

The Highland Council

Agenda Item	5
Report No	ECI/55/2023

Committee: Economy and Infrastructure

Date: 16 November 2023

Report Title: Capital Monitoring – Quarter 2 2023/24

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1 Purpose/Executive Summary

1.1 This report provides Members with reported position for Q2 ending 30 September 2023 of the 2023/24 financial year.

1.2 The spend on capital projects in the period to 30 September 2023 totalled £34.277m.

2 Recommendations

2.1 Members are asked to **consider** the financial position as at 30 September 2023 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 **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'.

3.3 **Community (Equality, Poverty, Rural and Island)** – No implications.

3.4 **Climate Change / Carbon Clever** – No implications.

- 3.5 **Risk** - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – No implications.

3.7 **Gaelic** – No implications.

4 Capital Programme 2023/24 Q2 Report

4.1 **Appendix 1** provides a summary of the financial year 2023/24 Q2

4.2 **Appendix 1** provides an overview of the capital programme to 30 September 2023. Overall there has been a net expenditure of £22.10m for the 6 months to 30 September 2023 representing 53.2% of the 2023/24 programmed figure. For the period £34.277m of gross expenditure has been incurred. Of the project income received, funding streams relate to active travel, timber transport, 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 £43.155m. Given this is the second quarter of the financial year, a slight net acceleration of £3.326m for the year end is forecast.

5 Road Structural and Surface Dressing Capital Update 2023/24

5.1 The 2023/24 programme of surface dressing works is complete, with surfacing continuing as weather conditions permit. However, the schemes completed so far at the time of writing this report are listed in **Appendix 2**.

6 Strategic Timber Transport Schemes 2023/24

6.1 Scottish Forestry has grant funded 3 improvement schemes in the 2023/24 round of funding applications. This STTS funding totals £535k which, when added to the Highland Council's committed funding and additional funding from the private sector and an SSE contribution, provides a value for all schemes of £850k. Third party contributions total £115k and the Council funding contribution will total £200k.

6.2 Following grant funding awards, tenders were issued for the works on the 3 successful improvement schemes listed below, with all of them now awarded:-

- C1029 Camster Public Road Improvements – not yet commenced due to another scheme by a public utility diverting traffic over the site. Expected to start in November.
- B9090 Howford Bridge Public Road Improvements – retaining wall construction ongoing, road widened to sub-base level with surfacing works ongoing. Expected to be completed in November.
- C1144 Tomdoun Public Road Improvements – ditching, passing place improvements and culvert replacement works ongoing. Expected to be completed in November.

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 13 October 2023

Author: Garry Smith, Head of Infrastructure

Background Papers: None

Appendices: Appendix 1 - IEE Capital Monitoring Statement 2023-24 Q2 Final
Appendix 2 - 2023/24 Completed Surface Treatment Schemes

2023/24 Completed Surface Treatment Schemes

Note: There may be multiple sections listed on the same road.

