

Agenda Item	7
Report No	PLA 06/17

## HIGHLAND COUNCIL

**Committee:** Places Committee

**Date:** 15 June 2017

**Report Title:** Development and Infrastructure Service Capital Expenditure – Final Outturn 2016/17

**Report By:** Director of Development & Infrastructure

### 1. Purpose/Executive Summary

- 1.1 This report invites Members to approve the capital expenditure outturn position for the Development and Infrastructure Service for the year ended 31 March 2017, and to approve the budget allocation of £0.2m for flood defences in Conon Bridge.

### 2. Recommendations

2.1 Members are invited to approve:

- the capital expenditure outturn position for the year ended 31 March 2017; and
- the budget allocation of £0.2m for flood defences in Conon Bridge.

### 3. Background

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

### 4. Final Outturn 2016-17

- 4.1 The summary of capital expenditure against current programme and estimated outturn is included in **Appendix 1**. The "Revised Net Budget" column is that approved by the Highland Council on 17 December 2015, amended to include the 2015/16 net slippage of £3.471m, incorporation of Carbon Clever capital budget of £0.780m, and the inclusion of the relocation of the Grantown Library to the Grantown Courthouse, estimated cost of £0.165m, approved at Resources Committee on 25 May 2016.

### 5. Net Expenditure

- 5.1 The final outturn for net expenditure is £53.630m, representing 118.7% of the 2016/17 programmed figure, leading to a net variance of £8.443m. The net variance is represented by slippage of £17.910m; accelerated expenditure of £22.131m; and a net overspend of on projects of £4.222m.
- 5.2 As previously reported there are overspends of the order of £4.2m. The main overspends are on the River Ness Flood Prevention Scheme where unforeseen costs materialised late in the programme including additional compensation payments and phase one adjudication and legal costs (£3.106m); additional roof repairs to the refurbished Kingussie office project (£0.450m); additional works associated with the older part of the Wick office building and diversion costs of utility undertakings (£0.250m); and additional budget required to complete the widening works on the A99 Keiss to North of Keiss (£0.156m).
- 5.3 Progress on capital projects, (projects with a total estimated cost less than £1m) is as reported in the notes column on **Appendix 1**.
- 5.4 Budgets for projects not started or partially completed have been carried forward to the 2016/17 programme.

### 6 Major Projects > £1m

- 6.1 **Appendix 2** provides Members with whole of life project information for individual projects with a budget of greater than £1m. There are four projects forecasting overspends with one project forecasting an underspend. Reasons for the variances have been reported to previous Committees.

### 7 Major Issues

- 7.1 Conon Bridge Flood Defences
- 7.1.1 The existing Conon Bridge flood defences have been assessed to be insufficient to meet current standards for new development. This has held back development in the village and is delaying significant economic regeneration. An opportunity has arisen which would mean that developer contributions from a substantial development in Conon Bridge could be provided to the Council to develop improvement works for the benefit of the whole village. With an additional financial contribution from the

Capital Programme, it is hoped that detailed design development and obtaining necessary permissions could commence this financial year.

- 7.1.2 The 'Minor Flood Schemes' budget is unallocated each financial year to provide funding towards 'local priorities' (that are not identified in the strategic Local Flood Risk Management Plan and funded through 'Major Flood Schemes') as and when they arise.
- 7.1.3 It is recommended that the 2017/18 budget of £0.2m is allocated to the Conon Bridge Flood Defence Improvements. The Ward Members have been consulted and all fully endorse this recommendation.
- 7.1.4 In summary the proposed works would ensure the residents of Conon Bridge have a flood defence scheme that meets current standards, the cost of which is met through match funding secured through developer contributions for future development within the village.

## **8. Project Updates**

- 8.1 An update on major projects >£4m is included at **Appendix 3**.

## **9. Implications**

- 9.1 Resource implications are discussed in the report.
- 9.2 There are no legal, community, climate change/carbon clever, risk, Gaelic or rural implications arising as a direct result of this report.

