

Agenda Item	7
Report No	EDI 42/19

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 15 August 2019

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 position for the period from 1 April 2019 to 30 June 2019 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 a budget allocation of up to £70,000 from the School Estate Investment Programme as match funding to create a Dance Studio at Portree Primary School.

2. Recommendations

- 2.1 Members are invited to approve:
- (i) the capital expenditure position for the period 1 April 2019 to 30 June 2019; and
 - (ii) a budget allocation from the School Estate Investment Programme of up to £70,000, as match funding, to create a Dance Studio at Portree Primary School.

3. Implications

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

4. Background

- 4.1 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.

4. Capital Programme 2019/20

- 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 2018/19 outturn carried forward position.

5. Care and Learning

- 5.1 The Revised Net Budget for 2019/20 is £57.127m after adjusting for the 2018/19 carried forward position of £8.931m.

- 5.2 After 3 months of the financial year the net expenditure, after adjusting for the specific grant carried forward of £9.587m for the Early Learning and Childcare building programme, is £7.003m, representing 12.3% of the 2019/20 programmed figure. The projected outturn for net expenditure is £49.377m leading to a net variance of £7.750m, arising from slippage in the Early Learning and Childcare building programme and some Adult Services projects. The slippage will be carried forward to the 2020/21 capital programme.

- 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.

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

5.6 Portree Primary School

- 5.6.1 Work is currently progressing at Portree Primary School on internal alterations and improvements to the building following the relocation of the former Gaelic Medium Department to the recently opened new Bun-Sgoil Ghaidhlig Phort Rìgh. Further works will be carried out to create English Medium nursery accommodation to meet the requirements of the expansion of Early Learning and Childcare provision by August 2020.

- 5.6.2 Skye Dance is a local community group that run a variety of dance classes and projects across Skye and Lochalsh. The group is looking to lease an area of the school building to form a dance studio and has raised approximately £70,000 of funding, primarily through LEADER. It is proposed that the area in the school is developed jointly by the Council and Skye Dance and that the estimated £140,000 cost of the required work is funded by the two parties.

- 5.6.3 In addition to providing a capital investment of £70,000, Skye Dance has offered to provide in-kind payment of up to 3 hours of dance/movement tuition per week available during the school day for the benefit of Portree Primary and all Portree ASG schools, equivalent to approximately £6,000 per annum; provide an additional facility

for the school when not being used by Skye Dance; and provide qualified staff who can deliver certificated courses for Young People.

5.6.4 The additional benefits to the Care and Learning Service would include:

- an increase in the number of Health and Physical Activity opportunities for young people, both in and out of school time;
- Skye Dance can provide a very positive impact on a young person's development, not just physically but in developing transferable life skills, including their confidence, commitment, creativity, team work and a whole list of values that benefit their educational development;
- support for the educational pathway through provision of nationally recognised certificated courses from Primary School through Secondary School, including Young Dance Leaders, ISTD Modern Theatre, National 5 and Higher Dance;
- access to an additional recreational space during the school day; and
- an additional letting facility when not in use by Skye Dance.

5.6.5 The additional benefit to the wider school community would include:

- increase the opportunities to participate in dance;
- provide opportunities to gain dance qualifications;
- increase the number of after-school activities;
- develop existing community projects such as 'Dance across the Generations';
- develop dance and movement classes that are accessible for people with disabilities;
- provide a dedicated dance and creative arts space available for other community groups; and
- enhance community links with the school.

5.6.6 Approval is therefore sought for up to £70,000 of capital funding to be allocated from the School Estate Investment Programme budget heading to allow this joint initiative to be taken forward.

6. Community Services

6.1 The Revised Net Budget for 2019/20 is £14.931m after adjusting for the 2018/19 carried forward position of £1.572m.

6.2 After 3 months of the financial year, the net expenditure is £4.288m representing 28.7% of the 2019/20 programmed figure. The projected outturn for net expenditure is £15.897m leading to a variance of £0.966m, arising from the required replacement of heavy vehicles for both the refuse collection and roads operations. The accelerated spend on vehicles will be carried forward to the 2020/21 capital programme.

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 2019/20 is £35.478m after adjusting for the 2018/19 carried forward position of £4.289m.

