

Agenda Item	6
Report No	EDI/42/18

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 16 August 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 monitoring position for the period from 1 April 2018 to 30 June 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 £0.250m to road improvements at Crask Junction.

2. Recommendations

- 2.1 Members are invited to approve:
 - (i) the capital expenditure monitoring position for the period 1 April 2018 to 30 June 2018; and
 - (ii) the allocation of £0.250m for roads improvements at Crask Junction.

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. Capital Programme 2018/19

- 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 7 March 2018, amended to include the 2017/18 outturn carried forward position.

5. Care and Learning

- 5.1 The Revised Net Budget for 2018/19 is £43.593m after adjusting for the 2017/18 carried forward position of £23.849m.
- 5.2 After 3 months of the financial year the net expenditure is £3.827m representing 8.8% of the 2018/19 programmed figure. The projected outturn for net expenditure is £43.593m leading to a nil variance. Once the summer works are complete, any variance will be reported to the November 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 six projects, all forecasting a balanced position. This is to be expected given the approval of the new capital programme in March 2018.
- 5.5 **Additional Care and Learning Programme Information**
- 5.5.1 Work is progressing on the 2018/19 Care and Learning capital programme following the approval of the generic budget heading allocations by the Care, Learning and Housing Committee in May 2018. Updates on the projects underway over the summer holiday period have been provided to the relevant Ward Members.
- 5.5.2 Following the publication of the Edinburgh Schools Report, we have also been working with the owners of our Public Private Partnership Schools (PPP1 – Community Schools (Highlands) Ltd. (CSHL); PPP2 - Alpha Schools (Highland) Ltd.) to ensure the compliance of these buildings with the recommendations contained in the report.
- 5.5.3 This activity has involved structural inspections of masonry walls to check that wall ties and wall head restraints have been properly installed. These inspections are ongoing and remedial works are being carried out where necessary. To date, the structural engineers involved have assured the Council that there have been no findings that affect the continued safe operation of the schools. The timing of any further remedial works that may be required will be agreed after consultation with the relevant Head Teachers. Regular meetings and dialogue with our PPP Partners are taking place and the remedial works are of course at no cost to the Council.

5.5.4 The current position is as follows:

PPP1	Progress Update
Ardnamurchan High/Residence	Inspections ongoing
Glen Urquhart High	Initial inspection complete – awaiting report from HCSL
Spean Bridge Primary	Initial inspection complete – awaiting report from HCSL
Strathdearn Primary	Initial inspection complete – awaiting report from HCSL
PPP2	
Bun-sgoil Ghàidhlig Inbhir Nis	Initial inspection complete – awaiting report from Alpha
Cawdor Primary	Initial inspection complete – awaiting report from Alpha
Culbokie Primary	Initial inspection complete – awaiting report from Alpha
Dingwall Academy	Remedial works underway – awaiting final report from Alpha
Drummond School/The Pines	Initial inspection complete – awaiting report from Alpha
Inshes Primary	Initial inspection complete – awaiting report from Alpha
Kinlochleven High/Primary Campus	Remedial works underway – awaiting final report from Alpha
Millburn Academy	Remedial works underway – awaiting final report from Alpha
Portree High	Remedial works underway – awaiting final report from Alpha
Resolis Primary	Initial inspection complete – awaiting report from Alpha

5.5.5 With regard to the remainder of the Council's property estate, an initial assessment has been completed and a programme of intrusive structural surveys is being commissioned.

5.6 **Aliness Academy**

5.6.1 The Corporate Resources Committee approved a recommendation at the meeting on 24 May 2018 to delegate approval to Officer, in conjunction with Chairs, for signing off an advanced works package for the replacement Aliness Academy project. This agreement allowed early commencement of on-site works pending the finalisation of the full DBDA (Design, Build, Development Agreement) contract with Hub North Scotland Ltd (HNSL). The advanced works commenced in June, and are programmed to be completed by 17 August.

5.6.2 HNSL subsequently advised that they were experiencing continuing delays in the market pricing of the various work packages for the main DBDA contract, which could result in the date for finalising the contract being delayed by up to 6 weeks. It is therefore necessary to increase the scope of the advanced works package in order to continue to maintain progress on site and to avoid a delay to the overall project completion date.

