

Agenda Item	8
Report No	ECI/10/2022

THE HIGHLAND COUNCIL

Committee: Economy and Infrastructure

Date: 25 August 2022

Report Title: Capital Monitoring – Quarter 1 2022/23

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1. Purpose/Executive Summary

- 1.1 This report provides Members with reported position for the second quarter ended 30 June 2022 of the 2022/23 financial year.
- 1.2 Net spend on capital projects in the period to 30 June 2022 totalled £18.31m.
- 1.3 Given this is the first quarter of the financial year, the fact Covid is still having an impact and based on present expenditure trends, a slight net acceleration of £0.95m for the year end is forecast.

2. Recommendations

- 2.1 Members are asked to consider the financial position as at 30 June 2022 and note the estimated year end forecast.

3. Implications

- 3.1 **Resource** - Resource implications are discussed in the report. There are ongoing issues with inflation and supply issues that continue to put pressure on individual projects, or ongoing programmes of work. This is being regularly monitored and adjustments made where appropriate.
- 3.2 **Risk** - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.

3.3 **Legal** - The contents of this report and the annual accounts aim to satisfy the requirement of Sections 6 and 7 of the CIPFA Financial Management Code - 'Monitoring financial performance' and 'External financial reporting'.

3.4 There is no specific equality, climate change/Carbon Clever, rural or Gaelic implications arising as a direct result of this report.

4. Capital Programme 2022/23

4.1 **Appendix 1** provides a summary of the financial year 2021/22.

4.2 **Appendix 2** provides an overview of the capital programme to 30 June 2022. Overall, there has been a net expenditure of £18.31m for the 3 months to 30 June 2022 representing 42.4% of the 2022/23 programmed figure. This reflects the fact that significant project income has been received but that there have been delays in incurring costs. For the period £15.56m of gross expenditure has been incurred. Of the project income received, funding streams relate to active travel, timber transport, European funding, City-Region deal funding, town centre funding, regeneration funding and vacant and derelict land funding. These funding streams will be offset against specific project costs as they are incurred.

4.3 The estimated outturn position shows a net expenditure of £44.14m. Given this is the first quarter of the financial year, the fact that Covid is still having an impact and based on present expenditure trends, a slight net acceleration of £0.95m for the year end is forecast.

4.4 **Appendix 3** provides an overview of the whole life costing for Major Projects

4.5 An update on major projects progress is included at **Appendix 4**.

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 12 August 2022

Author: Malcolm Macleod, ECO – Infrastructure, Environment and Economy

THE HIGHLAND COUNCIL

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2021 TO 31ST MARCH 2022

SERVICE: INFRASTRUCTURE, ENVIRONMENT & ECONOMY

Project Description	BUDGET	ACTUALS			VARIANCE			COMMENTS
	2021/22 Budget £000	2021/22 Actual Expenditure £000	2021/22 Actual Income £000	2021/22 Actual Net Year to Date £000	2021/22 Variance Actual v Budget £000	2021/22 Acceleration / (Slippage) £000	2021/22 Overspend / (Underspend) £000	
ROADS AND BRIDGES								
Structural Road Works								
Road Structural Capital Works	14,787	12,251	(1,211)	11,040	(3,747)	(3,747)		Work programmes are continuing this year in all Areas. Slippage carried forward will be included in the 2022/23 programmes. Covid had an impact on material and resource availability.
Road Surface Dressing Capital	3,540	2,886	0	2,886	(654)	(654)		Work programmes are continuing this year in all Areas. Slippage carried forward will be included in the 2022/23 programmes. Covid had an impact on material and resource availability.
Bridges, Retaining Walls & Culverts	1,604	409	(8)	401	(1,203)	(1,203)		Torrदारoch Bridge Repairs started on site May 2022, completion expected Aug 2022. Ness Bridge investigation underway. Several other schemes are in design or preparation (including Ledmore & Knockan). Slippage is due to a combination of covid, recent retirements and high workload.
Sconser Quarry Gas Conversion (Salix)	0	0	(122)	(122)	(122)	(122)		Project for conversion from gas oil to LPG. The Flogas installation at Sconser Quarry is complete bar a minor electronic/software interface issue requiring a replacement part which should be resolved at the end of this week. An Invoice for £106,231 (plus Vat) was processed for payment yesterday. The remaining Civils costs are yet to be Invoiced but will be within the allocated £122K.
Area Minor Capital Works								
Timber Extraction	499	3,064	(1,459)	1,605	1,106	1,106		The figure recorded is correct but covered by credits for late claims resulting in late payments by Scottish Forestry which are now carried over into 2022/23 budget (£808k). These are two/three grant payments claimed for 2021/22 and paid by Scottish Forestry from their 2021/22 budget were received by HC in April 2022 and have not been accounted for in the 2021/22 accounts. Also a viament pf £330k from Roads Capital that was agreed but not done. 2 schemes included funding from the Roads Strategic Capital budget allocation total funding was £330k, this was to enable extra grant funding to be secured later in the year, it was discussed with the HoS and agreed. The funds were not transferred in 2021/22 to the Timber Extraction cost centre. This now needs to be transferred from the 2022/23 capital roads budget. Robin Pope to follow up with Malcolm to discuss approval for viament for 22/23.
Major Road Improvements								
The Inverness West Link	694	1,606	(392)	1,214	520	520		Project in maintenance period.
Inshes Roundabout	51	259	(2)	257	206	206		Design development is proceeding, ecology surveys and arbocultral surveys are complete. Drainage design is proceeding. Planning application will be submitted summer 22. Advance works carried out to relocate the access for Beechwood house.
Development Infrastructure, Dingwall	485	25	0	25	(460)	(460)		Bridgend junction project complete, rest to be carried forward.
B851/B862 South Loch Ness Road Improvements	190	234	0	234	44	44		B851 Inverarnie & Farr VIS Phase 3 Interim works being completed. Further Village & Settlement Improvement Schemes design and consultation exercises in progress. Ongoing future works development and planning application/developer negotiations to realise delivery of mitigation works.

