

The Highland Council

Agenda Item	8
Report No	CP18/24

Committee: Communities and Place Committee

Date: 5 September 2024

Report Title: Capital Monitoring - Near Final Outturn 2023/24

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report provides Members with the near final capital outturn for 2023/24 for Communities and Place, which reflects the outturn included within the Council's Annual Accounts for the year and is currently subject to audit.
- 1.2 In 2023/24, net spend on capital projects was £6.777m against a budget of £12.507m.
- 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. **NOTE** the near final capital outturn position for Communities and Place for 2023/24.

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 requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting'.
- 3.3 **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.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – there are no specific implications arising from this report.

3.5 **Gaelic** - there are no specific implications arising from this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and report and therefore an impact assessment is not required.

5. 2023/24 Capital Programme Outturn

5.1 The report includes the near final outturn for 2023/24, which reflects the outturn included within the Council's Annual Accounts for the year and is currently subject to audit.

5.2 **Appendix 1** to this report presents the 2023/24 near final capital outturn against the approved capital budget for the financial year of £12.507m. Total expenditure for the financial year was £10.748m and total project specific income was £3.971m, giving an overall net expenditure position of £6.777m. In comparison to budget therefore a net underspend of £5.730m for 2023/24 will be reprofiled into financial year 2024/25.

5.3 The net underspend for 2023/24 is roughly in line with the forecast position reported at the end of Q3 of £5.060m. The key projects giving rise to the 2023/24 underspend are outlined below.

5.4 Fort William Waste Transfer Station – this project forms a key part of the future waste strategy and will be delivered over financial year 2024/25. The planning application has been approved for this project and work continues towards finalising all legal matters and appointing a contractor through a competitive tender process. The underspent budget from 2023/24 will reprofile into 2024/25 to allow the project to remain fully funded through to completion by the end of the financial year.

5.5 Waste Shredders – this project supports the Recycling Improvement Fund (RIF). Guidance has been received from SEPA to help inform equipment specification and the intention is to progress through full procurement as soon as practicable. The budget of £1.000m will reprofile into 2024/25 where delivery is expected by the end of that financial year.

5.6 Landfill Restoration – some capping work to seal landfill sites that have been utilised at Seater and Granish that was originally scoped into 2023/24 was not suitable to be undertaken during the winter period. The remainder of the work will therefore now be progressed during 2024/25.

- 5.7 Bereavement Services – a Project Board is overseeing the delivery of the capital programme in respect of new burial grounds, extensions to existing burial grounds and upgrades to the Crematorium. There are challenges in some areas of Highland to identify appropriate sites that are both suitable for development and affordable. A number of sites originally expected to advance in 2023/24 will now progress across 2024/25 and beyond through the 5-year capital programme approved in September 2023. Priority sites are determined using up to date information regarding capacity. Work continues in the meantime to plan ahead to identify potential sites and to test their appropriateness for future construction so that work can commence as and when necessary. As detailed in previous reports to the Committee, a number of burial ground projects have been progressed including Dornoch, Chapelhill, Broadford, Lochcarron, Daviot, Kilvean, Ullapool, and Cill a'Bhealaich.
- 5.8 Play Parks – the renewal of play parks is funded by a five-year programme of funding from the Scottish Government. The overall governance for the play parks capital budget is delivered by Area Committees. The underspend for 2023/24 will reprofile into 2024/25. Officers continue to work with Members to prioritise how the area funding is spent and to drive delivery of the selected projects.
- 5.9 Fleet - After several years of experiencing delays in vehicle build and delivery resulting in delays to order fulfilment, we have been able to accelerate the procurement of 6 new chassis' that were delivered to the bodybuilder in Q4 of 2023/24 instead of Q1 and Q2 of 2024/25. We expect delivery of the completed vehicles in Q2.
- 5.10 Public conveniences had a budget of £0.176m and secured £0.615m of match funding. Projects completed included refurbishment works at Kinlochbervie, Lochinver, Rhiconich, Scourie, Whin Park Inverness and Wick Whitechapel.

