

Agenda Item	8
Report No	PLA 23/17

HIGHLAND COUNCIL

Committee: Places Committee

Date: 16 August 2017

Report Title: Capital Expenditure Monitoring Report

Report By: Director of Development & Infrastructure

1. Purpose/Executive Summary

- 1.1 This report invites Members to approve the capital expenditure monitoring position for the period from 1 April 2017 to 30 June 2017 for the Care and Learning, Community Services and Development and Infrastructure elements of the Council's approved capital programme, and the Housing Revenue Account (HRA) capital programme.

2. Recommendations

- 2.1 Members are invited to approve:
- the capital expenditure monitoring position for the period 1 April 2017 to 30 June 2017;
 - the allocation of £0.100m from the Town & Countryside Regeneration budget to allow a community group to improve visitor management at Fairy Pools (Glen Brittle); and
 - an increase of £1.4m for the Uig Ferry Terminal Upgrade to be recovered through increased ferry dues from CalMac, as agreed with Transport Scotland.

3. Background

3.1 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.

4. Capital Programme 2017/18

4.1 The summary of capital expenditure against current programme and estimated outturns for Care and Learning, Community Services, and Development and Infrastructure are included in **Appendices 1, 3 and 4** respectively. The "Revised Net Budget" column for all 3 Services is that approved by the Highland Council on 17 December 2015, amended to include the 2016/17 outturn carried forward position.

5. Care and Learning

5.1 The Revised Net Budget for 2017/18 is £69.793m, after adjusting for the 2016/17 carried forward position including net slippage of £19.663m and overspends totalling £4.005m.

5.2 After 3 months of the financial year, the net expenditure is £4.432m representing 6% of the 2017/18 programmed figure. The projected outturn for net expenditure is £46.093m leading to a net variance of £23.700m. The net variance is due to four projects where the budgets for 2017/18 were based on the capital programme approved in 2015. It is intended revised budgets will be incorporated as part of the review of the capital programme. Further details are provided as follows:

- **Dornoch Sports Centre:** Although there was some slippage at the start of the project and during the design stage, tenders have now been received;
- **Tain 3-18 Campus:** It was agreed earlier this year that a new site selection review should be undertaken for this project, with the design work paused meantime;
- **Dunvegan Primary School:** the budget and phasing has still to be revised to reflect the outcome of the recently concluded statutory consultation to relocate Dunvegan Primary School to a new build on a new site; and
- **Black Isle Education Centre:** Following a statutory consultation, it was agreed earlier this year that the Centre should be closed, with investment at Killen for alternative provision which the capital budget will be re-profiled to reflect.

5.3 Progress on capital projects is as reported in the notes column on **Appendix 1**.

5.4 **Appendix 2** provides Members with whole of life project information for individual projects with a budget of greater than £1m. There are ten projects forecasting overspends. Reasons for the variances, apart from Grantown Swimming Pool, have been reported to previous Education, Children and Adult Services Committees. With regard to Grantown, as part of the refurbishment to the existing pool, additional expenditure was required for additional asbestos removal, replacement of air handling plant and renewal of roof coverings.

6. Community Services

6.1 The Revised Net Budget for 2017/18 is £17.426m after adjusting for the 2016/17 carried forward position of net slippage of £0.961m.

6.2 After 3 months of the financial year the net expenditure is £3.768m representing 22% of the 2017/18 programmed figure. The projected outturn for net expenditure is £17.526m leading to a net variance of £0.100m. The net variance is represented by accelerated spend on bus shelters. The acceleration will be deducted from the 2018/19 capital programme.

6.3 Progress on capital projects is as reported in the notes column on **Appendix 3**.

6.4 At present there are no major issues or variances.

7. Development and Infrastructure

7.1 The Revised Net Budget for 2017/18 is £37.891m after adjusting for the 2016/17 carried forward position including net acceleration of £4.221m and overspends totalling £4.222m.

7.2 After 3 months of the financial year the net expenditure is £4.784m, representing 13% of the 2017/18 programmed figure. The projected outturns for net expenditure is £46.093m leading to a net variance of £2.651m. The net variance is represented by slippage £4.850m and accelerated expenditure of £2.199m.

7.3 Progress on capital projects is as reported in the notes column on **Appendix 4**.

7.4 **Appendix 5** 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 Planning, Development and Infrastructure Committees.

7.5 An update on major projects is included at **Appendix 6**.

7.6 To allow the local Community Hall Association to progress a funding application to LEADER to alleviate escalating visitor management problems in the vicinity of the Fairy Pools (Glen Brittle), **approval is sought** to allocate £0.100m from the Town and Countryside Regeneration budget.

7.7 **Approval is sought** to increase the Uig Ferry Terminal budget by £1.4m, to allow the award of the detailed design of the emerging preferred options to ensure the delivery of the planned terminal upgrades is not delayed. It should be noted that Harbour dues for Uig Ferry Terminal will increase from October 2017, as agreed with Transport Scotland, to cover this capital borrowing.

