

# The Highland Council

Agenda Item	6
Report No	CP/26/23

**Committee:** Communities and Place

**Date:** 29 November 2023

**Report Title:** Capital Monitoring – Quarter 2 2023/24

**Report By:** Executive Chief Officer, Communities and Place

## 1. Purpose/Executive Summary

- 1.1 This report provides Members with the Capital budget outturn forecast for the Communities and Place Service for 23/24 as at the end of Quarter 2.
- 1.2 The forecasted outturn for 23/24 is a net expenditure of £7.662m against a budget of £11.970m.
- 1.3 There are a range of capital projects being taken forward by the Service in respect of Waste Management; Bereavement Services; Community Spaces; Vehicles & Plant and Public Conveniences. The remainder of this report discusses the projects overall supported by information in the Appendices.

## 2. Recommendations

- 2.1 Members are asked to:
  - i. **Consider** the forecasted capital outturn for the Communities and Place Service for 23/24 as at Quarter 2
  - ii. **Note** the current forecast for the major project for the Communities and Place Service for 23/24

## 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 supports 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)** – there are no specific implications arising from this report.
- 3.4 **Climate Change / Carbon Clever** – the replacement of Fleet including large good vehicles will help to reduce carbon emissions as will the ongoing review of waste management and recycling rates.
- 3.5 **Risk** - Risk implications to the capital budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees and The Highland Council.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – there are no specific implications arising from this report.
- 3.7 **Gaelic** – there are no specific implications arising from this report.
- 4. 23/24 Capital budget – forecast outturn as at Quarter 2**
- 4.1 The capital programme budget for 23/24 is £11.970m. Further detail is reported at **Appendix 2** including a forecasted spend of £12.134m and net expenditure of £7.662m. The main reasons for the forecast variance are attributable to the Waste project at Fort William transfer station that is not required to be delivered until 24/25, the Landfill Restoration Programme, the full order fulfilment pertaining to Play Parks and the Shredders to support the overall waste management process of bulky waste items, and burial grounds extensions that are not to complete until into 24/25.
- 4.2 The Fort William Waste Transfer Station is not required to be delivered until 24/25 and forms part of the overall approach to the delivery and review of the delivery of Waste Management Services which is discussed in more detail to a separate item in today's agenda. This includes the progress on the Shredders and, on receipt of formal guidance from SEPA, we will then be able to finalise the equipment specification to then move to procurement.
- 4.3 The Seater and Granish landfill sites require areas to be sealed (capped) from the environment as they are utilised and filled. Preparatory works by the Infrastructure, Environment and Economy Team are now being undertaken to commence the next stage of capping at both sites in a manner that meets increasingly stringent, environmental statutory requirements to deliver the Landfill Restoration Programme.
- 4.4 A Project Board is overseeing the various projects in Bereavement Services and discussions with respective Ward Members including provision of annual progress updates to Area Committees will continue to take place until project completion. Officers are progressing the various projects through site identification, investigation and purchase, and design, planning and delivery of the new burial grounds and extensions. There is also a separate item to today's agenda on Bereavement Services.
- 4.5 Within Vehicles and Plant, significant Fleet commitments of £3.24m have been placed and await order fulfilment / delivery. As previously reported, delivery timelines are challenging especially in relation to Fleet. In particular the supply of Heavy Goods Vehicles is suffering from the delays caused by the Covid Pandemic coupled with a global disruption to the semiconductor industry at the time. Additionally, we are experiencing delays in build including with the chassis and body suppliers resulting in

delays to order fulfilment with delivery although there is a growing confidence that such timelines are improving (reducing) to nearer 12 months. The estimated delivery of these vehicles is later this financial year and we are continually working with suppliers and where possible we aim to accelerate progress to minimise the risk of having aged vehicles in the fleet. For example, picking up on another organisations cancelled order, where this is appropriate for our needs. Procurement of Mechanical Sweepers is complete and the provision of improved equipment for our Amenities staff is ongoing.

- 4.6 Within Public Conveniences, a number of projects to enhance the existing public toilets through a series of upgrades, installation of low energy equipment, refurbishments, installing CCTV, and making the service more sustainable through the provision of installing charging systems continues. There are some cost pressures pertaining to ground works, and related-fees. There is also a separate item to today's agenda regarding Public Conveniences.
- 4.7 As Members will be aware, the overall governance for the Play Parks capital budget is delivered by Area Committees. Officers continue to work with members to prioritise how the area funding is spent. Members are reminded that there are some procurement-related challenges in respect of availability and delivery of play equipment. There is also a separate item to today's agenda regarding Play Parks Strategy.

## **5. 23/24 Capital budget – major projects to 2036/37**

- 5.1 Appendix 3 provides details for the “major projects” which are those over £5m and will be updated as part of the ongoing review of the Council's Capital Programme into future years.
- 5.2 As reported to this Committee in May 2023, an application was successfully submitted to Zero Waste Scotland for £6.5m of capital funding towards a range of related works for waste management service collection changes across Highland. Current estimates for costs, timing (performance against delivery timelines) and scope (the project's aims and objectives) are on track (green). More detailed updates are provided in a separate item to today's agenda.