Designation: Director of Development & Infrastructure

Date: 5 June 2017

Authors: Mike Mitchell, Service Finance Manager  
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Background Papers: Monitoring Statements 31/3/17, and the Highland Council Financial Ledger

THE HIGHLAND COUNCIL							APPENDIX 1
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2016 TO 31ST MARCH 2017							
SERVICE: DEVELOPMENT & INFRASTRUCTURE 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	
<b>ROADS AND BRIDGES</b>							
<b>Major Road Improvements</b>							
The Inverness West Link	15,292	9,232	15,292	6,060	6,060	0	
Inshes Roundabout	489	369	489	120	120	0	
Kinnairdie Link Road, Dingwall (Incl Junction at County Buildings)	380	143	380	237	237	0	
B851/B862 South Loch Ness Road Improvements	844	(1,497)	844	2,341	2,341	0	Work on project now on hold, except design and land/fencing/accommodation works essential to enable wind farm and transmission line developer funded road improvement works. Further significant improvements will require the investment of wind farm or other developers in road mitigation measures.
Stromeferry Rockface	38	0	38	38	0	38	Stabilisation works to be undertaken over summer.
A890 Stromeferry Bypass	2	(40)	2	42	42	0	
Tower Road / Barn Church Road	9	(400)	9	409	409	0	Funding due from partners, (Developer - Hitrans, Sustrans).
A890 Balnacra to Lair	253	280	253	(27)	(27)	0	Ground investigation put on hold pending outcome of capital review.
A832 Slattadale to Kerrysdale	29	286	29	(257)	(257)	0	Construction works pending outcome of capital review.
<b>Minor Roads</b>							
A99 Keiss to North of Keiss Widening	156	0	156	156	0	156	Scheme complete.
A832 Slattadale Widening	662	84	662	578	578	0	Scheme complete. Funding allocated in future years.
B9091 Clephanton Bends Improvement	726	613	726	113	113	0	Works complete.
Achnasheen Road Restraint System	38	0	38	38	0	38	Complete.
B876 Killimster Moss Road Improvements	10	125	10	(115)	(115)	0	Trial works completed, main works scheduled this financial year.
Portree Link to A855	26	113	26	(87)	(87)	0	Reviewing previous preliminary design and land requirements.
<b>Lifeline Roads</b>							
A861 Drynie Hill - ERDF	16	0	16	16	0	16	Works complete.
Laxford Bridge North Approach - ERDF	23	0	23	23	0	23	Works complete.
Strathcarron to Balnacra - ERDF	40	0	40	40	0	40	Works complete.
<b>Major Bridge Works</b>							
A862 Muir of Ord Railway Bridge	3,041	3,081	3,041	(40)	(40)	0	
A836 Naver Bridge, Bettyhill, Sutherland	0	100	0	(100)	(100)	0	Preliminary design.
B863 Invercoe Bridge, Lochaber	24	42	24	(18)	(18)	0	Design in progress.
U2823 Lower Foyers Bridge	14	0	14	14	14	0	Main scheme in abeyance. Addition of footbridge to existing Bailey Bridge proposed for 2017.
B9090 White Bridge	191	(75)	191	266	266	0	
B970 Ruthven (Spey) Bridge	4	0	4	4	0	4	
Wick Harbour Bridge	0	(8)	0	8	0	8	Preliminary design.
Newhall Bridge (January Storms 2015)	6	294	6	(288)	(288)	0	Planning consent received. Ward business meeting approval 5/9/16. Land acquisition problems delaying progress. Compulsory purchase under consideration.
<b>Lifeline Bridges</b>							
A986 Chada - Lifeline Bridges	54	(332)	54	332	332	0	
B8007 Glenmore Bridge - Lifeline Bridges	15	259	15	(205)	(205)	0	Design in progress.
A855 Leasgary Bridge - Lifeline Bridges	15	551	15	(536)	(536)	0	Design in progress. Land issues causing delay.
A855 Leasgary Bridge - Lifeline Bridges	0	25	0	(25)	(25)	0	Preliminary design.
U1074 Ruthven (Abersky) Bridge - Lifeline Bridges	1	47	1	(46)	(46)	0	
Dulsie Bridge - Lifeline Bridges	1	530	1	(529)	(529)	0	The existing bridge is being monitored.
A837 Inveran Refurbishment - Lifeline Bridges	151	0	151	151	151	0	Construction in progress. Work ongoing over summer period.
A831 Comar Refurbishment - Lifeline Bridges	2	371	2	(369)	(369)	0	Design started.
<b>ACTIVE TRAVEL</b>							
ERDF - Green & Active Travel - Millburn Road	150	(453)	150	603	603	0	Millburn Road work complete. Grant funding still due.
Beauly Pedestrian Improvements	(51)	(65)	(51)	14	0	14	
Cycling, Walking & Safer Streets	22	165	22	(143)	(129)	(14)	Projects progressing and will spend to the full budget amount.
20mph Zones	67	147	67	(80)	(80)	0	Designs in progress and works progressing.