7.8 At present there are no major issues or variances.

8. HRA Capital Programme

8.1 The HRA capital programme reflects the Council's commitment to maintain and improve the housing stock, to ensure that properties are adapted to meet the changing needs of tenants, and the Council house building programme.

8.2 The mainstream HRA Capital Programme 2017/18 was approved by the Community Services Committee on 3 November 2016, amended to include £7.812m of the 2016/17 underspend to allow completion of the 2016/17 capital programme. The mainstream HRA capital budget for 2017/18 is £21.137m.

- 8.3 Highland's Strategic Housing Investment Plan 2017 to 2022 was approved by the Planning, Development and Infrastructure Committee on 2 November 2016. To allow progression of the programme, the Council house building element of the HRA capital programme for 2017/18 is £25.793m.
- 8.4 The capital programme summary is included in **Appendix 7**. It shows net expenditure to 30 June 2017 of £5.189m of which £0.789m relates to mainstream HRA Capital programme expenditure and £4.400m relates to Council house building.
- 8.5 The projected outturn for net expenditure is £46.076m leading to a net variance of £0.854m on the mainstream element of the programme. The net variance is represented by slippage of £0.569m and a net underspend of £0.285m.
- 8.6 At present there are no major issues or variances.

9. Implications

- 9.1 Resource - Resource implications are discussed in the report.
- 9.2 Legal, Community (Equality, Poverty and Rural), Climate Change / Carbon Clever, Gaelic – there are no known implications arising as a direct result of this report.
- 9.3 Risk - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.

Designation: Director of Development & Infrastructure

Date: 7 August 2017

Authors: Mike Mitchell, Services Finance Manager
Brian Porter, Head of Resources
Colin Howell, Head of Infrastructure
Finlay Macdonald, Head of Property Services
David Goldie, Head of Housing & Building Maintenance

Background Papers: Monitoring statements 30/6/17 and the Highland Council Financial Ledger

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: CARE AND LEARNING

Project Description	Actual Net Year to Date	Revised Net Budget	Year End Estimated Net Out-Turn	Year End Net Variance	(Slippage)/ Acceleration Net	Anticipated Year-End (Under/Over)	Comments
	£000	£000	£000	£000	£000	£000	
Community and Leisure Facilities							
Dornoch Sports Centre	66	2,401	451	(1,950)	(1,950)	0	Tenders received
Grantown Swimming Pool	422	1,222	1,222	0	0	0	Work nearing completion
Inverness Leisure Phase 1	0	(63)	(63)	0	0	0	Work complete
Inverness Leisure - Phase 2	0	90	90	0	0	0	Tenders received for floodlighting
Thurso Swimming Pool	2	287	287	0	0	0	Work complete
Minor - Community and Leisure Facilities	35	141	141	0	0	0	Various projects
Sub-Totals	525	4,078	2,128	(1,950)	(1,950)	0	
Secondary School Programme							
Alness Academy	10	812	812	0	0	0	Design in progress
Inverness High School	324	7,006	7,006	0	0	0	Phase 1 of refurbishment underway
Inverness Royal Academy	1,354	2,367	2,367	0	0	0	External works being completed
Lochaber High School Phases 3 & 4	16	61	61	0	0	0	Work complete
Portree High - Elgin Residence	62	159	159	0	0	0	Work complete
Tain 3-18 Campus	212	16,286	786	(15,500)	(15,500)	0	Site selection under review - design on hold.
Wick Community Campus	170	1,009	1,009	0	0	0	External works being completed
Minor - Secondary School Programme	0	28	28	0	0	0	Various projects
Sub-Totals	2,148	27,728	12,228	(15,500)	(15,500)	0	
Primary School Programme							
Beaully Primary - New School	13	494	494	0	0	0	Design in progress
Cauldeen Primary - ASN Annexe/Nursery	320	3,453	3,453	0	0	0	On site
Cromarty Primary - Extension/Refurbishment	37	203	203	0	0	0	Tenders received for Phase 2
Dunvegan Primary - New School	0	4,991	241	(4,750)	(4,750)	0	Statutory consultation now complete
Fort William - Bun-sgoil Ghàidhlig Loch Abar	0	70	70	0	0	0	Work complete
Fort William - Caol Joint Campus	54	1,055	1,055	0	0	0	Work complete
Fort William - Lundavra Primary	7	261	261	0	0	0	Work complete
Portree - New Gaelic Primary	466	3,294	3,294	0	0	0	On site
Wick - New Noss Primary	197	526	526	0	0	0	Work complete
Minor - Primary School Programme	14	59	59	0	0	0	Various projects
Sub-Totals	1,108	14,406	9,656	(4,750)	(4,750)	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: CARE AND LEARNING