SD: Surface Dressing

Area	Route	Road Name / Description	Treatment
Badenoch & Strathspey	A938	A938 B9153 Carrbridge Jt to A95 Jt Dulnain Br Section 4	Resurfacing
Caithness	A882	Thurso Road (At Co-op)	Inlay
Caithness	U4135	Riverside Road, Thurso	Inlay
Caithness	U4135	Riverside Road, Thurso	Inlay
Caithness	U1759	Bowertower	Inlay
Caithness	C1033	Everley to Crockster Toll	Overlay
Caithness	U4086	Mill Road, Thurso	Inlay
Caithness	U2813	Bower cemetery	Overlay
Caithness	U1913	Plocan - Brawlbin - Dorrery	Overlay
Caithness	U3632	River Street	Inlay
Caithness	U4400	Thurso East	Overlay
Caithness	U1557	Freswick to Skirza	SD
Caithness	A836	Forss Gateway Works	Inlay
Caithness	B874	B874 Bridge Street Halkirk - B870 Junction	Overlay
Caithness	C1001	Achvarasdal to Knockglass Access Road	Overlay
Caithness	C1001	Isauld to Achvarasdal	Overlay
Inverness	U1004	Balchraggan - Ballaggan	Overlay
Inverness	B9006	B9006 Old Perth Road	Inlay
Inverness	C1080	Inverfarigaig to Errogie	Overlay
Inverness	U5461	Braefield Road	Overlay
Inverness	B0853	Culcabock Road (Part)	Resurfacing
Inverness	U2108	Belladrum Loop Road (10k)	Resurfacing
Inverness	U2381	Woodside Crescent - Blackpark Road (2no Sections)	SD
Inverness	U3769	Ardconnel Street	SD
Inverness	U4623	Strothers Lane	SD
Inverness	U3782	Ashie Road Garages	SD
Inverness	U3872	Drummond Road (Broom Dr to Stratherrick Rd)	SD
Inverness	U3872	Drummond Road East End (Culduthel Rd to Glenburn Dr)	SD
Inverness	U4162	Oak Avenue	SD
Inverness	U4701	Culduthel Park	SD
Inverness	B9006	Old Perth Road (Part)	SD
Inverness	U3884	Drumossie Avenue (Phase 1)	SD
Inverness	U4364	Temple Crescent	SD

Area	Route	Road Name / Description	Treatment
Inverness	B9039	Castle Stuart A96 to Golf Club	SD
Inverness	B9039	Castle Stuart Golf Club to Westerton Junction	SD
Inverness	U2055	Ferntower Avenue	SD
Inverness	U2776	Redburn Avenue	SD
Inverness	U2856	Findhorn Bridge to Slochd, Tomatin (Phase 1)	SD
Inverness	B851	East of Brin Nursery	SD
Inverness	B851	Garbole Junction to Farr Village	SD
Inverness	B862	Achnabat (Sections)	SD
Inverness	C1064	Essich, East of McBain Park Crossroads	SD
Inverness	C1102	Moniack-Clunes-Foxhole (Sections) (Part)	SD
Inverness	C1108	Kiltarlity Village (Part)	SD
Inverness	U1140	Whitebridge - Garrogie	SD
Inverness	U1213	Knockie Road	SD
Inverness	U1547	Glen Cannich (East of Muchrachd Bridge)	SD
Inverness	U2228	Pikerrald Road, Drumnadrochit	SD
Inverness	U2518	Croyard Drive	SD
Inverness	C1102	Moniack-Clunes-Foxhole (Sections) (Remainder)	SD
Inverness	U2228	Pitkerrald Road	Overlay
Inverness	U1655	Achnaconeran Road	Overlay
Inverness	U1029	Tomhommie	Overlay
Inverness	C1076	Dunlichity	Overlay
Inverness	U2424	Upper Myrtlefield	Overlay
Inverness	B857	Little Mill	SD
Inverness	A831	Shenval	SD
Lochaber	B8004	B8004 Banavie to Commando Memorial	Overlay
Lochaber	C1094	Glen Etive Road	Overlay
Lochaber	U1712	Hospital Road, Glencoe	Overlay
Lochaber	U1598	Glenachulish	Overlay
Lochaber	B8004	B8004 Banavie to Commando Memorial Section 9	Resurfacing
Lochaber	B8004	B8004 Banavie to Commando Memorial Section 10	Resurfacing
Lochaber	B8004	B8004 Banavie to Commando Memorial Section 13	Resurfacing
Nairn	B9101	B9101 B9090 Jct to Geddes Burn	Overlay
Ross & Cromarty	C1039 & U2607	N Kessock High St	SD
Ross & Cromarty	C1031	Killen Rd C1027 Belmaduthy jct - C1035 Fortrose Rd Jct	SD

