	0	10	
Burial Ground Dornoch	1	0	5	5	0	5	
Inverness Crematorium - Replacement Cremators	3	444	594	150	0	150	To be completed this financial year. Contract awarded.
Kilvean Cemetary Extension	0	0	0	0	0	0	
War Memorials	7	0	0	0	0	0	Programme of works underway in conjunction with Community groups.
Public Toilets							
Public Conveniences - Invergordon	6	0	6	6	0	6	Works complete. Retention paid.
Parks and Play Areas - Development							
Play Areas	61	345	345	0	0	0	Area programmes under development. Budget to be spent by March 2016.
Depots							
Depots - Health & Safety	0	144	144	0	0	0	Depot infrastructure currently under review.
VEHICLES & PLANT							
Vehicle & Plant Purchases	1,273	4,271	4,078	(193)	0	(193)	Orders placed, budget fully committed for 2015/16.
HOUSING (NON HRA)							
Travelling People Sites	0	165	165	0	0	0	Works to be identified.
OVERALL TOTAL	4,092	15,231	15,231	0	0	0	

HOUSING HRA PROGRAMME

APPENDIX B

MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 30 SEPTEMBER 2015

Project Number	Project Title	Number Of Houses	Actual Spend Year to Date	Budget 2015/16	Year End Estimated Outturn	Year End Variance	(Slippage)/ Acceleration	Anticipated Year End (Under)/Over	Comments
Energy Efficient									
HCC0422	Badenoch/Lochaber/Inverness heating	100	£426,948	1,192,723	1,061,400	- 131,323	-	131,323	Works on site - 55% complete
HCC0424	Heating upgrade from electric storage	204	£635,322	1,503,014	1,439,500	- 63,514	-	63,514	Works on site - 32% complete
HCC0232	Inverness, Nairn & Beaulieu windows and doors	312	£228,943	220,430	238,000	17,570	-	17,570	Complete
HCA0332	Electric/Solid fuel to gas Ross-shire	218	£457,468	191,741	507,700	315,959	-	315,959	Complete
HCA0333	Electric/solid fuel heating replacements Wester Ross	244	£2,004,764	3,878,139	3,608,000	- 270,139	-	270,139	Works on site - 88% complete
HCA0334	Solid fuel/electric heating replacements Skye & Lochalsh	190	£396,906	3,493,330	3,493,000	- 330	-	330	Works on site - 30% complete
HCA0340	Heating Replacements Skye & Lochalsh/Caithness/Sutherland		£0	310,479	310,000	- 479	-	479	Houses added to other existing projects
HCA0337	Electric/solid fuel Heating Replacements Caithness	420	£0	8,077,364	7,330,000	- 747,364	-	747,364	Starting on site in October
HCA0336	Electric Heating Replacements Sutherland	539	£3,954,964	7,900,160	6,372,000	- 1,528,160	-	1,528,160	Works on site - 84% complete
HCC0459	Electric Heating Replacements – Badenoch & Strathspey/Nairn	162	£5,357	2,983,744	2,200,000	- 783,744	-	783,744	Works on site - 14% complete
HCC0497	Inverness installation of gas heating	115	£0	597,473	597,000	- 473	-	473	Tendering in progress
HCC0460	Inverness and Nairn installation of gas heating	348	£711,728	918,447	741,000	- 177,447	-	177,447	Works on site - 90% complete
HCC0461	Electric Heating Replacements - Inverness-shire	134	£699,003	2,344,905	2,114,000	- 230,905	-	230,905	Works on site - 60% complete
HCC0462	Electric Heating Replacements – Lochaber	286	£31,703	3,485,367	3,193,000	- 292,367	-	292,367	Works on site - 25% complete
HCC0463	Solid fuel Heating Replacements - South Highland	148	£0	2,996,364	2,545,000	- 451,364	-	451,364	Works on site - 16% complete
HCC0464	External wall insulation - south area		£0	177,189	142,000	- 35,189	-	35,189	Works on site - 50% complete
		3420	£9,553,106	£40,270,869	£35,891,600	-£4,379,269	£0	-£4,379,269	
Free from Serious Disrepair									
HCA0376	Roof replacement works - North Area (est. 100 addresses)	107	£0	1,122,863	1,122,863	-	-	-	Works on site
	TOTAL	107	£0	£1,122,863	£1,122,863	£0	£0	£0	
Equipment and Adaptations									
	Caithness and Sutherland		£5,321	220,000	220,000	-	-	-	Works ongoing
	Skye & Lochalsh and Ross & Cromarty		£35,319	300,000	300,000	-	-	-	Works ongoing
	Lochaber, Nairn and Badenoch & Strathspey		£62,851	180,000	180,000	-	-	-	Works ongoing
	Inverness		£67,979	300,000	300,000	-	-	-	Works ongoing
	TOTAL		£171,470	£1,000,000	£1,000,000	£0	£0	£0	
Structural And Environmental Works									
	Caithness and Sutherland		£35,404	440,000	440,000	-	-	-	Works ongoing
	Skye & Lochalsh and Ross & Cromarty		£92,508	600,000	600,000	-	-	-	Works ongoing
	Lochaber, Nairn and Badenoch & Strathspey		£6,850	360,000	360,000	-	-	-	Works ongoing
	Inverness		£47,473	600,000	600,000	-	-	-	Works ongoing
	TOTAL		£182,235	£2,000,000	£2,000,000	£0	£0	£0	
	Retention/defects costs outstanding		£840,384	£431,731	1,195,100	763,369	-	763,369	-
	OVERALL TOTAL SHQS SPEND	3527	£10,747,195	£44,825,463	£41,209,563	-£3,615,900	£0	-£3,615,900	

