

Agenda Item	6
Report No	EDI/67/18

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 8 November 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 September 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 homologate an additional budget allocation of £0.9m to the new build of Alness Academy from the School Estate Improvement Programme.

2. Recommendations

- 2.1 Members are invited to approve:
 - the capital expenditure monitoring position for the period 1 April 2018 to 30 September 2018; and
 - to homologate an additional allocation of £0.9m to Alness Academy project from the School Estate Improvement Programme.

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 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 6 months of the financial year the net expenditure, after adjusting for the specific grant of £10.4m for the Early Learning and Childcare building programme, is £12.785m representing 29.3% of the 2018/19 programmed figure. The projected outturn for net expenditure is £39.193m leading to a net variance of £4.4m, arising from slippage in some projects.
- 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.
- 5.6 **Alness Academy**
- 5.6.1 The report to the previous meeting of this Committee in August highlighted ongoing delays to the Stage 2 process to finalise the DBDA (Design, Build, Development Agreement) contract with Hub North Scotland Ltd (HNSL). It is anticipated that the contract will be signed by both parties during week commencing 29th October.
- 5.6.2 As previously highlighted, these ongoing delays 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. Both parties have an agreement that the current advanced works package will continue on site until the contract is concluded to avoid any delay to the overall programme. With regard to the total project cost however, it is recommended that the project budget is increased from £36.473m to £37.373m, to take account of the following factors:
- DBDA contract – an increase (on a like-for-like basis between the Stage 1 and Stage 2 figures) of £0.2m

- Internal fees and other costs (due to the additional time and resources in dealing with performance issues) – an increase of £0.2m
- Project contingency (due to the increased potential financial risk to the Council during the construction phase) – an increase of £0.5m

5.6.3 In order to sign off the contract, the Chair of this Committee has agreed that the additional funding should be allocated to this project from within the overall Care and Learning capital programme, and the Committee is asked to homologate this decision. Discussions are ongoing with representatives of HNSL and the Scottish Futures Trust with regard to performance to date and the associated financial implications.

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 6 months of the financial year the net expenditure is £8.805m representing 44.5% of the 2018/19 programmed figure. The projected outturn for net expenditure is £19.164m leading to a variance £0.610m, 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 £23.480m after adjusting for the 2017/18 carried forward position of £4.095m.

7.2 After 6 months of the financial year the net expenditure is £12.735m representing 54.2% of the 2018/19 programmed figure. The projected outturn for net expenditure is £28.415m leading to a net variance £4.935m. The net variance is represented by accelerated expenditure of £5.661m and slippage of £0.726m. The acceleration and slippage will be carried forward to the 2019/20 capital programme.

7.3 £4.487m of the accelerated expenditure is in relation to flood schemes, with 80% grant funded from the Scottish Government.

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

7.5 **Appendix 5** provides Members with whole of life project information for individual projects with a budget of greater than £1m. There are twelve projects, eleven of which forecasting a balanced position. This is to be expected given the approval of the new capital programme in March 2018. There is one project, Fort William Office Rationalisation, predicting an overall overspend of £0.353m (3.5%).

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

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 September 2018 of £17.227m of which £6.132m relates to mainstream HRA Capital programme expenditure and £11.095m relates to Council house building.
- 8.5 The projected outturn for net expenditure is £45.810m leading to a net variance of £5.626m. The net variance comprises net slippage of £3.740m and a net underspend of £0.227m on the mainstream element of the programme and net slippage of £1.692m and an overspend of £0.033m in the Council house building programme.
- 8.6 The principal reason for the slippage on the mainstream element is the prioritisation of Project Management resources on completing the outstanding 2017/18 works, including retendering of several projects to provide value for money. The mainstream HRA Capital Programme continues to be reported at a project level to Area Committees / Ward Business Meetings. 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 and Infrastructure

Date: 30 October 2018

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Background Papers: Monitoring statements 30/9/18 and the Highland Council Financial Ledger