7.2 After 3 months of the financial year the net expenditure is £1.052m representing 3% of the 2019/20 programmed figure. The projected outturn for net expenditure is £34.427m leading to a net variance of £1.051m. The net variance is represented by

slippage £7.059m and accelerated expenditure of £6.008m. The slippage will be carried forward to the 2020/21 capital programme. The accelerated spend will be met by reprofiling property budget lines and the deferment of bridge schemes to cover the Stromeferry and Kinloch Hourn projects as approved at the January EDI Committee.

7.3 Progress on capital projects, including major 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 eleven projects, all forecasting a balanced position.

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 2019/20 was approved by each of the Council's Local Area Committees, amended to include £4.220m of the 2018/19 underspend to allow completion of the 2018/19 capital programme. The mainstream HRA capital budget for 2019/20 is £20.689m.

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 2019/20 is £33.699m.

8.4 The capital programme summary is included in **Appendix 7**. It shows net expenditure to 30 June 2019 of £7.060m of which £2.363 relates to mainstream HRA Capital programme expenditure and £4.697m relates to Council house building.

8.5 The projected outturn for net expenditure is £51.885m leading to a net variance of £2.503m. The net variance comprises net slippage of £0.052m and a net overspend of £0.128m on the mainstream element of the programme and net slippage of £1.805m and an underspend of £0.774m in the Council house building programme.

8.6 The slippage on the Council house building element is a combination of delays in statutory consents, and high tender returns resulting in retendering delays.

Designation: Director of Development and Infrastructure

Date: 6 August 2019

Authors: Mike Mitchell, Services Finance Manager
Robert Campbell, Estate Strategy Manager
Colin Howell, Head of Infrastructure
Finlay Macdonald, Head of Property Services
David Goldie, Head of Housing & Building Maintenance

Background Papers: Monitoring statements 30/6/19 and the Highland Council
Financial Ledger

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2018 TO 30TH JUNE 2019

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	181	810	810	0	0	0	Various projects.
Sub-Totals	181	810	810	0	0	0	
Secondary School Programme							
Alness Academy	2,088	18,689	18,689	0	0	0	Works progressing on site.
Inverness High School	648	2,703	2,703	0	0	0	Works progressing on site.
Charleston Academy - Extension/Refurbishment	0	500	500	0	0	0	Preparation of brief and concept design underway.
Cullooden Academy - Extension/Refurbishment	0	500	500	0	0	0	Preparation of brief and concept design underway.
Legacy Projects	37	413	413	0	0	0	Various retentions/commitments.
Sub-Totals	2,773	22,805	22,805	0	0	0	
Primary School Programme							
Milton of Leys Primary - Nursery Annexe	0	1,286	1,286	0	0	0	Design work underway.
Merkinch Primary - New School	1,731	8,642	8,642	0	0	0	Works progressing on site.
Smithton Primary - Extension/Refurbishment	824	932	932	0	0	0	Works progressing on site.
Ness Castle Primary - New School	43	196	196	0	0	0	Design work underway.
Legacy Projects	37	321	321	0	0	0	Various retentions/commitments.
Sub-Totals	2,635	11,377	11,377	0	0	0	
Health & Social Care Programme							
Adult Services (NHS)	52	1,706	706	(1,000)	(1,000)	0	Various projects.
Children's Services	16	1,676	1,676	0	0	0	Various projects.
Sub-Totals	68	3,382	2,382	(1,000)	(1,000)	0	
School Estate Management							
Early Learning and Childcare	(9,473)	6,750	0	(6,750)	(6,750)	0	Various projects; spend on 1,140 programme offset by SG allocation.
Free School Meals	475	1,071	1,071	0	0	0	Various projects.
School Estate Improvement Programme	532	9,793	9,793	0	0	0	Various projects.
Modular Units	210	1,030	1,030	0	0	0	Various projects.
SSER	15	109	109	0	0	0	Developing proposals for future bid to Scottish Government.
Sub-Totals	(8,241)	18,753	12,003	(6,750)	(6,750)	0	
Overall Totals	(2,584)	57,127	49,377	(7,750)	(7,750)	0	