Project Description	Actual Net Year to Date	Revised Net Budget	Year End Estimated Net Out-Turn	Year End Net Variance	(Slippage)/ Acceleration Net	Anticipated Year-End (Under/Over)	Comments
	£000	£000	£000	£000	£000	£000	
Special School Programme							
Black Isle Education Centre - Replacement	0	1,750	250	(1,500)	(1,500)	0	Alternative options being considered
St Clements/St Duthus - Modular Accommodation	0	20	20	0	0	0	Work complete
Sub-Totals	0	1,770	270	(1,500)	(1,500)	0	
Health & Social Care Programme							
Adult Services (NHS)	36	1,893	1,893	0	0	0	Various projects
Avoiding Out-of-Area Children's Placements	14	369	369	0	0	0	Various projects
Children's Services	141	512	512	0	0	0	Various projects
Minor Works and Equipment Replacement	7	208	208	0	0	0	Various projects
Wade Centre - Refurbishment	45	86	86	0	0	0	Work complete
Sub-Totals	243	3,068	3,068	0	0	0	
School Estate Management							
Early Learning and Childcare	43	4,990	4,990	0	0	0	Various projects
Free School Meals	42	2,204	2,204	0	0	0	Various projects
ICT Investment	0	1,308	1,308	0	0	0	Ongoing programme
Life Cycle Investment	402	4,576	4,576	0	0	0	Various projects
Roll Pressures	(106)	1,349	1,349	0	0	0	Various projects (negative expenditure due to income received)
SSER - Inverness Schools	26	4,062	4,062	0	0	0	Various options being considered and projects being initiated
SSER - Remaining Phases of Review	1	254	254	0	0	0	Dingwall/Fortrose will be the next phase to be undertaken
Sub-Totals	408	18,743	18,743	0	0	0	
Overall Totals	4,432	69,793	46,093	(23,700)	(23,700)	0	

MONITORING OF CAPITAL EXPENDITURE - PROJECTS OVER £1M

SERVICE: CARE AND LEARNING

Project Description	Approved Budget March 2015	Current Approved Budget	Total Project Spend to Date	Forecast Total Project Spend	Forecast End of Project Variance	Project Completion Dates	
	£000	£000	£000	£000	£000	Planned at March 2015	Current Estimate
Community & Leisure Facilities							
Dornoch Sports Centre	3,000	3,000	265	3,000	0	Mar-17	Dec-18
Grantown Swimming Pool	N/A	2,175	1,574	2,425	250	N/A	Aug-17
Inverness Leisure Phase 1	3,500	3,735	3,671	3,735	0	Jul-15	Jul-15
Inverness Leisure - Phase 2	3,000	3,115	275	3,115	0	Mar-19	Mar-20
Thurso Library	1,200	1,453	1,590	1,590	137	Sep-15	Sep-15
Thurso Swimming Pool	2,100	2,700	2,815	3,100	400	Jan-16	Jan-17
Secondary Schools Programme							
Inverness High School	10,000	10,000	818	10,000	0	Aug-18	Aug-19
Inverness Royal Academy	39,010	39,010	37,997	39,010	0	Jun-17	Nov-17
Lochaber High School Phase 3 & 4	15,935	16,185	15,889	16,185	0	Sep-15	Oct-15
Portree High - Elgin Residence	4,020	4,020	4,517	4,620	600	Dec-15	May-16
Tain 3-18 Campus	45,000	52,000	1,246	52,000	0	Aug-18	TBC
Wick Community Campus	5,350	5,350	5,202	5,350	0	Apr-17	Jan-18
Primary Schools Programme							
Beauly Primary - New School	10,000	10,000	19	10,000	0	Aug-19	Aug-20
Cauldeen Primary - ASN Annex/Nursery	N/A	5,000	792	5,000	0	N/A	Dec-17
Cromarty Primary - Extension/Refurbishment	2,750	2,750	3,579	3,750	1,000	Dec-15	May-16
Dunvegan Primary - New School	10,000	10,000	9	10,000	0	Aug-18	TBC
Fort William - Bun-sgoil Ghàidhlig Loch Abar	8,000	7,750	7,830	7,900	150	Jun-15	Jun-15
Fort William - Caol Joint Campus	15,690	15,940	16,188	16,940	1,000	Dec-16	Mar-17
Fort William - Lundavra Primary	12,000	12,000	11,997	12,250	250	Oct-15	Oct-15
Portree - New Gaelic Primary	9,285	10,800	5,746	10,800	0	Jul-17	Dec-17
Wick - New Noss Primary	16,650	16,650	16,321	16,650	0	Oct-16	Apr-17
Special Schools Programme							
Black Isle Education Centre - Replacement	2,000	2,000	0	2,000	0	Mar-18	TBC
St Clements/St Duthus - Modular Accommodation	4,580	4,580	5,009	5,030	450	Aug-15	Aug-15
Health & Social Care Programme							
Residential Unit for Children with Autism	2,000	2,000	0	2,000	0	Mar-18	Mar-20
Wade Centre - Refurbishment	1,015	1,300	1,386	1,450	150	N/A	Feb-17
School Estate Management							
ICT Investment	3,798	3,798	3,115	3,798	0	Mar-17	Mar-18
Overall Totals	229,883	247,311	147,850	251,698	4,387		

