

The Highland Council

15 December 2016

Agenda Item	11
Report No	HC/52/16

Review of the Capital Programme

Joint Report by the Director of Finance and the Director of Development and Infrastructure

Summary

This report provides a summary of the work done to date in reviewing the capital programme, highlighting the significant factors that impact on it and suggests an approach for the future review of the programme.

1. Background

- 1.1 The current capital programme, covering 2015/16 to 2024/25 was agreed in December 2015. The programme includes project expenditure of £900m and is funded primarily through general capital grant (£294m) and borrowing (£499m). The programme also makes an assumption of £54m of slippage over the life of the programme, i.e. that projects to that value will not be delivered in the intended timescale. The full details of the programme can be seen at **Appendices 1 to 6**.
- 1.2 A number of factors have arisen which will impact on the existing programme and a review of the programme was initiated as a result. Those factors include:
- The need for possible new capital projects was identified during this calendar year.
 - For some of the projects in the current programme the actual cost and/or deliverability has changed.
 - Pressures in the revenue budget for 2017/18 and beyond necessitate a reconsideration of the planned level of borrowing.

2. Programme review approach

- 2.1 A number of aspirational new projects were identified and details of these can be seen at **Appendix 7**. Outline Business Cases (OBCs) for these projects were invited, considered and scored. The total net additional cost of those projects is £235.2m.
- 2.2 Projects currently in the programme were reviewed to see whether they could be delivered within the budget and timescale originally identified. Suggestions were also made for any existing projects that could be reduced, rephased or completely removed from the current programme. The impact of inflation on the existing programme was also considered.

2.3 Whilst the new projects identified represent an ambitious and aspirational vision of further improvement to the Council's assets it is noted that this would come at a significant cost to the Council at a time of great financial uncertainty for local government in Scotland. The cost of these projects cannot be contained by minor adjustments to the existing programme and would require a significant strategic shift in the funding of the capital programme.

3. Programme Funding

3.1 The December 2015 programme covers the period to 2024/25 and the funding assumptions underpinning that programme can be seen at **Appendix 3**. The key funding elements are outlined below.

3.2 General Capital Grant- this £294m represents the annual capital grant the Council expects to receive from the Scottish Government over the lifetime of the programme. A 'flat cash' assumption has been made for that period as whilst the Scottish Government has committed to infrastructure investment that is in the context of reducing revenue settlements for local government. This grant funding reflects approximately 35% of the overall funding for the capital programme.

3.3 Borrowing (excluding self-financing projects)- a total of £499m of new borrowing would be required over the period. The impact of this borrowing on the Council's revenue budget, which bears the cost of paying back the principal and any associated interest costs, is detailed in section 4 of this report.

3.4 Other funding sources- this incorporates £27m of borrowing funded by revenue savings made by 'self-financing' projects, £21m of project specific income, and £8m of capital receipts from the disposal of existing Council assets.

3.5 Slippage - whilst not actually funding this makes an assumption that, for whatever reason, a number of projects in the programme will not be delivered. Overall the assumption of £54m of slippage from the current programme has been continued, albeit the anticipated slippage in 2016/17 is not currently forecast to be fully delivered.

3.6 The assumptions underpinning these figures have been reviewed and whilst the UK government's commitment to infrastructure spending will see an additional £800m coming to Scotland over the next 5 years it is currently unclear how much of this will come to local government and what it might be used for. It is expected that any new Scottish Government priorities that do require capital spend, such as increasing early years capacity or new school builds will be fully funded by additional capital grant monies.

3.7 The Council also has the opportunity to increase the income generated from the disposal of assets and as the redesign of the Council progresses additional assets may become surplus which would realise greater capital receipts than currently budgeted.

3.8 It would be possible to accommodate the additional project expenditure detailed in section 2 by extending the length of the capital programme beyond 2024/25. To do so however would likely require an agreement to further borrowing; the associated impact on the revenue budget is outlined in the next section of this report.

4. Impact on the Council's revenue budget- loans charges

4.1 The Council currently spends approximately £55m, or one tenth of its annual revenue budget, on loans charges. This spend reflects the borrowing costs incurred on assets that have already been constructed and are currently in use. All borrowing should be undertaken in line with the CIPFA Prudential Code for Capital Finance, most notably keeping within its three tenets of affordability, sustainability and prudence.