HOUSING HRA PROGRAMME

APPENDIX B

MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 30 SEPTEMBER 2015

Project Number	Project Title	Number Of Houses	Actual Spend Year to Date	Budget 2015/16	Year End Estimated Outturn	Year End Variance	(Slippage)/ Acceleration	Anticipated Year End (Under)/Over	Comments
NEW BUILDS									
HR515	CHB - Dingwall North Tulloch Castle	13	£20,593	£18,000	23,595	5,595	-	5,595	Works complete
HR518	CHB - Gairloch, Achtercairn	8	£10,194	£10,200	10,200	-	-	-	Complete - in defect period
HR514	CHB - Inverness St Valery Place	24	£40,831	£20,000	60,000	40,000	-	40,000	Works complete
HR527	CHB - Round 4 Conon Bridge P	6	£8,115	£8,100	8,100	-	-	-	Works complete
	R4 total:	51	£79,733	£56,300	£101,895	£45,595	£0	£45,595	
HR564	CHB 5 - Alness, Kendal Crescent	10	£338,064	£1,075,800	1,075,800	-	-	-	Works on site - 40% complete
HR581	CHB 5 - Alness, Dalmore	15	£383,412	£1,359,800	1,341,560	- 18,240	- 18,240	-	Works on site - 40% complete
HR584	CHB 5 - Alness, Kendal Pods	8	£385,788	£742,500	742,500	-	-	-	Works on site - 70% complete
	CHB 5 - Alness, Novar Road	6	£0	£229,500	70,000	- 159,500	- 159,500	-	Design in progress
HR534	CHB 5 - Ardersier, Nairn Road	10	£19,205	£17,900	20,000	2,100	-	2,100	Complete - in defect period
HR533	CHB 5 - Aviemore, former community centre	20	£3,366	£29,900	32,729	2,829	-	2,829	Complete - in defect period
HR573	CHB 5 - Aviemore, Gamish Way	8	£289,869	£827,200	827,200	-	-	-	Works on site - 30% complete
HR547	CHB 5 - Balmacara, former dairy	8	£673,540	£1,305,700	1,404,758	99,058	99,058	-	Works on site - 50% complete
HR535	CHB 5 - Beauly, Simpsons	8	£232,948	£196,800	250,000	53,200	-	53,200	Complete - in defect period
HR549	CHB 5 - Boat of Garten	10	£1,533	£745,700	745,700	-	-	-	Contract awarded
HR566	CHB 5 - Broadford, Broadford House	8	£0	£50,000	50,000	-	-	-	Design in progress
HR572	CHB 5 - Broadford, Former Fish Factory	12	£80,982	£1,155,600	878,646	- 276,954	- 276,954	-	Works on site - 30% complete
HR545	CHB 5 - Conon Bridge, Braes of Conon	26	£467	£36,000	37,037	1,037	-	1,037	Complete - in defect period
HR556	CHB 5 - Dingwall, Craigwood	10	£8,113	£12,000	12,000	-	-	-	Design in progress
	CHB 5 - Dingwall, GospelHall/Gladstone Ave	1	£21,170	£67,700	67,700	-	-	-	Design in progress
	CHB 5 - Dingwall North P2	9	£3,606	£1,000,000	526,523	- 473,477	- 473,477	-	Works on site - 10% complete
HR548	CHB 5 - Dornoch, Deans Park	6	£0	£10,500	10,500	-	-	-	Complete - in defect period
HR582	CHB 5 - Dornoch, Greener Homes	2	£10,403	£25,900	25,900	-	-	-	Complete - in defect period
HR540	CHB 5 - Fort William, former Angus Centre	17	£342,426	£425,400	425,400	-	-	-	Complete - in defect period
HR558	CHB 5 - Grantown on Spey, Garth	7	£0	£200,000	200,000	-	-	-	Design in progress
HR543	CHB 5 - Invergordon, Flemingway P2	11	£141,909	£17,900	141,909	124,009	-	124,009	Complete - in defect period
HR528	CHB 5 - Inverlochy (distillery)	21	£188,076	£195,100	195,100	-	-	-	Complete - in defect period
HR587	CHB 5 - Inverlochy (distillery)	1	£34,474	£51,900	51,900	-	-	-	Complete - in defect period
HR583	CHB 5 - Inverness, Academy Street	14	£1,235,024	£1,191,900	1,464,493	272,593	272,593	-	Works on site - 70% complete
HR551	CHB 5 - Inverness, Balloan Road	24	£352,215	£169,400	355,000	185,600	-	185,600	Complete - in defect period
HR561	CHB 5 - Inverness, Balloch	7	£13,024	-	13,100	13,100	-	13,100	Works complete
HR560	CHB 5 - Inverness, Caulfield Road	13	£0	-	-	-	-	-	Project not started
	CHB 5 - Inverness, Craigton Avenue	16	-£200	-	1,000	1,000	1,000	-	Design in progress
	CHB 5 - Inverness, Former Jolly Drover	11	£29,946	-	32,000	32,000	-	32,000	Works complete
HR562	CHB 5 - Inverness, Glendoe Terrace	15	£7,110	£32,100	32,100	-	-	-	Complete - in defect period
	CHB 5 - Inverness, Glendoe Terrace	42	£98,538	£865,500	964,038	98,538	98,538	-	Design in progress
	CHB 5 - Inverness, Glenurquhart Road	8	£0	£600,000	600,000	-	-	-	Works on site - 10% complete
HR531	CHB 5 - Inverness, Huntly House	20	£134,148	£1,750,000	1,750,000	-	-	-	Works on site - 30% complete
HR536	CHB 5 - Inverness, Milton of Leys P1	22	£0	£28,000	28,000	-	-	-	Complete - in defect period
HR537	CHB 5 - Inverness, Parks Farm	18	£6	£21,000	21,000	-	-	-	Complete - in defect period
HR569	CHB R5 - Inverness, Slackbuie P2	6	£1,500	£2,000	2,000	-	-	-	Design in progress
HR538	CHB 5 - Inverness, Westercraigs P1	16	£829,528	£782,200	864,168	81,968	-	81,968	Complete - in defect period
HR570	CHB 5 - Inverness, Wester Inshes	8	£0	-	-	-	-	-	Design in progress
HR574	CHB 5 - Inverness, Woodside Mews		£0	-	-	-	-	-	Design in progress
HR530	CHB 5 - Lochcarron, Kirkton Gardens	6	£38,361	£30,000	53,361	23,361	-	23,361	Complete - in defect period
HR578	CHB 5 - Muir of Ord	22	£0	-	-	-	-	-	Design in progress
HR542	CHB 5 - Nairn, former bus garage	16	£0	£26,900	26,900	-	-	-	Complete - in defect period