MONITORING OF CAPITAL EXPENDITURE - PROJECTS OVER £1M AS AT 30TH JUNE 2019

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	14,772	14,772	11,189	14,772	0	Mar-20	Mar-20
Alness Academy - New School	36,473	37,373	8,717	37,373	0	Building - Mar. 2020; External Works - Dec. 2020	Building - Apr. 2020; External Works - Mar. 2021
Primary Schools Programme							
Merkinch Primary - Extension/Refurbishment & Community Facilities*	18,720	18,720	6,709	18,720	0	Building - Mar. 2020; External Works - TBC	Building - May 2020; External Works - Dec. 2020
Milton of Leys Primary - Nursery Annexe*	1,500	1,500	0	1,500	0	Mar-20	Aug-20
Ness Castle - New School*	12,353	12,353	362	12,353	0	Aug-21	Aug-21
Smithton Primary - Extension/Refurbishment*	4,750	4,750	4,142	4,750	0	Oct-19	Oct-19
Overall Totals	88,568	89,468	31,119	89,468	0		

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

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	589	3,350	3,350	0	0	0	Works progressing in all Areas.
Road Surface Dressing Capital	326	2,000	2,000	0	0	0	Works progressing in all Areas.
Bridges, Retaining Walls & Culverts	25	857	801	(56)	0	(56)	Designs progressing.
Area Minor Capital Works							
Timber Extraction	12	500	500	0	0	0	Schemes identified, STTS grant confirmed.
ACTIVE TRAVEL							
Car Parking - Portree	7	0	25	25	0	25	Improvement works required.
Car Parking - Fort Augustus	2	0	25	25	0	25	Improvement works required.
Car Parking - Storr	20	0	25	25	0	25	Improvement works required.
Cycling, Walking & Safer Streets	46	0	0	0	0	0	Expenditure fully funded by Transport Scotland grant.
20mph Zones	46	22	22	0	0	0	Any overspend will be claimed as part of the Transport Scotland grant.
Traffic Management Improvements	0	250	250	0	0	0	Budget allocation is match funding for ERDF transport project as part of Scotland's 8th City - The Smart City. Project to be completed by November 2019.
LIGHTING							
Structural Lighting Works	721	4,043	4,043	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 linked to revenue saving on electricity costs.
FERRIES AND HARBOURS							
Harbours General Structural Works	17	475	470	(5)	0	(5)	Programme of works identified.
Lochinver Ice Plant	(19)	0	(19)	(19)	0	(19)	Works complete.
Chilling of Fish Market - Kinlochbervie	2	0	5	5	0	5	Works complete.
COMMUNITY WORKS							
Burials and Cremations							
Burial Ground Extension - General	0	439	385	(54)	0	(54)	Phase 1 works complete.
Burial Ground Extension - Portree	1	50	50	0	0	0	Works complete.
Burial Ground Extension - Nairn	0	49	49	0	0	0	Works complete.
Burial Ground Fodderty	12	6	25	19	0	19	Design work ongoing.
Burial Ground Dores	0	34	34	0	0	0	Design work ongoing.
Burial Ground Kilvean	0	44	44	0	0	0	
Burial Ground Dornoch	1	0	10	10	0	10	
Inverness Crematorium - Replacement Cremators	12	0	25	25	0	25	Final costs for works at the Crematorium.
Parks and Play Areas - Development							
Play Areas	0	0	0	0	0	0	No longer a budget. Match funding received through Community donations.
Depots							
Depots - Health & Safety	0	260	260	0	0	0	Budget to be used when required to comply with health & safety issues.
VEHICLES & PLANT							
Vehicle & Plant Purchases	2,437	2,434	3,400	966	966	0	Budget fully committed for 2019/20. Profile of capital allocation requires revisionment. Accelerated spend to be met by 20/21 allocation.
HOUSING (NON HRA)							
Travelling People Sites	31	118	118	0	0	0	Budget fully committed for 2019/20.
OVERALL TOTAL	4,288	14,931	15,897	966	966	0	