4.2 Any new borrowing that is undertaken from now on will cause a consequential increase in the cost of loans charges to the Council. The exact revenue impact in each financial year will vary depending on:

- The nature of the projects being financed;
- The interest rate at which any new borrowing is incurred;
- Whether any outstanding debt can be refinanced at more favourable rates;
- Whether any projects currently financed by borrowing are paid off in full over the period.

4.3 It is estimated that by 2024/25 the cost of loan charges in the Council's annual revenue budget will have increased by at least £20m (from the current £55m to £75m) to fund the projects in the current plan. In order to finance these additional borrowing costs the Council would need to make corresponding savings in its revenue budget most likely leading to reductions in unprotected services.

4.4 At the time the current capital programme was set it was recognised that the impact on the revenue budget of associated additional borrowing was at the limits of affordability. Since that time, with the worsening outlook for local government finances, that level of borrowing is considered increasingly unaffordable. The steps required for the further review of the capital programme are suggested in section 5 of this report.

5. Further review of the capital programme

5.1 Given the unprecedented level of change the Council faces in the coming months, including the impact of setting the 2017/18 revenue budget and the outcomes of the Council redesign process, it is felt that now is not the most opportune moment to be making the strategic long-term decisions associated with a ten year capital plan.

5.2 As such it is proposed that the current capital programme, as approved in December 2015, continues to be used. The additional projects at **Appendix 7**

should be viewed as the outgoing Council's aspirational projects which a new administration may wish to consider for inclusion in a new programme. That programme will of course be similarly constrained by the affordability challenge presented by the likely Scottish Government funding settlements, both revenue and capital, in the coming years.

- 5.3 Up until the point at which a new administration approves a new programme, officers will continue to refine the existing programme. A particular emphasis will be placed on identifying the projects that ensure the Council meets all of its legal and statutory requirements in the most cost-effective way. This may include looking at different models of delivery, such as the use of modular units for additional accommodation within schools.
- 5.4 The existing governance arrangements for the capital programme will continue, with the capital programme board, headed by the Director of Development and Infrastructure, being the key officer decision making group for issues such as project slippage and acceleration and the use of generic budget headings. Any recommendations will be made to the appropriate service committee in the established manner.

6. Continuation of the December 2015 capital programme

- 6.1 The current programme contains planned project expenditure in 2017/18 of £128.859m. This expenditure would be supplemented by the £17.2m of forecast project slippage from the current financial year.
- 6.2 An assumption of the December 2015 programme was that £61m of slippage would be present in the programme by the end of 2017/18. If this transpires a total capital spend of £78.3m would require financing in 2017/18.
- 6.3 Capital grant of £35m is anticipated to be received and once project income and other income sources are taken into account an estimated £33.1m of borrowing would be required to fund the expenditure. This borrowing figure may vary depending on the amount of slippage in the year.
- 6.4 As highlighted in the 'Treasury Management- Mid Year Review Report 2016/17' the current borrowing strategy is for any new borrowing to be taken on a very short term basis which provides access to historically low borrowing rates. This strategy will continue into 2017/18 to try to limit the impact of the loans charges increase on the revenue budget but will increase the exposure to a risk of a rise in interest rates.

7. Implications

- 7.1 Resource implications are as outlined in this report with the increased cost of loans charges for 2017/18 being factored into the revenue budget planning assumptions.
- 7.2 There are no legal, equalities, climate change/Carbon Clever, risk, Gaelic or rural implications.

Recommendations

Members are asked to:

- note the progress of the capital programme review to date and acknowledge the impact of the Council's significant capital programme on the annual revenue budget;
- note that further updates on the capital programme will be provided to Service Committees;
- agree Service Committee Chairs and Group Leaders to meet to decide how Members can be involved in the review process going forward.

Designation: Director of Finance and Director of Development and Infrastructure

Date: 6 December 2016

Author: Edward Foster, Head of Corporate Finance

Background Papers:

- Item 11 Capital Programme Review: Capital Plan 2015/16 to 2024/25, Highland Council 17 December 2015
- Item 18(b) Treasury Management Mid-Year Treasury Management Report 2016/17, Resources Committee 23 November 2016.