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH SEPTEMBER 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							
Community and Leisure Facilities	14	361	361	0	0	0	Various projects.
Legacy Projects	7	305	205	(100)	(100)	0	Various retentions/commitments.
Sub-Totals	21	666	566	(100)	(100)	0	
Secondary School Programme							
Alness Academy	1,150	9,000	9,000	0	0	0	Advanced works progressing on site.
Inverness High School	2,021	4,500	4,000	(500)	(500)	0	Work progressing on site; initial phase handed over.
Inverness Royal Academy	194	1,056	1,056	0	0	0	External works being completed.
Wick Community Campus	63	258	258	0	0	0	External works being completed.
Legacy Projects	16	250	250	0	0	0	Various retentions/commitments.
Sub-Totals	3,444	15,064	14,564	(500)	(500)	0	
Primary School Programme							
Merkinch Primary	1,829	4,500	4,000	(500)	(500)	0	Advanced works progressing on site.
Milton of Leys Primary	0	350	350	0	0	0	Design work commenced.
Ness Castle Primary	0	103	103	0	0	0	Design work commenced.
Smithton Primary	1,285	1,778	1,778	0	0	0	Phase 2 on site.
Strontian Primary	6	0	0	0	0	0	New building handed over.
Legacy Projects	725	2,843	2,343	(500)	(500)	0	Various retentions/commitments.
Sub-Totals	3,845	9,574	8,574	(1,000)	(1,000)	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH SEPTEMBER 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
Health & Social Care Programme							
Adult Services (NHS)	64	1,000	850	(150)	(150)	0	Various projects.
Children's Services/Out of Authority	682	650	650	0	0	0	Various projects.
Legacy Projects	0	100	100	0	0	0	Various retentions/commitments.
Sub-Totals	746	1,750	1,600	(150)	(150)	0	
School Estate Management							
Early Learning and Childcare	(10,013)	4,500	3,500	(1,000)	(1,000)	0	Various projects - £10.4m of SG capital grant shown as income.
Free School Meals	108	1,000	750	(250)	(250)	0	Various projects completed; Dalneigh on site.
Modular Units	1,910	1,030	2,030	1,000	1,000	0	Various projects.
School Estate Improvement Programme	2,323	9,804	7,404	(2,400)	(2,400)	0	Various projects.
SSER	1	205	205	0	0	0	Developing proposals for future bid to Scottish Government.
Sub-Totals	(5,671)	16,539	13,889	(2,650)	(2,650)	0	
Overall Totals	2,385	43,593	39,193	(4,400)	(4,400)	0	

MONITORING OF CAPITAL EXPENDITURE - PROJECTS OVER £1M AS AT 30TH SEPTEMBER 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	5,614	14,000	0	Mar-20	Mar-20
Alness Academy - New School	35,000	36,473	2,613	36,473	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	2,423	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	1,507	4,250	0	Oct-19	Oct-19
Overall Totals	85,603	87,076	12,157	87,076	0		