Stromeferry Rockface	1,015	832	0	832	(183)	(183)		New 5 year Professional Services Contract has been awarded and survey work planning is ongoing. A small debris flow last month requires minor works to be carried out in July estimate <£60k. Network Rail discussions ongoing. Phase 12 works were under the budget estimate and therefore did not require the anticipated spend. Note a recent slip on the rockface require urgent works of £100k in July 2022 (these works were not planned but are required to maintain the slope).
Minor Road Improvements								
Other Minor Schemes	0	174	(60)	114	114	114		Contains various schemes at different project stages - design ongoing, on site and works completed with residual costs for legal expenses etc. To be carried forward where necessary.
Major Bridge Works								
B863 Invercoe Bridge, Lochaber	3,110	2,201	0	2,201	(909)	(909)		Construction contract awarded, construction underway, completion Mar 2023. Slippage is due to procurement issues - the project had to be re-tendered causing several months of slippage.
A862 Muir of Ord Railway Bridge	2	3	0	3	1		1	Complete. Final land transaction completed in August 2021.
B9090 White Bridge	84	3	0	3	(81)	(81)		Final land issues still to be resolved - negotiation continuing with Solicitors. Repairs of old bridge currently being designed and expected later 2022. Slippage due to workload.
Dulsie Bridge	22	0	0	0	(22)	(22)		Monitoring continues, design not started. Scope of design to be decided following monitoring. Slippage due to decision to keep monitoring structure for now.
Ruthven (Spey) Bridge	0	29	0	29	29		29	Repairs to surfacing and movement joints following premature deterioration - on site sept/oct2022.
Naver Bridge	362	640	0	640	278	278		Consultant (Fairhurst) appointed for design phase, preliminary design work, surveys and investigations underway, construction start 2023.
Lifeline Bridges								
B8007 Glenmore Bridge - Lifeline Bridges	20	1	0	1	(19)	(19)		Land issues still outstanding to be resolved. Work on hold due to workload.
A884 Acharn & Achnagavin Bridges - Lifeline Bridges	0	28	0	28	28	28		Design commenced August 2021 (1 yr earlier than previously planned)
A831 Comar Refurbishment - Lifeline Bridges	56	0	0	0	(56)	(56)		Land issues nearing resolution. Design to commence 2022. Slippage due to high workload and recent staff retirements.
ACTIVE TRAVEL								
Car Parking - Portree	(44)	64	(300)	(236)	(192)	(192)		Carried Forward
Car Parking - Fort Augustus	10	5	0	5	(5)	(5)		Carried Forward
Car Parking - Inverness Lorry Park	145	43	0	43	(102)	(102)		Carried Forward
Cycling, Walking & Safer Streets	(28)	1,295	(1,321)	(25)	3	3		Carried Forward
20mph Zones	19	4	(4)	0	(19)	(19)		Carried Forward
Traffic Management Improvements	(43)	192	0	192	235	235		Carried Forward
Community Links PLUS	0	1,425	(1,425)	0	0	0		Infrastructure delivered (Raigmore A9 Sliproad Ramp) - externally funded SUSTRANS
Bridge at Lochloy, Nairn	0	104	(94)	10	10	10		Developer contributions of circa £600k have been received for construction, to be match funded via Sustrans. Negative feedback received from Community has meant this project is currently on hold. No response received for March 2022 monitoring to confirm. Assumed c/f.
Bus Priority Rapid Development Fund (incl rural Giga Prog RGCP)	0	3,150	(3,103)	47	47	47		Fully funded by Transport Scotland. Rose Street bus gate was completed in July 2021. Raigmore bus gate subject to planning consent, is to be delivered through Bus Partnership Fund. No response received for March 2022 monitoring. Assumed c/f.
Accessing Inverness	0	105	(98)	7	7	7		Academy Street - SUSTRANS funded. Design work ongoing until end 22/23.
Aviemore Active Travel Path	0	4	0	4	4	4		To carry forward and redirect towards a path project already planned for the Burnside area of Aviemore.