5.6.3 Officers are currently working with the HNSL project team to agree the scope and cost of the revised advanced works package. However, the ongoing delays to the overall process have raised concerns within the Council's project team regarding the potential increased risks to achieving the key programme dates and delivering the project within the approved budget. As outlined in the report to the meeting of the Corporate Resources Committee in May, a Project Board with representation from various Services has been established to oversee the delivery of this project. Following the most recent meeting of the Board earlier this month, a meeting has been arranged with representatives from HNSL to discuss these issues and also to raise our concerns regarding progress and performance to date. A further update will be provided to the next meeting of the Corporate Resources Committee on 29 August.

6. Community Services

- 6.1 The Revised Net Budget for 2018/19 is £19.774m after adjusting for the 2017/18 carried forward position of £1.591m. On reviewing the carried forward position, additional budget of £1.5m has become available. In line with the Council's March meeting recommendation of any project savings be directed to roads, the additional £1.5m has been allocated to roads structural works.
- 6.2 After 3 months of the financial year the net expenditure is £4.883m representing 24.7% of the 2018/19 programmed figure. The projected outturn for net expenditure is £19.414m leading to a variance £0.360m, arising from slippage in some projects.
- 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 2018/19 is £23.230m after adjusting for the 2017/18 carried forward position of £4.095m.
- 7.2 After 3 months of the financial year the net expenditure is £4.948m representing 21.3% of the 2018/19 programmed figure. The projected outturn for net expenditure is £23.138m leading to a variance £0.092m, arising from slippage in some projects.
- 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 twelve projects, all forecasting a balanced position. This is to be expected given the approval of the new capital programme in March 2018.
- 7.5 An update on major projects is included at **Appendix 6**.
- 7.6 **Capital Programme 2018-23 Crask Junction**
- 7.6.1 As highlighted at 6.1 above, additional budget has been identified on reviewing the carry forward position. There is potentially another £0.5m available.
- 7.6.2 Crask Junction serves residential and agricultural holdings onto the B9169 Muir of Ord – Leanaig- Culbokie – Shorton Road. The junction follows a blind summit, with high traffic speeds on the main road. A fatal accident has been recorded at this location and the local community have been maintaining a log of frequent near misses. Warning signs have been erected but this has not made a noticeable change in vehicle speeds, implementing a speed restriction has been ruled out as it would not be self-policing.
- 7.6.3 The Council's Roads Operation Team has identified this junction as a high safety risk and their highest priority. Following significant community involvement and consultation, the design is complete and planning approval obtained – land negotiations are very well advanced - the estimated cost of the scheme is £0.250m.
- 7.6.4 It is recommended that Members approve the allocation of £0.250m to Crask Junction from the available £0.5m.

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 2018/19 was approved by the Care, Learning and Housing Committee on 25 January 2018, amended to include £7.152m of the 2017/18 underspend to allow completion of the 2017/18 capital programme. The mainstream HRA capital budget for 2018/19 is £20.754m.
- 8.3 Highland's Strategic Housing Investment Plan 2018 to 2023 was approved by the Environment, Development and Infrastructure Committee on 8 November 2017. To allow progression of the programme, the Council house building element of the HRA capital programme for 2018/19 is £30.682m.
- 8.4 The capital programme summary is included in **Appendix 7**. It shows net expenditure to 30 June 2018 of £6.102m of which £2.153m relates to mainstream HRA Capital programme expenditure and £3.949m relates to Council house building.
- 8.5 The projected outturn for net expenditure is £47.288m leading to a net variance of £4.148m. The net variance comprises net slippage of £3.734m, and an underspend of £0.414m.
- 8.6 The principal reason for the slippage on the mainstream element is the prioritisation of completing the outstanding 2017/18 works. The slippage on the Council house building element is a combination of 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 & Infrastructure

Date: 7 August 2018

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Background Papers: Monitoring statements 30/6/18 and the Highland Council Financial Ledger