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	
ROADS AND BRIDGES							
Major Road Improvements							
The Inverness West Link	391	8,814	8,814	0	0	0	Stage 2 of the West Link is under construction with works programmed for completion in December 2020, as programmed.
Inshes Roundabout	32	770	370	(400)	(400)	0	Design development and sensitivity testing on the traffic model is progressing.
Development Infrastructure, Dingwall	15	(204)	50	254	254	0	Traffic modelling has identified that with traffic interventions housing moratorium can be released. Mart Road Junction traffic signals to be modified to link with County Buildings junction has been commissioned and will be undertaken in the near future. Tenders will be invited for Bridgend Junction - note Network Rail have been consulted and have no issues with the progression of these works.
B851/B862 South Loch Ness Road Improvements	121	178	178	0	0	0	
Stromeferry Rockface	38	(146)	1,900	2,046	2,046	0	Stabilisation works on the existing slopes are programmed to commence in September for completion by November - following extensive public consultations. Tenders will be returned on the 30th of July. Night time closures with the significant diversion will be required over night for the duration of the works. The contract will also include the ground investigation needed to design the two other remaining very high risk slopes.
Kinloch Hourm Landslip	293	(148)	575	723	723	0	Works complete - discussions are ongoing with SSE Generation and Transmissions regarding potential for cost sharing.
Minor Road Improvements							
Crask Junction	10	202	202	0	0	0	Works ongoing.
Other Minor Schemes	3	0	0	0	0	0	
Major Bridge Works							
A862 Muir of Ord Railway Bridge	1	0	0	0	0	0	Main Works complete and out of maintenance. Landscaping still in maintenance.
B863 Invercoe Bridge, Lochaber	0	150	150	0	0	0	Design progressing. Works programmed late 2020.
B9090 White Bridge	614	965	965	0	0	0	Works complete and in maintenance. Landscaping work out to tender.
Dulsie Bridge	0	446	446	0	0	0	Monitoring continues, design not started.
Newhall Bridge (January Storms 2015)	(8)	0	0	0	0	0	Complete
Lifeline Bridges							
B8007 Glenmore Bridge - Lifeline Bridges	6	0	0	0	0	0	Land issues nearing resolution.
ACTIVE TRAVEL							
Green & Active Travel Improvements	4	0	0	0	0	0	Fully funded by Sustrans
Community Links PLUS	105	(131)	(131)	0	0	0	Various schemes progressing. Sustrans funded.
LEISURE FACILITIES							
Torvean Golf Course	31	(585)	(585)	0	0	0	Course completed and fully brought into play on 8 July 2019.
FLOOD PREVENTION							
Flood Prevention Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	0	132	132	0	0	0	Flood scheme works complete – negotiations have not concluded regarding final compensation claims.
Smithton / Culloden Flood Alleviation	461	4,562	4,000	(562)	(562)	0	Works on site are progressing, with all four areas of work currently under construction. Majority of new culverted sections of watercourse have been completed. Attenuation basin embankments, new open channels and new football pitches are currently being formed. Seeding, tree planting and footpaths will commence soon. The works are due to be complete by June 2020 but are likely to finish by October 2019, and be significantly under the budget allocation, but this has yet to be finalised.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	
Major Flood Schemes							
River Enrick FPW / NFMS	16	535	535	0	0	0	Statutory Process nearing completion, no objections have been received. Committee report in August 2019 to confirm the scheme without modification. Constuction due to commence in spring 2020.
Caol FPW	85	5,900	5,900	0	0	0	Hearing for Objection is complete. Recommendation to confirm the scheme without modification at August 2019 Committee. Detailed design on-going. Construction due to commence summer 2020.
Mill Burn FPS	13	377	60	(317)	(317)	0	Allowance was made in Capital Programme for some construction works to progress (Harbour Road culvert) but these works are dependent on approvals from SEPA with regard to downstream flood risk. Likely slippage of outturn costs if construction works not until next financial year.
Conon Bridge Flood Defence Improvements	2	637	637	0	0	0	Land negotiations are nearing completion and detailed design has commenced. A ground investigation will be undertaken in the coming months to establish the seepage limits to influence the design.
River Gynack FPS / NFMS	2	0	90	90	90	0	Work has progressed ahead of schedule for the Gynack Burn. An opportunity arose to work collaboratively with the Pitmain Estate to construct a diversion channel on the River Gynack which will provide flood risk alleviation for Kingussie. Remedial works are ongoing. THC are providing financial contribution and advice (est THC contribution £47k this financial year). Work to model the Gynack River to establish flood risk has commenced (est £30k).
River Peffery - FPS / NFMS	24	20	200	180	180	0	Study ongoing to establish a preferred option for alleviation of flooding in Dingwall. Expected to have an Options Appraisal Report available by December 2019 for consideration by SEPA in their national scheme prioritisation exercise. Ground investigation is required later this financial year, with some minor external funding obtained from SEPA WEF (Water Environment Fund) for additional ecological surveys. The recent flooding incident in Dingwall is being reviewed and will be considered as further information in the options appraisal prior to finalisation.
Golspie - FPS / NFMS	31	229	229	0	0	0	Study ongoing to establish a preferred option for alleviation of flooding in Golspie. Expected to have an Options Appraisal Report available by December 2019 for consideration by SEPA in their national scheme prioritisation exercise. Ground investigation is required later this financial year, depending on outcome of options appraisal.
River Thurso FPS	15	249	249	0	0	0	Study ongoing with Aecom to establish a preferred option for alleviation of flooding in Thurso. Expected to have an Options Appraisal Report available by December for consideration by SEPA in their national scheme prioritisation exercise. GI is required later this financial year, depending on outcome of options appraisal.
Risk Management Plans	31	155	155	0	0	0	
Inverness SWMP/ICS	2	32	32	0	0	0	
Newtonmore SWMP	0	49	49	0	0	0	Not yet started
Dingwall SWMP	0	27	27	0	0	0	Not yet started
Fort William SWMP	0	27	27	0	0	0	Not yet started