Area	Route	Road Name / Description	Treatment
Ross & Cromarty	C1023	Dingwall - Evanton Back Rd	Overlay
Ross & Cromarty	U1921	Achnagarron Rd	SD
Ross & Cromarty	B9165	Fearn - Balmuchy Rd	SD
Ross & Cromarty	B9166	Fearn - Balintore	Patching
Ross & Cromarty	U3393	Rhue Rd	Overlay
Ross & Cromarty	A896	Torridon - Kinlochewe	SD
Ross & Cromarty	A834	Strathpeffer Main St 1 @ Kinellan Dr	Inlay
Ross & Cromarty	C1223	Glenelg - Donovan's Sawmill - Village Junction	SD
Ross & Cromarty	A896	Church St jct - CG, Lochcarron	SD
Ross & Cromarty	C1055	Letters - Logie Rd	Overlay
Ross & Cromarty	U3006	Marybank & Aultgowrie	Inlay
Ross & Cromarty	U4469	Macdonald Rd, Dingwall	SD
Ross & Cromarty	U4466	Macrae Grove (incl. Brown Sq.), Dingwall	SD
Ross & Cromarty	U3029	Wyvis Crescent, Conon Bridge	SD
Ross & Cromarty	U3026	Sellar Place, Conon Bridge	Inlay
Ross & Cromarty	U4999	Moyle Road	Overlay
Ross & Cromarty	U5001	Glen Beag	Overlay
Ross & Cromarty	U5346	Morvich - Inchnacroe Road	Overlay
Ross & Cromarty	U4927	Rattigan	Overlay
Ross & Cromarty	U4483	Jubilee Park Rd	Inlay
Ross & Cromarty	A832	Golf Course Rd, Strathpeffer top section	Inlay
Ross & Cromarty	C1008	Clay of Allan	SD
Skye and Raasay	B883	Braes Road	Surfacing
Skye and Raasay	C1227	Hallin - Geary (1)	Surfacing
Skye and Raasay	C1227	Hallin - Geary (2)	Surfacing

Area	Route	Road Name / Description	Treatment
Skye and Raasay	B885	Portree to Struan	Surfacing
Skye and Raasay	A851	Kinloch	Surfacing
Skye and Raasay	C1228	Galtragill	Surfacing
Skye and Raasay	A863	Sligachan - Dunvegan	Surfacing
Skye and Raasay	A850	Bernisdale Straight	Surfacing
Skye and Raasay	B886	Fairy Bridge - Stein	Surfacing
Skye and Raasay	A855	Old Man of Storr North	SD
Skye and Raasay	A855	Staffin Shop - Brogaig	SD
Skye and Raasay	U4971	Staffin Campsite Road	SD
Skye and Raasay	A863	Gearymore	SD
Skye and Raasay	U4855	Eabost West	SD
Skye and Raasay	A851	A87 Junction to Double Grid	SD
Skye and Raasay	A851	Duisdalemore	SD
Skye and Raasay	C1241	Drumfearn	SD
Skye and Raasay	A855	Rigg (Ice alert & Shed Bends)	Surfacing
Skye and Raasay	A850	Braebost	Surfacing
Skye and Raasay	B884	Glendale Hill (west side) - May	Surfacing
Skye and Raasay	B884	Approaches to Ramasaig Junction	Surfacing
Skye and Raasay	A855	Portree - Storr Lochs (Water Treatment Plant)	Surfacing
Skye and Raasay	B885	Portree - Struan (Hill Road)	Surfacing
Skye and Raasay	U4786	Aird Bernisdale	Surfacing
Skye and Raasay	U4827	Hinnisdal - Balmeanach - Glenuadarach	Surfacing
Skye and Raasay	U4776	Borve	Surfacing
Skye and Raasay	B885	Portree - Bracadale (Hill Road)	SD
Skye and Raasay	C1233	Carbost - Peiness	SD
Skye and Raasay	C1233	Carbost - Peiness	SD

