

Agenda Item	6
Report No	EDI/18/18

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 17 May 2018

Report Title: Capital Expenditure Monitoring Report

Report By: Director of Development and Infrastructure

1. Purpose/Executive Summary

- 1.1 This report invites Members to approve the capital expenditure near final monitoring position for the year ended 31 March 2018 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.
- 1.2 This report also invites Members to approve the allocation of the roads improvement match funding for 2018 to 2023 to the South Loch Ness Road Improvement Scheme.

2. Recommendations

- 2.1 Members are invited to approve:
 - (i) the capital expenditure near final monitoring position for the year ended 31 March 2018; and
 - (ii) the allocation of the roads improvement match funding for 2018 to 2023 to the South Loch Ness Road Improvement Scheme.

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 the near final 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 £71.850m, after adjusting for the 2016/17 carried forward position including net slippage of £19.663m, overspends totalling £4.005m, and an additional budget of £2.092m for the Portree Gaelic School.
- 5.2 The near final outturn for net expenditure is £25.897m, representing 36% of the 2017/18 programmed figure, leading to a net variance of £45.952m. The net variance is represented by slippage of £47.950m, accelerated expenditure of £1.997m, and a net overspend of £0.283m. The slippage will be reviewed in conjunction with the newly approved Council's capital plan, and will be reported to the next EDI Committee.
- 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 fourteen projects forecasting overspends. Reasons for the variances have been reported to previous Education, Children and Adult Services Committees and Environment, Development and Infrastructure Committees.

6. Community Services

- 6.1 The Revised Net Budget for 2017/18 is £17.571m after adjusting for the 2016/17 carried forward position of net slippage of £0.961m, and an additional budget of £0.145m to cover expenditure incurred to date on the war memorials situated throughout the Highland area.
- 6.2 The near final outturn for net expenditure is £18.564m, representing 105.6% of the 2017/18 programmed figure, leading to a net variance of £0.993m. The net variance is represented by slippage of £1.588m, accelerated spend on the capital investment for sodium lantern replacement with LED lanterns of £2.916m, and a net underspend of £0.335m. The slippage will be reviewed in conjunction with the newly approved Council's capital plan, and will be reported to the next EDI Committee.
- 6.3 Progress on capital projects is as reported in the notes column on **Appendix 3**.

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, overspends totalling £4.222m and the transfer of £0.065m to the Care and Learning capital programme for biomass boiler installation at Portree Gaelic School.

- 7.2 The near final outturn for net expenditure is £37.723m, representing 100% of the 2017/18 programmed figure, leading to a net variance of £0.168m. The net variance is represented by slippage £6.759m, an overspend of £6.591m, of which £4.222m relates to 2016/17. The slippage will be reviewed in conjunction with the newly approved Council's capital plan, and will be reported to the next EDI Committee.
- 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 five projects forecasting overspends with two projects forecasting an underspend. Reasons for the variances have been reported to previous Environment, Development and Infrastructure Committees.
- 7.5 An update on major projects is included at **Appendix 6**.
- 7.6 Capital Programme 2018-23 – Roads Improvements Match Funding Allocation
- 7.6.1 The South Loch Ness (SLN) Road Improvement Strategy maximises the benefits associated with road mitigation and developer contributions from renewable energy and other large scale projects. The work at South Loch Ness is ongoing and future schemes will continue to be delivered by developers where there is the opportunity and potential to maximise the contributions and deliver extensive road improvements to the Council's road network with the use of modest match funding through this line to enable delivery of these infrastructure upgrades.
- 7.6.2 The strategy was developed over the last 7 years and is effectively a fully committed project which has several schemes at different stages of development. In order to maximise the benefits of the developer's investment of road mitigation, work is undertaken on design and supervision works, accommodation works and land access/agreement which requires investment in advance of the developer contributions. The road improvement works, which require to be carried out by the developers as road mitigation works as part of their development, can only be carried out if the third party land has access agreed by the Council which eliminates the possibility of a ransom strip and allows the developer to deliver the full scale improvements without having to scale back and deliver a reduced level of works.
- 7.6.3 This ambitious and coordinated Strategy has seen in excess of approximately £20M of infrastructure investment being delivered over the last 7 years in a combination of Council delivered schemes, developer funded schemes and partnership delivery with developers and the Forestry Industry through the Scottish Government's Strategic Timber Transport Scheme. This has seen 16.5km of improved road network. Over the 7 years the Council's contributions have amounted to approximately £2m through various revenue and capital budgets and significant external funding through the Strategic Timber Transport Scheme of approximately £1.2m. However, given the pressures on revenue and capital budgets where less match funding and contributions will be available to enable the SLN Road improvement Strategy to continue and to maximise the benefits of developer road mitigation, the **Road Improvements Match Funding** budget will enable the design and supervision works, accommodation works and land access/agreements to be carried out either in advance of or in tandem with the developer's construction work and facilitate the

developers to carry out the road improvement mitigation works.

