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|-------------|-----------|
| Agenda Item | 13b.      |
| Report No   | CIA/11/22 |

## THE HIGHLAND COUNCIL

**Committee:** City of Inverness Area Committee

**Date:** 17 February 2022

**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; and
- ii. Note the adjustments being made to the allocations within the Victorian Market, Market Hall and Fish Market Refurbishment project.

### 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.

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.

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 28 January 2022.

#### 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

The project is now complete and in the 12 months defects period. This is reflected in the underspend showing in Appendix 1 which details retentions expected to have been paid out in the current financial year but which remain outstanding due to slippage in the project programme.

|     |                                  |            |
|-----|----------------------------------|------------|
| 5.3 | Agreed Total Common Good Funding | £3,204,000 |
|     | Additional HES Funding           | £ 400,000  |
|     | Revised Total Budget             | £3,604,000 |
|     | Anticipated Final Account        | £3,595,402 |

##### 5.4 Victorian Market, Academy Street Entrance Upgrade

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

|     |                                  |         |
|-----|----------------------------------|---------|
| 5.5 | Agreed Total Common Good Funding | £20,148 |
|     | Third Party Funding              | £30,256 |
|     | Total Project Costs              | £50,404 |
|     | Anticipated Final Account        | £50,404 |

##### 5.6 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 commenced on site and an initial completion date was set for Friday 14 January 2022. Due to the delays reported previously and additional delays reported below the revised completion date will be in late spring/early summer 2022.

5.7 Members will be aware of a Scottish Water issue with the incoming water main. After exposing the incoming water main from the Union Street entrance, it has been Found to be the incorrect size for the new development.

5.8 The plan was to install a new water Main from Church Street through Market Lane. After lengthy investigation and discussions, it is now not viable to do this, the new water main will now be from Union Street. Unfortunately, this investigation has caused a further delay.

5.9 As referred to within the Capital Monitoring Report taken to CIAC on 18 November 2021, Officers are taking steps to ensure that the most cost-effective solution is found to providing a new water supply from the public main. Further updates will be provided.

- 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 The CIAC approved the original Budget of £1.635m. The CIAC then agreed to incorporate the increased costs associated with the project, principally relating to the replacement of the floor and the installation of a new mains water supply, more particularly referred to at the CIAC held on 18<sup>th</sup> November 2021 into the total available budget detailed below.

|                                  |            |
|----------------------------------|------------|
| Total Project Funding            |            |
| Common Good                      | £1,635,339 |
| Town Centre Fund                 | £ 250,000  |
| Place Based Investment Programme | £ 79,000   |
| Current Anticipated Outturn      | £1,964,339 |

Officers are ensuring that the most cost-effective solution will be applied to addressing the water supply issue and expect the available budget to meet this cost.

## **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 10<sup>th</sup> June 2022.

Designation: Executive Chief Officer, Infrastructure and Environment

Date: 31 January 2022

Author: David Haas, Inverness City Area Manager

Background Papers:

**APPENDIX 1**  
**MONITORING STATEMENT 2021/22**  
**INVERNESS COMMON GOOD FUND PROJECT SPEND**  
**FOR PERIOD ENDING DEC 2122**

|   | <b>ACTUAL</b>       | <b>ANNUAL</b> | <b>ESTIMATED</b> | <b>ESTIMATED</b> |
|---|---------------------|---------------|------------------|------------------|
|   | <b>YEAR TO DATE</b> | <b>BUDGET</b> | <b>OUTTURN</b>   | <b>VARIANCE</b>  |
|   | <b>£000</b>         | <b>£000</b>   | <b>£001</b>      | <b>£000</b>      |
| <b>PROJECT SPEND</b>                        |                     |               |                  |                  |
| Town House Refurbishment - Phase 3          | 208                 | 400           | 250              | (150)            |
| Bowling Clubs                               | 44                  | 42            | 44               | 2                |
| Town House - Civic Floor                    | 39                  | 40            | 40               | 0                |
| Whin Park Improvement Works                 | 13                  | 13            | 13               | 0                |
| Victorian Market - Market Hall Improvements | 718                 | 1435          | 1220             | (215)            |
| Compensation Payments - Victorian Market    | 0                   | 34            | 0                | (34)             |
| <b>TOTAL TO BE FUNDED FROM RESERVES</b>     | <b>1021</b>         | <b>1964</b>   | <b>1567</b>      | <b>(397)</b>     |