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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	
<b>LEISURE FACILITIES</b>							
Torvean Golf Course	2,691	347	2,691	2,344	2,344	0	
Canal Parks Enhancement	3,669	1,170	3,669	2,499	2,499	0	
<b>FLOOD PREVENTION</b>							
<b>Flood Prevention Schemes</b>							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	2,757	1,474	2,757	1,283	(1,823)	3,106	
South West Inverness Storm Water Relief	50	0	50	50	0	50	Works complete.
Smithton / Culloden Flood Alleviation	465	641	465	(176)	(176)	0	Flood scheme consent obtained. Detailed design underway for tender invitation.
<b>Major Flood Schemes</b>							
River Enrick FPW / NFMS	127	200	127	(73)	(73)	0	Consultant appointed to progress flood protection scheme for Drumnadrochit and Kilmichael. River Enrick dredging works complete.
Dell Burn	0	20	0	(20)	(20)	0	Project to be developed through the Inverness ICS.
Caol FPW	217	(67)	217	284	284	0	Design work ongoing on Land & Utilities. JBA to publish flood protection order in Spring 2017. Advanced diversion works underway. Scheme development ongoing.
Mill Burn FPS	14	211	14	(197)	(197)	0	Ongoing assessment of survey results and scheme options. Progressing construction consents.
Feabuie Culvert Replacement	18	567	18	(549)	(549)	0	Design work ongoing. Commissioning utility diversions this year.
River Ness Flood Prevention - Non-Tidal Section	0	10	0	(10)	(10)	0	
River Gynack FPS / NFMS	6	484	6	(478)	(478)	0	Contribution to be made to Pitmain Estate for flood attenuation - construction anticipated in 2017. Consultants appointed to undertake the flood study, work underway.
Scalesburn, Wick - Flooding	3	(4)	3	7	7	0	Design work ongoing.
River Peffery - FPS / NFMS	136	0	136	136	136	0	Consultants appointed to develop FPS and NFMS.
Auldearn Burn FPS / NFMS	0	56	0	(56)	(56)	0	Scheme to be developed via consultants along with River Nairn- delayed until 2017.
Golspie - FPS / NFMS	23	48	23	(25)	(25)	0	Consultants appointed to undertake the flood study, work underway.
Kirkhill Watercourse Diversion	222	182	222	40	40	0	Works complete.
Blairninch - Strathpeffer FPS	0	178	0	(178)	(178)	0	Award of studies to consultants to be confirmed following capital review.
River Nairn FPS	0	45	0	(45)	(45)	0	Award of studies to consultants to be confirmed following capital review.
Tarbet Ness FPS	0	50	0	(50)	(50)	0	Award of studies to consultants to be confirmed following capital review.
Balmacaan - Drumnadrochit FPS	0	23	0	(23)	(23)	0	Award of studies to consultants to be confirmed following capital review.
River Thurso FPS	13	0	13	13	13	0	Consultants appointed to undertake the flood study, work underway.
Dingwall SWMP	0	59	0	(59)	(59)	0	Award of studies to consultants to be confirmed following review of the capital programme.
Inverness SWMP/ICS	120	231	120	(111)	(111)	0	Award of studies to consultants to be confirmed following capital review.
Smithton / Culloden SWMP	0	60	0	(60)	(60)	0	Award of studies to consultants to be confirmed following capital review.
Fort William SWMP	0	60	0	(60)	(60)	0	Award of studies to consultants to be confirmed following capital review.
Corpach SWMP	0	30	0	(30)	(30)	0	Award of studies to consultants to be confirmed following capital review.
Newtonmore SWMP	2	559	2	(557)	(557)	0	Award of studies to consultants to be confirmed following capital review.
Halkirk SWMP	2	0	2	2	2	0	Award of studies to consultants to be confirmed following capital review.
<b>WASTE MANAGEMENT</b>							
<b>Landfill Extensions</b>							
Landfill Capacity Extensions - Ph B & C Seater - Cell 11 & 12	2,837	2,486	2,837	351	351	0	
<b>Landfill Restorations</b>							
Seater Landfill Restoration Programme	64	395	64	(331)	(331)	0	Part of the restoration work is to provide welfare facilities. Requirements currently under discussion.
Granish Landfill Restoration Programme	63	0	63	63	63	0	Works completed on reprofiling the site to allow for ongoing landfilling operations.
<b>Waste Management Strategy</b>							
Plant, Infrastructure & Banks	155	2,442	155	(2,287)	(2,287)	0	On target to achieve spend by the end of this financial year. Slippage is linked to investment to achieve revenue savings in future years.