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 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	
Community and Leisure Facilities							
Grantown Swimming Pool	2	0	0	0	0	0	Work complete.
Inverness Leisure Remedial Works	0	155	155	0	0	0	Floodlighting to running track at tender stage.
Thurso Swimming Pool	3	0	0	0	0	0	Work complete.
Minor - Community and Leisure Facilities	3	361	361	0	0	0	Various projects.
Sub-Totals	8	516	516	0	0	0	
Secondary School Programme							
Alness Academy	476	8,573	8,573	0	0	0	Advanced works ongoing.
Inverness High School	465	4,500	4,500	0	0	0	Phase 1 of refurbishment underway; some delays on site.
Inverness Royal Academy	60	1,056	1,056	0	0	0	External works being completed.
Lochaber High School Phases 3 & 4	4	0	0	0	0	0	Work complete.
Tain 3-18 Campus	8	0	0	0	0	0	Site selection under review - design on hold.
Wick Community Campus	73	258	258	0	0	0	External works being completed.
Minor - Secondary School Programme	1	0	0	0	0	0	Various projects.
Sub-Totals	1,087	14,387	14,387	0	0	0	
Primary School Programme							
Cauldeen Primary - ASN Annexe/Nursery	235	3,673	3,673	0	0	0	On site.
Milton of Leys Primary - Nursery Annexe	0	304	304	0	0	0	
Cromarty Primary - Extension/Refurbishment	4	155	155	0	0	0	Phase 2 on site
Fort William - Caol Joint Campus	164	0	0	0	0	0	Work complete.
Fort William - Lundavra Primary	3	0	0	0	0	0	Work complete.
Portree - New Gaelic Primary	239	426	426	0	0	0	On site.
Wick - New Noss Primary	3	0	0	0	0	0	Work complete.
Merkinch Primary - New School	270	4,500	4,500	0	0	0	Design in progress.
Smithton Primary - Extension/Refurbishment	520	1,500	1,500	0	0	0	Phase 2 on site.
Minor - Primary School Programme	1	0	0	0	0	0	Various projects.
Sub-Totals	1,439	10,558	10,558	0	0	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 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							
Killen	15	0	0	0	0	0	Alternative provision to be established at Killen.
Sub-Totals	15	0	0	0	0	0	
Health & Social Care Programme							
Adult Services (NHS)	28	1,000	1,000	0	0	0	Various projects.
Children's Services	35	650	650	0	0	0	Various projects.
Sub-Totals	63	1,650	1,650	0	0	0	
School Estate Management							
Early Learning and Childcare	159	4,940	4,940	0	0	0	Various projects.
Free School Meals	60	1,000	1,000	0	0	0	Various projects completed; Dalneigh at design stage.
ICT Investment	4	0	0	0	0	0	Ongoing programme.
Life Cycle Investment	828	7,909	7,909	0	0	0	Various projects.
Roll Pressures	163	1,030	1,030	0	0	0	Various projects.
SSER - Inverness Schools	0	0	0	0	0	0	Various options being considered and projects being initiated.
SSER - Remaining Phases of Review	1	1,603	1,603	0	0	0	Dingwall/Fortrose will be the next phase to be undertaken.
Sub-Totals	1,215	16,482	16,482	0	0	0	
Overall Totals	3,827	43,593	43,593	0	0	0	

MONITORING OF CAPITAL EXPENDITURE - PROJECTS OVER £1M AS AT 30TH JUNE 2018

SERVICE: CARE AND LEARNING

Project Description	Approved Budget March 2018	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 2018	Current Estimate
Secondary Schools Programme							
Inverness High School - Refurbishment	14,000	14,000	3,562	14,000	0	Mar-20	Mar-20
Alness Academy - New School	35,000	35,000	1,604	35,000	0	Building - Mar. 2020; External Works - Dec. 2020	Building - Mar. 2020; External Works - Mar. 2021
Primary Schools Programme							
Merkinch Primary - Extension/Refurbishment & Community Facilities*	18,500	18,500	650	18,500	0	Building - Mar. 2020; External Works - TBC	Building - Mar. 2020; External Works - TBC
Milton of Leys Primary - Nursery Annexe*	1,500	1,500	0	1,500	0	Mar-20	Mar-20
Ness Castle - New School*	12,353	12,353	0	12,353	0	Aug-21	Aug-21
Smithton Primary - Extension/Refurbishment*	4,250	4,250	740	4,250	0	Oct-19	Oct-19
Overall Totals	85,603	85,603	6,556	85,603	0		

* Scottish Government Funding for Early Learning and Childcare Expansion Not Included