- 7.6.4 If the **Road Improvements Match Funding** budget is not spent on SLN the risks and implications to the project and Council are that there will be significantly reduced levels of mitigation, reduced investment and missing out on maximising potential developer spend, lesser opportunities for potential match funding partners and budget streams and increased pressure on Community Services Area Maintenance budget to address deficiencies and substandard nature of the road network in this area.
- 7.6.5 The value of the match funding from the Council facilitates the securing of the road corridor required to carry out effective road mitigation by land negotiation, utility diversions and community support to enable the developers to deliver the aims of the project. If the road corridor is not secured the developers will be unable to deliver the project given a ransom strip situation will arise and the potential to deliver full and effective road mitigation works will be removed.
- 7.6.6 Match funding of £0.206m per year to facilitate the delivery of road improvement schemes will help maximise the value of road mitigation works to deliver meaningful road mitigation and improvements works where £0.206m would itself only deliver minimal works of nominal value to the road infrastructure and road users.
- 7.6.7 The commitments of the future schemes at the developments at South Loch Ness are committed for the next five years and the benefits of these schemes require to be maximised and realise an estimated minimum return of £10 for every £1 allocated from the **Road Improvements Match Funding** budget. **Approval is sought** to allocate the **Road Improvements Match Funding** budget for the period 2018 to 2023 to the **South Loch Ness Road Improvement Scheme**.

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 31 March 2018 of £38.065m of which £13.839m relates to mainstream HRA Capital programme expenditure and £24.226m relates to Council house building.
- 8.5 The near final outturn for net expenditure is £38.065m leading to a net variance of £8.865m. The net variance comprises slippage of £12.276m; accelerated expenditure of £3.009m on individual house purchases; and net overspend of £0.402m. The net overspend comprises an underspend of £0.148m on the mainstream and an overspend of £0.550m on the Council house elements of the HRA capital programme.

8.6 The principal reason for the slippage on the mainstream element is the prioritisation of completing the outstanding 2016/17 works. The slippage on the Council house building element is a combination of abortive projects, delays in statutory consents, and high tender returns resulting in retendering delays.

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 and Infrastructure

Date: 8 May 2018

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Background Papers: Near Final Monitoring statements 31/3/18 and the Highland Council Financial Ledger

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

SERVICE: CARE AND LEARNING

Project Description	Actual Net Year to Date £000	Revised Net Budget £000	Year End Estimated Net Out-Turn £000	Year End Net Variance £000	(Slippage)/ Acceleration Net £000	Anticipated Year-End (Under/Over) £000	Comments
Community and Leisure Facilities							
Dornoch Sports Centre	103	2,401	103	(2,298)	(2,298)	0	
Grantown Swimming Pool	1,120	1,222	1,120	(102)	(102)	0	Work complete
Inverness Leisure Phase 1	39	(63)	39	102	0	102	Work complete
Inverness Leisure - Phase 2	7	113	7	(106)	(106)	0	Floodlighting to running track at tender stage
Thurso Swimming Pool	244	287	244	(43)	(43)	0	Work complete
Minor - Community and Leisure Facilities	160	129	160	31	0	31	Various projects
Sub-Totals	1,673	4,089	1,673	(2,416)	(2,549)	133	
Secondary School Programme							
Alness Academy	274	812	274	(538)	(538)	0	Design in progress
Inverness High School	2,778	7,006	2,778	(4,228)	(4,228)	0	Phase 1 of refurbishment underway; some delays on site
Inverness Royal Academy	2,340	2,367	2,340	(27)	(27)	0	External works being completed
Lochaber High School Phases 3 & 4	142	61	142	81	0	81	Work complete
Portree High - Elgin Residence	80	159	80	(79)	(79)	0	Work complete
Tain 3-18 Campus	330	16,286	330	(15,956)	(15,956)	0	Site selection under review - design on hold.
Wick Community Campus	818	1,008	818	(190)	(190)	0	External works being completed
Minor - Secondary School Programme	0	28	0	(28)	(28)	0	Various projects
Sub-Totals	6,762	27,727	6,762	(20,965)	(21,046)	81	
Primary School Programme							
Beaully Primary - New School	45	494	45	(449)	(449)	0	Design in progress
Cauldeen Primary - ASN Annexe/Nursery	30	3,703	30	(3,673)	(3,673)	0	On site
Cromarty Primary - Extension/Refurbishment	318	203	318	115	0	115	Phase 2 on site
Dunvegan Primary - New School	19	4,991	19	(4,972)	(4,972)	0	Design in progress
Fort William - Bun-sgoil Ghàidhlig Loch Abar	33	70	33	(37)	(37)	0	Work complete
Fort William - Caol Joint Campus	649	1,055	649	(406)	(406)	0	Work complete
Fort William - Lundavra Primary	43	261	43	(218)	(218)	0	Work complete
Portree - New Gaelic Primary	5,145	5,571	5,145	(426)	(426)	0	On site
Strontian Primary - New School	204	0	204	204	204	0	Work complete
Wick - New Noss Primary	308	551	308	(243)	(243)	0	Work complete
Merkinch Primary - New School	595	0	595	595	595	0	Design in progress
Minor - Primary School Programme	33	259	33	(226)	(226)	0	Various projects
Sub-Totals	7,422	17,158	7,422	(9,736)	(9,851)	115	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