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	£000	£000	£000	£000	£000	£000	
<b>FERRIES AND HARBOURS</b>							
Sconser Ferry Terminal	10	(88)	10	98	98	0	Construction works now complete and fully operational. ERDF grant to be received.
Uig Link Span	64	0	64	64	64	0	
<b>PARKS AND PLAY AREAS - DEVELOPMENT</b>							
Inshes Park (Phases 1 to 3)	94	130	94	(36)	(36)	0	Phase 1 works complete. Await instruction to proceed with Phase 2 when funding is available.
<b>STRATEGIC ASSET MANAGEMENT</b>							
Health & Safety & Statutory Compliance	3,684	1,962	3,684	1,722	1,722	0	Health & safety and compliance works required across the Council's property portfolio. Accelerated spend from the 2017/18 budget allocation.
Starter Business Units Inverness	32	(286)	32	318	277	41	Units complete. ERDF grant funding to be received.
<b>Office Rationalisation</b>							
Wick Office	138	102	138	36	(214)	250	
Academy Cottage Dingwall	2	0	2	2	0	2	
Dingwall Office Rationalisation	1	25	1	(24)	(24)	0	
Inverness Office Rationalisation	40	0	40	40	40	0	
Grantown Courthouse Project	20	165	20	(145)	(145)	0	
Fort William Office Rationalisation	2,207	5,198	2,207	(2,991)	(2,991)	0	
Kingussie Office Rationalisation	915	170	915	745	295	450	Third party income due for sale of properties to match slippage figure.
Energy Management	6,594	5,384	6,594	1,210	1,210	0	Accelerated spend from the 2017/18 budget allocation.
CEEF	16	0	16	16	16	0	Earmarked reserve totalling £0.365m to be drawn down.
<b>HOUSING (NON HRA)</b>							
National Housing Trust Advances	0	2,506	0	(2,506)	(2,506)	0	The Council has received additional consent to borrow over and above the original budget.
Private Sector Housing Grants	2,472	3,352	2,472	(880)	(880)	0	Spend low at this juncture of the financial year. Officers reviewing deliverability by the year end. Slippage in line with last year's outturn.
<b>PLANNING &amp; DEVELOPMENT</b>							
Town & Countryside Regeneration	180	541	180	(361)	(361)	0	Delivery of some projects will commence in FY16/17 and complete in FY17/18. Underspends therefore committed for carry forward to FY17/18.
Visitor Management	207	294	207	(87)	(87)	0	Delivery of some projects will commence in FY16/17 and complete in FY17/18. Underspends therefore committed for carry forward to FY17/18.
Misc Assets, Bridges & Structures	675	870	675	(195)	(141)	(54)	Delivery of some projects will commence in FY16/17 and complete in FY17/18. Underspends therefore committed for carry forward to FY17/18.
Glen Brittle Footbridge Replacement	254	200	254	54	0	54	Works complete.
Green Networks, Core Paths & Long Distance Routes	8	141	8	(133)	(133)	0	Delivery of some projects will commence in FY16/17 and complete in FY17/18. Underspends therefore committed for carry forward to FY17/18.
Vacant & Derelict Land Fund	(418)	(1,818)	(418)	1,400	1,400	0	Grant Funded. Projects deliverability currently under review.
Carbon Clever	48	391	48	(343)	(343)	0	
Smart City - Digital Projects	8	4	8	4	4	0	
<b>OVERALL TOTAL</b>	<b>53,630</b>	<b>45,187</b>	<b>53,630</b>	<b>8,443</b>	<b>4,221</b>	<b>4,222</b>	