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

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH SEPTEMBER 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	2,685	5,930	5,930	0	0	0	Works progressing in all Areas.
Road Surface Dressing Capital	1,580	2,740	2,740	0	0	0	Works progressing in all Areas.
Bridges, Retaining Walls & Culverts	26	680	320	(360)	(360)	0	Designs progressing.
Area Minor Capital Works							
Timber Extraction	(47)	650	650	0	0	0	Schemes identified, STTS grant confirmed.
ACTIVE TRAVEL							
Car Parking - Portree	16	0	25	25	0	25	
Car Parking - Fort Augustus	10	0	25	25	0	25	
Cycling, Walking & Safer Streets	82	0	0	0	0	0	Expenditure fully funded by Transport Scotland grant.
20mph Zones	11	68	68	0	0	0	Budget transferred from D&I as road safety function now with CS.
Bus Shelters	15	0	0	0	0	0	Expenditure to be met by Developers Contributions
Traffic Management Improvements	0	250	100	(150)	(150)	0	Budget allocation is match funding for ERDF transport project as part of Scotland's 8th City - The Smart City.
LIGHTING							
Structural Lighting Works	2,101	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	428	(135)	(100)	(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	(47)	0	5	5	0	5	Works complete.
Chilling of Fish Market - Kinlochbervie	349	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	7	200	200	0	0	0	Phase 1 works complete. Excess budget to be reallocated.
Burial Ground Extension - Nairn	0	50	40	(10)	0	(10)	Works complete.
Burial Ground Fodderty	13	200	135	(65)	0	(65)	Works complete. Excess budget to be reallocated.
Burial Ground Dores	1	40	40	0	0	0	Design work ongoing.
Burial Ground Kilvean	6	50	50	0	0	0	Design work ongoing.
Inverness Crematorium - Replacement Cremators	43	0	75	75	0	75	Final costs for works at the Crematorium.
War Memorials	114	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	(67)	0	0	0	0	0	No longer a budget, spend to be met from Community donations.
Depots							
Depots - Health & Safety	33	303	303	0	0	0	Budget to be used when required to comply with health & safety issues.
VEHICLES & PLANT							
Vehicle & Plant Purchases	1,653	4,327	4,195	(132)	0	(132)	Budget fully committed for 2018/19.
HOUSING (NON HRA)							
Travelling People Sites	138	118	200	82	0	82	Budget fully committed for 2018/19.
OVERALL TOTAL	8,805	19,774	19,164	(610)	(610)	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH SEPTEMBER 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	680	795	1,500	705	705	0	Stage 2 about to go to tender
Inshes Roundabout	579	572	650	78	78	0	Works complete
Development Infrastructure, Dingwall	23	0	15	15	15	0	Traffic modelling and evaluation of junction improvements ongoing
B851/B862 South Loch Ness Road Improvements	103	206	206	0	0	0	Minor scheme improvements progressing
Stromeferry Rockface	188	1,288	1,288	0	0	0	Works started 3rd September. Complete 23rd November
A890 Balnacra to Lair	5	0	5	5	0	5	No longer on the capital programme. No further work anticipated.
Knoydart Landslip - Inverie - Soldiers Rock	105	62	105	43	0	43	Works finished but still some costs incl retention to come through
Minor Road Improvements							
Crask Junction	0	250	250	0	0	0	On target for construction Jan-March 2019
Other Minor Schemes	13	0	20	20	0	20	
Major Bridge Works							
A862 Muir of Ord Railway Bridge	27	0	37	37	0	37	Works complete - in maintenance
B863 Invercoe Bridge, Lochaber	12	150	50	(100)	0	(100)	Design near complete, works expected to start in 2020
B9090 White Bridge	264	1,854	1,854	0	0	0	Tenders received and being assessed, contract awarded, works underway
Newhall Bridge (January Storms 2015)	45	255	255	0	0	0	Contract awarded to Diack & Macaulay, works complete
Lifeline Bridges							
B8007 Glenmore Bridge - Lifeline Bridges	18	0	20	20	0	20	Land issues remain unresolved
ACTIVE TRAVEL							
Green & Active Travel Improvements	(16)	0	0	0	0	0	Fully funded by Sustrans.
Community Links PLUS	59	107	107	0	0	0	Various schemes progressing. Sustrans funded.
Cycling, Walking & Safer Streets	13	0	0	0	0	0	Grant funding of £0.320m from SG. Schemes progressing.
LEISURE FACILITIES							
Torvean Golf Course	2,455	4,255	4,255	0	0	0	On target for completion at year end
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	150	338	338	0	0	0	Awaiting final compensation recommendations from DV
Smithton / Culloden Flood Alleviation	864	1,987	5,624	3,637	3,637	0	Contract Awarded May 18. Site Works underway
Major Flood Schemes							
River Enrick FPW / NFMS	46	69	458	389	389	0	WSP preparing publication documents
Caol FPW	71	115	576	461	461	0	HC to hold hearing due to objection received.
Mill Burn FPS	15	180	180	0	0	0	Study due to commence August 18. Underspend predicted due to late start
Conon Bridge Flood Defence Improvements	39	206	206	0	0	0	Study ongoing. Expecting GI and design development later this year
River Gynack FPS / NFMS	24	0	65	65	65	0	Study not yet commissioned. Spend against Diversion Channel complete
River Peffery - FPS / NFMS	102	185	280	95	95	0	Study ongoing with Jacobs. Expected preferred solution by end of year.
Golspie - FPS / NFMS	48	219	138	(81)	(81)	0	Study ongoing with AECOM. Some delay due to modelling issues.
Auldearn Burn - FPS / NFMS	2	0	4	4	4	0	
Kirkhill Watercourse Diversion	2	52	2	(50)	(50)	0	Scheme complete.
River Thurso FPS	37	214	138	(76)	(76)	0	Study ongoing with AECOM. Some delay due to modelling issues.
Risk Management Plans	57	155	155	0	0	0	Study ongoing
Inverness SWMP/ICS	4	26	26	0	0	0	Study with Scottish Water consultants ongoing
Newtonmore SWMP	2	26	26	0	0	0	Study ongoing
Halkirk SWMP	2	0	2	2	2	0	Study ongoing