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	0	(1,750)	(1,750)	0	Alternative provision to be established at Killen
St Clements/St Duthus - Modular Accommodation	(2)	20	(2)	(22)	(22)	0	Work complete
Sub-Totals	(2)	1,770	(2)	(1,772)	(1,772)	0	
Health & Social Care Programme							
Adult Services (NHS)	389	2,101	389	(1,712)	(1,712)	0	Various projects
Children's Services	643	881	643	(238)	(238)	0	Various projects
Wade Centre - Refurbishment	51	87	51	(36)	(36)	0	Work complete
Sub-Totals	1,083	3,069	1,083	(1,986)	(1,986)	0	
School Estate Management							
Early Learning and Childcare	(675)	4,265	(675)	(4,940)	(4,940)	0	Various projects
Free School Meals	169	2,204	169	(2,035)	(2,035)	0	Various projects completed; Dalneigh at design stage
ICT Investment	32	1,338	32	(1,306)	(1,306)	0	Ongoing programme
Life Cycle Investment	2,962	4,565	2,962	(1,603)	(1,603)	0	Various projects
Roll Pressures	2,547	1,349	2,547	1,198	1,198	0	Various projects
Radon Remedial Works	(32)	0	(32)	(32)	0	(32)	
SSER - Inverness Schools	3,944	4,062	3,944	(118)	(118)	0	Various options being considered and projects being initiated
SSER - Remaining Phases of Review	26	254	26	(228)	(228)	0	Dingwall/Fortrose will be the next phase to be undertaken
Income from Vehicle Sales	(14)	0	(14)	(14)	0	(14)	
Sub-Totals	8,959	18,037	8,959	(9,078)	(9,032)	(46)	
Overall Totals	25,897	71,850	25,897	(45,953)	(46,236)	283	

MONITORING OF CAPITAL EXPENDITURE - PROJECTS OVER £1M AS AT 31ST MARCH 2018

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	314	3,500	500	Mar-17	TBC
Grantown Swimming Pool	N/A	2,175	2,339	2,425	250	N/A	Aug-17
Inverness Leisure Phase 1	3,500	3,735	3,713	3,735	0	Jul-15	Jul-15
Inverness Leisure - Phase 2	3,000	3,115	271	3,115	0	Mar-19	TBC
Thurso Library	1,200	1,453	1,590	1,590	137	Sep-15	Sep-15
Thurso Swimming Pool	2,100	2,700	3,146	3,200	500	Jan-16	Jan-17
Secondary Schools Programme							
Inverness High School	10,000	10,000	4,601	10,000	0	Aug-18	Mar-20
Inverness Royal Academy	39,010	39,010	39,231	39,300	290	Jun-17	Mar-18
Lochaber High School Phase 3 & 4	15,935	16,185	16,064	16,185	0	Sep-15	Oct-15
Portree High - Elgin Residence	4,020	4,020	4,543	4,620	600	Dec-15	May-16
Tain 3-18 Campus	45,000	52,000	1,437	52,000	0	Aug-18	TBC
Wick Community Campus	5,350	5,350	5,351	5,600	250	Apr-17	Feb-18
Primary Schools Programme							
Beauly Primary - New School	10,000	10,000	54	10,000	0	Aug-19	TBC
Cauldeen Primary - ASN Annexe/Nursery	N/A	5,000	532	5,000	0	N/A	Mar-18
Cromarty Primary - Extension/Refurbishment	2,750	2,750	3,909	3,950	1,200	Dec-15	May-16
Dunvegan Primary - New School	10,000	10,000	39	10,000	0	Aug-18	TBC
Fort William - Bun-sgoil Ghàidhlig Loch Abar	8,000	7,750	7,863	7,900	150	Jun-15	Jun-15
Fort William - Caol Joint Campus	15,690	15,940	16,935	16,940	1,000	Dec-16	Mar-17
Fort William - Lundavra Primary	12,000	12,000	12,042	12,250	250	Oct-15	Oct-15
Portree - New Gaelic Primary	9,285	10,800	11,102	11,200	400	Jul-17	Jan-18
Wick - New Noss Primary	16,650	16,650	16,499	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	TBC
Wade Centre - Refurbishment	N/A	1,300	1,396	1,450	150	N/A	Feb-17
School Estate Management							
ICT Investment	3,798	3,798	3,124	3,798	0	Mar-17	Mar-18
Overall Totals	228,868	247,311	161,104	253,438	6,127		

