

**The Highland Council**  
**Community Services Committee**  
**4 February 2016**

Agenda Item	<b>5</b>
Report No	<b>COM 2/16</b>

**Capital Expenditure Monitoring – 1 April 2015 to 31 December 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 31 December 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. Capital Programme 2015-16**

- 2.1 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 17 December 2015, amended to take account of the budget transfer of £0.387m for cycling, walking and safer streets and 20mph zones to Development & Infrastructure.

**3. Current Position**

- 3.1 After 9 months of the financial year the net expenditure is £7.365m representing 49.6% of the 2015/16 programmed figure.
- 3.2 Progress on capital projects is as reported in the notes column on **Appendix A**.

**4. Estimated Outturn and Variances**

- 4.1 The projected outturns for net expenditure is £14.844m leading to a net variance of £1.002m. The net variance is represented by slippage of £1.002m. The slippage will be carried forward and included in the 2016/17 capital programme. There are a number of overspends totalling £0.508m. The overspends are funded by a corresponding number of underspends totalling £0.508m.

**5. Major Issues and Variances**

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

**6. HRA Capital Programme 2015-16**

- 6.1 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.
- 6.2 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.
- 6.3 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 is £19.701m.

## **7. Current Position**

- 7.1 After 9 months of the financial year end the net expenditure is £31.965m representing 49.2% of the 2015/16 programmed figure.
- 7.2 Progress on capital projects is as reported in the notes column on **Appendix B**.

## **8. Estimated Outturn and Variances**

- 8.1 The projected outturn for net expenditure is £54.927m leading to a net variance of £10.099m. The net variance is represented by slippage of £1.919m; accelerated expenditure of £0.267m; and a net underspend of £8.447m.
- 8.2 The net underspend comprises an underspend on the SHQS of £9.117m and an overspend of £0.670m in the Council house building element of the HRA capital programme.
- 8.3 The principal reasons for the underspend are unutilised contingency sums in Scape contracts and a fall in the number of required heating installations to properties as a result of tenant opt-outs. As projects progress the underspend may vary between now and the end of the financial year.

## **9. SHQS Compliance Update**

- 9.1 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.
- 9.2 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.

- 9.3 There are also 22 heating projects in the programme, of which 13 are complete and 9 are on site. There remain 722 properties still to be completed. It is anticipated that work on 8 of the remaining 9 projects will be complete on site by the end of the financial year, with 1 project anticipated to complete in April.
- 9.4 It should be noted that there have been a significant number of properties 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.
- 9.5 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.
- 9.6 The survey results reported in 2015-16 to date indicate:
- 79.7% of respondents were very/fairly satisfied with the information they got from the Highland Council before work started
  - 93.3% 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
  - 94.2% of respondents who had heating installed would recommend their system to other tenants.
- 9.7 The current SHQS programme has presented a number of challenges. The last 2 years has seen an unprecedented volume of work, including use of new procurement methods and the introduction of renewable heating technology.
- 9.8 Although overall satisfaction levels with the programme are high, there have been a number of tenants who have not had a positive experience. The main issues have been:
- Tenants "missing out" on new heating. The current programme is based on SHQS failures identified following in-house property surveys. However there have been a number of properties identified as requiring new heating as a result of fresh property inspections. Any individual properties that are not being addressed through the current programme will be prioritised by Area Managers when developing their future capital programmes. These will be in line with the principles of the HRA Capital Plan 2016-2021 which was approved at Committee on 20 August 2015.

- Tenants unhappy about not receiving the heating they would have preferred. The system design options focus on the most appropriate heating system for a property but an assessment will also address the suitability of the recommended system for the household.
- Complaints over the quality of the work and the effectiveness of the heating installed. These are dealt with by Maintenance Officers and Project Management who monitor contractor performance.
- Tenants finding that the heating system is more expensive to run than they had anticipated. In these cases we offer independent energy advice to ensure tenants are aware of how to run their heating system as effectively as possible and they have the information they need to help them choose the most appropriate energy tariff.

9.9 We are currently dealing with issues and complaints on a case-by-case basis. A full review of the SHQS programme will be carried out following completion of works and this will inform our future investment strategy.