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH SEPTEMBER 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 Restorations							
Seater Landfill Restoration Programme	744	1,097	1,097	0	0	0	Capping works to continue 2019
Waste Management Strategy							
Residual Waste Management Facility	43	0	261	261	261	0	
Plant, Infrastructure & Banks	56	1,361	1,100	(261)	(261)	0	Waste treatment works at Seater landfill site complete
FERRIES AND HARBOURS							
Uig Ferry Terminal and Link Span	586	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)	217	0	0	0	0	0	Fully funded by developer contributions and grants. Phase 2 works complete, Phase 3 design in preparation.
STRATEGIC ASSET MANAGEMENT							
Health & Safety	288	0	300	300	0	300	Spend to be met from other property budget lines below.
Engineering Compliance	679	928	1,096	168	168	0	Works ongoing and programme of works nearing 100% completion. Outturn figure includes a % of the Health & Safety works.
Property Structures and Fabric	89	1,030	506	(524)	(224)	(300)	Works ongoing but resource issues for providing Briefs and statutory consent timescales may result in programme slippage.
Property Security	1	175	175	0	0	0	Works ongoing.
Water Management	56	206	206	0	0	0	Works ongoing.
Fire Safety	134	206	248	42	42	0	Works ongoing and programme of works nearing 100% completion. Outturn figure includes a % of the Health & Safety works.
Asbestos Removal	32	72	68	(4)	(4)	0	Works ongoing.
Energy Management	313	1,236	1,124	(112)	(112)	0	Works ongoing. Culloden Academy rewire project (DIP16046) sits under Engineering Budget
Office Rationalisation							
Wick Office	15	0	20	20	0	20	Retentions
Dingwall Office Rationalisation	31	543	469	(74)	0	(74)	
Grantown Courthouse Project	3	0	3	3	0	3	Retentions
Kinmylies Relocation	83	108	109	1	0	1	
Ullapool Service Point	22	70	68	(2)	0	(2)	
Fort William Office Rationalisation	1,530	737	737	0	0	0	Further funding due, and awaiting final contractor's account.
Solar PVs	17	250	250	0	0	0	
Starter Business Units Inverness	4	0	4	4	0	4	
HOUSING (NON HRA)							
Private Sector Housing Grants	851	0	0	0	0	0	Fully funded by specific grant.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH SEPTEMBER 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							
Storr Visitor Management	0	175	175	0	0	0	Ongoing. Spend will occur later in the year. Part of larger project being developed. Further budget may be required.
Storr Car Park	0	89	89	0	0	0	External funding approved. There will be a THC figure to be allocated to this budget. Match funding.
Nairn High Street	13	0	0	0	0	0	Pedestrian crossing on High Street and pathway on King Street progressing.
Fairy Pools (Glen Brittle)	22	130	130	0	0	0	SG grant funding received. Also £100k donation from THC promised to OATS.
Inverness Townscape Heritage	(300)	100	100	0	0	0	Part of the overall Inverness heritage project.
Dell of Spey	61	300	300	0	0	0	Ongoing. Spend will occur later in the year.
Approaching Inverness	10	110	110	0	0	0	Replacement trees may be required due to adverse weather conditions
Visitor Management	0	1	4	3	0	3	
Wester Ross Visitor Hubs	2	139	52	(87)	(87)	0	Shelter structures have been omitted from project as coming in over budget. Project now to design & install information signs within more standard structures. Decision to be made as to whether remaining budget to be spent on additional sign location or to be diverted to new related project within Wester Ross.
Pictish Trail	1	9	3	(6)	(6)	0	Funding application to be submitted to Museums Galleries Scotland (£5K) and Heritage Lottery Fund (£10K) for reduced project in partnership with HLH. Project to start in January, with partial spend predicted before year end.
Misc Assets, Bridges & Structures							
Assets, Bridges and Structures	4	134	134	0	0	0	Review underway of miscellaneous assets.
Glen Nevis Footbridge	14	0	20	20	0	20	Almost complete with all grant monies reclaimed. There are outstanding legal fees for a land purchase, and a field requires reinstatement.
Soldiers Bridge	(2)	0	0	0	0	0	Further grant claim will recover all costs. Physical project complete, funding and internal costs need finalising along with H&S file.
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	Contractor has withdrawn from Phase 2, seeking new contractor & hope to keep within timescale and budget of £40K+
Ardersier Path	0	50	50	0	0	0	
Other Grant Funded Schemes							
Vacant & Derelict Land Fund and Regeneration Fund	(3,282)	0	0	0	0	0	Carried forward, schemes under development.
Carbon Clever	10	431	431	0	0	0	Fully committed.
City Deal Projects	4,299	0	0	0	0	0	Grant funding will cover all expenditure.
Smart City - Digital Projects	14	0	0	0	0	0	ERDF scheme ongoing.
OVERALL TOTAL	12,735	23,480	28,415	4,935	4,935	0	