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

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	6,490	5,845	6,490	645	0	645	
Road Surface Dressing Capital	1,032	1,500	1,032	(468)	0	(468)	
Bridges, Retaining Walls & Culverts	442	911	442	(469)	(150)	(319)	
Area Minor Capital Works							
Timber Extraction	308	668	308	(360)	(150)	(210)	
ACTIVE TRAVEL							
Bus Shelters	226	56	226	170	0	170	
Traffic Management Improvements	10	250	10	(240)	(250)	10	Budget allocation is match funding for ERDF transport project as part of Scotland's 8th City - The Smart City.
LIGHTING							
Structural Lighting Works	4,428	1,512	4,428	2,916	0	2,916	Works ongoing in all Areas. Funding allocated to replacement of old columns & defected cabling. LED replacements ongoing in all areas. Additional investment of £2m per annum linked to revenue saving on electricity costs.
FERRIES AND HARBOURS							
Harbours General Structural Works	108	460	108	(352)	(302)	(50)	Programme of works identified.
Emergency Works - Nairn Harbour	17	0	17	17	0	17	Works to be completed this financial year.
Lochinver Ice Plant	174	200	174	(26)	0	(26)	Works complete.
Chilling of Fish Market - Kinlochbervie	177	237	177	(60)	0	(60)	Works complete.
COMMUNITY WORKS							
Burials and Cremations							
Burial Ground Extension - General	8	95	8	(87)	0	(87)	
Burial Ground Extension - Portree	404	331	404	73	0	73	Phase 1 works complete.
Burial Ground Extension - Nairn	13	0	13	13	0	13	Works complete.
Burial Ground Fodderty	463	368	463	95	0	95	Works complete.
Burial Ground Dores	10	2	10	8	0	8	Design work ongoing.
Burial Ground Canisbay	0	11	0	(11)	0	(11)	Design work ongoing.
Burial Ground Dornoch	14	0	14	14	0	14	Design work ongoing.
Inverness Crematorium - Replacement Cremators	113	0	113	113	0	113	Final costs for works at the Crematorium.
War Memorials	119	119	119	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	4	53	4	(49)	0	(49)	
Depots							
Depots - Health & Safety	47	247	47	(200)	(200)	0	
VEHICLES & PLANT							
Vehicle & Plant Purchases	3,786	4,500	3,786	(714)	(536)	(178)	
HOUSING (NON HRA)							
Travelling People Sites	171	206	171	(35)	0	(35)	
OVERALL TOTAL	18,564	17,571	18,564	993	(1,588)	2,581	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