HOUSING HRA PROGRAMME

APPENDIX B

MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 30 SEPTEMBER 2015

Project Number	Project Title	Number Of Houses	Actual Spend Year to Date	Budget 2015/16	Year End Estimated Outturn	Year End Variance	(Slippage)/ Acceleration	Anticipated Year End (Under)/Over	Comments
HR541	CHB 5 - Nairn, Lochloy	6	£14,937	£56,400	68,153	11,753	11,753	-	Contract awarded
	CHB 5 - Nairn, Simpson Street	1	£0	£60,000	60,000	-	-	-	Complete - in defect period
HR565	CHB 5 - Portree, Home Farm	4	£0		-	-	-	-	Complete - in defect period
HR544	CHB 5 - Tain, Jackson Drive, P2	12	£473	£33,100	33,100	-	-	-	Works complete
	CHB 5 - Thurso, Princes Street	3	£0	£310,500	310,500	-	-	-	Works on site - 40% complete
HR526	CHB 5 - Ullapool Hotel	14	£100,001	£196,900	196,900	-	-	-	Complete - in defect period
	CHB Additional Schemes	TBC	£19,115	£2,583,200	2,144,400	- 438,800	- 438,800	-	Design in progress
	R5 Total	558	£6,033,077	£18,517,900	18,153,075	- 364,825	- 884,029	519,204	
	TOTAL NEW BUILD SPEND	609	£6,112,810	£18,574,200	£18,254,970	-£319,230	-£884,029	£564,799	
HR860	One-off Property Purchases		£829,387	£1,126,400	1,126,400	-	-	-	
HR850	New Build 1 Bed Accommodation		£249,212	£500,000	500,000	-	-	-	
	TOTAL SPEND		£17,938,604	£65,026,063	£61,090,933	-£3,935,130	-£884,029	-£3,051,101	