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: COMMUNITY SERVICES

Project Description	Actual Net Year to Date	Revised Net Budget	Year End Estimated Net Outturn	Year End Net Variance	(Slippage)/Acceleration Net	Anticipated Year End (Under)/Over	COMMENTS
	£000	£000	£000	£000	£000	£000	
ROADS AND BRIDGES							
Structural Road Works							
Road Structural Capital Works	745	5,850	5,850	0	0	0	Programme of works underway in all Areas.
Road Surface Dressing Capital	433	1,500	1,500	0	0	0	Programme of works underway in all Areas.
Bridges, Retaining Walls & Culverts	12	911	911	0	0	0	
Area Minor Capital Works							
Timber Extraction	16	663	663	0	0	0	Schemes currently under development.
ACTIVE TRAVEL							
Bus Shelters	115	56	156	100	100	0	Accelerated spend to be met from the 2018/19 budget allocation.
Traffic Management Improvements	1	250	250	0	0	0	Budget allocation is match funding for ERDF transport project as part of Scotland's 8th City - The Smart City.
LIGHTING							
Structural Lighting Works	931	1,512	1,512	0	0	0	Works ongoing in all Areas. Funding allocated to replacement of old columns & defected cabling. LED replacements ongoing in all areas. Additional investment of £2m linked to revenue saving on electricity costs.
FERRIES AND HARBOURS							
Harbours General Structural Works	1	460	460	0	0	0	
Lochinver Ice Plant	280	200	200	0	0	0	Works commenced - 50% grant funded.
Chilling of Fish Market - Kinlochbervie	0	237	237	0	0	0	Project cost is £1.463m. Grant award is £1.233m.
COMMUNITY WORKS							
Burials and Cremations							
Burial Ground Extension - General	0	95	70	(25)	0	(25)	
Burial Ground Extension - Portree	3	331	331	0	0	0	Design work ongoing. Phase 1 works to be undertaken in 2017/18.
Burial Ground Extension - Nairn	1	0	5	5	0	5	Works complete.
Burial Ground Fodderty	0	368	368	0	0	0	Extension design brought forward - works 2017/18.
Burial Ground Dores	0	2	2	0	0	0	Design work ongoing.
Burial Ground Canisbay	0	11	11	0	0	0	Design work ongoing.
Burial Ground Dornoch	14	0	20	20	0	20	Design work ongoing.
Inverness Crematorium - Replacement Cremators	33	0	50	50	0	50	
War Memorials	18	(26)	(26)	0	0	0	Programme of works underway in conjunction with Community groups - fully funded by capital discretionary budget.
Parks and Play Areas - Development							
Play Areas	29	53	53	0	0	0	Spend achieved in 2016/17.
Depots							
Depots - Health & Safety	1	247	247	0	0	0	Depot infrastructure programme of works under development.
VEHICLES & PLANT							
Vehicle & Plant Purchases	1,131	4,500	4,450	(50)	0	(50)	Budget fully committed for 2017/18.
HOUSING (NON HRA)							
Travelling People Sites	4	206	206	0	0	0	
OVERALL TOTAL	3,768	17,426	17,526	100	100	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES