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	3,609	6,670	3,609	(3,061)	0	(3,061)	
Inshes Roundabout	176	1,405	176	(1,229)	0	(1,229)	
Kinnairdie Link Road, Dingwall (Incl Junction at County Buildings)	154	951	154	(797)	0	(797)	
B851/B862 South Loch Ness Road Improvements	239	(2,191)	239	2,430	0	2,430	
Stromeferry Rockface	435	250	435	185	0	185	
A890 Stromeferry Bypass	5	0	5	5	0	5	
Tower Road / Barn Church Road	(1)	(371)	(1)	370	0	370	
A890 Balnacra to Lair	110	369	110	(259)	0	(259)	
A890 Strathcarron to Balnacra	81	140	81	(59)	0	(59)	
A832 Slattadale to Kerrysdale	87	507	87	(420)	0	(420)	
Knoydart Landslip - Inverie - Soldiers Rock	388	0	388	388	0	388	
Minor Roads							
A832 Slattadale Widening	28	(508)	28	536	0	536	
B9091 Clephanton Bends Improvement	6	(88)	6	94	0	94	
Achnasheen Road Restraint System	6	0	6	6	0	6	
B876 Killimster Moss Road Improvements	636	465	636	171	0	171	Works complete. Overspend due to rectification of length of road either side of the original scheme.
Portree Link to A855	62	587	62	(525)	0	(525)	
Lifeline Roads							
Laxford Bridge North Approach - ERDF	9	0	9	9	0	9	Scheme complete, however minor land issues still ongoing.
Major Bridge Works							
A862 Muir of Ord Railway Bridge	1,037	1,540	1,037	(503)	0	(503)	Scheme complete. Overall spend is under the approved budget.
A836 Naver Bridge, Bettyhill, Sutherland	0	100	0	(100)	0	(100)	Scheme not to be progressed in the near future.
B863 Invercoe Bridge, Lochaber	59	18	59	41	0	41	
U2823 Lower Foyers Bridge	71	(14)	71	85	0	85	
B970 Ruthven (Spey) Bridge	2	0	2	2	0	2	
B9090 White Bridge	600	(266)	600	866	0	866	
Newhall Bridge (January Storms 2015)	12	288	12	(276)	0	(276)	
Lifeline Bridges							
A986 Chada - Lifeline Bridges	18	540	18	(522)	0	(522)	
B8007 Glenmore Bridge - Lifeline Bridges	8	546	8	(538)	0	(538)	
A855 Leasgary Bridge - Lifeline Bridges	0	60	0	(60)	0	(60)	
U1074 Ruthven (Abersky) Bridge - Lifeline Bridges	0	46	0	(46)	0	(46)	Project complete.
Dulsie Bridge - Lifeline Bridges	1	529	1	(528)	0	(528)	The existing bridge is being monitored. Designs are progressing.
A837 Inveran Refurbishment - Lifeline Bridges	144	(151)	144	295	0	295	Works complete and in maintenance.
A838 Fiag Refurbishment - Lifeline Bridges	0	150	0	(150)	0	(150)	
A861 Lochailort Refurbishment - Lifeline Bridges	0	400	0	(400)	0	(400)	
Glenbrittle Bridge	5	0	5	5	0	5	
A831 Comar Refurbishment - Lifeline Bridges	42	369	42	(327)	0	(327)	
ACTIVE TRAVEL							
ERDF - Green & Active Travel - Millburn Road	214	(603)	214	817	0	817	
Cycling, Walking & Safer Streets	224	129	224	95	0	95	
20mph Zones	62	130	62	(68)	(68)	0	Designs in progress and works progressing.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

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	1,753	(683)	1,753	2,436	0	2,436	
Canal Parks Enhancement	4,195	(732)	4,195	4,927	0	4,927	
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	108	1,833	108	(1,725)	0	(1,725)	
South West Inverness Storm Water Relief	126	0	126	126	0	126	
Smithton / Culloden Flood Alleviation	737	453	737	284	0	284	Detailed design and contract awaiting award.
Major Flood Schemes							
River Enrick FPW / NFMS	171	296	171	(125)	0	(125)	WSP undertaking scheme design. Ground investigation complete. Public consultation and publication of Flood Protection Scheme Autumn 2017.
Dell Burn	0	20	0	(20)	0	(20)	
Caol FPW	139	(284)	139	423	0	423	
Mill Burn FPS	0	197	0	(197)	0	(197)	
Feabuie Culvert Replacement	14	549	14	(535)	0	(535)	
Conon Bridge Flood Defence Improvements	23	200	23	(177)	0	(177)	
River Gynack FPS / NFMS	138	478	138	(340)	0	(340)	
Scalesburn, Wick - Flooding	11	(7)	11	18	0	18	
River Peffery - FPS / NFMS	278	(136)	278	414	0	414	
Auldearn Burn FPS / NFMS	13	56	13	(43)	0	(43)	
Golspie - FPS / NFMS	127	25	127	102	0	102	
Kirkhill Watercourse Diversion	4	(40)	4	44	0	44	
Blairninch - Strathpeffer FPS	0	178	0	(178)	0	(178)	
River Nairn FPS	0	45	0	(45)	0	(45)	
Tarbet Ness FPS	0	50	0	(50)	0	(50)	
Balmacaan - Drumnadrochit FPS	0	23	0	(23)	0	(23)	
River Thurso FPS	89	(13)	89	102	0	102	
Dingwall SWMP	0	159	0	(159)	0	(159)	
Inverness SWMP/ICS	1	326	1	(325)	0	(325)	
Smithton / Culloden SWMP	0	90	0	(90)	0	(90)	
Fort William SWMP	0	60	0	(60)	0	(60)	
Corpach SWMP	0	30	0	(30)	0	(30)	
Newtonmore SWMP	2	712	2	(710)	0	(710)	
Halkirk SWMP	1	(2)	1	3	0	3	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