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 2018

SERVICE: COMMUNITY SERVICES

Project Description	Actual Net Year to Date £000	Revised Net Budget £000	Year End Estimated Net Outturn £000	Year End Net Variance £000	(Slippage)/Acceleration Net £000	Anticipated Year End (Under)/Over £000	COMMENTS
ROADS AND BRIDGES							
Structural Road Works							
Road Structural Capital Works	608	5,930	5,930	0	0	0	Works progressing in all Areas.
Road Surface Dressing Capital	693	2,740	2,740	0	0	0	Works progressing in all Areas.
Bridges, Retaining Walls & Culverts	8	680	320	(360)	(360)	0	Designs progressing.
Area Minor Capital Works							
Timber Extraction	(49)	650	650	0	0	0	Schemes identified, STTS grant confirmed.
ACTIVE TRAVEL							
Car Parking - Portree	6	0	0	0	0	0	
Car Parking - Fort Augustus	(3)	0	0	0	0	0	
20mph Zones	2	68	68	0	0	0	Budget transferred from D&I as road safety function now with CS.
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	768	3,605	3,605	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 per annum linked to revenue saving on electricity costs.
FERRIES AND HARBOURS							
Harbours General Structural Works	60	563	528	(35)	0	(35)	Programme of works identified.
Emergency Works - Nairn Harbour	23	0	30	30	0	30	Works to be completed this financial year.
Lochinver Ice Plant	2	0	5	5	0	5	Works complete.
Chilling of Fish Market - Kinlochbervie	1,356	0	0	0	0	0	Works complete. European fisheries grant awaited.
COMMUNITY WORKS							
Burials and Cremations							
Burial Ground Extension - General	0	0	0	0	0	0	
Burial Ground Extension - Portree	1	200	200	0	0	0	Phase 1 works complete.
Burial Ground Extension - Nairn	0	50	40	(10)	0	(10)	Works complete.
Burial Ground Fodderty	0	200	200	0	0	0	Works complete.
Burial Ground Dores	0	40	40	0	0	0	Design work ongoing.
Burial Ground Kilvean	4	50	50	0	0	0	Design work ongoing.
Burial Ground Dornoch	0	0	0	0	0	0	Design work ongoing.
Inverness Crematorium - Replacement Cremators	5	0	10	10	0	10	Final costs for works at the Crematorium.
War Memorials	52	0	0	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	34	0	0	0	0	0	No longer a budget, spend to be met from Community donations.
Depots							
Depots - Health & Safety	1	303	303	0	0	0	Budget to be used when required to comply with health & safety issues.
VEHICLES & PLANT							
Vehicle & Plant Purchases	1,261	4,327	4,327	0	0	0	Budget fully committed for 2018/19.
HOUSING (NON HRA)							
Travelling People Sites	50	118	118	0	0	0	Budget fully committed for 2018/19.
OVERALL TOTAL	4,883	19,774	19,414	(360)	(360)	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 2018

SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES

Project Description	Actual Net Year to Date £000	Revised Net Budget £000	Year End Estimated Net Outturn £000	Year End Net Variance £000	(Slippage)/Acceleration Net £000	Anticipated Year End (Under)/Over £000	COMMENTS
ROADS AND BRIDGES							
Major Road Improvements							
The Inverness West Link	217	795	795	0	0	0	
Inshes Roundabout	66	572	572	0	0	0	
Development Infrastructure, Dingwall	8	0	0	0	0	0	
B851/B862 South Loch Ness Road Improvements	0	206	206	0	0	0	
Stromeferry Rockface	32	1,288	1,288	0	0	0	
A890 Balnacra to Lair	2	0	5	5	0	5	
Knoydart Landslip - Inverie - Soldiers Rock	95	62	100	38	0	38	Works finished but still some costs incl retention to come through
Major Bridge Works							
A862 Muir of Ord Railway Bridge	12	0	37	37	0	37	Works complete - in maintenance
A836 Naver Bridge, Bettyhill, Sutherland	0	0	0	0	0	0	
B863 Invercoe Bridge, Lochaber	12	150	50	(100)	0	(100)	Design near complete, works expected to start in 2020
B9090 White Bridge	40	1,854	1,854	0	0	0	Tenders received and being assessed, contract awarded
Newhall Bridge (January Storms 2015)	8	255	255	0	0	0	Contract awarded to Diack & Macaulay, works start August 2018
Lifeline Bridges							
B8007 Glenmore Bridge - Lifeline Bridges	7	0	20	20	0	20	Land issues remain unresolved
ACTIVE TRAVEL							
Green & Active Travel Improvements	71	0	0	0	0	0	Fully funded by Sustrans.
Community Links PLUS	32	107	107	0	0	0	Various schemes progressing. Sustrans funded.
Cycling, Walking & Safer Streets	(4)	0	0	0	0	0	Grant funding of £0.320m from SG. Schemes progressing.
LEISURE FACILITIES							
Torvean Golf Course	1,184	4,255	4,255	0	0	0	
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	4	338	338	0	0	0	Awaiting final compensation recommendations from DV
Smithton / Culloden Flood Alleviation	133	1,987	1,987	0	0	0	Contract Awarded May 18. Site Works underway
Major Flood Schemes							
River Enrick FPW / NFMS	20	69	69	0	0	0	Study ongoing with WSP to determine preferred scheme
Caol FPW	41	115	115	0	0	0	Preferred scheme consulted- awaiting approval of scheme 2018
Mill Burn FPS	1	180	180	0	0	0	Study due to commence August 18. Underspend predicted due to late start
Conon Bridge Flood Defence Improvements	13	206	206	0	0	0	Study ongoing. Expecting GI and design development later this year
River Gynack FPS / NFMS	21	0	0	0	0	0	Study not yet commissioned. Spend against Diversion Channel complete
River Pefferly - FPS / NFMS	54	185	185	0	0	0	Study ongoing with Jacobs. Expected preferred solution by end of year.
Golspie - FPS / NFMS	28	219	219	0	0	0	Study ongoing with AECOM. Some delay due to modelling issues.
Kirkhill Watercourse Diversion	0	52	52	0	0	0	Scheme complete.
River Thurso FPS	14	214	214	0	0	0	Study ongoing with AECOM. Some delay due to modelling issues.
Risk Management Plans	1	155	155	0	0	0	Study ongoing
Inverness SWMP/ICS	0	26	26	0	0	0	Study with Scottish Water consultants ongoing
Newtonmore SWMP	1	26	26	0	0	0	Study ongoing
Halkirk SWMP	2	0	0	0	0	0	Study ongoing