Project Description	Actual Net	Revised Net	Year End	Year End	(Slippage)/	Anticipated	COMMENTS
	Year to Date	Net Budget	Estimated Net	Net	Acceleration	Year End	
	£000	£000	Outturn	Variance	Net	(Under)/Over	
			£000	£000	£000	£000	
ROADS AND BRIDGES							
Major Road Improvements							
The Inverness West Link	2,602	6,670	6,370	(300)	0	(300)	
Inshes Roundabout	8	1,405	1,405	0	0	0	
Kinnairdie Link Road, Dingwall (Incl Junction at County Buildings)	18	951	951	0	0	0	
B851/B862 South Loch Ness Road Improvements	36	(2,191)	(2,191)	0	0	0	
Stromeferry Rockface	29	250	350	100	100	0	Spend limited to design at present.
A890 Stromeferry Bypass	2	0	0	0	0	0	Georpe carrying out maintenance works on rock face AA12 and AA13. Works commenced 10/7/17 and due for completion 1/9/17.
Tower Road / Barn Church Road	0	(371)	(371)	0	0	0	Draft of updated STAG will be submitted to Transport Scotland in mid-August.
A890 Balnacra to Lair	27	369	650	281	281	0	Project complete - funding to be drawn down.
A890 Strathcarron to Balnacra	11	140	140	0	0	0	Full planning permission granted February 2017. Ground investigation works delayed due to capital programme review. Progressing agreement and cost estimates for utility diversions, land entry and purchase.
A832 Slattadale to Kerrysdale	23	507	507	0	0	0	Progression of scheme dependent on outcome of capital programme review.
Minor Roads							Progression of scheme dependent on outcome of capital programme review.
A832 Slattadale Widening	1	(508)	(508)	0	0	0	
B9091 Clephanton Bends Improvement	0	(88)	(88)	0	0	0	
Achnasheen Road Restraint System	5	0	5	5	0	5	Remedial works completed on Achnasheen Phase 2.
B876 Killimster Moss Road Improvements	0	465	465	0	0	0	Works to be done in-house, to commence 28/8/17 .
Portree Link to A855	8	587	587	0	0	0	Progression of scheme dependent on outcome of capital programme review.
Lifeline Roads							
Laxford Bridge North Approach - ERDF	1	0	5	5	0	5	Scheme complete, however minor land issues still ongoing.
Major Bridge Works							
A862 Muir of Ord Railway Bridge	394	1,540	1,540	0	0	0	
A836 Naver Bridge, Bettyhill, Sutherland	0	100	0	(100)	0	(100)	
B863 Invercoe Bridge, Lochaber	7	18	200	182	182	0	Design in progress. Ward Business Meeting approval 31/10/16.
U2823 Lower Foyers Bridge	6	(14)	(14)	0	0	0	Main scheme in abeyance. Contract to add footbridge to start September 2017.
B9090 White Bridge	28	(266)	(166)	100	100	0	
Newhall Bridge (January Storms 2015)	0	288	288	0	0	0	Planning permission granted. Ward Business Meeting approval 5/9/16. Land acquisition problems delaying progress.
Lifeline Bridges							
A986 Chada - Lifeline Bridges	0	(262)	(262)	0	0	0	Design in progress.
B8007 Glenmore Bridge - Lifeline Bridges	0	540	540	0	0	0	Design in progress, land issues causing delay.
A855 Leasgary Bridge - Lifeline Bridges	0	546	546	0	0	0	Preliminary design to start later this year.
U1074 Ruthven (Abersky) Bridge - Lifeline Bridges	0	60	60	0	0	0	Project complete.
Dulsie Bridge - Lifeline Bridges	0	46	46	0	0	0	The existing bridge is being monitored. Designs are progressing.
A837 Inveran Refurbishment - Lifeline Bridges	0	529	529	0	0	0	Works complete and in maintenance.
A838 Fiag Refurbishment - Lifeline Bridges	84	(151)	(151)	0	0	0	
A861 Lochailort Refurbishment - Lifeline Bridges	0	150	150	0	0	0	Preliminary design for major bridge refurbishment to start later this year.
A831 Comar Refurbishment - Lifeline Bridges	0	400	400	0	0	0	Bridge refurbishment. Preliminary design in progress.
	1	369	369	0	0	0	
ACTIVE TRAVEL							
ERDF - Green & Active Travel - Millburn Road	186	(603)	(403)	200	200	0	Millburn Road work complete. Grant funding still due.
Cycling, Walking & Safer Streets	147	129	129	0	0	0	Projects progressing and will spend to the full budget amount.
20mph Zones	4	130	130	0	0	0	Designs in progress and works progressing.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES

Project Description	Actual Net	Revised Net	Year End	Year End	(Slippage)/	Anticipated	COMMENTS
	Year to Date	Net Budget	Estimated Net	Net	Acceleration	Year End	
	£000	£000	Outturn	Variance	Net	(Under)/Over	
			£000	£000	£000	£000	
LEISURE FACILITIES							
Torvean Golf Course	791	(683)	653	1,336	1,336	0	
Canal Parks Enhancement	46	(732)	(432)	300	0	300	
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	0	1,833	1,833	0	0	0	
South West Inverness Storm Water Relief	11	0	120	120	0	120	Reconstruction of fish pass on Holm Burn to improve passage for trout and salmon.
Smithton / Culloden Flood Alleviation	145	453	453	0	0	0	Detailed design and contract preparation progressing.
Major Flood Schemes							
River Enrick FPW / NFMS	59	296	296	0	0	0	WSP undertaking scheme design. Ground investigation complete. Public consultation and publication of Flood Protection Scheme Autumn 2017.
Dell Burn	0	20	20	0	0	0	On hold - will be progressed on completion of the Inverness integrated catchment studyCS.
Caol FPW	2	(284)	(284)	0	0	0	JBA undertaking Flood Protection Scheme preparation. Publication August/September 2017.
Mill Burn FPS	0	197	197	0	0	0	Pending tenders to advance modelling and FPS development.
Feabuie Culvert Replacement	8	549	549	0	0	0	Detailed design and contract preparation progressing.
Conon Bridge Flood Defence Improvements	0	200	200	0	0	0	Landowner negotiations ongoing. Ground investigation pending.
River Gynack FPS / NFMS	6	478	478	0	0	0	Pending tenders to advance modelling and FPS development.
Scalesburn, Wick - Flooding	0	(7)	(7)	0	0	0	Design solutions forwarded to residents for approval.
River Peffery - FPS / NFMS	51	(136)	(136)	0	0	0	CH2M progressing FPS Development.
Auldearn Burn FPS / NFMS	6	56	56	0	0	0	Survey complete, modelling ongoing.
Golspie - FPS / NFMS	18	25	25	0	0	0	AECOM progressing FPS Development.
Kirkhill Watercourse Diversion	2	(40)	(40)	0	0	0	Complete.
Blairminch - Strathpeffer FPS	0	178	178	0	0	0	Incorporated into Dingwall FPS with CH2M.
River Nairn FPS	0	45	45	0	0	0	Not started - expecting April 2018 start.
Tarbet Ness FPS	0	50	50	0	0	0	Not started - expecting April 2018 start.
Balmacaan - Drumadrochit FPS	0	23	23	0	0	0	On hold - no progress.
River Thurso FPS	20	(13)	(13)	0	0	0	AECOM progressing FPS Development.
Dingwall SWMP	0	159	159	0	0	0	Not started - expecting progress later this year.
Inverness SWMP/ICS	0	326	296	(30)	0	(30)	RPS working for Scottish Water progressing ICS.
Smithton / Culloden SWMP	0	90	90	0	0	0	Not started - expecting progress later this year.
Fort William SWMP	0	60	60	0	0	0	Not started - expecting progress later this year.
Corpach SWMP	0	30	30	0	0	0	Not started - expecting progress later this year.
Newtonmore SWMP	2	712	712	0	0	0	Not started - expecting progress later this year.
Halkirk SWMP	0	(2)	(2)	0	0	0	Not started - expecting progress later this year.
WASTE MANAGEMENT							
Landfill Extensions							
Landfill Capacity Extensions - Ph B & C Seater - Cell 11 & 12	567	1,149	1,149	0	0	0	
Landfill Restorations							
Seater Landfill Restoration Programme	1	331	331	0	0	0	Part of the restoration work is to provide welfare facilities. Requirements currently under discussion.
Granish Landfill Restoration Programme	2	0	0	0	0	0	
Waste Management Strategy							
Plant, Infrastructure & Banks	(30)	8,624	3,774	(4,850)	(4,850)	0	Slippage is linked to investment to achieve revenue savings in future years.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES

Project Description	Actual Net	Revised Net	Year End	Year End	(Slippage)/	Anticipated	COMMENTS
	Year to Date	Net Budget	Estimated Net	Net	Acceleration	Year End	
	£000	£000	Outturn	Variance	Net	(Under)/Over	
			£000	£000	£000	£000	
FERRIES AND HARBOURS							
Sconser Ferry Terminal	7	(98)	(98)	0	0	0	Scheme complete, however minor land issues still ongoing.
Uig Link Span	19	(64)	(64)	0	0	0	
PARKS AND PLAY AREAS - DEVELOPMENT							
Inshes Park (Phases 1 to 3)	18	36	36	0	0	0	Phase 2 design works near completion. Developer contributions awaited to proceed with works.
STRATEGIC ASSET MANAGEMENT							
Health & Safety & Statutory Compliance	321	2,978	2,978	0	0	0	Health & safety and compliance works required across the Council's property portfolio.
Starter Business Units Inverness	0	(277)	(277)	0	0	0	
Office Rationalisation							
Wick Office	47	214	214	0	0	0	
Dingwall Office Rationalisation	1	24	24	0	0	0	
Inverness Office Rationalisation	39	(40)	(40)	0	0	0	
Grantown Courthouse Project	115	145	145	0	0	0	Project progressing.
Fort William Office Rationalisation	708	3,991	3,991	0	0	0	
Kingussie Office Rationalisation	1	(295)	(295)	0	0	0	
Energy Management	3,034	3,155	3,155	0	0	0	Energy management works required across the Council's property portfolio.
CEEF	29	(16)	(16)	0	0	0	Earmarked reserve totalling £0.354m to be drawn down.
HOUSING (NON HRA)							
National Housing Trust Advances	0	2,506	2,506	0	0	0	The Council has received additional consent to borrow over and above the original budget.
Private Sector Housing Grants	94	3,371	3,371	0	0	0	Commitments indicate spend will be achieved in current year.
PLANNING & DEVELOPMENT							
Town & Countryside Regeneration	3	571	571	0	0	0	Projects approved and budget fully committed.
Visitor Management	27	237	237	0	0	0	Projects approved and budget fully committed.
Misc Assets, Bridges & Structures	319	202	202	0	0	0	Projects approved and budget fully committed.
Green Networks, Core Paths & Long Distance Routes	2	308	308	0	0	0	Projects approved and budget fully committed.
Vacant & Derelict Land Fund	(3,528)	(1,400)	(1,400)	0	0	0	Grant funded. Projects deliverability currently under review.
Carbon Clever	6	843	843	0	0	0	Budget already committed is £0.343m.
City Deal Projects	(1,813)	0	0	0	0	0	Grant funded.
Smart City - Digital Projects	0	0	0	0	0	0	Grant funded.
2016/17 Overspend	0	(4,222)	(4,222)	0	(4,222)	4,222	
OVERALL TOTAL	4,784	37,891	35,240	(2,651)	(6,873)	4,222	