Area	Route	Road Name / Description	Treatment
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	U2202	Rogart	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay
Sutherland	C1022	Brora - Gordonbush - Rogart	Overlay
Sutherland	A839	Lairg - The Mound	Overlay
Sutherland	A897	Helmsdale - Melvich	Overlay

MONITORING OF CAPITAL EXPENDITURE - TO 30TH SEPTEMBER 2023 (Q2)

SERVICE: INFRASTRUCTURE, ENVIRONMENT & ECONOMY

Project Description	BUDGET	ACTUALS			FORECASTS			VARIANCE			Comments
	2023/24 Capital Budget	2023/24 Actual Expenditure	2023/24 Actual Income	2023/24 Actual Net Year to Date	2023/24 Forecast Expenditure	2023/24 Forecast Income	2023/24 Forecast Outturn	2023/24 Variance F'cast Outturn v Budget	2023/24 Acceleration / (Slippage)	2023/24 Overspend / (Underspend)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
ROADS											
Roads - Structural	15,206	8,299	(154)	8,145	15,360	(154)	15,206	0	0	0	
Roads - Surface Dressing	4,160	2,568	0	2,568	4,160	0	4,160	0	0	0	
Bridges, Retaining Walls & Culverts	650	311	0	311	900	0	900	250	250	0	Forecast expenditure is expected to exceed budget due to the level of spend anticipated on existing commitments that have carried forward from the prior year. There was sufficient budget in 22/23 to cover those commitments.
Other Minor Schemes	0	145	0	145	145	0	145	145	145	0	Strathcarron Widening design works.
Strategic Timber Transport Scheme (STTS)	500	15	(16)	(1)	1,078	(578)	500	0	0	0	Three STTS projects have been awarded for 23/24.
Safer Routes to School	33	695	0	695	1,553	(1,520)	33	0	0	0	
Road Safety Improvement Fund	0	3	0	3	583	(583)	0	0	0	0	
20Mph Zones	0	1	0	1	1,170	(1,170)	0	0	0	0	
Traffic Management Improvements	0	12	0	12	12	0	12	12	12	0	Traffic Signal capital commitments carried over from 22/23.
Inshes Roundabout	150	105	0	105	150	0	150	0	0	0	
A890 Stromeferry Rockface Stabilisation	80	48	0	48	80	0	80	0	0	0	
B851/B862 South Loch Ness Road Improvements	500	51	0	51	500	0	500	0	0	0	
Inverness West Link	0	79	0	79	300	0	300	300	300	0	Essential work for Transport Scotland to adopt swing bridge.
BRIDGES											
B863 Invercoe Bridge	90	145	0	145	200	0	200	110	110	0	Forecast expenditure is expected to exceed budget due to the level of spend anticipated on existing commitments that have carried forward from the prior year. This includes arrangements with the land owner. There was sufficient budget in 22/23 to cover those commitments. The final retention payment is expected in April 2024 and so will fall into the 24/25 financial year.
B9090 White Bridge	20	1	0	1	5	0	5	(15)	(15)	0	Project to be deferred.
A884 Acharn & Achnagavin Bridge	30	1	0	1	1	0	1	(29)	(29)	0	Project to be deferred.
B8007 Glenmore Bridge	40	0	0	0	0	0	0	(40)	(40)	0	Project to be deferred.
A831 Comar Bridge	30	0	0	0	30	0	30	0	0	0	Project to be deferred.
Ruthven Spey Bridge	195	228	0	228	250	0	250	55	55	0	Tenders were higher than anticipated hence the expected overspend to fund the existing commitment.
Naver Bridge	75	34	0	34	75	0	75	0	0	0	Renewal of licences with project start date to be confirmed.
Dulsie Bridge	5	0	0	0	0	0	0	(5)	(5)	0	Project to be deferred.
ACTIVE TRAVEL											
Active Travel Transformation Highland Wide	290	130	0	130	290	0	290	0	0	0	
Aviemore Active Travel Path	0	33	(91)	(58)	91	(91)	0	0	0	0	
Fort William Active Travel Improvements	0	47	(96)	(49)	96	(96)	0	0	0	0	
Wick Street Design	0	29	26	55	168	(168)	0	0	0	0	