MONITORING OF CAPITAL EXPENDITURE - Projects Over £1m

SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES

Project Description	Approved Budget March 2018 £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 2018	Current Estimate
ROADS AND BRIDGES							
Major Road Improvements							
The Inverness West Link	15,914	15,914	680	15,914	0	Mar 2021	Mar 2021
Inshes Roundabout	7,260	7,260	579	7,260	0	Mar 2021	Mar 2021
Stromeferry Rockface	2,318	2,318	188	2,318	0	Mar 2023	Mar 2023
Major Bridge Works							
B9090 White Bridge, Cawdor	3,502	3,502	264	3,502	0	Mar 2020	Mar 2020
ACTIVE TRAVEL							
Inverness City Active Travel Network	6,595	6,595	59	6,595	0	Mar 2021	Mar 2021
LEISURE FACILITIES							
Torvean Golf Course	12,350	12,350	10,412	12,350	0	Mar 2019	Mar 2019
FLOOD PREVENTION							
Flood Prevention Schemes							
Smithton / Culloden Flood Alleviation	14,885	14,885	864	14,885	0	Mar 2020	Mar 2020
Caol Flood Prevention	8,858	8,858	71	8,858	0	Mar 2021	Mar 2021
River Enrick Flood Prevention	3,111	3,111	46	3,111	0	Mar 2021	Mar 2021
FERRIES AND HARBOURS							
Uig Ferry Redevelopment	30,294	30,294	1,785	30,294	0	Aug 2020	Aug 2022
WASTE MANAGEMENT							
Residual Waste Management Facility	6,595	6,595	43	6,595	0	May 2021	May 2021
STRATEGIC ASSET MANAGEMENT							
Fort William Office Rationalisation	10,111	10,111	10,296	10,464	353	Jun 2018	Jun 2018
OVERALL TOTAL	121,793	121,793	25,287	122,146	353		

Projects Update

Inverness West Link and Associated Sports Facilities

Stage 1 comparator traffic surveys have been completed.