Designation: Executive Chief Officer Communities and Place

Date: 9 November 23

Authors: Executive Chief Officer, Communities and Place and  
Finance Business Partner (Capital)

Background Papers: None

MONITORING OF CAPITAL EXPENDITURE - TO 30TH SEPTEMBER 2023 (Q2 2023/24)

SERVICE: COMMUNITIES & PLACE

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 Forecast Outturn v Budget	2023/24 Acceleration / (Slippage)	2023/24 Overspend / (Underspend)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>WASTE MANAGEMENT</b>											
<b>Landfill Restorations</b>											
Landfill Restoration Programme	825	9	0	9	150	0	150	(675)	(675)	0	Carry slippage forward to 2024/25 for remainder of works and spend during 2024/25.
<b>Long Term Waste Strategy</b>											
Green Energy Hub (Earmarked Fund)	0	41	0	41	408	(408)	0	0	0	0	Funded by drawdown from earmarked balances.
<b>Waste Transfer Stations</b>											
Longman Waste Transfer Station	226	67	0	67	260	0	260	34	34	0	Costs associated with site compliance/licensing.
Fort William Waste Transfer Station	1,625	36	0	36	800	0	800	(1,025)	(1,025)	0	Site required to be delivered 24/25.
Aviemore Granish Waste Transfer Station	30	0	0	0	15	0	15	(15)	(15)	0	
Portree Waste Transfer Station Access Road	0	5	0	5	5	0	5	5	5	0	
<b>Infrastructure &amp; Banks</b>											
Household Wheeled Bin Replacements - Green Bins	15	0	0	0	15	0	15	0	0	0	
Household Waste Recycling Centre Facilities	20	0	0	0	20	0	20	0	0	0	
Plant, Infrastructure & Banks	90	68	0	68	90	0	90	0	0	0	
<b>Recycling Improvement Fund</b>											
RIF Capital Projects	0	9	0	9	2,045	(2,045)	0	0	0	0	
<b>BEREAVEMENT SERVICES</b>											
<b>Burials and Cremations</b>											
Burial Ground Portree	525	16	0	16	150	0	150	(375)	(375)	0	Site design progressing
Burial Ground Kilmorack	30	0	0	0	0	0	0	(30)	(30)	0	Site investigation ongoing
Burial Ground Glen Nevis	250	0	0	0	50	0	50	(200)	(200)	0	Site identification ongoing
Burial Ground Dores	50	0	0	0	50	0	50	0	0	0	Site design progressing
Burial Ground Ailness	250	17	0	17	200	0	200	(50)	(50)	0	Site acquisition progressing
Burial Ground Domoch	176	121	0	121	121	0	121	(55)	(55)	0	Site works completed
Burial Ground Carisbay	230	4	0	4	150	0	150	(80)	(80)	0	Site design progressing
Burial Ground Chapelhill	75	36	0	36	45	0	45	(30)	(30)	0	Landscaping ongoing
Burial Ground Tomnacross	30	0	0	0	0	0	0	(30)	(30)	0	Site identification ongoing
Burial Ground Broadford Strath	110	4	0	4	55	0	55	(55)	(55)	0	Site acquisition progressing
Burial Ground Dunvegan	280	2	0	2	150	0	150	(130)	(130)	0	Site design progressing
Burial Ground Mount Vernon Thurso	50	0	0	0	50	0	50	0	0	0	Site identification ongoing
Burial Ground Reay	50	0	0	0	50	0	50	0	0	0	Site planning progressing
Burial Ground Petty Tomagrain	20	0	0	0	20	0	20	0	0	0	Site design progressing
Burial Ground Tore	25	0	0	0	25	0	25	0	0	0	Site identification ongoing
Burial Ground Morefield Ullapool	0	1	0	1	13	0	13	13	13	0	works to be progressed
Burial Ground Beoraid	0	13	0	13	13	0	13	13	13	0	Works progressing on site
Burial Ground Kivean	0	3	0	3	50	0	50	50	50	0	Design of next phase progressing
Burial Grounds General	20	0	0	0	20	0	20	0	0	0	
Crematorium Works	0	1	0	1	1	0	1	1	1	0	
War Memorials	20	0	0	0	20	0	20	0	0	0	
Memorial Safety	35	0	0	0	35	0	35	0	0	0	
<b>COMMUNITY SPACES</b>											
Play Areas	899	195	(388)	(193)	800	(647)	153	(746)	(746)	0	Delays to order fulfillment. Play Park Strategy for consideration on today's agenda.
Naim Beach Access Platform	0	3	0	3	71	(71)	0	0	0	0	
<b>VEHICLES &amp; PLANT</b>											
Vehicle & Plant Purchases	4,647	1,294	(273)	1,021	5,147	(500)	4,647	0	0	0	
Waste Shredders (Self Funding)	1,000	0	0	0	0	0	0	(1,000)	(1,000)	0	Await formal guidance from SEPA to be able to finalise equipment specification.
<b>PUBLIC CONVENIENCES</b>											
PC Upgrades	167	507	(267)	240	1,040	(801)	239	72	72	0	Additional ground work costs and and related-fees.
<b>OVERALL TOTAL</b>	<b>11,870</b>	<b>2,462</b>	<b>(828)</b>	<b>1,634</b>	<b>12,134</b>	<b>(4,472)</b>	<b>7,662</b>	<b>(4,308)</b>	<b>(4,308)</b>	<b>0</b>	

CAPITAL MAJOR PROJECT WHOLE LIFE REPORTING - 2023/24 Q2

SERVICE: COMMUNITIES & PLACE

Project Description	WHOLE LIFE BUDGET			ACTUALS TO DATE 23/24 Q2			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				
Recycling Improvement Fund (RIF)	6,550	-6,550		9		9	6,550	-6,550		0	0	0	Full funding received from Zero Waste Scotland through the Recycling Improvement Fund to deliver significant capital expenditure phased over period 2024 to 2026.