Spaces for People	(8)	620	(620)	0	8	8	Fully funded by Transport Scotland. Some funding was carried forward to enable the 20mph schemes to be made permanent whilst also designing a future permanent one-way system around Inverness Castle. No response was received for March 2022 monitoring and so assumed c/f.
LIGHTING							
Structural Lighting Works	2,807	2,107	(527)	1,580	(1,227)	(1,227)	Essential lighting works including LED enabling and LED delivery ongoing. SALIX additional funding also ongoing for LED lighting (£514k income in March 2022). Replacement communications mast committed. Upgrade/refurbishment of existing radio mast portfolio ongoing. Essential traffic signal replacements works ongoing.
FLOOD RISK MANAGEMENT							
Flood Protection Schemes							
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	0	97	(20)	77	77	77	Flood scheme works complete – negotiations have now concluded regarding final compensation claims. No further compensation claims anticipated.
Smithton / Culloden Flood Alleviation	2,723	91	(7)	83	(2,640)	(2,640)	Main Flood Scheme works complete. Maintenance period ongoing and some compensation claims. Value does not take into account any Scot. Gov. payments/refunds (£2.213M GCG repaid to Scot Gov for 2021/22). Some slippage so should be carried forward to 22/23.
River Enrick FPW / NFMS	727	3,698	(20)	3,678	2,951	2,951	Main works completed Spring 2022, ahead of capital programme. Ongoing maintenance works and then compensation claims for landowners. Figure does not take into account £661k GCG receipt from Scottish Gov.
Caol FPW	2,936	5,188	(414)	4,774	1,838	1,838	Works on site and proceeding well, On budget and acceleration due to Contractor Programme carrying out work faster than anticipated. Completion July 2023. Income figures exclude £1.095m GCG received 21/22.
Flood Studies							
Mill Burn FPS	62	1	0	1	(61)	(61)	Preferred Options submitted to SEPA for national prioritisation. Awaiting Scot. Gov. decision on grant funding (linked to prioritisation) which is not anticipated until late 2022. Potential for small scale improvement works at Millburn Court. Underspend should be carried forward to future years.
Conon Bridge Flood Defence Improvements	665	730	0	730	65	65	The Conon Bridge flood defence is a PDU scheme led by Bryan Stout who is on leave at the moment. The construction works have been completed and the job is now within its maintenance period.
River Gynack FPS / NFMS	54	0	0	0	(54)	(54)	Expected to undertake some design of small scale works on the River Gynack this financial year 22/23. Underspend should be carried forward to future years. Slippage due to lack of resource to progress.
River Peffery - FPS / NFMS	0	6	0	6	6	6	Preferred Options submitted to SEPA for national prioritisation. Awaiting Scot. Gov. decision on grant funding (linked to prioritisation) which is not anticipated until late 2022.
Golspie FPS / NFMS	40	0	0	0	(40)	(40)	Preferred Options submitted to SEPA for national prioritisation. Awaiting Scot. Gov. decision on grant funding (linked to prioritisation) which is not anticipated until late 2022. Underspend should be carried forward to future years.
River Nairn & Auldearn Burn FPS	143	18	0	18	(125)	(125)	Contract awarded May 2022 for initial part of study - approx £60k. Underspend should be carried forward to future years. Slippage due to lack of resource to progress and awaiting new SEPA guidance on hydraulic modelling.
Risk Management Plans	96	284	0	284	188	188	This budget only has enough allowance for Planning whereas the work on this code is for Planning, Local Flood Risk Management Strategies, Local Flood Risk Management Plans, Lead Local Authority Forums, Local Advisory Groups, Local Plan District meetings, SCOTS, Flooding Incidents and general responses. A budget request to increase to £0.25m per annum was included in the capital programme review but I didn't hear the outcome. 2022/23 spend will be similar to 21/22. Current budget allowance is completely unrealistic and must be revised or accept year on year acceleration/overspend.
Flood Improvement Works Knockbain Burn, Dingwall	239	37	0	37	(202)	(202)	Coarse Debris screen works completed in 21/22. Tanks inlet screen to be constructed this financial year. Land entry agreed and planning permission in place. Slippage due to resource availability. Will be tendered Summer 2022.
Scalesburn, Wick	0	2	0	2	2	2	No response received for March 2022 monitoring. Assumed c/f.