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 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	£000	£000	Net	(Under)/Over	
					£000	£000	
WASTE MANAGEMENT							
Landfill Extensions							
Landfill Restorations							
Seater Landfill Restoration Programme	563	1,097	1,097	0	0	0	Restoration work ongoing, including welfare facilities.
Waste Management Strategy							
Residual Waste Management Facility	12	0	0	0	0	0	
Plant, Infrastructure & Banks	51	1,361	1,361	0	0	0	Waste treatment works at Seater landfill site ongoing.
FERRIES AND HARBOURS							
Uig Ferry Terminal and Link Span	292	0	0	0	0	0	Design costs to tender stage. Funding to be met by TS and THC £1m
PARKS AND PLAY AREAS - DEVELOPMENT							
Inshes Park (Phases 1 to 3)	418	0	0	0	0	0	Fully funded by developer contributions and grants.
STRATEGIC ASSET MANAGEMENT							
Health & Safety	132	0	0	0	0	0	Spend to be met from other property budget lines below.
Engineering Compliance	19	928	928	0	0	0	Works ongoing.
Property Structures and Fabric	3	1,030	1,030	0	0	0	Works ongoing.
Property Security	1	175	175	0	0	0	Works ongoing.
Water Management	4	206	206	0	0	0	Works ongoing.
Fire Safety	24	206	206	0	0	0	Works ongoing.
Asbestos Removal	14	72	72	0	0	0	Works ongoing.
Energy Management	440	1,236	1,236	0	0	0	Works ongoing.
Office Rationalisation							
Wick Office	7	0	20	20	0	20	Retentions
Dingwall Office Rationalisation	0	543	521	(22)	0	(22)	
Granttown Courthouse Project	3	0	0	0	0	0	Retentions
Kinmylies Relocation	(4)	108	109	1	0	1	
Ullapool Service Point	15	70	68	(2)	0	(2)	
Fort William Office Rationalisation	1,179	737	737	0	0	0	Further funding due, and awaiting final contractor's account.
Solar PVs	0	250	250	0	0	0	
Starter Business Units Inverness	4	0	0	0	0	0	
HOUSING (NON HRA)							
Private Sector Housing Grants	270	0	0	0	0	0	Fully funded by specific grant.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 2018