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	9	1,138	538	(600)	(600)	0	Temporary capping placed summer 2019 to Cell 7. Contract design for permanent capping to cells 6 and 7 in preparation for construction 2020.
Waste Management Strategy							
Residual Waste Management Facility	66	5,240	2,240	(3,000)	(3,000)	0	Materials Recovery Facility to be constructed at former Longman Landfill site, Inverness. Detailed specifications and site surveys completed for new facility. Planning permission granted June 2019. Soft market testing of proposal to confirm acceptability to the market. Developing the procurement approach. Gateway review to confirm effectiveness of Project Management and governance arrangements. A refresh of cost projections from the original Final Outline Business Case. Appointment of external technical and procurement advisers. Commissioning of Financial Due Diligence Review. The Council is investigating alternative solutions to addressing the landfill ban, these include: requesting a derogation from the Scottish Government; and developing the invitation to tender documentation so that bidders can propose compliant solutions which may differ from the options previously identified within the Final Outline Business Case.
Plant, Infrastructure & Banks	0	2,256	256	(2,000)	(2,000)	0	Review of infrastructure underway to feed into overall future waste strategy requirements.
FERRIES AND HARBOURS							
Uig Ferry Terminal and Link Span	219	322	322	0	0	0	Agreement has been reached with Transport Scotland (TS) regarding the scope of the works – TS are underwriting the design costs. Harbour Revision Order and Marine licenses have been promoted and no objections received – confirmation is expected soon. A planning application has been submitted regarding the new terminal building. Discussions are ongoing over any other necessary consenting required. Tenders for the civils work, all pier works, car parking and marshalling, will be invited this summer, noting that an outage (Ferry redirected to Ullapool) has been programmed for September 2021 to December 2021, it is anticipated all works will be completed early in 2022. Discussions are ongoing with Transport Scotland over the funding mechanism and risk allocation (noting that funding allocation was included in the Scottish Government budget) – this will be reported to EDI committee prior to the award of any construction contract.
Sconser Ferry Terminal	1	0	0	0	0	0	
PARKS AND PLAY AREAS - DEVELOPMENT							
Inshes Park (Phases 1 to 3)	(36)	0	0	0	0	0	Phase 2 works maintenance period complete Summer 2019. Await funding for Phase 2 planting and Phase 3 to enable works to proceed.
STRATEGIC ASSET MANAGEMENT							
Health & Safety	222	0	0	0	0	0	Spend to be met from other property budget lines below.
Engineering Compliance	63	199	1,394	1,195	1,195	0	Works ongoing.
Catering & FM Compliance	0	523	523	0	0	0	Works ongoing.
Property Structures and Fabric	71	236	1,339	1,103	1,103	0	Works ongoing.
Property Security	16	377	377	0	0	0	Works ongoing.
Water Management	20	198	198	0	0	0	Works ongoing.
Fire Safety	25	297	297	0	0	0	Works ongoing.
Asbestos Removal	2	56	56	0	0	0	Works ongoing.
Energy Management	42	691	691	0	0	0	Works ongoing.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	
Office Rationalisation							
Wick Office	1	0	0	0	0	0	
Dingwall Office Rationalisation	175	912	912	0	0	0	The new Service Point within Dingwall Council Offices (co-located with back-office services) is now complete and fully functioning. Also recently completed is the new Pest Control/Water Test Lab and Corporate Satellite Records Store in Dingwall. This rationalisation project has released the Ross House site for redevelopment that will support the future delivery of local affordable housing units.
Upper Bridge Street, Inverness - Phase 1	33	(317)	100	417	417	0	Phase 1 is now complete allowing the D&I Design Consultancy & Energy & Sustainability Teams to co-locate for service delivery and economic benefits (retaining footfall) within the refurbished City Centre Offices. This project has also supported the release of the North Tower Castle Offices for redevelopment (Tourism), and space within Inverness Townhouse for future property/office rationalisation (following completion of the ongoing Townhouse external works/roof repairs).
Camagheal Phase 1	16	0	0	0	0	0	
Kinmylies Relocation	(1)	0	0	0	0	0	