Surface Water Management Plans	84	42	0	42	(42)	(42)		Working on an overall SWMP with individual chapter to cover each area. SWMP started for each area. Ongoing. Underspend should be carried forward to future years to allow for potential small scale improvement works or more detailed assessment. slippage due to works being undertaken in last year being undertaken in house and therefore more efficient.
FERRIES AND HARBOURS								
Uig Ferry Terminal and Link Span	230	3,569	(4,330)	(761)	(991)	(991)		Contract awarded July 2021. Construction works ongoing. Completion programmed for November 2023.
Harbours General Structural Works - H&S	661	24	0	24	(637)	(637)		Will include Eigg dredging, cost £300-440k. Awaiting necessary licence hence delay.
Travel Hoist Finger Jetty Construction	0	11	0	11	11	11		Committed, construction started Jan 2022. No response received for March 2022 monitoring. Assumed cf.
Portree Structural Inspection	0	23	0	23	23		23	Report received.
Lochinver Structural Inspection	0	64	0	64	64	64		Structural inspection completed. Works required to be assessed.
Corran Ferry	300	200	0	200	(100)	(100)		£300k budget consists of steering system replacement on MV Maid of Glencoul £0.250m; and urgent improvement works to Ardgour slipway £0.050m. Costs include c£142k for steering system and c£48k for feasibility work. £1.6m budget for feasibility and prelim design work is in earmarked revenue reserves.
LEISURE FACILITIES								
Parks and Play Areas - Development								
Inshes Park (Phases 1 to 3)	204	594	(298)	295	91	91		Phase 3 work is complete and phase 2 and 3 planting contract complete. The scheme is funded from developer contribution and external grant. Acceleration from future developer contribution.
PLANNING & DEVELOPMENT								
Town & Countryside Regeneration	234	0	0	0	(234)	(234)		Funds to be carried forward for future T&C projects or used to offset costs associated with Storr Car park.
Storr Car Park	(297)	70	(88)	(18)	279	279		THC have borrowed a figure to pay for this investment and will pay from revenues. There was a grant paid on the two phases of the project. See also comment in T&C on line above.
Nairn High Street	56	1	0	1	(55)	(55)		Budget was originally restricted for High Street use only. Nairn now has BID money and have a project manager in place.
Inverness Townscape Heritage	0	181	(151)	31	31		31	Complete. Part of the overall Inverness heritage project.
Nature Restoration Fund	258	143	0	143	(115)	(115)		Live grant programme. Funding through GCG 2021/22 £258k.
Visitor Management								
Wester Ross Visitor Hubs	89	0	0	0	(89)	(89)		Beach car park Gairloch interp (Wester Ross Tourism) ongoing. 15K committed. The remainder has not been assigned. This budget was originally created for a tourism shelter project that proved to be over budget and was cancelled.
Storr Visitor Management	93	10	(4)	6	(87)	(87)		Required to meet grant requirement. 10k committed to Skye Iconic Sites Interp project (OATS).
Misc Assets, Bridges & Structures								
Assets, Bridges & Structures	57	0	0	0	(57)	(57)		Required was with D&I now to be jointly used. Non road bridge and structures refurb etc. There is the possiby of bringing an intern into the PDU to assist with the management of such assets.
Green Networks, Core Paths & Long Distance Routes								
Green Infrastructure	101	44	(32)	12	(89)	(89)		Merkinch Local nature Reserve boardwalk replacement and Active Travel Route. Fully committed. Sustrans funded stage 3-4 design funding was approved for continued design funding up to tender stage. Construction stage funding to be applied for Nov 22. Construction programmed for 2023/24. THC project required 100k for match funding (Also have ICGF and HCCF match funding in place. Possible requirement for an additional 11K.
Ardersier Path	26	0	0	0	(26)		(26)	Project completed - underspend.

Long Distance Routes	16
ZCCR - Zero Carbon Cultural Regeneration	
ZCCR - Bught Park Stadium	0
ZCCR - Energy Centre	0
ZCCR - Northern Meeting Park	0
Other Grant Funded Schemes	
Vacant & Derelict Land Fund and Regeneration Fund	0
Town Centre Fund	0
Place Based Investment Programme	0
Carbon Clever	103
Inverness Rail Station	52
City Deal Projects	0
Electric Vehicle Infrastructure	0
Smart City - Digital Projects	250
CAPITAL CONTRIBUTIONS	
Inverness Castle	800
SELF FUNDING PROJECTS	
Longman Campus Site	34
Local Full Fibre Network	0
LED Programme for Buildings - SALIX Funded	0
OVERALL TOTAL	40,415

5	0	5
12	0	12
33	0	33
1	0	1
4,504	(4,504)	0
1,643	(1,643)	0
229	(229)	0
100	0	100
0	0	0
4,571	(4,571)	0
141	(141)	0
168	0	168
1,513	(1,513)	0
(48)	0	(48)
3,169	(2,492)	678
1,927	(1,927)	0
66,859	(33,130)	33,730

(11)	(11)	
12	12	
33	33	
1	1	
0	0	
0	0	
0	0	
(3)		(3)
(52)	(52)	
0	0	
0	0	
(82)	(82)	
(800)	(800)	
(82)		(82)
678	678	
0	0	
(6,685)	(6,735)	50

Spend on new Bridge at Altnafeadh on West Highland Way, along with interpretation pillars CTS Bridge May 2021 . Remaining funds to be spent on further interpretation including Maclean Artist and Evergreen.
No response received for March 2022 monitoring. Assumed c/f.
No response received for March 2022 monitoring. Assumed c/f.
No response received for March 2022 monitoring. Assumed c/f.
Schemes under development. Grant funded.
Schemes under development. Grant funded.
Schemes under development. Grant funded.
Project complete.
Joint project with Network Rail / HITRANS. HC committed to £0.3m over 2 years. Was to commence end of 21/22 but will be 22/23. No response received for March 2022 monitoring to confirm status. Assumed c/f.
Funding on non THC projects through city region deal
Fully committed. Various projects progressing.
No response received for March 2022 monitoring. Assumed c/f.
Contract let - funded through city region deal. Project ongoing.
Site purchase not proceeding.
No response received for March 2022 monitoring. Assumed c/f.
Programme of works progressing.