9.10 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 on-site projects. A status for each is given using the “traffic light” rating of red, amber or green.

## 10. Lighting upgrades to Council-owned housing blocks

10.1 Within the Council’s housing stock there are approximately 147 blocks of flats located across the Highlands. These blocks are of mixed tenure, with private householders and Council tenants. Each block of flats has communal areas used for access and these are lit using fluorescent type lighting. The Council pays for the lighting in these communal areas, at a running cost of approximately £18,000 per year. A feasibility study commissioned by Resource Efficient Scotland suggested upgrading this lighting could reduce both energy consumption and required maintenance.

10.2 The costs, benefits and payback period of replacing all the lighting in the communal areas with LED alternatives is:

Investment required	Cost saving * p.a.	Payback period (years)	CO2 saving p.a. (tonnes)
£94,271	£17,911	5.3	44

\*Of which £9,819 is from reduced energy costs and £8,092 is from reduced maintenance costs. This does not include any potential savings from a reduction in CRC tax (currently £16/tonne CO2).

10.3 Resources Committee on 25 November 2015 approved an allocation of £50,000 from the Carbon CLEVER capital budget. This was subject to a matching

contribution from within the HRA Capital Programme. It is recommended that Members approve an allocation of £50,000 and the project will be incorporated into the 2016/17 HRA Capital Programme approved at Committee on 5 November 2015.

## **11. Implications**

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

## **12. Recommendations**

- 12.1 Members are invited to approve the capital expenditure monitoring position for the period 1 April 2015 to 31 December 2015.
- 12.2 The Committee is asked to approve the match-funding for the lighting upgrade project as an inclusion to the HRA Capital Programme 2016-2017.

Designation: Director of Community Services

Date: 21 January 2016

Author: Mike Mitchell, Service Finance Manager and  
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Background Papers: Monitoring Statements 31/12/15 and the Highland  
Council Financial Ledger

THE HIGHLAND COUNCIL							APPENDIX A
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2015 TO 31ST DECEMBER 2015							
SERVICE: COMMUNITY SERVICES							
Project Description	Actual Net	Revised Net	Year End Estimated Net	Year End Net	(Slippage)/ Acceleration	Anticipated Year End	COMMENTS
	Year to Date	Budget	Outturn	Variance	Net	(Under)/Over	
	£000	£000	£000	£000	£000	£000	
<b>ROADS AND BRIDGES</b>							
<b>Structural Road Works</b>							
Road Structural Capital Works	1,731	2,841	2,841	0	0	0	Works ongoing in all Areas, target completion by year end.
Road Surface Dressing Capital	940	1,687	1,687	0	0	0	Works ongoing in all Areas, target completion by year end.
Bridges, Retaining Walls & Culverts	239	489	389	(100)	(100)	0	Works ongoing, however some spend will slip to 2016/17.