SERVICE: DEVELOPMENT & INFRASTRUCTURE 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	
PLANNING & DEVELOPMENT							
Town & Countryside Regeneration	0	175	175	0	0	0	
Storr Visitor Management	0	89	89	0	0	0	Ongoing. Spend will occur later in the year.
Storr Car Park	1	0	0	0	0	0	External funding approved.
Nairn High Street	6	130	130	0	0	0	Pedestrian crossing on High Street and pathway on King Street progressing.
Fairy Pools (Glen Brittle)	(300)	100	100	0	0	0	SG grant funding received.
Inverness Townscape Heritage	0	300	300	0	0	0	Part of the overall Inverness heritage project.
Dell of Spey	7	110	110	0	0	0	Ongoing. Spend will occur later in the year.
Approaching Inverness	0	1	4	3	0	3	Replacement trees may be required due to adverse weather conditions
Visitor Management							
Wester Ross Visitor Hubs	0	139	139	0	0	0	2nd tender returned, however higher than budget. Negotiations underway. Completion still expected this financial year.
Pictish Trail	0	9	3	(6)	(6)	0	Discussions ongoing with HES.
Misc Assets, Bridges & Structures							
Assets, Bridges and Structures	1	134	134	0	0	0	Review underway of miscellaneous assets.
Glen Nevis Footbridge	4	0	0	0	0	0	
Soldiers Bridge	12	0	0	0	0	0	Further grant claim will recover all costs.
Green Networks, Core Paths & Long Distance Routes							
Green Infrastructure	1	146	60	(86)	(86)	0	Pathworks to Carnac Point and signage complete this financial year. Scope of works & programme for Merkinch Local Nature Reserve yet to be determined. Slippage carried forward.
Long Distance Routes	36	81	81	0	0	0	Funds fully committed.
Ardersier Path	0	50	50	0	0	0	
Other Grant Funded Schemes							
Vacant & Derelict Land Fund and Regeneration Fund	(3,839)	0	0	0	0	0	Carried forward, schemes under development.
Carbon Clever	5	431	431	0	0	0	Fully committed.
City Deal Projects	3,441	0	0	0	0	0	Grant funding will cover all expenditure.
Smart City - Digital Projects	11	0	0	0	0	0	ERDF scheme ongoing.
OVERALL TOTAL	4,948	23,230	23,138	(92)	(92)	0	

MONITORING OF CAPITAL EXPENDITURE - Projects Over £1m

SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES

Project Description	Approved Budget March 2018	Current Approved Budget	Total Project Spend to Date	Forecast Total Project Spend	Forecast End of Project Variance	Project Completion Dates	
						Planned at March 2018	Current Estimate
	£000	£000	£000	£000	£000		
ROADS AND BRIDGES							
Major Road Improvements							
The Inverness West Link	15,914	15,914	217	15,914	0	Mar 2021	Mar 2021
Inshes Roundabout	7,260	7,260	66	7,260	0	Mar 2021	Mar 2021
Stromeferry Rockface	2,318	2,318	32	2,318	0	Mar 2023	Mar 2023
Major Bridge Works							
B9090 White Bridge, Cawdor	3,502	3,502	40	3,502	0	Mar 2020	Mar 2020
ACTIVE TRAVEL							
Inverness City Active Travel Network	6,595	6,595	32	6,595	0	Mar 2021	Mar 2021
LEISURE FACILITIES							
Torvean Golf Course	12,350	12,350	9,141	12,350	0	Mar 2019	Mar 2019
FLOOD PREVENTION							
Flood Prevention Schemes							
Smithton / Culloeden Flood Alleviation	14,885	14,885	133	14,885	0	Mar 2020	Mar 2020
Caol Flood Prevention	8,858	8,858	41	8,858	0	Mar 2021	Mar 2021
River Enrick Flood Prevention	3,111	3,111	20	3,111	0	Mar 2021	Mar 2021
FERRIES AND HARBOURS							
Uig Ferry Redevelopment	30,294	30,294	1,491	30,294	0	Aug 2020	Aug 2022
WASTE MANAGEMENT							
Residual Waste Management Facility	6,595	6,595	12	6,595	0	May 2021	May 2021
STRATEGIC ASSET MANAGEMENT							
Fort William Office Rationalisation	10,111	10,111	9,945	10,111	0	Jun 2018	Jun 2018
OVERALL TOTAL	121,793	121,793	21,170	121,793	0		

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. Adverts have been placed for interested contractors.

Approval was obtained at the 31 May City of Inverness Area Committee for some minor changes to the Stage 2, this included a fifth leg off the second roundabout on the A82 to access the residual golf lands to the south of the A82. Planning submissions have been made to seek the necessary consents. It was also agreed at this committee to develop holes 5 to 8 of the old golf course as a city park, subject to securing appropriate funding.

At the City of Inverness Area Committee it was also agreed to undertake a review of the Inverness East Development Brief. The City of Inverness Area Committee have been invited to a site walkover and workshop on the 20 August to consider opportunities for the development of the area prior to wider public consultations.