Accessing Inverness	0	42	23	65	167	(167)	0	0	0	0	
Community Links Plus	0	131	(285)	(154)	2,500	(2,500)	0	0	0	0	
Low Carbon Travel & Transport (LCTT)	0	234	146	380	1,442	(1,442)	0	0	0	0	
Electric Vehicle Infrastructure	0	(1)	(89)	(90)	89	(89)	0	0	0	0	
Bus Partnership Fund (BPF)	0	407	(300)	107	1,775	(1,775)	0	0	0	0	
Bus Shelters	20	32	0	32	90	(70)	20	0	0	0	External Funding for Raigmore, Kessock Bridge & various shelter replacements.
PARKING											
Inverness Lorry Park	280	5	0	5	280	0	280	0	0	0	Combined budget for Lorry Park and Torvean is sufficient to deliver both projects.
Rose Street Multistorey	33	6	0	6	75	0	75	42	42	0	Essential H&S works - to accelerate 24/25 allocation.
Inverness Torvean Resurfacing	600	3	0	3	600	0	600	0	0	0	Combined budget for Lorry Park and Torvean is sufficient to deliver both projects.
Glencoe Village (Self Funding)	175	3	(4)	(1)	704	(529)	175	0	0	0	Includes £4k income carried forward from 22/23.
Achmelvich Beach (Self Funding)	272	45	(385)	(340)	1,015	(743)	272	0	0	0	
LIGHTING, CCTV & RADIO MASTS											
Structural Lighting Works	1,000	524	0	524	1,500	(500)	1,000	0	0	0	Expecting contribution from Salix Fund of c£500k.
Radio Masts	140	0	0	0	140	0	140	0	0	0	No spend yet - awaiting conclusion of legal ownership transfer.
Public Space CCTV Modernisation	80	9	(20)	(11)	100	(20)	80	0	0	0	Forecast spend in line with budget allocation.
FLOOD PREVENTION											
Flood Schemes											
Smithton / Culoden FPS	190	99	0	99	210	0	210	20	20	0	Potential to exceed budget due to compensation claims.
River Enrick Drumadrochit FPS	125	71	0	71	215	0	215	90	90	0	Commitments that were expected to fall in 22/23 ended up delaying to 23/24 including anticipated land owner compensation. There was sufficient budget in 22/23 to meet these.
Caol & Lochside FPS	750	1,023	0	1,023	1,023	0	1,023	273	273	0	Commitments carried over from 22/23.
River Naim & Auldearn Burn FPS	133	57	0	57	140	0	140	7	7	0	Small level of commitments carried over from 22/23.
River Gynack FPS	100	18	0	18	162	0	162	62	62	0	Includes remaining £50k match contribution to local estate made by THC in previous years to divert flows from Gynack Burn and reduce flooding in Kingussie.
Scalesburn Wick	75	2	0	2	75	0	75	0	0	0	Awaiting legal agreement.
Knockbain Burn Flood Improvement Works	0	25	0	25	25	0	25	25	25	0	Retention payment and commitments from 22/23.
Braehead Coast Protection	300	4	0	4	300	0	300	0	0	0	
Flood Risk Studies											
Flood Risk Management Act	280	94	0	94	280	0	280	0	0	0	
Coastal Change Adaptation	0	17	0	17	17	0	17	17	17	0	
Surface Water Management Plans	50	18	0	18	50	0	50	0	0	0	
HARBOURS & FERRIES											
Harbours Health & Safety and General Structural	250	260	0	260	365	0	365	115	115	0	Forecast expenditure is expected to exceed budget due to the level of spend anticipated on existing commitments that have carried forward from the prior year related to dredging. There was sufficient budget in 22/23 to cover those commitments.
Kinlochbervie Harbour	200	0	0	0	200	0	200	0	0	0	
Lochinver Harbour	200	0	0	0	200	0	200	0	0	0	
Uig Ferry Terminal and Link Span (Self Funding)	6,592	10,260	(2,184)	8,076	21,623	(12,974)	8,649	2,057	2,057	0	Acceleration of spend against original budget profile. Total spend is still in line with approved budget.
Corran Ferry Design	0	185	0	185	1,100	(1,100)	0	0	0	0	Drawdown from earmarked funds at year end to match spend incurred.