Fort William Office Rationalisation	18	(972)	(972)	0	0	0	Final contributions still awaited.
Inverness Office Rationalisation	1	(9)	(9)	0	0	0	
Solar PVs	9	240	240	0	0	0	Projects underway.
Starter Business Units Inverness	1	0	0	0	0	0	
HOUSING (NON HRA)							
Private Sector Housing Grants	493	(680)	(680)	0	0	0	Fully funded by specific grant.
PLANNING & DEVELOPMENT							
Town & Countryside Regeneration							
Storr Visitor Management	0	355	355	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	9	(82)	(82)	0	0	0	External funding approved. Match funding to come from THC.
Nairn High Street	0	95	95	0	0	0	Pedestrian crossing on High Street and pathway on King Street progressing.
Fairy Pools (Glen Brittle)	(91)	100	100	0	0	0	SG grant funding received. £100k donation from THC promised to OATS.
Inverness Townscape Heritage	13	38	38	0	0	0	Part of the overall Inverness heritage project.
Dell of Spey	0	100	100	0	0	0	Ongoing. Lighting design still to be procured. Works to proceed this financial year.
Visitor Management							
Wester Ross Visitor Hubs	2	124	34	(90)	(90)	0	Repairs to Achnasheen shelter complete. Tourist signs to be installed August at 4 sites. Artwork for advertising wifi at 2 sites ongoing. £15K is committed as match funding towards community led Russian Arctic Convoy Project- ongoing. Decision to be made as to whether remaining funds to be used to install Tourist signs at additional sites or whether to reallocate funding to a new tourist related project within Wester Ross.
Pictish Trail	0	26	26	0	0	0	Ongoing. Project being managed by High Life Highland with THC involved on steering group. HLH have received match funding from Heritage Lottery Fund and Museums Galleries Scotland. Project completion due in May 2020. Funds may be transferred to High Life Highland before year end.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	
Misc Assets, Bridges & Structures							
Assets, Bridges and Structures	0	105	105	0	0	0	PDU undertaking a review of miscellaneous assets.
Ellen Wood Footpath, Carrbridge	(7)	0	0	0	0	0	
Green Networks, Core Paths & Long Distance Routes							
Green Infrastructure	(9)	95	5	(90)	(90)	0	£20.6K Sustrans Grant received towards Merkinch Nature Reserve (MLNR) active travel route, and £6.2K contributions from others. Carnarc Point access project complete. Signage ongoing, due for completion Sept 19. Awaiting confirmation from Sustrans on further design development grant for MLNR project. Likely to be insufficient funds to progress to construction without contribution from adjacent housing/ flood control development. (reduced spec may be option).
Long Distance Routes	28	45	45	0	0	0	Seeking new contractor.
Ardersier Path	1	47	47	0	0	0	Works to be undertaken in 2019/20. Additional LEADER funding grant received.
Other Grant Funded Schemes							
Vacant & Derelict Land Fund and Regeneration Fund	(2,314)	0	0	0	0	0	Carried forward, schemes under development.
Town Centre Fund	(741)	0	0	0	0	0	Areas are pulling together various projects.
Carbon Clever	0	103	103	0	0	0	Fully committed.
Inverness Rail Station	0	300	300	0	0	0	
City Deal Projects	278	0	0	0	0	0	Schemes progressing.
Smart City - Digital Projects	20	(11)	(11)	0	0	0	Schemes progressing.
SELF FUNDING PROJECTS							
LED Programme for Buildings - SALIX Funded	59	0	0	0	0	0	
OVERALL TOTAL	1,052	35,478	34,427	(1,051)	(1,051)	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	1,620	15,914	0	Mar 2021	Mar 2021
Inshes Roundabout	7,260	7,260	566	7,260	0	Mar 2021	Mar 2021
Stromeferry Rockface	2,318	2,318	1,472	2,318	0	Mar 2023	Mar 2023
Major Bridge Works							
B9090 White Bridge, Cawdor	3,502	3,502	2,945	3,502	0	Mar 2020	Mar 2020
ACTIVE TRAVEL							
Inverness City Active Travel Network	6,595	6,595	221	6,595	0	Mar 2021	Mar 2021
LEISURE FACILITIES							
Torvean Golf Course	12,350	12,350	12,966	12,350	0	Mar 2019	Jul 2019
FLOOD PREVENTION							
Flood Prevention Schemes							
Smithton / Culloden Flood Alleviation	14,885	14,885	3,823	14,885	0	Mar 2020	Mar 2020
Caol Flood Prevention	8,858	8,858	274	8,858	0	Mar 2021	Mar 2021
River Enrick Flood Prevention	3,111	3,111	147	3,111	0	Mar 2021	Mar 2021
FERRIES AND HARBOURS							
Uig Ferry Redevelopment	30,294	30,294	2,596	30,294	0	Aug 2020	Aug 2022
WASTE MANAGEMENT							
Residual Waste Management Facility	6,595	6,595	388	6,595	0	May 2021	May 2021
OVERALL TOTAL	111,682	111,682	27,018	111,682	0		