**Capital Programme 2015/16 - 2024/25
Summary**

Annex 1

	Gross Expenditure £m	Over- programming £m	Programme After Over- programming Adjustment £m	Funding £m	Funding Gap/(Surplus) £m
2015/16	138.020		138.020	139.164	-1.144
2016/17	114.107	-20.000	94.107	86.080	8.027
2017/18	128.859	-25.000	103.859	95.744	8.115
2018/19	98.018	-5.000	93.018	85.825	7.193
2019/20	104.364	-4.000	100.364	83.275	17.089
2020/21	82.113		82.113	86.412	-4.299
2021/22	74.701		74.701	80.412	-5.711
2022/23	61.651		61.651	81.412	-19.761
2023/24	66.551		66.551	81.912	-15.361
2024/25	31.815		31.815	28.509	3.306
Total	900.199	-54.000	846.199	848.745	-2.546

Service	2015/16			2016/17			2017/18			2018/19			2019/20		
	2015/16 Gross £000	2015/16 Income £000	2015/16 Net £000	2016/17 Gross £000	2016/17 Income £000	2016/17 Net £000	2017/18 Gross £000	2017/18 Income £000	2017/18 Net £000	2018/19 Gross £000	2018/19 Income £000	2018/19 Net £000	2019/20 Gross £000	2019/20 Income £000	2019/20 Net £000
Care & Learning	67,658	-623	67,035	45,055	-400	44,655	58,085	-3,950	54,135	45,205	-1,650	43,555	38,505	-450	38,055
Chief Executive's Office	604	-	604	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Development	6,529	-	6,529	9,800	-	9,800	6,800	-	6,800	-	-	-	-	-	-
Community Services	15,534	-303	15,231	16,265	-550	15,715	15,865	-350	15,515	15,565	-350	15,215	15,465	-350	15,115
Development & Infrastructure	44,676	-3,610	41,066	42,237	-1,491	40,746	47,109	-1,325	45,784	36,498	-350	36,148	49,394	-353	49,041
Carbon CLEVER	850	-	850	500	-	500	500	-	500	500	-	500	500	-	500
Capital Discretionary Fund	2,169	-	2,169	250	-	250	500	-	500	250	-	250	500	-	500
Total	138,020	-4,536	133,484	114,107	-2,441	111,666	128,859	-5,625	123,234	98,018	-2,350	95,668	104,364	-1,153	103,211
Overprogramming				-20,000		-20,000	-25,000		-25,000	-5,000		-5,000	-4,000		-4,000
Total after Overprogramming	138,020	-4,536	133,484	94,107	-2,441	91,666	103,859	-5,625	98,234	93,018	-2,350	90,668	100,364	-1,153	99,211

Service	2020/21			2021/22			2022/23			2023/24			2024/25			2015/16-2024/25 Total		
	2020/21 Gross £000	2020/21 Income £000	2020/21 Net £000	2021/22 Gross £000	2021/22 Income £000	2021/22 Net £000	2022/23 Gross £000	2022/23 Income £000	2022/23 Net £000	2023/24 Gross £000	2023/24 Income £000	2023/24 Net £000	2024/25 Gross £000	2024/25 Income £000	2024/25 Net £000	Total Gross £000	Total Income £000	Total Net £000
Care & Learning	34,055	-450	33,605	31,250	-450	30,800	16,750	-450	16,300	16,750	-450	16,300	-	-	-	353,313	-8,873	344,440
Chief Executive's Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	604	-	604
Corporate Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,129	-	23,129
Community Services	19,465	-350	19,115	13,465	-350	13,115	13,465	-350	13,115	15,800	-350	15,450	10,470	-	10,470	151,359	-3,303	148,056
Development & Infrastructure	27,843	-353	27,490	28,986	-353	28,633	30,686	-353	30,333	30,501	-353	30,148	18,845	-	18,845	356,775	-8,541	348,234
Carbon CLEVER	500	-	500	500	-	500	500	-	500	2,500	-	2,500	2,000	-	2,000	8,850	-	8,850
Capital Discretionary Fund	250	-	250	500	-	500	250	-	250	1,000	-	1,000	500	-	500	6,169	-	6,169
Total	82,113	-1,153	80,960	74,701	-1,153	73,548	61,651	-1,153	60,498	66,551	-1,153	65,398	31,815	-	31,815	900,199	-20,717	879,482
Overprogramming																-54,000	-	-54,000
Total after Overprogramming	82,113	-1,153	80,960	74,701	-1,153	73,548	61,651	-1,153	60,498	66,551	-1,153	65,398	31,815	-	31,815	846,199	-20,717	825,482