Capital Receipts 2015/2016

	Funding Budget £'000	Actual to 31/03/2015 £'000	Estimated Outturn £'000	Estimated Variance £'000
Mainstream Investment Programme				
Useable Capital Receipts	1,279	801	1,279	0
Contribution to Individual Properties	0	0	0	0
Borrowing	39,546	9,946	35,930	(3,616)
Capital from Current Revenue	4,000	0	4,000	0
Total For Mainstream Investment Programme	44,825	10,747	41,209	(3,616)
New Council House Build Programme				
Government Grant	10,040	2,374	10,040	0
HRA Balances	0	0	0	0
Contribution from other services	0	0	0	0
sale of LIFT properties	690	555	690	0
Landbank	1,260	840	1,260	0
Borrowing	7,711	3,173	7,392	(319)
Total For New Council House Build Program	19,701	6,942	19,382	(319)
Borrowing	500	249	500	0
Total For New 1 Bed Accommodation	500	249	500	0
Balance to C/F to 2015/2016				
GROSS FUNDING	65,026	17,938	61,091	(3,935)

APPENDIX C

Summary of ongoing SHQS projects

- 1 HCA0340 Heating Replacements Skye & Lochalsh/Caithness/Sutherland
 In order to accelerate the overall programme work associated with this contract has been reallocated to other existing contracts and is included in project commentaries below.
- 2 HCA0332 Electric/Solid fuel to gas Ross-shire
 Due to complete: October 2015
 There have been some delays because much of the pipework in the properties was failing and had to be replaced. The programme was extended to accommodate the additional works.
- 3 HCA0335 Solid fuel Heating Replacements Sutherland
 Due to complete: December 2015
 This project is progressing well and should have been complete in October 2015. However an additional 84 properties have been added.
- 4 HCC0460 Inverness and Nairn installation of gas heating
 Due to complete: December 2015
 The original project is complete but additional properties have been added with a revised completion in December.
- 5 HCA0333 Electric/solid fuel heating replacements Wester Ross
 Due to complete: November 2015
 The project is progressing well and programmed to complete in November 2015. An additional 14 properties have been added.
- 6 HCC0461 Electric Heating Replacements - Inverness-shire
 Due to complete: December 2015
 This project is on site and programmed to complete in December. An additional 23 properties have been added.
- 7 HCC0422 Badenoch/Lochaber/Inverness heating
 Due to complete: December 2015
 This project remains a high risk. There have been quality issues with the contractor. The project is progressing slowly but is still expected to complete in December.

8 HCA0334 Skye; Biomass Heating

Due to complete: February 2016

This project is progressing on site although there have been some issues with labour supply. The project is due to be completed in February 2016 and the main contractor has allocated greater resources to the project.

9 HCC0459 Nairn, Badenoch and Strathspey; Replacement Electric Heating

Due to complete: February 2016

Works have just commenced on site and this due to be complete in February 2016. Some delays have occurred due to assessing the individual heating options within the contract.

10 HCA0338 Easter Ross; Replacement Heating

Due to complete: March 2016

This has just started on site and is due to be complete in March 2016. Some delays have occurred due to assessing the individual heating options within the contract.

11 HCC0463 Inverness and Lochaber; Installation of Biomass Heating

Due to complete: March 2016

This has just started on site and is due to be complete in March 2016. There were delays at the procurement stage with the project being retendered following concerns about the quality of tenders received initially.

12 HCC0424 Badenoch, Lochaber, Inverness and Nairn; Electric Heating

Due to complete: March 2016

This project has had some complex contractual issues culminating in the termination of the external consultant's appointment. There are still some issues to be resolved, relating to quality, snagging and also heating choices. However, close scrutiny is taking place and alternative procurement options have been considered as a contingency measure.

13 HCC0497 Inverness; Installation of Gas Heating

Due to complete: March 2016

There were delays in agreeing the procurement route for this outstanding work. This has resulted work being let in a number of smaller packages.

14 HCC0462 Lochaber; Installation of Biomass Heating

Due to complete: March 2016

This project was delayed as a result of difficulties with procurement. The project was retendered due to concerns about the quality and cost of the original tenders. The programme of completion by March 2016 is still achievable but close scrutiny of contractor performance is taking place.