Pre-construction traffic surveys were carried out in August 2016 and September 2017 this allows comparison with the recently completed post opening surveys. The traffic modelling work predicted between 19% and 33% reductions in traffic flow over Ness Bridge and on average a 26% reduction. The survey results confirm that peak hour flows over Ness Bridge have indeed reduced on average by 26%.

Traffic modelling also looked at predicted flows over Friars Bridge and Waterloo Bridge. Flows over Friars Bridge have reduced slightly more than expected and Waterloo Bridge also sees an as expected a marginal average reduction.

Community concerns were expressed regarding increasing traffic through Milton of Leys following opening, although it is of note that no issues have been raised post opening. The necessary timing of the repeat survey coincided with the work undertaken at Inshes Overbridge so the increased flows recorded are likely to be influenced by this local issue. The results do show that the implemented traffic calming has been effective in reducing excess speeding.

Stage 2 (additional swing bridge) design and contract preparation is complete with tenders being invited early November with a tender return next February – this will allow a start of construction in May – on programme.

Critical to allow the start of Stage 2 is the relocation of the golf course. Following a review of the progress with the new course and clubhouse facilities transitioning arrangements have been agreed with the golf club.

This will see the golf course vacating holes 1 to 4 on the 18 February (to allow felling of trees due to nesting bird risk), and use of 4 holes on the new course from early March – full use of the new course will take place in July. The transitioning arrangements were well received at a golf club meeting involving both members and non-members, and 100 visitors walked the new course on the 13 October and feedback was very positive.

Discussions are ongoing with Scottish Canals and Jacobite regarding their relocation following completion of Stage 2 in December 2020.

Torvean Golf Course - works on the new course is being undertaken by Coffey Construction and EGS Joint Venture. Following the extended dry spell grass establishment has progressed well. The clubhouse and maintenance building are on programme. Transitioning arrangements for the course and clubhouse have been agreed with the golf club.

Inshes Roundabout

The contract for the installation of three lanes over Inshes Overbridge is complete and has been very well received, is easing congestion and anecdotally reducing the tailbacks on the A9. The lack of disruption to the traveling public during construction has been particularly commented upon.

It should be noted that the overbridge is a Transport Scotland asset, and they are to replace the south parapets commencing on the 12 November for two weeks, it is unfortunate that these works could not have been coordinated.

Following the announcement of the preferred route of the East Link, Transport Scotland has funded greater refinement and certainty in traffic modelling to aid in design development. The traffic model outputs from Transport Scotland covering both the East Link and Inshes Junction are anticipated soon.

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 and consultation 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

Traffic modelling work is underway following traffic surveys. Initial results to determine residential development potential and programme for delivery of improvements are expected by the end of 2018.

Smithton/Culloden Flood Protection Scheme

Following the award of the last phase of the Smithton and Culloden Flood Protection Scheme to Morrison Construction, works commenced on site on 2 July. The contract period extends to March 2020 but Morrison's are hopeful that the works will be completed in 2019.

The flood scheme will protect 129 properties that would otherwise be at risk of a flooding during a "once-in-200-years" event.

The works in this contract will complement those undertaken in earlier phases and include the replacement of a culvert between Lochlann Court and Redburn Avenue, the creation of flood storage areas in Culloden Park and Smithton Park, the removal of a culvert beneath Smithton Park and the removal of a culvert between the railway at Murray Terrace and Smithton Park.

Although the works are constructed within very residential areas, few issues have arisen during construction to date.