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Community & Leisure Facilities											
Am Fasgadh (Highland Folk Museum)	19										19
Community & Leisure Facilities	1,160	290	684	300	900	500	1,250	500	500		6,084
Dornoch Sports Centre	100	2,400	500								3,000
Invergordon Leisure	99										99
Thurso Swimming Pool	854	50									904
Inverness Leisure	730	75		700		2,300					3,805
Thurso Library	633	50									683
Secondary Schools Programme											
Inverness High School	475	2,000	5,000	2,000	500						9,975
Inverness Royal Academy	18,506	7,250	2,000								27,756
Lochaber High Phase 3 & 4	2,301	500									2,801
Portree HS Hostel	1,409	2,000	70								3,479
Wick Joint Campus (net of SG grant paid direct to contractor)	1,605	500	900								3,005
SSER - Tain 3-18 Campus	1,250	7,350	20,000	15,000	1,400						45,000
Secondary Schools - Retentions	65										65
Primary Schools Programme											
Beaully Primary School			500	4,500	4,500	500					10,000
Cromarty Primary - Extension/Refurbishment	1,655	50									1,705
Fort William - Caol/RC Joint Campus	6,598	4,469	300								11,367
Greater Fort William Primaries incl Gaelic / New Gaelic Primary	1,685	170									1,855
Fort William - New School at Lundavra	3,937	237									4,174
Portree Gaelic Primary School	1,031	2,034	5,383	200							8,648
Wick - New Noss Primary	10,354	250									10,604
Primary Schools - Retentions	125										125
Special Schools Programme											
Black Isle Education Centre Replacement		250	1,500	250							2,000
St Clements Special School	1,602	50									1,652
St Duthus Special School	245	200									445
Health & Social Care Programme											
Residential Unit, CSER / Wick Children's Home	153										153
Adult Services (NHS)	1,177	1,500	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,177
Avoiding Out-of-area Children's Placements	902										902
Children's Services Investment	427	200	200	200	200	200	200	200	200	200	2,027
Minor Works and Equipment Replacement		105	105	105	105	105	100	100	100	100	825
Residential Unit for Children with Autism					250	1,500	250				2,000
Estate Management											
C&YP Act - Early Learning & Childcare	1,002	850	176								2,028
C&YP Act - Households in Receipt of Benefits	2,350	2,350	242								4,942
Free School Meals	1,746	2,750	250								4,746
SSER - North West Skye		500	4,500	4,500	500						10,000
SSER - Inverness Schools	500	2,500	5,500	10,500	10,000	7,000	8,500	3,000	500		48,000
SSER - Future Projects				400	7,100	14,500	7,500	5,000	5,000		39,500
SSER - Remaining Phases of Review	107	150	100	100							457
Estate Strategy - Life Cycle Investment - Schools	751	1,975	6,475	4,000	9,600	5,000	9,750	5,500	8,000		51,051
Estate Strategy - Roll Pressures / School Sufficiency & Suitability	789	1,000	2,200	1,450	2,450	1,450	2,700	1,450	1,450		14,939
ICT Investment	1,283	1,000									2,283
Radon Remedial Works	33										33
TOTAL	67,658	45,055	58,085	45,205	38,505	34,055	31,250	16,750	16,750	-	353,313

Capital Programme 2015/16-2024/25 - Chief Executive's Office

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Regeneration of Cameron Square, Fort William	6										6
Inverness City Gateways	66										66
Ross and Cromarty Citizen's Advice Bureau	1										1
Alexandra Bridge, Tain	50										50
Inverness, Badenoch & Strathspey Citizen's Advice Bureau	281										281
Carbon Clever Community Grants	200										200
TOTAL	604	-	-	-	-	-	-	-	-	-	604

Capital Programme 2015/16-2023/24 - Corporate Development

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Service Point Improvements	36										36
ICT Contract Asset Investment	42										42
Video Conferencing/UnifiedComms/Chamber Voting System	851										851
Digital Outreach	800	5,000	4,200								10,000
ICT Re-Provision (from 2015)	4,800	4,800	2,600								12,200
TOTAL	6,529	9,800	6,800	-	-	-	-	-	-	-	23,129