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	
WASTE MANAGEMENT							
Landfill Extensions							
Landfill Capacity Extensions - Ph B & C Seater - Cell 11 & 12	1,826	1,149	1,826	677	0	677	
Landfill Restorations							
Seater Landfill Restoration Programme	234	331	234	(97)	(97)	0	Part of the restoration work is to provide welfare facilities. Contract awarded.
Granish Landfill Restoration Programme	111	0	111	111	0	111	
Waste Management Strategy							
Plant, Infrastructure & Banks	114	8,624	114	(8,510)	(1,000)	(7,510)	Slippage to cover waste treatment facilities.
FERRIES AND HARBOURS							
Sconser Ferry Terminal	28	(98)	28	126	0	126	
Uig Link Span	1,355	(64)	1,355	1,419	0	1,419	
PARKS AND PLAY AREAS - DEVELOPMENT							
Inshes Park (Phases 1 to 3)	1	36	1	(35)	0	(35)	Phase 2 design works near completion. Developer contributions awaited to proceed with works.
STRATEGIC ASSET MANAGEMENT							
Health & Safety & Statutory Compliance	3,050	2,978	3,050	72	0	72	
Starter Business Units Inverness	5	(277)	5	282	0	282	
Office Rationalisation							
Wick Office	488	214	488	274	0	274	
Dingwall Office Rationalisation	67	24	67	43	0	43	
Inverness Office Rationalisation	535	(40)	535	575	0	575	Relocation of building maintenance from Harbour Road to Diriebught depot, completed by end of October. £0.5m estimated cost with funding to be agreed with Community Services.
Grantown Courthouse Project	148	145	148	3	0	3	Project progressing.
Kinmylies Relocation	20	0	20	20	0	20	
Ullapool Service Point	12	0	12	12	0	12	
Fort William Office Rationalisation	5,357	3,991	5,357	1,366	0	1,366	
Camagheal Phase 1	111	0	111	111	0	111	
Kingussie Office Rationalisation	57	(295)	57	352	0	352	
Energy Management	6,103	3,155	6,103	2,948	0	2,948	Energy management works required across the Council's property portfolio. Acceleration of the biomass installation programme will lead to the overspend, however RHI income will help the D&I revenue position.
CEEF	0	(16)	0	16	0	16	
HOUSING (NON HRA)							
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	1,543	3,371	1,543	(1,828)	(1,057)	(771)	Commitments indicate a shortfall in the spend in current year.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

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	
PLANNING & DEVELOPMENT							
Town & Countryside Regeneration	2	(128)	2	130	0	130	
Storr Visitor Management	0	89	0	(89)	(89)	0	Budget committed.
Nairn High Street	1	131	1	(130)	(130)	0	Under discussion with Ward Members.
Fairy Pools (Glen Brittle)	0	100	0	(100)	(100)	0	Budget committed.
Inverness Townscape Heritage	0	300	0	(300)	(300)	0	Part of the inner City works.
Dell of Spey	0	60	0	(60)	(60)	0	Budget committed.
Approaching Inverness	18	19	18	(1)	(1)	0	Budget committed.
Visitor Management	1	10	1	(9)	(9)	0	
Wester Ross Visitor Hubs	16	155	16	(139)	(139)	0	Budget committed.
Aviemore Orbital	0	50	0	(50)	(50)	0	Budget committed, part of the Dell of Spey scheme.
Chanonry Point	16	22	16	(6)	0	(6)	Project work complete.
Misc Assets, Bridges & Structures	10	(432)	10	442	0	442	
Coghill Footbridge	1	418	1	(417)	0	(417)	
Bighouse Bridge Upgrade	7	141	7	(134)	(134)	0	
Glen Nevis Footbridge	(352)	75	(352)	(427)	0	(427)	Scheme complete, grants now received.
Soldiers Bridge	(4)	0	(4)	(4)	0	(4)	Scheme is fully funded by grants.
Green Networks, Core Paths & Long Distance Routes	0	81	0	(81)	(81)	0	£80k committed as part of the long distance routes.
Green Infrastructure	29	175	29	(146)	(146)	0	Budget committed. Scheme to be delivered in 2018/19.
Ardersier Path	2	52	2	(50)	(50)	0	Budget committed. Tender to be received this financial year.
Vacant & Derelict Land Fund	101	(1,400)	101	1,501	0	1,501	Grant funded. Projects agreed with SG and will be delivered over the next 3 years.
Carbon Clever	55	843	55	(788)	(788)	0	Budget already committed.
City Deal Projects	150	0	150	150	0	150	Grant funded.
Smart City - Digital Projects	46	0	46	46	46	0	Grant funded.
2016/17 Overspend	0	(4,222)	0	4,222	0	4,222	
OVERALL TOTAL	37,723	37,891	37,723	(168)	(6,759)	6,591	