## MONITORING OF CAPITAL EXPENDITURE - Projects Over £1m

## SERVICE: DEVELOPMENT &amp; INFRASTRUCTURE SERVICES

Project Description	Approved Budget March 2015 £000	Current Approved Budget £000	Total Project Spend to Date £000	Forecast Total Project Spend £000	Forecast End of Project Variance £000	Project Completion Dates	
						Planned at March 2015	Current Estimate
<b>ROADS AND BRIDGES</b>							
<b>Major Road Improvements</b>							
The Inverness West Link	43,352	43,352	21,770	43,352	0	Mar 2021	Mar 2021
Inshes Roundabout	6,975	6,975	780	6,975	0	Mar 2020	Mar 2020
Kinnairdie Link Road, Dingwall (Incl Junction at County Buildings)	7,258	7,258	1,319	7,258	0	Mar 2019	Mar 2019
<b>Major Bridge Works</b>							
A862 Muir of Ord Railway Bridge	5,360	5,360	3,816	5,360	0	Mar 2018	Jul 2017
B970 Ruthven (Spey) Bridge	1,150	1,150	728	800	(350)	Mar 2016	Mar 2016
B9090 White Bridge, Cawdor	2,250	2,250	266	2,250	0	Mar 2019	Mar 2019
<b>LEISURE FACILITIES</b>							
Torvean Golf Course	8,227	8,227	6,204	8,227	0	Mar 2019	Mar 2019
Canal Parks Enhancement	4,144	4,144	878	4,144	0	Mar 2018	Mar 2018
<b>FLOOD PREVENTION</b>							
<b>Flood Prevention Schemes</b>							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	34,708	34,708	37,380	37,814	3,106	Mar 2017	Aug 2016
<b>WASTE MANAGEMENT</b>							
Seater Landfill Site, Bower, Caithness	3,000	3,800	2,898	3,800	0	May 2019	Aug 2017
<b>STRATEGIC ASSET MANAGEMENT</b>							
Wick Office	8,500	8,500	8,491	8,750	250	Mar 2016	Nov 2016
Fort William Office Rationalisation	5,801	5,801	3,024	7,221	1,420	Mar 2017	Mar 2018
Kingussie Office Rationalisation	1,994	1,994	2,739	2,444	450	Mar 2016	Nov 2016
<b>OVERALL TOTAL</b>	<b>132,719</b>	<b>133,519</b>	<b>90,293</b>	<b>138,395</b>	<b>4,876</b>		

## Project Updates

### **Inverness West Link**

Stage 1 is currently under construction by Wills Bros. Works are currently on programme to be completed by the end of 2017.

The beams for the new River Ness Bridge have been lifted into position and in-situ welding of the connections has now been completed, with works now moving towards the in-situ reinforced concrete deck construction.

The crane laydown areas for the beam lifts are now being reinstated and the road construction in these areas are progressing well.

Road construction, including the surfacing works, is progressing on the West Link carriageway with surfacing progressing towards the bridge site from both Dores Road and Tomnachurich.

Community Liaison meetings are held and are well attended and the most disruptive works to the local community and the travelling public have now been completed.

Works in the river will recommence in July, when the steel cofferdams will be cut down and removed, scour protection installed and the river bed reinstated this being the period of least environmental sensitivity for the river ecology.

Stage 2 (additional swing bridge) will be phased for construction following the relocation of the golf course and is programmed to commence in Spring 2019.

### **Inshes Roundabout**

The design solution to be adopted for the Inshes junction scheme will be significantly influenced by Transport Scotland's route selection for the A9/A96 Inshes to Smithton Link (East Link).