THE HIGHLAND COUNCIL

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2022 TO 30TH JUNE 2022 (Q1)

SERVICE: INFRASTRUCTURE, ENVIRONMENT & ECONOMY

Project Description	BUDGET	ACTUALS			ESTIMATES			VARIANCE			
	2022/23 Approved	2022/23 Actual	2022/23 Actual	2022/23 Actual Net	Enter as positive	Enter as negative	2022/23	2022/23	2022/23		
	Budget	Expenditure	Income	Year to Date	Estimated Expenditure	Estimated Income	Estimated Expenditure	Estimated Income	Estimated Outturn		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
2022/23 Variance	2022/23 Acceleration /	2022/23 Overspend /									
Est. Outturn v Budget	(Slippage)	(Underspend)									
£000	£000	£000									
ROADS AND BRIDGES											
Structural Road Works											
Road Structural Capital Works (incl. VRS, Weather Stations & Road Signs/Markings)	17,050	3,372	0	3,372	17,050	0	17,050	0	0	0	Currently estimated to spend budget within year. Will know more after surfacing and SD season. (Elizabeth MacIver)
Road Surface Dressing Capital	4,194	1,233	0	1,233	4,194	0	4,194	0	0	0	Currently estimated to spend budget within year. Will know more after surfacing and SD season. (Elizabeth MacIver)
Bridges, Retaining Walls & Culverts	3,120	40	0	40	3,030	0	3,030	(90)	(90)	0	£1,267k expected to be received through Scot Gov Local Bridge Maintenance Fund - received as part of General Capital Grant. (Andrew Tryon)
Coast Protection	36	0	0	0	36	0	36	0	0	0	
Sconser Quarry Gas Conversion (Salix)	122	0	0	0	122	0	122	(0)	0	0	
Area Minor Capital Works											
Timber Extraction	(606)	26	(858)	(832)	26	(858)	(832)	(226)	(226)	0	
Major Road Improvements											
The Inverness West Link	(791)	14	0	14	14	0	14	805	805	0	
Inshes Roundabout	(202)	5	(4)	1	5	(4)	1	203	203	0	
Development Infrastructure, Dingwall	797	1	0	1	797	0	797	0	0	0	
B851/B862 South Loch Ness Road Improvements	168	32	0	32	168	0	168	(0)	0	0	
Stromeferry Rockface	235	2	0	2	235	0	235	0	0	0	
Minor Road Improvements											
Other Minor Schemes (PDU)	(114)	27	0	27	27	0	27	141	141	0	
Major Bridge Works											
B863 Invercoe Bridge, Lochaber	7,953	1,492	0	1,492	4,660	0	4,660	(3,293)	(3,293)	0	£3,542k expected to be received through Scot Gov Local Bridge Maintenance Fund - received as part of General Capital Grant. (Andrew Tryon)
A862 Muir of Ord Railway Bridge	(1)	0	0	0	1	0	1	2	0	2	
B9090 White Bridge	251	0	0	0	170	0	170	(81)	(81)	0	
Dulsie Bridge	33	0	0	0	11	0	11	(22)	(22)	0	
Ruthven (Spey) Bridge	(29)	11	0	11	170	0	170	199	199	0	
Naver Bridge	(176)	42	0	42	210	0	210	386	386	0	
Lifeline Bridges											
B8007 Glenmore Bridge - Lifeline Bridges	777	0	0	0	50	0	50	(727)	(727)	0	