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	25,379	43,052	(518)	Mar 2021	Mar 2021
Inshes Roundabout	6,975	6,975	956	6,975	0	Mar 2020	Mar 2020
Kinnairdie Link Road, Dingwall (Incl Junction at County Buildings)	7,258	7,258	1,473	7,258	0	Mar 2019	Mar 2019
Major Bridge Works							
A862 Muir of Ord Railway Bridge	5,360	5,360	4,853	5,060	(300)	Mar 2018	Jul 2017
B970 Ruthven (Spey) Bridge	1,150	1,150	730	800	(350)	Mar 2016	Mar 2016
B9090 White Bridge, Cawdor	2,250	2,250	866	2,250	0	Mar 2019	Mar 2019
LEISURE FACILITIES							
Torvean Golf Course	8,227	8,227	7,957	8,227	0	Mar 2019	Mar 2019
Canal Parks Enhancement	4,144	4,144	5,073	5,049	518	Mar 2018	Jan 2017
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	34,708	34,708	37,488	37,814	3,106	Mar 2017	Aug 2016
WASTE MANAGEMENT							
Seater Landfill Site, Bower, Caithness	3,000	3,800	4,724	4,300	500	May 2019	Mar 2017
STRATEGIC ASSET MANAGEMENT							
Wick Office	8,500	8,500	8,979	8,750	250	Mar 2016	Nov 2016
Fort William Office Rationalisation	5,801	9,321	8,381	9,321	0	Mar 2017	Jun 2018
Kingussie Office Rationalisation	1,994	1,994	2,796	2,444	450	Mar 2016	Nov 2016
OVERALL TOTAL	132,719	137,039	109,655	141,300	3,656		

Projects Update

Inverness West Link and Associated Sports Facilities

Stage 2 (additional swing bridge) design and contract preparation is ongoing for construction following the relocation of the golf course and is programmed to commence in Spring 2019.

A paper will be taken to the May City of Inverness and Area Committee to seek approval to some minor changes to the Stage 2 proposals to reflect design development and access arrangement to residual lands available following the relocation of the golf course – this will include a fifth leg off the second roundabout on the A82 to access the residual golf lands to the south of the A82. A planning submission will then be made in the light of approvals obtained.

Torvean Golf Course - works on the new course are being undertaken by Coffey Construction and EGS Joint Venture and are on programme. It is programmed for all seeding to be complete early July to allow the growth to bed in before the course is available to be played on.

Works are ongoing on the clubhouse and maintenance building. Completion is programmed in May 2019, a slight delay, but efforts are ongoing to complete earlier notwithstanding that the later delivery of the clubhouse can be accommodated by maintaining existing facilities during the Stage 2 construction works until the new facilities are available for occupation.

Canal Parks Enhancements are complete, and the final account has been established. The out-turn cost is c£0.5m over budget, note previously reported at £0.3m, this is predominantly down to issues over the building warrant and design compatibility with the regulations. This caused initial delay in sign off of the design and also delayed the completion certificate. This budget issue is included within the overall costs for the West Link and associated sports projects.

Inshes Roundabout

The Minister for Transport and the Islands announced the preferred route for the East Link in October 2017, and public exhibitions were held at that time attended by officers of the Council.

Integration between the design and traffic models between Transport Scotland (TS) and Highland Council is ongoing – TS have funded additional traffic figures by automatic traffic counters and junction traffic surveys. This information will be used to further validate the base traffic model allowing greater refinement and certainty in traffic modelling and design development to maximise benefits.

Members at the City of Inverness Area Committee confirmed approval for the early installation of three lanes over Inshes overbridge and the tender has recently been awarded. Meetings are to be held with the successful contractor to establish the start date, duration and traffic management proposals. Note it is a contract requirement that one lane in both directions is maintained throughout the day. It is

recognised that this constraint will dictate some out of normal hours working but disruption will be kept to a minimum at this challenging location.

Development Infrastructure Dingwall

Funding for Kinnairdie Link Road was not included in the new capital programme but work has commenced on development infrastructure improvements to facilitate development – this initially will be undertaken by a new traffic impact assessment to determine opportunities within Dingwall.