PLANNING & DEVELOPMENT											
Town & Countryside Regeneration	284	4	0	4	130	0	130	(154)	(154)	0	45k Kilt Rock 23/24 committed. £16k already moved to roads. Remainder of the balance which includes Smoo Cave will be c/f to 24/25.
Inshes District Park	0	1	0	1	1	0	1	1	1	0	
Nairn High Street	10	0	0	0	0	0	0	(10)	0	(10)	Project complete.
Wester Ross Visitor Hubs	11	3	0	3	11	0	11	0	0	0	
Green Infrastructure Merkinch Boardwalk	89	3	11	14	710	(621)	89	0	0	0	Currently identifying appropriate supplier and arranging an updated cost estimate for construction.
Storr Visitor Management	17	13	0	13	13	0	13	(4)	(4)	0	Project complete.
Misc Assets, Bridges & Structures	40	0	0	0	40	0	40	0	0	0	Required statutory - landowner liability. Survey by external Civil Engineers to be contracted.
Green Freeport	0	2	0	2	2	0	2	2	2	0	
Smart City Digital Projects	0	246	0	246	850	(850)	0	0	0	0	
Inverness Castle Redevelopment	4,503	4,001	(771)	3,230	13,730	(9,227)	4,503	0	0	0	Part of CRD Commitment.
City Region Deal Projects	0	1,001	(502)	499	2,345	(2,345)	0	0	0	0	
ZCCR - Bught Park Stadium	0	111	(138)	(27)	3,951	(3,951)	0	0	0	0	
ZCCR - Energy Centre Inverness	0	246	(180)	66	3,140	(3,140)	0	0	0	0	
ZCCR - Northern Meeting Park	0	83	(37)	46	2,065	(2,065)	0	0	0	0	
Community Regeneration Capital Funds											
Nature Restoration Fund	972	133	(53)	80	1,025	(53)	972	0	0	0	
Highland Coastal Communities Fund	0	358	0	358	1,600	(1,600)	0	0	0	0	Income reflects anticipated draw down from Crown Estates earmarked fund.
Island Infrastructure Fund 22/23	0	33	(936)	(903)	936	(936)	0	0	0	0	
Island Infrastructure Fund 23/24	0	0	0	0	299	(299)	0	0	0	0	
Place Based Investment Programme 21/22 Fund	0	91	(947)	(856)	690	(690)	0	0	0	0	Unspent funds will carry forward.
Place Based Investment Programme 22/23 Fund	0	455	(1,704)	(1,249)	1,418	(1,418)	0	0	0	0	Unspent funds will carry forward.
Place Based Investment Programme 23/24 Fund	0	0	(1,187)	(1,187)	0	0	0	0	0	0	Unspent funds will carry forward.
UK Shared Prosperity Fund 22/23	0	0	(687)	(687)	177	(177)	0	0	0	0	Unspent funds will carry forward.
Town Centre Fund	0	40	(413)	(373)	218	(218)	0	0	0	0	Unspent funds will carry forward.
Vacant & Derelict Land Fund	0	0	(556)	(556)	0	0	0	0	0	0	No spend expected 23/24 and funds will continue to carry forward.
Regeneration Capital Grant Fund	0	900	(1,546)	(646)	4,440	(4,440)	0	0	0	0	
OVERALL TOTAL	39,825	34,277	(13,075)	21,202	101,450	(58,299)	43,151	3,326	3,336	(10)	