MONITORING OF CAPITAL EXPENDITURE - Projects Over £1m

SERVICE: DEVELOPMENT & 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
ROADS AND BRIDGES							
Major Road Improvements							
The Inverness West Link	43,352	43,352	21,072	43,052	(300)	Mar 2021	Mar 2021
Inshes Roundabout	6,975	6,975	788	6,975	0	Mar 2020	Mar 2020
Kinnairdie Link Road, Dingwall (Incl Junction at County Buildings)	7,258	7,258	1,337	7,258	0	Mar 2019	Mar 2019
Major Bridge Works							
A862 Muir of Ord Railway Bridge	5,360	5,360	4,210	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	294	2,250	0	Mar 2019	Mar 2019
LEISURE FACILITIES							
Torvean Golf Course	8,227	8,227	6,995	8,227	0	Mar 2019	Mar 2019
Canal Parks Enhancement	4,144	4,144	4,224	4,444	300	Mar 2018	Mar 2018
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	34,708	34,708	37,380	37,814	3,106	Mar 2017	Aug 2016
WASTE MANAGEMENT							
Seater Landfill Site, Bower, Caithness	3,000	3,800	3,465	3,800	0	May 2019	Aug 2017
STRATEGIC ASSET MANAGEMENT							
Wick Office	8,500	8,500	8,538	8,750	250	Mar 2016	Nov 2016
Fort William Office Rationalisation	5,801	5,801	3,732	7,221	1,420	Mar 2017	Mar 2018
Kingussie Office Rationalisation	1,994	1,994	2,740	2,444	450	Mar 2016	Nov 2016
OVERALL TOTAL	132,719	133,519	95,503	138,395	4,876		

Major Projects Update

Inverness West Link and Associated Sports Facilities

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 all been successfully welded and painting works are now complete. In-situ reinforced concrete deck construction is progressing well with all concreting works planned to be completed by the end of August – work on the bridge will then turn to parapets, lighting, kerbing and surfacing.

Road construction, lighting and surfacing works are all substantially complete with the exception of the immediate approaches to the bridge.

Landscaping works are ongoing, and masonry, walling and facings are progressing well.

Works are ongoing in the river to cut down the steel cofferdams to below bed level allowing the installation of scour protection works.

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

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.

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. The project is now concentrating on the construction of tees, fairways and greens with all the associated drainage. Ponds and water features have all been formed and filled. 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

Works are ongoing on the final fit-out of the building and carpeting is being laid.

The artificial pitch is substantially complete with lining works ongoing and the layout of the two grass pitches is complete and the grass is establishing well.

Handover of the building to Highlife Highland, and use by the rugby club, is anticipated in September, this is slightly later than originally planned but weekly

meetings with the rugby club are being held and they are content with this handover date. The pitches will be all available in August as originally intended.

As Stage 1 West Link works, Canal Parks Enhancement and Golf Course construction nears completion final construction outturn costs are being estimated. These estimated outturns have been added to projected costs to completion in 2020, and this identifies a potential £2m of additional cost. Work is ongoing to cover this projected shortfall by re-engineering, additional developer contribution and maximisation of capital receipts. It is currently projected that the overall outturn for the West Link and associated sports facilities can be delivered within the approved budget.

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).

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 2017/18, 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 now complete, with minor snagging and defect correction ongoing. An independent stage 3 road safety audit is planned to assess the works in operation. The new 20mph limit is anecdotally not well observed and it is hoped that police intervention will aid compliance.

Ruthven (Spey) Bridge

Following its construction the maintenance period for this bridge was due to expire on the 29th October 2016. A final inspection was carried out and defects were identified, all defects have been rectified with the exception of some surfacing defects which are being monitored, following this monitoring, proposed rectification proposals are awaited from the Contractor.

B9090 White Bridge, Cawdor.

Planning permission has now been granted.

Expressions of interest for construction contractors have been sought.

Detailed design works are ongoing and 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.

It is anticipated that construction will proceed early in 2018 (subject to all the necessary land consents).

A construction period of 12 months is deemed realistic.

River Ness Flood 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. Landfill operations have been unaffected by the works.

A890 Stromeferry Bypass

The revised targeted STAG part 2 is now in its final draft stage. 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.