Transport Scotland has undertaken public consultation on routes under consideration and the closing date for public comment has now passed. Detailed analysis of the traffic modelling is underway looking at the options and a good working relationship between Transport Scotland and Highland Council officers is being maintained. It is anticipated that the selection of the East Link preferred option will be announced by Ministers in the coming months.

Members at the City of Inverness Area Committee confirmed approval for the early installation of three lanes over Inshes overbridge, these works are programmed to commence in 2017, when all statutory undertakers diversion proposals have been established and agreed.

### **Kinnairdie Link Road**

To align with capital budgets the flood attenuation associated with the road is programmed to commence in 2017, with the main roadworks in 2018. Land negotiations are ongoing regarding the flood bunding works to the Business Park.

### **Muir of Ord Railway Bridge**

Works are progressing, with the new bridge and approach roadworks substantially complete, the old bridge has been removed.

Traffic is now using the new bridge, and surfacing works are well advanced.

Surfacing traffic management did cause traffic congestion and this was unfortunate, but the works are planned to be complete in July.



## **Ruthven (Spey) Bridge**

Following its construction the maintenance period for this bridge was due to expire on the 29 October 2016. A final inspection was carried out and defects were identified, some defects have been rectified but some minor defects are yet to be completed by the Contractor.

## **B9090 White Bridge, Cawdor**

Planning permission has now been submitted – this was delayed as the implications on flood risk had to be fully investigated and understood prior to application. The community is very supportive of the proposals and it is hoped that few/no objections will be received to this statutory process.

Detailed design works are ongoing in anticipation of a successful planning approval – this design work is seeking to establish the required land take such that land acquisition/agreement can be progressed, discussions with affected landowners are progressing and agreement is anticipated.

Regular updates to the local community are provided to keep them informed on the progression of this scheme.

A timber transport grant application is to be made which will include elements of White Bridge but also work to the B9090.

It is anticipated that construction will proceed early in 2018 (subject to planning approval and all the necessary land consents), to allow this tenders may be sought prior to planning approval being granted – this does represent a risk – but does allow early delivery of the scheme if planning is subsequently approved, no contract would be awarded until all the necessary consents were in place.

A construction period of 12 months is deemed realistic.

## **Torvean Golf Course**

Construction works on the new course, being undertaken by Coffey Construction and EGS Joint Venture, are progressing well and are on programme, still benefiting from the mild winter and recent dry weather. The project is now concentrating on the construction of tees, fairways and greens with all the associated drainage. Ponds and water features have been formed. Top-soiling operations are underway and seeding will be undertaken to allow grass to establish.

The clubhouse contract will be let to ensure completion coincides with the course becoming playable in 2019 following a growing in and establishment period.

## **Canal Parks Enhancement**

Significant progress on the clubhouse can be witnessed since the last committee. Works are ongoing on the fit out of the building.

Following the end of the rugby season the existing clubhouse has been demolished and removed, and works on the artificial pitch and also the layout of the two grass pitches is progressing well.

Handover to Highlife Highland and use by the rugby club is still on programme for August 2017, but there remains a risk due to the fit out that the building will not be available for immediate occupation – the pitches will be all available and consideration is being given to provide temporary changing facilities if this becomes necessary.

## **River Ness Flood Alleviation Scheme**

The works are complete, but there remains finalisation of compensation on a small number of the claims being negotiated by the Valuation Office, noting that interim payments have been made.

## **Seater Landfill Site**

Works are ongoing by John Gunn and Sons and lining works to cell 11 have been completed, cell 12 construction is currently ongoing. Jones Brothers completed the rectification of the defects in cell 10 at their cost, with cell 10 accepting waste with no impact on the operation of the landfill site.

## **A890 Stromeferry Bypass**

The revised targeted STAG part 2 is now in its final draft stage and will be submitted to Transport Scotland later this month. The limits of the latest improvement options, which include two options within the North Shore Corridor both of which involve a new bridge across the Strome Narrows, three options within the Online Corridor and one option within the South Corridor, have been re-examined in response to the more streamlined Transport Planning Objectives developed for the scheme, the local constraints and the existing infrastructure.