6. 2024/25 Capital Programme

- 6.1 No 2024/25 Q1 capital financial information is provided within this report. Members will recall that the Council went live with a new corporate financial system in April of this year, and at go-live there remained ongoing development work in a number of areas, including budgeting and reporting. Good progress has been made in development work over the summer period and this will be rolled out from August, and in turn will support improved budget monitoring and committee reporting over the remainder of this financial year.
- 6.2 Improvements planned for public conveniences include installing showers at Aviemore, windows at Clachtoll, and flooring at Golspie.
- 6.3 As detailed in previous reports to the Committee, a number of significant bereavement services projects will be progressed in 2024/25 including Portee, Dunvegan, Canisbay, Wick, Thurso, Fort William and the crematorium cremator replacement project.

Designation: Assistant Chief Executive - Place

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Appendix 1

MONITORING OF CAPITAL EXPENDITURE - TO 31st March 2024 (Q4 2023/24) Near Final

SERVICE: COMMUNITIES & PLACE	BUDGET	ACTUALS			VARIANCE		
Project Description	2023/24 Capital Budget	2023/24 Actual Expenditure	2023/24 Actual Income	2023/24 Actual Net Year to Date	2023/24 Variance Forecast Outturn v Budget	Reprofile to 2024/25	2023/24 Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000	£000
WASTE MANAGEMENT							
Landfill Restorations							
Landfill Restoration Programme	825	67	0	67	(758)	(758)	0
Long Term Waste Strategy							
Green Energy Hub (Earmarked Fund)	0	44	(44)	0	0	0	0
Waste Transfer Stations							
Longman Waste Transfer Station	226	89	0	89	(137)	(137)	0
Fort William Waste Transfer Station	1,825	75	0	75	(1,750)	(1,750)	0
Aviemore Granish Waste Transfer Station	0	2	0	2	2	2	0
Portree Waste Transfer Station Access Road	0	5	0	5	5	5	0
Infrastructure & Banks							
Household Wheeled Bin Replacements - Green Bins	15	0	0	0	(15)	(15)	0
Household Waste Recycling Centre Facilities	20	13	0	13	(7)	(7)	0
Plant, Infrastructure & Banks	120	83	0	83	(37)	(37)	0
Recycling Improvement Fund							
RIF Capital Projects	0	2,065	(2,065)	0	0	0	0
BEREAVEMENT SERVICES							
Burials and Cremations							
Burial Ground Portree	525	20	0	20	(505)	(505)	0
Burial Ground Kilmorack	30	0	0	0	(30)	(30)	0
Burial Ground Glen Nevis	250	7	0	7	(243)	(243)	0
Burial Ground Dores	50	1	0	1	(49)	(49)	0
Burial Ground Alness	250	30	0	30	(220)	(220)	0
Burial Ground Dornoch	176	123	0	123	(53)	(53)	0
Burial Ground Canisbay	230	15	0	15	(215)	(215)	0
Burial Ground Chapelhill	75	39	0	39	(36)	(36)	0
Burial Ground Tomnacross	30	0	0	0	(30)	(30)	0
Burial Ground Broadford Strath	110	56	0	56	(54)	(54)	0
Burial Ground Dunvegan	280	6	0	6	(274)	(274)	0
Burial Ground Mount Vernon Thurso	50	0	0	0	(50)	(50)	0
Burial Ground Reay	50	0	0	0	(50)	(50)	0
Burial Ground Petty Tomagrain	20	0	0	0	(20)	(20)	0
Burial Ground Tore	25	2	0	2	(23)	(23)	0
Burial Grounds General	20	195	(20)	175	155	155	0
War Memorials	20	2	0	2	(18)	(18)	0
Memorial Safety	35	1	0	1	(34)	(34)	0
COMMUNITY SPACES							
Play Areas	899	756	(728)	28	(871)	(871)	0
Nairn Beach Access Platform	0	4	(4)	0	0	0	0
VEHICLES & PLANT							
Vehicle & Plant Purchases	4,684	5,879	(336)	5,543	859	859	0
Amenities Plant & Equipment	500	122	0	122	(378)	(378)	0
Waste Shredders (Self Funding)	1,000	0	0	0	(1,000)	(1,000)	0
PUBLIC CONVENIENCES							
PC Upgrades	167	1,047	(774)	273	106	106	0
OVERALL TOTAL	12,507	10,748	(3,971)	6,777	(5,730)	(5,730)	0