<b>Area Minor Capital Works</b>							
Area Minor Works - Traffic Calming	60	165	100	(65)	0	(65)	Works ongoing.
Timber Extraction	(104)	46	(79)	(125)	0	(125)	Completion of schemes underway. Grant income received for earlier years.
<b>ACTIVE TRAVEL</b>							
Bus Shelters	71	232	182	(50)	(50)	0	Ward discussions ongoing on programme of bus shelter installations. Framework contract now awarded. Installations progressing.
Traffic Management Improvements	35	0	45	45	0	45	Designs in progress for Munloch and Fortrose. Traffic signals at various sites progressing.
<b>LIGHTING</b>							
Structural Lighting Works	1,251	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.
<b>FERRIES AND HARBOURS</b>							
Harbours General Structural Works	69	476	176	(300)	(300)	0	Schemes approved at Harbour Management Board - programme of works lagging behind. Schemes will slip to 2016/17.
Pontoons	2	76	26	(50)	(50)	0	Installations ongoing.
<b>ENVIRONMENTAL HEALTH</b>							
Contaminated Land	36	102	45	(57)	0	(57)	Works on-going, allocation will not be fully spent by the end of the year.
<b>COMMUNITY WORKS</b>							
<b>Burials and Cremations</b>							
Burial Ground Extension - Portree	9	97	20	(77)	(77)	0	Design work ongoing. Phase 1 works to be undertaken in Spring 2016.
Burial Ground Extension - Nairn	154	676	475	(201)	(225)	24	Main works contract awarded to NRS £593k. Site start early Feb. Due for completion by May 2016.
Burial Ground Acharacle	347	0	220	220	0	220	Works complete except landscaping. Capital contribution from Care & Learning to be transferred.
Burial Ground Fodderty	20	0	20	20	0	20	Extension design brought forward - works 2016/2017
Burial Ground Ullapool	3	0	10	10	0	10	Design work ongoing.
Burial Ground Tain	4	0	18	18	0	18	Retention of £3.5K paid. Some additional works to paths & walls completed in December at a cost of £14k
Burial Ground Mellon Charles	1	0	5	5	0	5	Design work ongoing.
Burial Ground Dornoch	2	0	10	10	0	10	Design work ongoing.
Inverness Crematorium - Replacement Cremators	18	444	594	150	0	150	To be completed this financial year. Contract awarded.
War Memorials	7	0	0	0	0	0	Programme of works underway in conjunction with Community groups - fully funded by capital discretionary budget.
<b>Public Toilets</b>							
Public Conveniences - Invergordon	6	0	6	6	0	6	Works complete. Retention paid.
<b>Parks and Play Areas - Development</b>							
Play Areas	96	345	195	(150)	(150)	0	Area programmes progressing, however budget to be spent by March 2016.
<b>Depots</b>							
Depots - Health & Safety	0	144	94	(50)	(50)	0	Depot infrastructure programme of works under development.
<b>VEHICLES &amp; PLANT</b>							
Vehicle & Plant Purchases	2,369	4,271	4,010	(261)	0	(261)	Orders placed, budget fully committed for 2015/16.
<b>HOUSING (NON HRA)</b>							
Travelling People Sites	0	165	165	0	0	0	Budget fully committed and will be spent by March 2016.
<b>OVERALL TOTAL</b>	<b>7,365</b>	<b>14,844</b>	<b>13,842</b>	<b>(1,002)</b>	<b>(1,002)</b>	<b>0</b>	

## MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 31 DECEMBER 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
<b>Energy Efficient</b>									
HCC0422	Badenoch/Lochaber/Inverness heating	44	£712,827	1,192,723	714,910	- 477,813	-	- 477,813	Complete. 24 outstanding properties moved to another project.
HCC0424	Heating upgrade from electric storage	204	£1,406,420	1,503,014	3,175,000	1,671,986	-	1,671,986	Progress under review
HCC0232	Inverness, Nairn & Beaulieu windows and doors	312	£243,044	220,430	243,253	22,823	-	22,823	Complete
HCA0332	Electric/Solid fuel to gas Ross-shire	266	£494,944	191,741	495,425	303,684	-	303,684	Complete
HCA0333	Electric/solid fuel heating replacements Wester Ross	152	£2,945,310	3,878,139	3,164,984	- 713,155	-	- 713,155	Complete apart from 1 property
HCA0334	Solid fuel/electric heating replacements Skye & Lochalsh	155	£1,283,969	3,493,330	2,626,877	- 866,453	-	- 866,453	Works on site - 80% complete
HCA0340	Heating Replacements Skye & Lochalsh/Caithness/Sutherland		£1,112	310,479	1,112	- 309,367	-	- 309,367	Houses added to other existing projects
HCA0337	Electric/solid fuel Heating Replacements Caithness	396	£1,681	8,077,364	5,020,000	- 3,057,364	-	- 3,057,364	Works on site
HCA0336	Electric Heating Replacements Sutherland	348	£5,169,367	7,900,160	5,629,461	- 2,270,699	-	- 2,270,699	Works on site - 95% complete
HCC0459	Electric Heating Replacements – Badenoch & Strathspey/Nairn	63	£569,405	2,983,744	1,017,879	- 1,965,865	-	- 1,965,865	Works on site - 73% complete
HCC0497	Inverness installation of gas heating	113	£16,523	597,473	310,000	- 287,473	- 200,000	- 87,473	Commencing on site in January - completion likely to slip to April
HCC0460	Inverness and Nairn installation of gas heating	300	£810,047	918,447	948,753	30,306	-	30,306	Works on site - 93% complete
HCC0461	Electric Heating Replacements - Inverness-shire	134	£1,613,632	2,344,905	1,815,000	- 529,905	-	- 529,905	Complete. Outstanding properties moved to another project.
HCC0462	Electric Heating Replacements – Lochaber	286	£1,828,212	3,485,367	3,405,000	- 80,367	-	- 80,367	Works on site - 65% complete
HCC0463	Solid fuel Heating Replacements - South Highland	91	£850,861	2,996,364	1,525,000	- 1,471,364	-	- 1,471,364	Works on site - 66% complete
HCC0464	External wall insulation - south area		£137,800	177,189	140,000	- 37,189	-	- 37,189	Complete
		<b>2864</b>	<b>£18,085,154</b>	<b>£40,270,869</b>	<b>£30,232,654</b>	<b>-£10,038,215</b>	<b>-£200,000</b>	<b>-£9,838,215</b>	
<b>Free from Serious Disrepair</b>									
HCA0376	Roof replacement works - North Area (est. 100 addresses)	107	£127,500	1,122,863	321,600	- 801,263	- 801,263	-	Works on site, additional addresses approved
	<b>TOTAL</b>	<b>107</b>	<b>£127,500</b>	<b>£1,122,863</b>	<b>£321,600</b>	<b>-£801,263</b>	<b>-£801,263</b>	<b>£0</b>	
<b>Equipment and Adaptations</b>									
	Caithness and Sutherland		£25,867	220,000	220,000	-	-	-	Works ongoing
	Skye & Lochalsh and Ross & Cromarty		£116,691	300,000	300,000	-	-	-	Works ongoing
	Lochaber, Nairn and Badenoch & Strathspey		£83,419	180,000	180,000	-	-	-	Works ongoing
	Inverness		£122,474	300,000	300,000	-	-	-	Works ongoing
	<b>TOTAL</b>		<b>£348,451</b>	<b>£1,000,000</b>	<b>£1,000,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	
<b>Structural And Environmental Works</b>									
	Caithness and Sutherland		£102,860	440,000	440,000	-	-	-	Works ongoing
	Skye & Lochalsh and Ross & Cromarty		£360,317	600,000	600,000	-	-	-	Works ongoing
	Lochaber, Nairn and Badenoch & Strathspey		£6,850	360,000	360,000	-	-	-	Works ongoing
	Inverness		£192,223	600,000	600,000	-	-	-	Works ongoing
	<b>TOTAL</b>		<b>£662,250</b>	<b>£2,000,000</b>	<b>£2,000,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	
	<b>Retention/defects costs outstanding</b>		<b>£974,466</b>	<b>£431,731</b>	<b>1,153,300</b>	<b>721,569</b>	<b>-</b>	<b>721,569</b>	<b>-</b>
	<b>OVERALL TOTAL SHQS SPEND</b>	<b>2971</b>	<b>£20,197,821</b>	<b>£44,825,463</b>	<b>£34,707,554</b>	<b>-£10,117,909</b>	<b>-£1,001,263</b>	<b>-£9,116,646</b>	

## MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 31 DECEMBER 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
<b>NEW BUILDS</b>									
HR515	CHB - Dingwall North Tulloch Castle	13	£20,593	£18,000	23,595	5,595	-	5,595	Works complete
HR518	CHB - Gairloch, Achtercairn	8	£10,852	£10,200	11,250	1,050	-	1,050	Complete - in defect period
HR514	CHB - Inverness St Valery Place	24	£42,095	£20,000	60,000	40,000	-	40,000	Works complete. Extra cost due to additional landscaping and disabled works.
HR527	CHB - Round 4 Conon Bridge P	6	£8,115	£8,100	8,100	-	-	-	Works complete
	<b>R4 total:</b>	<b>51</b>	<b>£81,655</b>	<b>£56,300</b>	<b>£102,945</b>	<b>£46,645</b>	<b>£0</b>	<b>£46,645</b>	
HR564	CHB 5 - Alness, Kendal Crescent	10	£865,272	£1,075,800	1,075,800	-	-	-	Works on site - 80% complete
HR581	CHB 5 - Alness, Dalmore	15	£823,374	£1,359,800	1,359,800	-	-	-	Works on site - 80% complete
10G0242	CHB 5 - Alness, Dalmore Furnish	9	£300	£220,000	220,000	-	-	-	Out to tender
HR584	CHB 5 - Alness, Kendal Pods	8	£787,486	£742,500	805,000	62,500	-	62,500	Complete - in defect period. Increased spend due to increased disabled elements
	CHB 5 - Alness, Novar Road	6	£49	£229,500	70,000	- 159,500	- 159,500	-	Out to tender
HR534	CHB 5 - Ardiersier, Nairn Road	10	£20,505	£17,900	21,000	3,100	-	3,100	Complete
HR533	CHB 5 - Aviemore, former community centre	20	£3,690	£29,900	32,729	2,829	-	2,829	Complete - in defect period
HR573	CHB 5 - Aviemore, Garnish Way	8	£822,724	£827,200	827,200	-	-	-	Works on site - 80% complete
HR547	CHB 5 - Balmacara, former dairy	8	£1,101,778	£1,305,700	1,297,750	- 7,950	- 7,950	-	Works on site - 90% complete
HR535	CHB 5 - Beauly, Simpsons	8	£240,543	£196,800	250,000	53,200	-	53,200	Complete - in defect period. Increased spend due to increased disabled elements
HR549	CHB 5 - Boat of Garten	10	£152,110	£745,700	745,700	-	-	-	Contract awarded
HR566	CHB 5 - Broadford, Broadford House	8	£0	£50,000	50,000	-	-	-	Out to tender
HR572	CHB 5 - Broadford, Former Fish Factory	12	£586,752	£1,155,600	878,646	- 276,954	- 276,954	-	Works on site - 70% complete
HR545	CHB 5 - Conon Bridge, Braes of Conon	26	£3,311	£36,000	37,037	1,037	-	1,037	Complete
HR556	CHB 5 - Dingwall, Craigwood	10	£8,113	£12,000	12,000	-	-	-	Design in progress
	CHB 5 - Dingwall, GospelHall/Gladstone Ave	1	£26,304	£67,700	67,700	-	-	-	Out to tender
	CHB 5 - Dingwall North P2	9	£321,137	£1,000,000	526,523	- 473,477	- 473,477	-	Works on site - 50% complete
HR548	CHB 5 - Dornoch, Deans Park	6	£250	£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	£378,379	£425,400	425,400	-	-	-	Complete - in defect period
	CHB 5 - Fort William, Tweeddale	22	£139,088	£750,000	750,000	-	-	-	Out to tender
	CHB 5 - 99 Glenborrodale	2	£401	£1,000	1,000	-	-	-	Project not started
HR558	CHB 5 - Grantown on Spey, Garth	7	£0	£200,000	200,000	-	-	-	Contract awarded
HR543	CHB 5 - Invergordon, Flemingway P2	11	£141,909	£17,900	141,909	124,009	-	124,009	Complete - in defect period. Overspend due to finalised land value.
	CHB 5 - Invergordon, Former Garage	10	£277,433	£283,000	283,000	-	-	-	Out to tender
HR528	CHB 5 - Inverlochy (distillery)	21	£196,083	£195,100	198,000	2,900	-	2,900	Complete - in defect period
HR587	CHB 5 - Inverlochy (distillery)	1	£0	£51,900	51,900	-	-	-	Complete - in defect period
HR583	CHB 5 - Inverness, Academy Street	14	£967,730	£1,191,900	1,285,324	93,424	93,424	-	Complete - in defect period
									Complete - in defect period. Budget was based on cost of HC houses, however the spend includes houses for Help for Heroes. Income has been received to offset the additional spend.
HR551	CHB 5 - Inverness, Balloan Road	24	£361,369	£169,400	380,000	210,600	-	210,600	
HR561	CHB 5 - Inverness, Balloch	7	£13,024	£13,100	13,100	-	-	-	Works complete
HR560	CHB 5 - Inverness, Caulfield Road	13	£15	£50,000	50,000	-	-	-	Contract awarded



## MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 31 DECEMBER 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
	CHB 5 - Inverness, Craigton Avenue	16	£0	£500	1,000	500	500	-	Design in progress
	CHB 5 - Inverness, Former Jolly Drover	11	£47,557	£30,000	50,000	20,000	-	20,000	Works complete. Overspend due to additional landscaping undertaken as part of Planning Gain requirement.
HR562	CHB 5 - Inverness, Glendoe Terrace	15	£7,110	£32,100	32,100	-	-	-	Complete - in defect period
	CHB 5 - Inverness, Glendoe Terrace	42	£171,180	£865,500	865,500	-	-	-	Design in progress
	CHB 5 - Inverness, Glenurquhart Road	8	£1,232	£600,000	600,000	-	-	-	Out to tender
HR531	CHB 5 - Inverness, Huntly House	20	£394,048	£1,750,000	1,750,000	-	-	-	Works on site - 30% complete
HR536	CHB 5 - Inverness, Milton of Leys P1	22	£1,640	£28,000	28,000	-	-	-	Complete - in defect period
HR537	CHB 5 - Inverness, Parks Farm	18	£1,646	£21,000	21,000	-	-	-	Complete - in defect period
HR569	CHB R5 - Inverness, Slackbuie P2	6	£1,515	£2,000	2,000	-	-	-	Project not started
	CHB R5 - Inverness, Tannery Court	3	£2,631	£20,000	20,000	-	-	-	Project not started
									Complete - in defect period. Overspend due to fees having been omitted from initial budget.
HR538	CHB 5 - Inverness, Westercraigs P1	16	£873,061	£782,200	890,000	107,800	-	107,800	Contract awarded
	CHB 5 - Kiltarlity, Balgate Mill	10	£6,100	£260,000	260,000	-	-	-	Complete - in defect period. Overspend due to additional groundwork required.
HR530	CHB 5 - Lochcarron, Kirkton Gardens	6	£39,313	£30,000	53,361	23,361	-	23,361	Out to tender
HR578	CHB 5 - Muir of Ord	22	£0	£120,000	120,000	-	-	-	Complete - in defect period
HR542	CHB 5 - Nairn, former bus garage	16	£93	£26,900	26,900	-	-	-	Complete - in defect period. Overspend due to additional disabled works required.
HR541	CHB 5 - Nairn, Lochloy	10	£15,357	£56,400	68,153	11,753	-	11,753	Out to tender
	CHB 5 - Nairn, Lochloy P2	8	£500	£250,000	250,000	-	-	-	Complete - in defect period
	CHB 5 - Nairn, Simpson Street	1	£0	£60,000	60,000	-	-	-	Contract awarded
	CHB 5 - Portree, Dunvegan Road P2	8	£192,082	£400,000	400,000	-	-	-	Works complete
HR544	CHB 5 - Tain, Jackson Drive, P2	12	£473	£33,100	33,100	-	-	-	Works on site - 80% complete
	CHB 5 - Thurso, Princes Street	3	£0	£310,500	310,500	-	-	-	Complete - in defect period
HR526	CHB 5 - Ullapool Hotel	14	£109,168	£196,900	196,900	-	-	-	Design in progress
	CHB Additional Schemes	TBC	£4,230	£185,600	185,600	-	-	-	
	<b>R5 Total</b>	<b>622</b>	<b>£10,118,468</b>	<b>£18,517,900</b>	<b>18,317,032</b>	<b>- 200,868</b>	<b>- 823,957</b>	<b>623,089</b>	
	<b>TOTAL NEW BUILD SPEND</b>	<b>673</b>	<b>£10,200,123</b>	<b>£18,574,200</b>	<b>£18,419,977</b>	<b>-£154,223</b>	<b>-£823,957</b>	<b>£669,734</b>	