Projects Update

Alness Academy

Progress on the new school building is continuing. The contractor is reporting delays on planned progress with some items but is confident that the completion date of 10th April 2020 for the new build phase of the works will be met. The substructure, superstructure and floor slab work packages are all complete; the roof will be completed very soon which will enable the internal fit out to gather momentum. The demolition of the existing buildings and formation of the sports pitches are due for completion in March 2021.

The Council is working with the Scottish Futures Trust (SFT) on a joint Construction Quality Initiative Programme to ensure that the specified building and engineering standards are achieved. This was one of the key lessons learned from completed projects across Scotland.

Inverness High School

Following the handover of completed phases of refurbishment in November and May, work is continuing on the remaining phases with some key works being carried out over the summer holiday period. Despite some of the issues with the existing structure that have been encountered, a high quality of refurbishment work is being achieved.

Merkinch Primary School

As reported in May, there was a delay to the programme due to unforeseen issues with connecting to the Scottish Water drainage infrastructure that required some redesign. Occupation of the new building was originally programmed to take place over the Easter holiday period in 2020. The revised programme is based on occupation of the building taking place during w/c 1st June (the Monday is an in-service day but a further 1 or 2 day school closure may also be required).

This project is included in the Scottish Government's School for the Future Programme, and the Deputy First Minister has approved the extension to the programme for the opening of the school.

Work is now progressing well on site with the erection of the cross-laminated timber frame structure well advanced, with the contractor forecasting they are on programme to enable the school migration to commence w/c 1st June 2020.

Ness Castle Primary School

As this is classed as a major planning development, a drop-in event was held in June to allow members of the public to view and make comment on the general

concepts for the proposed development, along with site location and site constraints information.

A further event will be held later this month where site plans and building layouts will be displayed for public review and comment prior to submitting a planning application next month. The initial meeting of the stakeholder group will be held early in the new school session.

As previously reported, the approach to this project takes account of a range of improvement measures in response to lessons learned from recently completed projects, concerns raised by Members and the SFT with regard to the briefing, specification and delivery of projects, and the requirement to consider innovative and flexible approaches to make best use of the available budget. These measures include a standard approach to school capacity modelling and briefing, consideration of alternative construction methods, improved procurement and programming approaches, ensuring that the scope of the project is fully defined from the outset to minimise variations, and that no unnecessary additionality is included.

The new school is scheduled to open in August 2021.