A884 Acharn & Achnagavin Bridges - Lifeline Bridges	71	0	0	0	100	0	100	29	29	0
A831 Comar Refurbishment - Lifeline Bridges	821	0	0	0	10	0	10	(811)	(811)	0
ACTIVE TRAVEL										
Car Parking - Portree	192	0	0	0	192	0	192	(0)	0	0
Car Parking - Fort Augustus	5	0	0	0	5	0	5	0	0	0
Car Parking - Inverness Lorry Park	102	1	0	1	102	0	102	0	0	0
Car Parks Structural	238	0	0	0	238	0	238	0	0	0
Cycling, Walking & Safer Streets	63	222	0	222	222	0	222	159	159	0
20mph Zones	19	0	0	0	19	0	19	0	0	0
Traffic Management Improvements	(235)	4	0	4	4	0	4	239	239	0
Community Links PLUS	0	65	(280)	(215)	450	(450)	0	0	0	0
Bridge at Lochloy, Nairn	(10)	0	0	0	0	0	0	10	10	0
Bus Priority Rapid Development Fund (incl rural Giga Prog RGCP)	(47)	0	975	975	0	0	0	47	47	0
Bus Shelters	20	0	0	0	20	0	20	0	0	0
Accessing Inverness	(7)	4	0	4	500	(500)	0	7	7	0
Aviemore Active Travel Path	(4)	2	(96)	(94)	96	(96)	0	4	4	0
Active Travel Transformation (Highland) - match funding	660	0	0	0	300	0	300	(360)	(360)	0
Spaces for People	(8)	0	(15)	(15)	0	(15)	(15)	(7)	0	(7)
NC500 Levelling Up Funding - Match Funding	1,000	0	0	0	0	0	0	(1,000)	(1,000)	0
LIGHTING, CCTV & RADIO MASTS										
Structural Lighting Works	2,227	402	0	402	2,000	0	2,000	(227)	(227)	0
Public Space CCTV Modernisation	135	0	0	0	135	0	135	0	0	0
Radio Mast Structural Capital	40	0	0	0	40	0	40	0	0	0
FLOOD RISK MANAGEMENT										
Flood Protection Schemes										
River Ness Flood Prevention - Tidal Section (Incl Streetscaping)	(77)	0	0	0	0	0	0	77	0	77
Smithton / Culloden Flood Alleviation	473	37	0	37	152	0	152	(321)	(244)	(77)
River Enrick FPW / NFMS	(1,298)	187	0	187	490	0	490	1,788	1,788	0
Caol FPW	(529)	1,412	(99)	1,312	1,412	(99)	1,313	1,842	1,842	0
Flood Studies										
Mill Burn FPS	319	0	0	0	0	0	0	(319)	(319)	0
Conon Bridge Flood Defence Improvements	(39)	0	0	0	0	0	0	39	39	0
River Gynack FPS / NFMS	157	0	0	0	50	0	50	(107)	(107)	0

Green Infrastructure	89	4	0	4	44	(44)	0	(89)	(89)	0
Ardersier Path	26	0	0	0	26	0	26	0	0	0
Long Distance Routes	11	1	0	1	11	0	11	(0)	0	0
ZCCR - Zero Carbon Cultural Regeneration										
ZCCR - Bught Park Stadium	(12)	34	0	34	34	0	34	46	46	0
ZCCR - Energy Centre	(33)	42	0	42	42	0	42	75	75	0
ZCCR - Northern Meeting Park	(1)	25	0	25	25	0	25	26	26	0
Other Grant Funded Schemes										
Vacant & Derelict Land Fund and Regeneration Fund	0	0	21	21	0	0	0	0	0	0
Town Centre Fund	0	36	(974)	(938)	36	(974)	(938)	(938)	(938)	0
Place Based Investment Programme	0	39	(1,734)	(1,695)	39	(1,734)	(1,695)	(1,695)	(1,695)	0
Carbon Clever	3	0	0	0	3	0	3	0	0	0
Inverness Rail Station	310	0	0	0	310	0	310	0	0	0
City Deal Projects	0	1,289	102	1,391	1,289	0	1,289	1,289	1,289	0
Electric Vehicle Infrastructure	0	(2)	(92)	(94)	(2)	(92)	(94)	(94)	(94)	0
Smart City - Digital Projects	82	0	0	0	82	0	82	(0)	0	0
CAPITAL CONTRIBUTIONS										
Inverness Castle	800	475	2,592	3,066	800	0	800	0	0	0
SELF FUNDING PROJECTS										
Longman Campus Site	82	0	0	0	82	0	82	0	0	0
Local Full Fibre Network	(678)	0	(437)	(437)	0	(437)	(437)	241	241	0
LED Programme for Buildings - SALIX Funded	0	87	0	87	87	0	87	87	87	0
OVERALL TOTAL	43,191	15,561	2,751	18,313	49,967	(5,822)	44,145	954	959	(5)