Torvean Golf Course - works on the new course is being undertaken by Coffey Construction and EGS Joint Venture. Poor weather at the end of the last grass growing season, and poor weather at the start of the year delayed both ground/soil preparation and subsequent seeding. The extended period of very dry weather has also hampered both germination and grass growth and the weather for the remainder of the year will now influence the growth and establishment of the fairways, noting that green and tees are well established and watered. Discussions are ongoing with the golf club to consider mitigation.

Works are ongoing on the clubhouse and maintenance building and are progressing well with completion scheduled in May, but efforts are ongoing to finish earlier. Any delay to the clubhouse can be accommodated by maintaining existing facilities during the Stage 2 construction works until the new facilities are available for occupation.

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 surveys by automatic traffic counters and junction traffic counts. 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. The traffic model outputs are anticipated soon.

The contract for the installation of three lanes over Inshes overbridge, being constructed by Wills Bros Ltd, is progressing well with completion in November. The lack of disruption to the traveling public has been welcomed.

Consultations are ongoing with representatives of Culcabock and Drakies Community Council in respect of access to Drakies and also the developer of Dell of Inshes, to consider issues and options.

Design work is ongoing for early delivery of a new access to the Police Scotland Station that will give flexibility for construction of the main Inshes Junction when the optimum layout has been established.

Development Infrastructure Dingwall

Work has commenced on possible infrastructure improvements to facilitate residential development in Dingwall. It is important, to facilitate this work, that a new traffic assessment and model is undertaken. Traffic counts have been completed and the model will also incorporate the network changes that have occurred since the last traffic assessment undertaken in support of Kinnairdie Link Road. When the new traffic model has been calibrated with this new information then various scenarios will be tested (including Kinnairdie Link Road) to ascertain the road improvement necessary to allow staged residential development to occur.

B9090 White Bridge, Cawdor.

An application to the Strategic Timber Transport Fund (STTF) was submitted but grant funding was not successful as the project spanned more than one financial year and the fund was oversubscribed. Whilst this is disappointing the capital funding allocation did not assume any STTF funding.

Advance felling of trees has been completed to avoid any potential delays to the construction caused by nesting birds, and the BT diversion works have been completed. Access to the land to permit the construction has been agreed.

Tenders have been returned, are within the budget allocation, and the contract has been awarded to R J McLeod (Contractors) Ltd. The start date is dependent on the completion of Scottish Water mains diversion works needed in advance of construction works, these are planned to be complete in August. This will allow

construction works on the new bridge to commence late August to be complete by late 2019, the Contractor is indicating a potential earlier finish.

A890 Stromferry Bypass/Rock Stabilisation

The contract for the stabilisation of a priority area of rock face has been awarded to TRAC a specialist rock stabilisation and rope access company. The works are due to commence in September and be complete before Christmas. The traffic management is significant and will require diversions of heavy traffic for the duration. A road onto rail solution will be provided and will be available for traffic from 7am to 10pm (with a 7.5T weight restriction) subject to delay as trains pass, the road being closed outwith that period. All 'heavy' vehicles and night time traffic will have to follow the c130 mile detour. Widespread consultations and communications have prepared the community for the inevitable disruption.

An annual inspection will be undertaken in Spring, following the winter and before vegetation growth, to establish rock slope risk and prioritisation of future work. Funding for ongoing rock stabilisation works is included in the capital programme

Inverness City Active Travel Network Project

The governance arrangements for the Inverness City Active Travel Network Project (ICATN) were approved by the City of Inverness Committee on 22 February 2018 ([CIA/6/18](#)).

The first Steering Group meeting was held on 12th June 2018. The first Advisory Group meeting is being organised and is likely to be held in late August. Tender returns for the provision of the ICATN Programme Team are due back in late July 2018.

In the meantime a number of tasks have been undertaken: a series of traffic surveys and topographical surveys; the first batch of multi-modal counters has been purchased for the new infrastructure on the West Link. The timetable for installation of the counters is being discussed with the supplier; Consultant appointed to develop the Riverside Way element, including the desired event management measures for the Bught Park; design work for new ramp linking with the Golden Bridge from Raigmore Interchange progressing; early dialogue with Transport Scotland in respect of non-motorised user enhancements at Raigmore Interchange; site visit from dutch-style Fietsstraat specialist held in June 2018, contractor on site undertaking enhancements of National Cycle Network route at Smithton prior to the second phase works involving the installation of a new/enhanced bridge.