New computer models have been developed to assist in assessing road user benefits over the economic life of the scheme relative to construction and land costs. Revised cost estimates have been prepared for the options and have been used as the basis of the economic assessment which forms an integral part of the STAG Part 2 Appraisal. The existing environmental assessment of the options has been used to assist in identifying the preferred improvement option. The results from the assessments are incorporated into the STAG Part 2 Appraisal.

There have been on-going discussions with Transport Scotland in preparation of the revised STAG part 2 to ensure that it meets their requirements and allows the revised STAG to be considered for Scottish Government assistance. On completion of the STAG and consideration by Transport Scotland, further reports will be brought to committee to allow members to consider the preferred option together with the extent and scope of works.

One option of shared road and rail space was ruled out early as it was not deemed acceptable to Network Rail. Work is currently ongoing with Highland Council, HITRANS and Network Rail to revisit this as an option as it may have substantial benefits to both the Highland Council, in terms of cost and delivery, whilst also delivering potential benefits to the rail industry. This may require special rolling stock and a tram like operation. HITRANS have commissioned consultants to investigate the viability of this option – the outcome report is expected late summer. This work is running in parallel with the STAG work as its potential viability as an option has yet to be established.

Routine and annual inspections have prioritised areas for maintenance this summer. This work will commence in July and take 8 weeks to complete.

Daily drive through before the school bus, monthly walked inspections and a rope accessed specialist inspection and annual report are undertaken – these are all used to target ongoing rock stabilisation works going forward. A priority area of rock face has been identified and it is anticipated that the planned works to this area are significant and will require road closures, potential disruption to rail services and be more costly than the routine maintenance being carried out this summer. Planning is underway to consider the works identified to this area and additional capital funding will be put forward in the review of the capital programme for consideration at Full Council.

## **Uig Ferry Terminal**

Construction of a new dual fuel ferry for the Uig triangle is currently underway and the new ferry is expected to be delivered to CALMAC late summer of 2018 to commence sea trials.

A steering group has been established which involves Highland Council, Comhairle nan Eilean Siar, CALMAC, Caledonian Marine Assets Ltd (CMAL) and Transport Scotland to coordinate both the vessel design and delivery and also consider what works are deemed desirable at the ferry terminals.

The size of the new ferry has been established following studies commissioned by Transport Scotland to determine the demand both now and projected into the future. The new ferry, whilst being slightly longer, wider and also heavier than the existing vessel, will have significantly increased vehicle and passenger capacity. It is being designed to geometrically fit the existing harbours, but the increased capacity will put pressure on the existing infrastructure.

The larger size of the new vessel (102 metres) and the ongoing need to continue to upgrade harbours across the network are key considerations for identifying the required modifications. It is recognised that harbour improvements are needed – the arrival of the new vessel is accelerating the process.

The recent consultation exercise was held at all three ports to consult with both stakeholders and the public to ensure that all issues are captured and considered in the developing proposals.

The Highland Council levies harbour dues on CALMAC to cover both routine operations and also is the mechanism which could fund any terminal investment. Discussions are currently ongoing over the nature and extent of any terminal improvement works, together with the cost and also the funding mechanism. The ongoing coordinated work, investigations and studies will inform this process such that the nature, extent timing and funding mechanism can be agreed in the near future, when details of the proposals will be reported to members.

Works under consideration include:

- pier strengthening and fendering works;
- refurbishment or new linkspan;
- dredging;
- improvements to the approach-way including covered walkway and passenger access facilities; and
- extended parking and marshalling together with a new layout and ticket office.

The inclusion of Uig Ferry Terminal Upgrade within the Council's capital programme will be considered by Full Council when the proposed upgrades and funding mechanism have been finalised.

### **Wick Office**

All staff have now occupied the new office building. Remedial works are being carried out to the basement waterproofing system.

### **Fort William Office Rationalisation**

Contractor started on site in July 2016. The structural steel frame and decking for the extension is complete. Mechanical and electrical work has commenced as is the same with internal partitions work. Roof works on the original building are complete and watertight. The south gable was taken down and rebuilt. Discussions are ongoing with potential public sector partners. Works are scheduled for completion in Autumn 2017.

### **Kingussie Office Rationalisation**

Construction works are now completed and building is handed over. Staff have moved in and building is operational.