The Smithton and Culloden Scheme is funded with an 80% grant from Scottish Government, grant is finalised following tender receipt, thus following tender return a full review of costs has been completed and this has revised the scheme cost out-turn to be 13.027m, this compares with an estimate and capital programme allocation of £14.885M, this is as a result of optimisation during the design to minimise off-site disposal of material, together with a lower than anticipated cost of disposal of surplus material. As the tender was low, prior to award a full review was undertaken with Morrison's to ensure that the scheme and costs were deliverable and achievable.

Caol Flood Protection Scheme

Following the publication of the Flood Protection Scheme (to obtain the necessary construction consents), one objection was received.

Members at the August EDI approved the preliminary decision to confirm the proposed scheme together with the draft planning conditions.

Following this decision, the objector was notified and the matter referred to Scottish Ministers. Scottish Ministers have decided not to 'call in' the decision, and as such it is necessary for the Council to hold a hearing. A reporter has been appointed and the process of arranging the hearing is underway.

The reporter will consider all the issues and schedule a hearing prior to completing his report with his recommendations.

No programme for the delivery of the construction phase can be finalised until the outcome of the Hearing is known.

Inverness City Active Travel Network

Arrangements for the ICATN Programme Manager role are now in place for a secondment of an officer from HITRANS. This arrangement will be for the duration of the Project (3 years). Ongoing dialogue with Transport Scotland and Sustrans about interventions at Raigmore Interchange. Planning application submitted for the proposed new Raigmore Ramp that will enable a new connection to the Inverness Campus site. Consultants have carried out engagement for the Riverside Way and a report will be taken to the City of Inverness Committee. Upgrade to the NCN route at Smithton well progressed, with a replacement bridge procured, and the construction programme being finalised. Household Travel Survey undertaken by Sustrans and a report will be taken to a future City Committee.

B9090 White Bridge, Cawdor.

The contract has been awarded to R J Macleod's and they started on site on 3 September. The contract period runs until October of next year but RJ's are looking to complete the works by late Spring. Scottish Water mains diversion works have been very protracted and this is impacting on construction – notwithstanding that temporary access was agreed with the landowner to mitigate the delays.

Earthworks and drainage are progressing well, with pile tests ongoing followed by pile installation. The weathering steel bridge beams, are programmed to be lifted into place early in the New Year.

A890 Stromferry Bypass/Rock Stabilisation

The contract for the stabilisation of a priority area of rock face is being undertaken by TRAC, a specialist rock stabilisation and rope access company. Works commenced on 3 September with the road/rail diversion for light traffic on 17 September, this being used during the day for light traffic only with the road closed to heavy traffic and to all traffic over night.

Initially the traffic could only use the road/rail diversion when trains are not within the 'token' – noting it takes some 40 minutes for each train to travel the token, this was further disrupted by train delays – especially the special trains – very significant disruption and delays resulted to the road traffic.

On 20 October Network Rail introduced innovative signalling – which very significantly eased the disruption and delays to traffic, which has been much appreciated.

Two public meetings have been held, in Lochcarron and Achmore – and a significant effort has been expended to communicate the issues and influence journey options for the public.

Works are due for completion on 23 November.

The 2018 annual inspection report has very recently been received and is being reviewed in terms of risk, priority, construction impact on the travelling public, construction solutions and implementation programme and budget.

The annual report identifies 4 very high risk rock slopes, solutions and traffic measures will be identified, budget and timings and a report will be provided to a future EDI Committee to seek allocation of the necessary additional funding with the aim of early delivery – in the interim the ongoing mitigation measures of daily, monthly and annual inspections will be maintained.

Feedback from Scottish Government with regard to the STAG report on the long term solution has been sought and the Cabinet Minister for Transport, Infrastructure and Connectivity has recently indicated that Transport Scotland will provide a full response in the near future. The letter however concluded with 'As the A890 is a local road, responsibility for a decision to upgrade or improve the route ultimately lies with the Council and is not reliant on advice from Transport Scotland.'