## HOUSING HRA PROGRAMME

APPENDIX B

## MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 31 DECEMBER 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
HR860	One-off Property Purchases		£1,220,246	£1,126,400	1,300,000	173,600	173,600	-	
HR850	New Build 1 Bed Accommodation		£347,115	£500,000	500,000	-	-	-	
<b>TOTAL SPEND</b>			<b>£31,965,305</b>	<b>£65,026,063</b>	<b>£54,927,531</b>	<b>-£10,098,532</b>	<b>-£1,651,620</b>	<b>-£8,446,912</b>	

## Capital Receipts 2015/2016

	Funding Budget £'000	Actual to 31/12/2015 £'000	Estimated Outturn £'000	Estimated Variance £'000
<b>Mainstream Investment Programme</b>				
Useable Capital Receipts	1,279	1,388	1,800	521
Contribution to Individual Properties	0	0	0	0
Borrowing	39,776	18,810	29,138	(10,638)
Capital from Current Revenue	3,770	0	3,770	0
<b>Total For Mainstream Investment Programme</b>	<b>44,825</b>	<b>20,198</b>	<b>34,708</b>	<b>(10,117)</b>
<b>New Council House Build Programme</b>				
Government Grant	10,040	4,565	8,356	(1,684)
HRA Balances	0	0	0	0
Contribution from other services	0	0	0	0
sale of LIFT properties	690	854	854	164
Landbank	1,260	840	2,390	1,130
Borrowing	7,711	5,161	8,119	408
<b>Total For New Council House Build Programme</b>	<b>19,701</b>	<b>11,420</b>	<b>19,719</b>	<b>18</b>
Borrowing	500	347	500	0
<b>Total For New 1 Bed Accommodation</b>	<b>500</b>	<b>347</b>	<b>500</b>	<b>0</b>
Balance to C/F to 2015/2016				
<b>GROSS FUNDING</b>	<b>65,026</b>	<b>31,965</b>	<b>54,927</b>	<b>(10,099)</b>

## APPENDIX C

### Summary of ongoing SHQS projects

This Appendix presents a summary of progress with the current on-site projects. Status for each is given using the “traffic light” rating of red, amber or green. All projects with an anticipated completion date of March or April are designated as “red” on the basis of the risk of not completing on time.

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 HCA0335 Solid fuel Heating Replacements Sutherland

Due to complete: February 2016

Status: Amber

This project should have been complete in December 2015 but there have been delays as heating options have been reviewed with tenants to ensure that the most appropriate heating system is installed. 3 properties remain outstanding. These have been passed to Building Maintenance for installation, to enable the main contractor to divert resources to other projects.

3 HCA0334 Skye; Biomass Heating

Due to complete: February 2016

Status: Amber

53 properties remain to be installed. Additional resources have been allocated by the contractor to ensure it remains on programme to achieve completion in February.

4 HCC0459 Nairn, Badenoch and Strathspey; Replacement Electric Heating

Due to complete: February 2016

Status: Amber

Works are progressing on site and 33 properties are left to complete. It remains on programme to achieve completion in February.

5 HCC0460 Inverness and Nairn; installation of gas heating

Due to complete: March 2016

Status: Red

The original project was completed in December 2015. 30 additional properties have been added from HCC0497. There have been some quality issues on site and the Maintenance Officer has restricted the number of houses the contractor can open until these are resolved. It is anticipated that the 30 additional properties will be complete in March.

6 HCA0338 Easter Ross; Replacement Heating

Due to complete: March 2016

Status: Red

This is progressing well on site. The status remains as “red” as there are still 296 properties left to complete. The contractor has committed additional resources to ensure that completion will occur in March.

7 HCC0463 Inverness and Lochaber; Installation of Biomass Heating

Due to complete: March 2016

Status: Red

This is progressing well on site and there are 31 properties left to complete. Additional contractor resources have been allocated to complete the project in March.

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

Due to complete: March 2016

Status: Red

This project is progressing on site and 82 properties are left to complete. This project has been subject to delays as a result of contractual disputes on programme, specification and design. There have also been performance issues with the main contractor and efforts are being made to resolve these at a senior management level. As a result of the above difficulties, the project remains at “red” although there is confidence that the project will complete in March.

9 HCC0497 Inverness; Installation of Gas Heating

Due to complete: April 2016

Status: Red

This project has recently started on site and 113 properties are left to complete. Although the project has a work schedule to complete before the end of March, it is anticipated that there may be slippage into April based on experience of delays in similar projects. Additional project management and monitoring is taking place to mitigate the risk of slippage.

10 HCC0462 Lochaber; Installation of Biomass Heating

Due to complete: March 2016

Status: Red

This project is progressing on site and 78 properties are left to complete. The main contractor is the same as for HCC0424 and similar management intervention is taking place to ensure the project is complete in March.