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Roads & Bridges											
Road Structural Capital Works	2,841	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	2,920	63,361
Road Surface Dressing Capital	1,687										1,687
Bridges, Retaining Walls & Culverts	489										489
Area Minor Works - Traffic Calming	165										165
Timber Extraction	46										46
Active Travel											
Cycling, Walking and Safer Streets (RF SG grant)	548	350	350	350	350	350	350	350	350		3,348
20mph Zones	142	50	50	50	50	50	50	50	50		492
Bus Shelters	232	150	150	50	50	50	50	50			782
Lighting											
Lighting	588	500	500	500	500	500	500	500	500		4,588
Ferries & Harbours											
Ferries/Harbours General	476	250	250	250	250	250	250	250	250		2,476
Pontoons	76										76
Ice Plant, Lochinver		400									400
Coast Protection											
Coast Protection									400	400	800
Environmental Health											
Contaminated Land	102								350	350	802
Community Works											
Burial Grounds		600	600	400	300	300	300	300	300	300	3,100
Burial Ground Extension - Portree	97										97
Burial Ground Extension - Nairn	676										676
Inverness Crematorium - Replacement Cremators	444										444
War Memorials											
Public Conveniences (Multiple Wards) (TECS)									1,300	1,300	2,600
Play Areas (incl Partner Centre Projects)	345	50	50	50	50	50	50	50	550	500	1,745
Depots	144	100	100	100	100	100	100	100	100		944
Vehicles & Plant	4,271	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	5,000	45,271
Travelling People Sites	165	115	115	115	115	115	115	115			970
Projects Funded from Project Savings (Self-Financing)											
Lighting LED (Enhanced Bid)	2,000	2,000	2,000	2,000	2,000	6,000					16,000
TOTAL	15,534	16,265	15,865	15,565	15,465	19,465	13,465	13,465	15,800	10,470	151,359

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Roads & Bridges											
Inverness West Link	1,611	10,020	13,030	2,410	14,820	682					42,573
Torvean Golf Course	3,126	506	1,661	2,636							7,929
Canal Parks Enhancements	50	1,525	2,317								3,892
Inshes Roundabout		500	2,000	200	2,300	1,475					6,475
Major Road Improvements		856	812		7,525	5,000	5,000	5,000	2,500	2,600	29,293
Kinnairdie Road (including junction at County Buildings)	726	344	1,188	4,600							6,858
Stromeferry Rockface Stabilisation	224		250		250		300		300		1,324
A890 Stromeferry Bypass									2,500	7,500	10,000
Minor Roads		1,095	1,095	1,095	1,095	1,095	1,095	1,095	500		8,165
A99 Keiss to North of Keiss Widening	407										407
B851/B862 South Loch Ness Road Improvements	369										369
A832 Slattadale Widening	1,047										1,047
B9091 Clephanton Bends Improvement	71										71
Achnasheen Road Restraint System	235										235
A861 Drynie Hill - ERDF	52										52
A890 Balnacra to Lair Rail Bridge	75										75
Major Bridges				1,500	1,500	1,500	1,500	1,500	1,500		9,000
A862 Muir of Ord Railway Bridge	2,170	1,500	1,500								5,170
A836 Naver Bridge, Bettyhill, Sutherland	100										100
B863 Invercoe Bridge, Lochaber	46										46
U1074 Ruthven Bridge	1,146										1,146
Wick Harbour Bridge	10										10
Lifeline Bridges		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		8,000
A861 Sheil - Lifeline Bridges	3										3
A986 Chada - Lifeline Bridges	101										101
B8007 Glenmore Bridge	169										169
B8005 Bridge Replacements - Lifeline Bridges (5)	37										37
A855 Leasgary Bridge	25										25
Ruthven (Spey) Bridge - Lifeline Bridges	135										135
Dulsie Bridge	30	500									530
Newhall Bridge (2015 January storms)	400										400
A831 Comar Refurbishment - Lifeline Bridges	25										25
A861 Glenuig - Storm Damage	10										10
Active Travel											
Park and Ride and Bus Priority Measures	30								585	1,195	1,810
Flood Prevention											
Ness Flood Prevention Scheme including Streetscaping	9,293	250									9,543
Flood Prevention Schemes		2,000			1,350	2,000	5,000	7,000	7,000	6,025	30,375
Acharacle Flood Prevention	51										51
River Enrick Flood Prevention, Drumnadrochit	126										126
Dell Burn, Inverness Flood Study	20										20
River Lochy - Caol Flood Scheme	113										113
Mill Burn Flood Prevention	116										116
Smithton / Culloden Flood Alleviation	751										751
Feabuie (Near Balloch) Flood Alleviation	39										39
Balmacaan - Drumnadrochit - Flood Alleviation	7										7
Blairninch - Strathpeffer - Flooding	112										112
River Gynack, Kingussie - Flooding	22										22
Minor Flood Works		200	200	400	400	400	400	400	400	400	3,200
Potentially Vulnerable Area : Flood Mitigation		1,000	1,000	1,000	1,000	1,000	1,000	1,000	500		7,500