B9090 White Bridge, Cawdor.

Tenders have been issued for the White Bridge contract.

Advance felling of trees has been completed to avoid any potential delays to the construction caused by nesting birds.

An application to the Strategic Timber Transport Fund (STTF) of £1M has been submitted with grant award expected in May. Tender return has been programmed in June such that award will follow confirmation, if any of STTF grant funding is available.

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 underway to upgrade the leachate treatment plant.

A890 Stromeferry Bypass/Rock Stabilisation

Funding for the Stromeferry Bypass was not included within the new capital programme.

The revised targeted STAG part 2 has been submitted to Transport Scotland and we await feedback.

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 diversions of heavy traffic, 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 discussions with Network Rail over road onto rail use are well developed. Funding for ongoing rock stabilisation works was included in the new capital programme.

Uig Ferry Terminal Upgrade

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.

Transport Scotland has yet to determine the exact scope of works and also the funding and phasing programme.

Scope of works and phasing, together with more onerous consenting processes, have resulted in an anticipated start of construction works in Spring 2019.

Consultation with the local community and harbour users continues.

Fort William Office Rationalisation

Works on phase 1 are complete with entry date in May 2018. Works on phase 2 are nearing completion with entry date of June 2018. Costs of both phases are within the overall budget allocated for this project.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2017 TO 31ST MARCH 2018

SERVICE: HOUSING REVENUE ACCOUNT

Project Description	Actual Net	Revised Net	Year End	Year End	(Slippage)/	Anticipated	COMMENTS
	Year to Date	Budget	Estimated Net	Net	Acceleration	Year End	
	£000	£000	Outturn	Variance	Net	(Under)/Over	
			£000	£000	£000	£000	
Capital Programme 2017/18							
Equipment and Adaptations	1,024	1,172	1,024	(148)	(152)	4	Slippage carried forward.
Major Component Replacement	3,268	5,218	3,268	(1,950)	(1,925)	(25)	Slippage carried forward.
Heating/Energy Efficiency	3,388	5,282	3,388	(1,894)	(1,925)	31	Slippage due to prioritising completion of the 2016/17 programme.
External Fabric (Major Component Replacement)	338	892	338	(554)	(554)	0	Slippage carried forward.
External Fabric (Environmental Improvements)	468	761	468	(293)	(357)	64	Slippage carried forward.
Total 2017/18 Programme	8,486	13,325	8,486	(4,839)	(4,913)	74	
Capital Programme 2016/17 Carried Forward							
Major Component Replacement	2,131	2,409	2,131	(278)	(125)	(153)	Slight underspend estimated on completion of the 2016/17 works.
Heating/Energy Efficiency	1,812	3,279	1,812	(1,467)	(1,254)	(213)	Slippage carried forward.
External Fabric (Major Component Replacement)	1,243	1,474	1,243	(231)	(277)	46	Slippage carried forward.
External Fabric (Environmental Improvements)	26	155	26	(129)	(129)	0	Slippage carried forward.
Healthy, Safe and Secure	43	495	43	(452)	(452)	0	Slippage carried forward.
Retentions	98	0	98	98	0	98	
Total 2016/17 Programme	5,353	7,812	5,353	(2,459)	(2,237)	(222)	
Total Mainstream Programme	13,839	21,137	13,839	(7,298)	(7,150)	(148)	
Council House Building Capital Programme							
New Council House Buildings	20,707	25,283	20,707	(4,576)	(5,126)	550	Slippage carried forward.
Individual House Purchases	3,519	510	3,519	3,009	3,009	0	Slippage carried forward.
One-Bed Accommodation	0	0	0	0	0	0	
Total Council Building Programme	24,226	25,793	24,226	(1,567)	(2,117)	550	
OVERALL TOTAL	38,065	46,930	38,065	(8,865)	(9,267)	402	

Funding	Actual Net	Revised Net	Year End	Year End
	Year to Date	Budget	Estimated Net	Net
	£000	£000	Outturn	Variance
			£000	£000
Investment Programme				
Useable Capital Receipts	4,746	0	4,746	4,746
RHI Income	316	0	316	316
Sale of LIFT Properties	52	0	52	52
Government Grant	7,992	10,311	7,992	(2,319)
Landbank	2,577	930	2,577	1,647
Borrowing	17,279	32,250	17,279	(14,971)
Capital from Current Revenue	5,103	3,439	5,103	1,664
GROSS FUNDING	38,065	46,930	38,065	(8,865)