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 are being finalised to allow contract document preparation. One element of design refinement that has taken some time to reach a conclusion is the solid pier structure that provides increased fender berth loading, wave climate mitigation and also providing a new roundhead/canting facility, this is further complicated by the need to accommodate future LNG infrastructure. This refinement has delayed both the completion of the design and also the associated statutory consents.

Discussions regarding tender programming are also ongoing to coordinate with Lochmaddy and Tarbert. Due to the scale of works required at Uig, the design refinements and consenting process it is likely that Uig will be tendered third in the programme. Works are anticipated to commence in September 2019.

Part of the proposals for Uig include the replacement of the linkspan, this coupled with the revised roundhead construction will require a closure/outage of Uig ferry terminal. Consideration of both the duration of the outage and also the timing is being reviewed in the light of the proposed works, construction weather risk and exposure, traffic numbers plus alternative arrangements strategy. It is anticipated that the steering group will review and make a recommendation for consideration by this committee – such that a clear communication plan can be put into operation, the earliest outage opportunity will be in 2020.

Fort William Office Rationalisation

Both buildings are now occupied and fully operational. Final accounts have been reviewed, confirming a small underspend of 3.5% on the approved net budget.

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

SERVICE: HOUSING REVENUE ACCOUNT

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	
Capital Programme 2018/19							
Equipment and Adaptations	305	1,016	1,101	85	85	0	Works ongoing in all Areas.
Major Component Replacement	656	2,418	2,082	(336)	(336)	0	Works ongoing in all Areas.
Heating/Energy Efficiency	1,155	4,962	3,976	(986)	(1,071)	85	Works ongoing in all Areas, slippage carried forward.
External Fabric (Major Component Replacement)	542	4,831	3,323	(1,508)	(1,519)	11	Works ongoing in all Areas, slippage carried forward.
External Fabric (Environmental Improvements)	129	991	887	(104)	(104)	0	Works ongoing in all Areas, slippage carried forward.
Total 2018/19 Programme	2,787	14,218	11,369	(2,849)	(2,945)	96	
Capital Programme 2017/18 Carried Forward							
Major Component Replacement	4	100	20	(80)	0	(80)	Works to complete this financial year, slight underspend.
Heating/Energy Efficiency	776	1,579	1,219	(360)	(282)	(78)	Works to complete this financial year, underspend due to lower prices.
External Fabric (Major Component Replacement)	1,834	2,828	2,473	(355)	(355)	0	Works to complete this financial year.
External Fabric (Environmental Improvements)	8	59	64	5	0	5	Works to complete this financial year.
Healthy, Safe and Secure	205	451	332	(119)	(119)	0	Works to complete this financial year.
Retentions	518	1,519	1,310	(209)	(39)	(170)	Works to complete this financial year.
Total 2017/18 Programme	3,345	6,536	5,418	(1,118)	(795)	(323)	
Total Mainstream Programme	6,132	20,754	16,787	(3,967)	(3,740)	(227)	
Council House Building Capital Programme							
New Council House Buildings	10,472	30,092	28,273	(1,819)	(1,852)	33	Works ongoing in all Areas, slippage carried forward.
Individual House Purchases	623	590	750	160	160	0	
One-Bed Accommodation	0	0	0	0	0	0	
Total Council Building Programme	11,095	30,682	29,023	(1,659)	(1,692)	33	
OVERALL TOTAL	17,227	51,436	45,810	(5,626)	(5,432)	(194)	

Funding	Actual Net	Revised Net	Year End	Year End
	Year to Date	Net Budget	Estimated Net	Net
	£000	£000	Outturn	Variance
			£000	£000
Investment Programme				
Useable Capital Receipts	473	0	700	700
RHI Income	156	0	289	289
Sale of LIFT Properties	242	1,742	1,753	11
Government Grant	2,820	13,194	10,440	(2,754)
Landbank	0	1,162	990	(172)
Borrowing	13,536	30,690	26,990	(3,700)
Capital from Current Revenue	0	4,648	4,648	0
GROSS FUNDING	17,227	51,436	45,810	(5,626)