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Waste Management											
Waste Strategy - Landfill Capacity Extension Phase B&C Seater	347										347
Seater Landfill Restoration Programme	247	1,250		250	1,250						2,997
Croftaugh Remedial Works to Landfill Site	8										8
Waste Strategy - Plant, Infrastructure & Banks	500	1,650	5,000	5,000	2,100	500	500	500	500		16,250
Granish Landfill Site Restoration					750						750
Ferries & Harbours											
Refurbish Link Span - Uig				1,000							1,000
Parks & Play Areas - Development											
Inshes District Park Phases 1 and 2 (expenditure dependent on developers' contributions funding)	732										732
Strategic Asset Management											
SAM : Health & Safety and Statutory Compliance Projects	2,560	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	40,160
SAM : Property Rationalisation Review			1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	13,000
Wick Office Rationalisation	499										499
Fort William Office Review	2,761	3,000									5,761
Kingussie Office Rationalisation	1,739										1,739
Energy Initiatives	2,598	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,100	800	30,298
Non HRA Housing											
National Housing Trust	2,506										2,506
Former Private Sector Housing Grant Funded from GCG	3,009	2,491	2,491	2,491	2,491	2,491	2,491	2,491	2,491		22,937
Planning & Development											
Town & Countryside Regeneration Programme	771	600	600	600	600	600	600	600	925	325	6,221
Town & Countryside Regeneration - Visitor Management	841										841
Town & Countryside Regeneration - Misc Asset Bridges Structures	450										450
Green Networks, Core Paths & Long Distance Routes	255										255
Town & Countryside Regeneration - Glenbrittle Footbridge, Carbost	239										239
Vacant Derelict Land Fund VDLF (Ring-fenced SG Grant)	1,534										1,534
Projects Funded from Project Savings (Self-Financing)											
Income Generation - Wind Turbines - Funded from Savings		1,900	965	1,066	863						4,794
Waste Strategy - Element funded from savings from investment		1,950	2,900	1,150							6,000
TOTAL	44,676	42,237	47,109	36,498	49,394	27,843	28,986	30,686	30,501	18,845	356,775

Capital Programme 2015/16-2024/25 - Carbon Clever

Annex 2

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Carbon Neutral Inverness in a Low Carbon Highlands (excluding 2015/16 transfers to Service budgets for expenditure on approved projects)	850	500	500	500	500	500	500	500	2,500	2,000	8,850
TOTAL	850	500	500	500	500	500	500	500	2,500	2,000	8,850

Capital Programme 2015/16-2024/25 - Capital Discretionary Fund

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Capital Discretionary Fund (excluding 2015/16 transfers to Service budgets for expenditure on approved projects)	2,169	250	500	250	500	250	500	250	1,000	500	6,169
TOTAL	2,169	250	500	250	500	250	500	250	1,000	500	6,169

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
GCG (excluding funding for C&YP Act)	33,759	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	290,340
GCG - C & Y P Act - Early Learning & Childcare	1,526										1,526
GCG - C & Y P Act - 2 Yr Olds	2,409										2,409
Sub-total General Capital Grant	37,694	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	294,275
Borrowing	70,437	47,530	54,995	50,000	50,000	50,000	50,000	51,000	51,500		475,462
Borrowing for Self-financing Projects *	2,000	5,850	5,865	4,216	2,863	6,000					26,794
C/fwd 2014/15 Underspend	14,237										14,237
C/fwd 2014/15 Funding Surplus	9,510										9,510
Project Income (including Ring-Fenced Grants)	4,536	2,441	5,625	2,350	1,153	1,153	1,153	1,153	1,153		20,717
General Capital Receipts	750	750	750	750	750	750	750	750	750		6,750
Excess UCCR Applied	0	1,000	0	0							1,000
Total Funding	139,164	86,080	95,744	85,825	83,275	86,412	80,412	81,412	81,912	28,509	848,745