THE HIGHLAND COUNCIL

CAPITAL MAJOR PROJECT WHOLE LIFE REPORTING

SERVICE: INFRASTRUCTURE, ENVIRONMENT & ECONOMY

Project Description	WHOLE LIFE BUDGET TO 2036/37			ACTUALS TO DATE			FORECAST TO END OF PROJECT			PROJECT ASSESSMENT			COMMENTS
	LIFE BUDGET EXPENDITURE	LIFE BUDGET INCOME	LIFE BUDGET NET	ACTUAL EXPENDITURE TO DATE	ACTUAL INCOME TO DATE	ACTUAL NET TO DATE	FORECAST EXPENDITURE	FORECAST INCOME	FORECAST NET	COST	TIMING	SCOPE	COMMENTS
	£000	£000	£000	£000	£000	£000	£000	£000	£000				
Road Structural Capital Works (incl VRS, Weather Stations, Road signs/markings, minor works (non-PDU) and additional £10m roads capital)	126,495		126,495	15,623	-1,211	14,412	126,495		126,495	A	A	A	This budget includes various capital works related to the road asset which will be impacted by the rising cost of materials and labour, linked to inflation. Programmes will be adjusted to take account of the cost increases which may result in a reduction of renewal of assets in certain cases. The surface dressing programme budget will be impacted by the rising cost of materials and labour, linked to inflation. Programmes will be adjusted to take account of the cost increases which may result in a reduction or adjustment of programmed works. Rolling programme. Amount of work and priorities vary with time.
Road Surface Dressing Capital	36,794		36,794	4,118		4,118	36,794		36,794	A	A	A	
Bridges, Retaining Walls & Culverts	9,344		9,344	449	-8	441	9,344		9,344	G	G	A	Planning application will be lodged summer 22 Works to repair small debris flow AA18 Autumn 22. Annual inspection Autumn 22 Construction work underway, Due for completion March 2023. Cost remains green as this is a lump sum contract. Note that budget increased due to award of Local Bridge Maintenance Funding - any excess unspent on Invercoe will be used to fund other bridges projects. About to commence detailed design stage. Tender for construction contract Dec 2022, est. start on site May 2023, est. completion Dec 2024. Amber status on price is due to a number of project and design risks, including inflation. Project Officer recruitment underway, initial AT capital programme to be produced and agreed at future strategic committee.
Timber Extraction (STTS - Strategic Timber Transport Scheme)	10,854	-7,025	3,829	4,716	-2,317	2,399				A	A	G	
The Inverness West Link	39,133	-2,056	37,077	40,133	-392	39,741				G	G	G	
Inshes Roundabout	8,027	-1,408	6,619	1,760	-6	1,754	9,500	-2,000	7,500	A	A	G	
A890 Stromeferry Rockface Stabilisation	6,471		6,471	4,174		4,174	6,471		6,471	G	G	G	
B863 Invercoe Bridge, Lochaber	11,355		11,355	3,933		3,933	7,813		7,813	G	G	G	
Naver Bridge	6,787		6,787	682		682	6,787		6,787	A	G	G	
Active Travel Transformation (Highland) - match funding	11,550		11,550				11,550		11,550	G	G	G	
Structural Lighting Works	10,017		10,017	2,509	-527	1,982	10,017		10,017	A	A	A	This budget includes the rolling programme of replacement of end of life assets within the control of the lighting section to include lighting columns, underground cabling, traffic signals, pedestrian crossings. The reduction in budget is a significant pressure and risks having to turn off/cut down failed lighting columns or sections of lights, traffic signals and pedestrian crossings. There are also significant material cost increases which create another major budget pressure. Works underway completion Summer 23
Caol FPW	6,695	-4,288	2,407	6,600	-513	6,087	14,834	-11,867	2,967	G	G	G	
Uig Ferry Terminal and Link Span	80,800	-54,437	26,363	12,460	-43	12,418				G	G	G	
Inverness Castle	33,582	-22,200	11,382	1,988	1,078	3,067	35,905	-24,523	11,382	G	G	G	Contract let, on programme, estimated completion Spring 2025.

Major Projects Update - August 2022

Corran Ferry - Replacement Vessels and Infrastructure

Following on from funding approval (£1.6M - Full Council 24 June 2021) work is now well underway regarding the feasibility and design for replacement Corran Vessels and supporting infrastructure.

The Council's Ferry Team have joined the Small Vessel Replacement Programme (SVRP) and are working closely with CMAL and custom ferry design consultants Navalve, who are leading the feasibility and design for 7 replacement, all electric vessels (CMAL) + 2 Corran all electric vessels (HC) which will be in line with the SG climate change commitments.

The Corran Ferry Professional Service Contract has been awarded to Wallace Stone who commenced work on the 21 February 2022 for the feasibility and preliminary design for the new slipways and infrastructure.

The estimated delivery for replacement vessels is 4 - 5 years away. Without investment there is a severe risk of service failure.

To mitigate against the reliability and age of the vessels and the lack of capacity and overspill safety issues, we need to scale up the operation by running both the existing vessels in 2024/25 - prior to phasing in the new vessels in 2026/27. As a result, the Ferry income would no longer cover the expenditure. Therefore, it is essential we secure the required Capital and revenue to run the service.

We are currently seeking assurance from Transport Scotland that there will be a revenue funding commitment for the evidenced shortfall through the Inter-Islands Ferries specific grant – this potentially to cover both the increase in revenue running costs and any capital loan funding.

The Council continues to develop both a robust and compliant Outline Business Case (OBC) that will determine how the new vessels and supporting Infrastructure could be funded, procured, managed, and delivered. A meeting has been agreed (date TBC) with Kate Forbes MSP and Jenny Gilruth, Minister for Transport, where we will be seeking the Ministers advice and support in this regard.

Uig Ferry Terminal

The contract for the main civil infrastructure works at Uig Ferry Terminal has been awarded to RJ McLeod (Contractors) Limited following agreement with Transport Scotland over funding and works are progressing for completion in early 2024. Significant dialogue has been held with the Contractor, Highland Council and the Skye Triangle Steering Group and the outage (when no ferry can operate from Uig) has been established as 10 October 2022 to 27 March 2023, with works programmed to ensure the ferry can return to operate for the busy Easter period of 2023.