The Year One grant claim has been submitted and once processed will be picked up in the ongoing expenditure reports.

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 three ferry terminals.

Transport Scotland has yet to determine the exact scope of works and also the funding and phasing programme, but this is anticipated to be confirmed before the end of this year.

Designs at Uig are also being finalised to provide the necessary strengthening works, pier provision for Liquefied Natural Gas (LNG), fendering and wave climate protection works, replacement linkspan, dredging, together with carparking marshalling works and a new terminal building, these being developed in close collaboration with CALMAC and CMAL.

Determination of the scope of works, the exact detailed design and phasing together with a more onerous consenting processes has resulted in an anticipated start of construction works of Summer 2019.

Consultation with the local community and harbour users continues, with the next round in Uig being on 10th September. Colleagues from the Development Plans team are also preparing a development brief for the land to the west of the harbour to identify and coordinate regeneration opportunities arising from the ferry infrastructure works. An 8 week public consultation on the draft Brief runs from 30th July to 21st September and they will use the opportunity on 10th September to further engage with the local community.

Part of the proposals for Uig include the replacement of the linkspan. Designs are progressing to limit the outage, but it is currently anticipated that a linkspan outage (precluding vehicle access to the ferry), of 6 weeks will be required. Consultations are ongoing regarding the optimum period of closure as it is a balance between vehicle numbers and weather and associated delay and disruption risk. CALMAC are currently developing their mitigation strategy for the closure, and when this is available, together with the consultations shall be reported and a recommendation made to this committee for the closure period. This will allow sufficient time to communicate the closures and alternative arrangements, as the outage will be in 2020.

Fort William Office Rationalisation

Both phases are now complete and buildings occupied. All outstanding external works are complete with the exception of planting. Due to high temperatures some planting is delayed to avoid loss of plants. Final accounts are currently under review and final costs will be reported to the next EDI Committee.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 2018

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 2018/19							
Equipment and Adaptations	60	1,016	1,067	51	51	0	Works ongoing in all Areas.
Major Component Replacement	135	2,418	2,444	26	26	0	Works ongoing in all Areas.
Heating/Energy Efficiency	287	4,977	4,386	(591)	(591)	0	Works ongoing in all Areas, slippage carried forward.
External Fabric (Major Component Replacement)	58	5,317	4,420	(897)	(897)	0	Works ongoing in all Areas, slippage carried forward.
External Fabric (Environmental Improvements)	82	991	899	(92)	(92)	0	Works ongoing in all Areas, slippage carried forward.
Total 2018/19 Programme	622	14,719	13,216	(1,503)	(1,503)	0	
Capital Programme 2017/18 Carried Forward							
Major Component Replacement	3	100	20	(80)	0	(80)	Works to complete this financial year, slight underspend.
Heating/Energy Efficiency	81	1,564	1,272	(292)	(40)	(252)	Works to complete this financial year, underspend due to lower prices.
External Fabric (Major Component Replacement)	954	2,342	2,342	0	0	0	Works to complete this financial year.
External Fabric (Environmental Improvements)	8	59	63	4	0	4	Works to complete this financial year.
Healthy, Safe and Secure	126	451	451	0	0	0	Works to complete this financial year.
Retentions	359	1,519	1,433	(86)	0	(86)	Works to complete this financial year.
Total 2017/18 Programme	1,531	6,035	5,581	(454)	(40)	(414)	
Total Mainstream Programme	2,153	20,754	18,797	(1,957)	(1,543)	(414)	
Council House Building Capital Programme							
New Council House Buildings	3,547	30,092	27,901	(2,191)	(2,191)	0	Works ongoing in all Areas, slippage carried forward.
Individual House Purchases	402	590	590	0	0	0	
One-Bed Accommodation	0	0	0	0	0	0	
Total Council Building Programme	3,949	30,682	28,491	(2,191)	(2,191)	0	
OVERALL TOTAL	6,102	51,436	47,288	(4,148)	(3,734)	(414)	

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	255	0	700	700
RHI Income	74	0	297	297
Sale of LIFT Properties	120	1,742	1,752	10
Government Grant	699	13,194	10,440	(2,754)
Landbank	0	1,162	990	(172)
Borrowing	4,954	30,690	28,654	(2,036)
Capital from Current Revenue	0	4,648	4,455	(193)
GROSS FUNDING	6,102	51,436	47,288	(4,148)