Smithton Primary School

Work is progressing on site and is on programme for overall completion in October. Some key refurbishment works are being carried out in the junior wing of the existing building over the summer holidays. Following the handover of the building, the modular unit that is currently being used to house the school reception and offices will be converted to provide additional nursery accommodation.

One of the 3 modular double classroom units currently being used as decant accommodation has been relocated to Tarradale Primary School during the holiday period. The remaining 2 units will be retained on site meantime pending the annual review of the school roll forecasts later this year and possibly until the position regarding a potential new primary school at Stratton is clearer.

Early Learning and Childcare/School Estate Investment Programme

A report seeking approval to allocate funding from the generic capital budgets for schools over the next 2-3 financial years was approved by the Council at its meeting on 27th June. The establishment of a multi-year investment programme will enable the early allocation of internal resources, a potential reduction in lead-in times on future projects, improved efficiency in the procurement of contractors and bundling of projects, and more time to consider the most appropriate and cost-effective construction methods and approaches. It will also provide clarity to stakeholders and communities in terms of likely timescales and outcomes, and help to manage expectations.

The programme is linked to the Early Learning and Childcare (ELC) capital programme that will take place over the same period, to allow the benefits of combined investment to be maximised and achieve economies of scale where possible. A number of the projects are inextricably linked to the ELC programme and, while the timescale is challenging, approval was essential to ensure the Council can meet the Scottish Government deadline for the increased ELC provision to be in place by August 2020.

Further updates on the programmes will be provided to Members at Ward level going forward.

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2019 TO 30TH JUNE 2019

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	£000	£000	
Capital Programme 2019/20							
Equipment and Adaptations	96	1,000	950	(50)	(50)	0	Works ongoing in all Areas.
Major Component Replacement	99	2,037	2,040	3	3	0	Works ongoing in all Areas.
Heating/Energy Efficiency	607	5,067	5,086	19	19	0	Works ongoing in all Areas.
External Fabric (Major Component Replacement)	59	5,325	5,348	23	(17)	40	Works ongoing in all Areas.
External Fabric (Environmental Improvements)	181	1,252	1,212	(40)	0	(40)	Works ongoing in all Areas.
Healthy, Safe and Secure	0	195	195	0	0	0	
Total 2019/20 Programme	1,042	14,876	14,831	(45)	(45)	0	
Capital Programme 2018/19 Carried Forward							
Major Component Replacement	0	540	554	14	0	14	Works to complete this financial year.
Heating/Energy Efficiency	375	1,777	1,836	59	0	59	Works to complete this financial year.
External Fabric (Major Component Replacement)	833	2,698	2,745	47	0	47	Works to complete this financial year.
External Fabric (Environmental Improvements)	0	56	0	(56)	0	(56)	Works to complete this financial year.
Healthy, Safe and Secure	5	155	178	23	(7)	30	Works to complete this financial year.
Insurance Works	61	0	0	0	0	0	Insurance claim will cover expenditure.
Retentions	47	587	621	34	0	34	Works to complete this financial year.
Total 2018/19 Programme	1,321	5,813	5,934	121	(7)	128	
Total Mainstream Programme	2,363	20,689	20,765	76	(52)	128	
Council House Building Capital Programme							
New Council House Buildings	4,272	32,379	29,800	(2,579)	(1,805)	(774)	Works ongoing in all Areas, slippage carried forward.
Individual House Purchases	425	1,320	1,320	0	0	0	
One-Bed Accommodation	0	0	0	0	0	0	
Total Council Building Programme	4,697	33,699	31,120	(2,579)	(1,805)	(774)	
OVERALL TOTAL	7,060	54,388	51,885	(2,503)	(1,857)	(646)	

Funding	Actual Net	Revised Net	Year End	Year End
	Year to Date	Net Budget	Estimated Net	Net
	£000	£000	Outturn	Variance
	£000	£000	£000	£000
Investment Programme				
Useable Capital Receipts	92	0	92	92
RHI Income	182	0	675	675
Sale of LIFT Properties	166	0	166	166
Government Grant	1,216	18,879	18,579	(300)
Landbank	0	1,754	1,754	0
Borrowing	5,404	31,299	27,606	(3,693)
Capital from Current Revenue	0	2,456	3,013	557
GROSS FUNDING	7,060	54,388	51,885	(2,503)