

Agenda Item	10d.
Report No	CIA/31/21

THE HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 26 August 2021

Report Title: Inverness Common Good Fund
Capital Projects Update Report

Report By: Executive Chief Officer Infrastructure and Environment
Executive Chief Officer Communities and Place

1. Purpose/Executive Summary

1.1 This report details the current status of capital projects for the Inverness Common Good Fund.

2. Recommendations

2.1 Members are asked to:

- i. Scrutinise the current status of capital projects

3. Implications

3.1 Resource implications – The projects are resourced from the agreed budget approved at City of Inverness Area Committee held on 18 February 2021. The project updates confirm the budget status. All projects remain fully funded and on budget.

3.2 Legal implications- The application of funds will fall within the competency guidelines set out both in statute and in common law in relation to Common Good Funds. Additionally, through the governance being implied by the Finance Service, funds will remain compliant with all financial regulations.

3.3 Community (Equality, Poverty, Rural and Island) impacts – None

3.4 Climate Change / Carbon Clever implications– None

3.5 Risk implications – The impact of Covid 19 is referred to within the report and continues to be a risk to project delivery timescales and costs.

3.6 Gaelic implications – None

4. Introduction

4.1 This report provides project status information and financial progress for current key capital projects funded by the Inverness Common Good Fund, as of 6 August 2021.

5. Capital Programme Update

5.1 The current status of each individual project is summarised below with allocated budgets shown within **Appendix 1**.

5.2 **Conservation of External Fabric Phase 3, Town House, Inverness**

An acceptance letter was issued on the 23 July 2018. Work commenced on site on 10 September 2018 and the completion date was set for September 2020.

5.3 Work was progressing well and on programme up until lockdown March 2020. The Contractor stopped work 23 March 2020 and resumed on site on 15 June 2020 to prepare the site ready for the contractor workforce returning on 29 June 2020. This equated to 10 weeks delay on site. The completion, under normal circumstances, would have been 27 November 2020 but after work recommenced on site certain restrictions remained and not all the workforce could return to work on that date. Work has commenced on agreeing a final account which include all costs associated with COVID disruptions and implications. Until the final account is complete the full impact on the Budget of the COVID-19 Pandemic on the Project Programme cannot be confirmed.

5.4 The full contractor workforce has now returned to work with a new completion date of 27 August 2021 set.

5.5	Agreed Total Common Good Funding	£3,204,000
	Anticipated Final Account	£3,204,000

5.6 **Victorian Market, Academy Street Entrance Upgrade**

The project is now complete and in the defects period. The project was delivered on budget.

5.7	Agreed Total Common Good Funding	£20,148
	Third Party Funding	£30,256
	Total Project Costs	£50,404
	Anticipated Final Account	£50,404

5.8 **Victorian Market, Market Hall & Fish Market Refurbishment**

The contract acceptance was issued along with a notice to quit for the remaining traders with the tenants vacating in January 2021. The project has commenced on site and an initial completion date was set for Friday 14 January 2022.

5.9 The project has been hit by delays due to old services being found during the demolition works which has halted work on several occasions. The full extent of the delay is not known at this point. Every practical effort will be made to reduce the period of delay and an update will be made available when known. A considerable amount of additional work to the existing concrete floor has been required. This was only found once the demolition

work had been completed and work started on the floors. The costs are currently being agreed but it is initially thought this will be to be contained within the contingency amounts. It must be noted that this now leaves the contract with no further contingency money in the event of further problems arising.

- 5.10 Officers will monitor closely, noting that firm plans are in place to ensure that the operation of the Market will be unaffected by the works programme. In the event of evaluated impacts showing that the operational areas of the Market have been materially detrimentally affected, then a report will be taken to the CIAC in this regard.
- 5.11 Agreed Total (Incl Common Good) Funding £1,653,000
Anticipated Final Account £1,653,000

6. Governance

- 6.1 These projects are funded by the Inverness Common Good Fund and monthly Contract Monitoring reports will be issued to the Inverness City Area Manager, in line with governance arrangements.
- 6.2 Any further requests for additional funding or new initiatives requiring funding will be brought to subsequent meetings of this committee for approval. The next update will be provided at the meeting set for 18th November 2021.

Designation: Executive Chief Officer, Infrastructure and Environment

Date: 6 August 2021

Author: David Haas, Inverness City Area Manager

Background Papers:

**APPENDIX 1
MONITORING STATEMENT 2020/21
INVERNESS COMMON GOOD FUND PROJECT SPEND
FOR PERIOD ENDING JUNE 2122**

	ACTUAL YEAR TO DATE	ANNUAL BUDGET	ESTIMATED OUTTURN	ESTIMATED VARIANCE
	£000	£000	£001	£000
PROJECT SPEND				
Town House Refurbishment - Phase 3	109	400	400	0
Bowling Clubs	29	42	42	0
Town House - Civic Floor	0	30	30	0
Whin Park Improvement Works	0	13	13	0
Victorian Market - Market Hall Improvements	150	1435	1435	0
Compensation Payments - Victorian Market	0	34	34	0
TOTAL	287	1954	1954	0
FUNDS AVAILABLE FOR PROJECT SPEND	421	(477)	(477)	0
BALANCE TO BE FUNDED BY RESERVES	133	(2,431)	(2,431)	0
Value of investments at 31.03.2021	5,481	5,481	5,481	
transfer to/(use of) fund	133	(2,431)	(2,431)	
	5,614	3,050	3,050	