* Self-financing projects : DI / HP/2013/02 Wind Turbines ; DI / TECS/2013/22 Waste Strategy (part) ; CS / TECS/2013/11 LED Lighting

Capital Programme 2015/16 - 2024/25
Project Income

Annex 4

Project Name	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000	Income Description
Dornoch Sports Centre		-400									-400	Sport Scotland grant
Portree Gaelic Primary School	-623		-3,500								-4,123	SG grant
SSER - Inverness Schools				-1,200							-1,200	SG grant for Gaelic school
Roll Pressures / School Sufficiency & Suitability			-450	-450	-450	-450	-450	-450	-450		-3,150	Developer contributions (Torvean & Ness-side)
Cycling, Walking and Safer Streets	-258	-350	-350	-350	-350	-350	-350	-350	-350		-3,058	Ring-fenced SG grant
Cycling infrastructure	-45										-45	EU grant
Ice Plant, Lochinver		-200									-200	European Fisheries Fund
Inverness West Link			-300	-300	-300	-300	-300	-300	-300		-2,100	Developer contributions
Torvean Golf Course				-50							-50	Sports Scotland grant
Canal Parks Enhancements		-50	-550								-600	Sports Scotland & SRU grants
Inshes Roundabout			-475								-475	Developer contributions
Kinnairdie Road (including junction at County Buildings)	-27	-41			-53	-53	-53	-53	-53		-333	Developer contributions
A890 Strathcarron / Junction to Balnacra - ERDF	-231										-231	ERDF grant
U1074 Ruthven Bridge	-250										-250	Timber Transport Fund
ERDF - Green & Active Travel - Millburn Road	-401										-401	ERDF grant
River Ness Streetscaping Works - Phase 1		-1,400									-1,400	Common Good and SG grant
Sconser Ferry Terminal	-41										-41	ERDF grant
Inshes District Park phases 1 and 2	-750										-750	Developer contributions
Starter Business Units in Inverness	-376										-376	ERDF grant
Vacant Derelict Land Fund VDLF	-1,534										-1,534	Ring-fenced SG grant
	-4,536	-2,441	-5,625	-2,350	-1,153	-1,153	-1,153	-1,153	-1,153	-	-20,717	

Project Name	Estimated Total Cost £000
A890 Stromeferry Bypass - Costs in excess of £10m	90,000
Academy Street, Inverness	3,000
Broadford Airfield	5,000
Caol Link Road, Fort William	25,000
Highland Cycling Infrastructure	15,000
TOTAL	138,000

"Below the Line" Projects (excluding Enhanced Generic Bids) per June 2013 Capital Programme

Annex 6

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	Total Gross £000
Corran Ferry Replacement Boat								8,000		8,000
Vacant and Derelict Land Regeneration		500	500	500	500	500	500	500		3,500
Hilton Village		1,000	500							1,500
Inverness Transport Interchange				4,600						4,600
Invergordon Railway Siding (Ward 7) (H&P)		1,000	2,500	2,500						6,000
Early Years Childcare Centre, Nairn (Ward 19) (H&SC)		400	1,500	1,500	578					3,978
Inverness Primary Schools A96 Corridor						1,000	9,500	9,500		20,000

Summary of Outline Business Cases (OBCs)

Annex 7

Ref	Project	Gross Cost £000	Income £000	Net Cost £000
CAL 01	Aviemore Swimming Pool	7,700		7,700
CAL 02	Broadford Primary School	15,201		15,201
CAL 03	Dingwall/Fortrose SSER	42,986		42,986
CAL 03A	St Clements	12,933		12,933
CAL 04	Fortrose Academy	12,188		12,188
CAL 05	Glenmore Outdoor Centre	5,000		5,000
CAL 06A	BSGI/Slackbuie New School	19,322	-4,000	15,322
CAL 06B	Merkinch Primary/ Family Centre	24,666		24,666
CAL 06C	Ness Castle Primary School	13,374		13,374
CAL 06D	Stratton Primary School	13,754		13,754
CAL 07	Life Cycle Investment – Schools	20,775		20,775
CAL 08	Regional Sports Facility	44,968	-7,000	37,968
CAL 09	Justice Centre	1,718		1,718
D&I 01	Inverness Castle	30,000	-23,000	7,000
D&I 02	Uig Harbour Infrastructure	23,244	-18,595	4,649
		287,825	-52,595	235,230

All projects reflect the estimated impact of inflation.