The outage is essential to allow the critical infrastructure elements to be constructed and are to coincide with lowest projected ferry usage. Consideration is ongoing to determine the ferry operations needed to mitigate the outage – and this will be finalised and communicated in due course following the extensive consultations by Calmac. This discussion is still ongoing with all parties

The tender for the new terminal building was invited but only one tender was received, and this was significantly more than the estimate. It has been agreed with Transport Scotland that a value engineering exercise will be carried out – and a procurement strategy developed, to encourage more competition in the market. The terminal building is not critical to the operation of the ferry as the existing terminal building is unaffected by the works.

West Link

Works on the West Link are now complete.

West Link Stage 2, which includes the roundabouts on the A82 and the new swing bridge is to be adopted by Transport Scotland – who will be responsible for this section as the Roads Authority, with Scottish Canals operating the swing bridges from the new control tower. To facilitate that handover, West Link Stage 2 is now in the formal defects correction period – where the Council will be responsible for any road defects for the next two years and the landscaping failures for the next 5 years. Discussions are well advanced with Transport Scotland over the formal handover due in April 2023.

Land immediately adjacent to the canal is recognised as a key destination and asset for the city and, as such, an updated development brief has identified this land for commercial development to establish a new, attractive destination in the city. This will add to the range of destination offers in the city and will provide capital receipts from land transactions. To the north, the former golf course land has also been unlocked for redevelopment potential as additional greenspace, with scope to deliver residential development and a school, should the school estate strategy identify the need.

Inshes Junction

Following the change to the hierarchy of travel – with the aspiration of more sustainable travel modes, revised layouts were developed that have been considered at the City of Inverness Area Committee – with the preferred option selected on the 18 November 2021.

Detailed design works are ongoing, and the necessary planning application will be submitted this summer.

Land is required from third parties to deliver the scheme, it is hope that negotiations can progress towards agreement – but it is likely that a compulsory purchase order (CPO) may be required – if that is determined then approval will be sought to promote the CPO from Full Council in accordance with the Scheme of Delegation.

Dialogue is also continuing with Transport Scotland over the integration of the Inshes Junction scheme with the proposed A9/A96 Smithton to Inshes Scheme (East Link).

Developer contributions will contribute to the costs of the project – and funds from development associated with the Transport Scotland East Link scheme will also support the delivery of Inshes Junction.

Inshes Junction forms a key infrastructure element of the Local Development Plan. It is recognised that to realise additional development- both residential and commercial, will require this necessary infrastructure investment – and the works will act as a catalyst for development and growth in the area.

Inshes Junction forms part of the Highland Council's commitment to the City and Region Deal.

Caol Flood Scheme

Caol Flood Scheme near Fort William provides 2Km of direct flood defence to provide 1:200 year level of protection from flooding to more than 300 properties and business. The scheme will provide an increased level of protection against tidal flooding from Loch Linnhe and flooding from the River Lochy.

The works were tendered and were awarded to R J Macleod who commenced in May 2021.

A community liaison group has been established and is working well to provide information to the community and also as a means of raising any issues and concerns. The community liaison is further augmented with monthly updates and letter drops.

Works are progressing well, and the project is on budget and programme.

The statutory undertakers work necessary are nearing completion and the secondary drainage, seepage/storage and pumping systems are complete. The focus of work is currently the rock armouring and piling of the foreshore.

The construction of the flood wall is programmed to start imminently.

Works are planned to be complete in Summer of 2023.

Drumnadrochit Flood Protection Scheme.

A contract was tendered and awarded to RJ McLeod such that the design works could develop in parallel with construction to aid in the delivery time of the project. The works include a flood wall at Kilmichael, a flood bund behind the post office and flood walls downstream of the A82 bridge.

Works are complete with the exception of the landscaping associated with accommodation works and general seeding.

Works were completed to programme and on budget subject to finalisation of year end accounts and also the agreement of compensation.

Naver Bridge

The proposal at Naver Bridge is the construction of a new bridge and approach roads to bypass the existing bridge and allow for its demolition.

Planning permission has now been obtained and consultations are ongoing associated with the Marine License administered by Marine Scotland, due to the tidal nature of the river at this location.

Ground investigation (GI) site works are now complete with laboratory testing ongoing. The detailed design works can now commence on completion of the GI site works.

The land requirements for the scheme have now been established which will allow negotiations to commence – it is hoped and anticipated that agreements will be reached over land acquisitions.

Construction is programmed to commence early summer 2023 with the new bridge coming into service in 2024. Due to environmental constraints over in river working, demolition and removal of the old bridge will be completed early 2025. This aligns with the capital programme budget allocation.

Invercoe Bridge

The contract for Invercoe bridge replacement was awarded to Story Contracting and works commenced on the 13 December 2021.

The scheme is to demolish and replace the existing bridge.

To allow works on the existing bridge, a temporary bypass bridge has been constructed and this became operational to traffic in late February 2022.

With traffic bypassed the existing bridge has been demolished and all piling to the abutments and central pier are complete – allowing reinforced concrete base and pier works to progress.

It is anticipated that the new bridge will be opened to traffic in late October 2022 – and works to complete the scour protection and the removal and reinstatement of the temporary bridge are expected to be complete early Summer of 2023