Further reports will be brought to committee to allow members to consider the preferred option together with the extent and scope of works, following a response from Transport Scotland.

HITRANS has commissioned consultants to investigate the viability of this shared road/rail option – the outcome report is expected late summer. This work is running in parallel with the STAG work as its potential viability of the road/rail option has yet to be established.

Rock face stabilisation work comprising targeted localised scaling, bolting and netting works commenced on the 10 July. This work is programmed to take 8 weeks.

A priority area of rock face has been identified during the annual inspections 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 progress these works and additional capital funding will be proposed in the review of the capital programme for consideration at Full Council.

Uig Ferry Terminal Upgrade

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 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.

Works under consideration include:

- Pier strengthening and fendering works.
- Refurbishment for new linkspan.
- Dredging
- Improvements to the approach-way including covered walkway and passenger access facilities.
- Extended parking and marshalling together with a new layout and ticket office.

The Highland Council levies harbour dues on CALMAC to cover both routine operations and also is the mechanism which will fund any terminal investment. Discussions are ongoing over the scope of any terminal improvement works, together with the cost and associated increase in harbour dues.

Statutory consents necessary for the works are progressing with applications submitted to Transport Scotland and Marine Scotland to determine the nature and extent of environmental work. An Environmental Impact Assessment is likely to be required which will be critical to the delivery of the planned upgrades.

To allow the earliest delivery of the works it is necessary to award the detailed design of the preferred options to consultants, noting that the construction stages are still subject to approval and confirmation of budgets.

The inclusion of the full 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 to be carried out to the basement waterproofing system. The contractor has now completed the replacement of the external façade stone cladding.

Fort William Office Rationalisation

Contractor started on site in July 2016. Works are progressing on site with roofing on the extension almost complete. Roofing works on the older building has been delayed due to structural issues with the old external walls. Two gables on the older building have had to be taken down and rebuilt due to structural issues which will delay the original completion. Internal partitions on the extension are almost complete. Discussions are ongoing with potential public sector partners. Works are scheduled for completion by the end of 2017.

Kingussie Office Rationalisation

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

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 30TH JUNE 2017

SERVICE: HOUSING REVENUE ACCOUNT

Project Description	Actual Net Year to Date	Revised Net Budget	Year End Estimated Net Outturn	Year End Net Variance	(Slippage)/Acceleration Net	Anticipated Year End (Under)/Over	COMMENTS
	£000	£000	£000	£000	£000	£000	
Capital Programme 2017/18							
Equipment and Adaptations	40	1,172	1,172	0	0	0	Programme of works underway in all Areas.
Major Component Replacement	95	5,218	5,164	(54)	(54)	0	Programme of works underway in all Areas.
Heating/Energy Efficiency	108	5,282	4,799	(483)	(483)	0	Slippage due to prioritising completion of the 2016/17 programme.
External Fabric (Major Component Replacement)	8	892	881	(11)	(11)	0	Programme of works underway in all Areas.
External Fabric (Environmental Improvements)	12	761	761	0	0	0	Programme of works underway in all Areas.
Total 2017/18 Programme	263	13,325	12,777	(548)	(548)	0	
Capital Programme 2016/17 Carried Forward							
Major Component Replacement	458	2,409	2,334	(75)	0	(75)	Slight underspend estimated on completion of the 2016/17 works.
Heating/Energy Efficiency	44	3,279	3,041	(238)	(11)	(227)	There has been a reduction in the number of properties.
External Fabric (Major Component Replacement)	7	1,474	1,474	0	0	0	Works to be completed in this financial year.
External Fabric (Environmental Improvements)	0	155	155	0	0	0	Works to be completed in this financial year.
Healthy, Safe and Secure	0	495	485	(10)	(10)	0	Works to be completed in this financial year.
Retentions	17	0	17	17	0	17	
Total 2016/17 Programme	526	7,812	7,506	(306)	(21)	(285)	
Total Mainstream Programme	789	21,137	20,283	(854)	(569)	(285)	
Council House Building Capital Programme							
New Council House Buildings	4,400	25,313	25,313	0	0	0	Programme of works underway in all Areas.
Individual House Purchases	0	480	480	0	0	0	
One-Bed Accommodation	0	0	0	0	0	0	
Total Council Building Programme	4,400	25,793	25,793	0	0	0	
OVERALL TOTAL	5,189	46,930	46,076	(854)	(569)	(285)	

Funding	Actual Net Year to Date	Revised Net Budget	Year End Estimated Net Outturn	Year End Net Variance
	£000	£000	£000	£000
Investment Programme				
Useable Capital Receipts	1,072	0	1,500	1,500
RHI Income	47	0	187	187
Government Grant	702	10,311	10,311	0
Landbank	0	930	930	0
Borrowing	3,368	32,250	29,709	(2,541)
Capital from Current Revenue	0	3,439	3,439	0
GROSS FUNDING	5,189	46,930	46,076	(854)