

Agenda Item	5.
Report No	CP/03/24

The Highland Council

Committee: Communities and Place

Date: 6 March 2024

Report Title: Capital Monitoring – Quarter 3 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 3.
- 1.2 The forecasted outturn for 23/24 is a gross expenditure of £11.360m and net expenditure of £6.910m against an overall 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 3
 - 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 support the requirements 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 3

- 4.1 The capital programme budget for 23/24 is £11.970m. Further detail is reported at **Appendix 1** including a forecasted spend of £11.360m and net expenditure of £6.090m. 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 ongoing review of the delivery of Waste Management Services. Members will be aware that the planning application was recently approved and this project also supports the Recycling Improvement Fund (RIF) Project which is discussed in more detail to a separate item in today's agenda. In relation to the Shredders, we have received some guidance from SEPA which can help inform equipment specification and are undertaking some market testing to help finalise. The intention is then to move to full procurement as soon as practicable.
- 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 have been undertaken and 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 work continues in this area including placing orders as timeously as possible taking cognisance of the delays in order fulfilment and delivery. As previously reported, delivery timelines can be 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. That said, through effective planning there is increased evidence of order fulfilment and therefore actual expenditure in-year.
- 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. Members will be aware of the detailed report on Public Conveniences that was considered at this Committee in November 2023 which included the wide range of projects being taken forward.
- 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 2** 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: 16 February 2024

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Background Papers: None

MONITORING OF CAPITAL EXPENDITURE - TO 31st DECEMBER 2023 (Q3 2023/24)

SERVICE: COMMUNITIES & PLACE	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	
WASTE MANAGEMENT											
Landfill Restorations											
Landfill Restoration Programme	825	46	0	46	80	0	80	(745)	(745)	0	Carry slippage forward to 2024/25 for remainder of works and spend during 2024/25.
Long Term Waste Strategy											
Green Energy Hub (Earmarked Fund)	0	43	0	43	196	(196)	0	0	0	0	Funded by drawdown from earmarked balances.
Waste Transfer Stations											
Longman Waste Transfer Station	226	76	0	76	300	0	300	74	74	0	Costs associated with site compliance/licensing.
Fort William Waste Transfer Station	1,825	54	0	54	79	0	79	(1,746)	(1,746)	0	Site required to be delivered 24/25.
Aviemore Granish Waste Transfer Station	30	14	0	14	14	0	14	(16)	(16)	0	
Portree Waste Transfer Station Access Road	0	5	0	5	5	0	5	5	5	0	
Infrastructure & Banks											
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	
Recycling Improvement Fund											
RIF Capital Projects	0	46	(11)	35	2,045	(2,045)	0	0	0	0	Fully funded by Zero Waste Scotland.
BEREAVEMENT SERVICES											
Burials and Cremations											
Burial Ground Portree	525	29	0	29	45	0	45	(480)	(480)	0	Works to be progressed 24/25.
Burial Ground Kilmorack	30	0	0	0	0	0	0	(30)	(30)	0	Site investigation ongoing
Burial Ground Glen Nevis	250	1	0	1	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 Ainess	250	19	0	19	200	0	200	(50)	(50)	0	Site acquisition progressing
Burial Ground Lochcarron	0	2	0	2	5	0	5	5	5	0	Small improvement project works progressing.
Burial Ground Dornoch	176	123	0	123	123	0	123	(53)	(53)	0	Site works completed. Retention due May 2024.
Burial Ground Canisbay	230	4	0	4	150	0	150	(80)	(80)	0	Site design progressing
Burial Ground Chapelhill	75	39	0	39	39	0	39	(36)	(36)	0	Project complete.
Burial Ground Tomnacross	30	0	0	0	0	0	0	(30)	(30)	0	Site identification ongoing
Burial Ground Broadford Strath	110	54	0	54	55	0	55	(55)	(55)	0	Site acquisition complete.
Burial Ground Dunvegan	280	4	0	4	150	0	150	(130)	(130)	0	Site design progressing
Burial Ground Cille a'Bhealaich	0	13	0	13	13	0	13	13	13	0	Project complete.
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 Tornagrain	20	0	0	0	20	0	20	0	0	0	Site design progressing
Burial Ground Tore	25	1	0	1	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 Kilsnan	4	4	0	4	99	0	99	99	99	0	Design of next phase progressing
Burial Ground Kishorn	0	1	0	1	1	0	1	1	1	0	
Burial Grounds General	20	32	0	32	40	0	40	20	20	0	
Crematorium Works	0	1	0	1	5	0	5	5	5	0	
War Memorials	20	1	0	1	10	0	10	(10)	(10)	0	
Memorial Safety	35	0	0	0	10	0	10	(25)	(25)	0	
COMMUNITY SPACES											
Play Areas	899	495	(401)	94	850	(760)	90	(809)	(809)	0	Funding provided by Scottish Government to upgrade the play park estate across Highland. Funding allocated to and determined by Area Committees.
Nairn Beach Access Platform	0	4	0	4	71	(71)	0	0	0	0	
VEHICLES & PLANT											
Vehicle & Plant Purchases	4,147	3,752	(287)	3,465	4,647	(500)	4,147	0	0	0	
Amenities Plant & Equipment	500	0	0	0	500	0	500	0	0	0	
Waste Shredders (Self Funding)	1,000	0	0	0	0	0	0	(1,000)	(1,000)	0	Delay to receiving formal guidance from SERRA to enable final product specification. Undertaking industry market testing to support Procurement process. Order fulfillment will not complete until into 2024.
PUBLIC CONVENIENCES											
PC Upgrades	167	775	(412)	363	1,232	(878)	354	187	187	0	Additional ground work costs and and related-fees.
OVERALL TOTAL	11,970	5,721	(1,111)	4,610	11,360	(4,450)	6,910	(5,060)	(5,060)	0	

CAPITAL MAJOR PROJECT WHOLE LIFE REPORTING - 2023/24 Q:

SERVICE: COMMUNITIES & PLACE

Project Description	WHOLE LIFE BUDGET			ACTUALS TO DATE 23/24 Q3			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		46	-11	35	6,550	-6,550		G	G	G	Full funding received from Zero Waste Scotland through the Recycling Improvement Fund to deliver significant capital expenditure phased over period 2024 to 2024