

Agenda Item	6.
Report No	CP/26/24

The Highland Council

Committee: Communities and Place

Date: 27 November 2024

Report Title: Capital Monitoring Report Q2 2024/25

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report provides Members with the Capital budget outturn forecast for the Communities and Place Service for 2024/25 as at the end of Q2.
- 1.2 The forecasted outturn for 2024/25 is a net expenditure of £8.322m against a budget of £12.67m
- 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 2024/25 as at Q2; and
 - ii. **NOTE** the current forecast for the major project for the Communities and Place Service for 2024/25

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. 2024/25 Capital Budget – Forecast Outturn Q2

- 5.1 The Capital Programme budget for 2024/25 is £12.67m. Further detail is reported in **Appendix 1** including a forecasted spend of £14.994m and net expenditure of £8.322m.

The main reasons for the forecast variance are attributable to the Waste project at Fort William transfer station that will be completed in 2025/26, the Landfill Restoration Programme, Play Parks, and burial grounds extensions that are not to complete until into 2025/26.

- 5.2 **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.
- 5.3 **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.
- 5.4 **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 2024/25 will now progress across 2025/26 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 Canisbay, Fort William, Portree, Dunvegan, Kiltvean and the crematorium cremator replacement project.

- 5.5 **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.
- 5.6 **Fleet** – The budget is on target this year. The budget was adjusted to accommodate an overspend in 2023/24 due to extra chassis' being delivered early. There is no significant risk, and the team are working to develop the Capital Programme for 2025/26 with a view to commencing procurement of this in the new year.
- 5.7 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 Budget – Major Projects to 2036/37

- 6.1 **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.
- 6.2 As reported to this Committee, 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: Assistant Chief Executive - Place

Date: 8 November 2024

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Appendices: Appendix 1 – Monitoring of Capital Expenditure Q2 2024/25
Appendix 2 – Major projects

MONITORING OF CAPITAL EXPENDITURE - Q2 2024/25

SERVICE: COMMUNITIES & PLACE

Project Description	BUDGET	ACTUALS			FORECASTS			VARIANCE			COMMENTS
	2024/25 Capital Budget	2024/25 Actual Expenditure	2024/25 Actual Income	2024/25 Actual Net Year to Date	2024/25 Forecast Expenditure	2024/25 Forecast Income	2024/25 Forecast Outturn	2024/25 Variance Forecast Outturn v Budget	2024/25 To Reprofile to Next Financial Year	2024/25 Overspend / (Underspend)	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
WASTE MANAGEMENT											
Landfill Restorations											
Landfill Restoration Programme	1,239	115	0	115	250	0	250	(989)	(989)	0	The planned capping of cells 9 & 10 at Sealer is not expected to commence until Spring 2025 and therefore this budget will require to carry into 25/26.
Long Term Waste Strategy											
Green Energy Hub (Earmarked Fund)	0	0	0	0	0	0	0	0	0	0	An update on work undertaken to consider the possibility of an ERW Plant at Longman to be brought to strategic committee in November.
Waste Transfer Stations											
Longman Waste Transfer Station	137	208	0	208	233	(96)	137	0	0	0	The expenditure this financial year is primarily the contractor retention payment along with some minor additional improvement works including automating the roller doors and installing a weighbridge intercom system. The expenditure incurred above the approved budget will be funded from waste earmarked balances. A review of waste earmarked balances is currently ongoing.
Fort William Waste Transfer Station	3,548	52	0	52	1,250	0	1,250	(2,298)	(2,287)	(11)	The land lease has been agreed and a contractor appointed. Due to delays finalising the lease the spend profile has changed with the balance to fall in 25/26. The expected completion date is July 2025.
Aviemore Granish Waste Transfer Station	0	7	0	7	11	0	11	11	0	11	Work on leachate plant at Granish. Nothing further expected.
Infrastructure & Banks											
Wheeled Bin Replacements - Household/Commercial	50	0	0	0	50	0	50	0	0	0	Budget expected to be fully used this financial year to fund replacement of household and commercial waste bins.
Household Waste Recycling Centre Facilities	11	7	0	7	11	0	11	0	0	0	Improvements to staff facilities at Biros Recycling Centre. Generally a minimum budget of £200k per annum is required to fund the annual replacement/upgrades of waste plant and infrastructure. The expenditure this year includes £50k to replace two compactors. The expenditure incurred above the approved budget will be funded from waste earmarked balances. A review of waste earmarked balances is currently ongoing.
Plant, Infrastructure & Banks	37	54	0	54	265	(228)	37	0	0	0	
Recycling Improvement Fund											
RIF Capital Projects	0	2,233	93	2,326	4,931	(4,931)	0	0	0	0	Roll out of new twin-stream kerbside recycling service, including modifications to Portree and Caltness Waste Transfer Stations to support the changes. Project fully funded by Zero Waste Scotland through the Scottish Government's Recycling Improvement Fund.
BEREAVEMENT SERVICES											
Burials and Cremations											
Crematorium Inverness	50	36	0	36	50	0	50	0	0	0	Contract awarded for replacement cremators. Work to commence in 2025.
Burial Ground Athness	350	1	0	1	350	0	350	0	0	0	Work progressing to identify most appropriate site from the options available and then final decision to be made and land purchase agreed.
Burial Ground Canisbay	215	124	0	124	230	0	230	15	15	0	Extension complete - provides 80+ years capacity.
Burial Ground Dores	303	0	0	0	150	0	150	(153)	(153)	0	Project is linked with the housing development. Project works for the cemetery will begin once joint access road tender process is complete.
Burial Ground Dunvegan	274	0	0	0	274	0	274	0	0	0	Land purchase concluded. Planning application now progressing.
Burial Ground Glen Nevis	508	2	0	2	250	0	250	(258)	(258)	0	Land purchase is progressing with Forestry Scotland. Remaining budget to carry over to fund works to completion in 25/26.
Burial Ground Kilmorack	30	0	0	0	30	0	30	0	0	0	Works to be done on existing site to provide 80+ years early in 2025. This will provide around 7 years additional capacity.
Burial Ground Mount Vernon Thurso	180	1	0	1	100	0	100	(80)	(80)	0	Land purchase is ongoing. Site purchase pending successful SEPA trial digs in November.
Burial Ground Portree	505	16	0	16	505	0	505	0	0	0	Design complete and planning approved. Currently out to tender.
Burial Ground Reay	120	0	0	0	30	0	30	(90)	(90)	0	Expect main work to fall in 25/26.
Burial Grounds General	256	66	0	66	369	0	369	113	113	0	Budget used to fund small projects and support longer term planning of future major projects.
War Memorials	19	0	0	0	5	0	5	(14)	(14)	0	Budget to cover capital works across War Memorials as necessary. Small level of spend expected with balance to carry over to 25/26.
Memorial Safety	39	5	0	5	10	0	10	(29)	(29)	0	In 2024 so far over 5,700 headstones have been checked and 213 made safe. Inspections included Tomnahurich, Gairloch and Old High, Inverness. Any balance unspent to carry over to fund further inspections, including those planned at Rogart and Cadwor.
COMMUNITY SPACES											
Play Areas	1,603	307	(587)	(280)	2,089	(837)	1,252	(351)	(351)	0	Meetings almost complete with all Area Committees to identify priorities and finalise plans to spend their play area allocations. It is expected that a sizeable level of orders will be placed with suppliers shortly. A significant portion of this budget is expected to be committed this financial year. Income primarily reflects contributions from community groups towards play park improvements.
Nairn Beach Access Platform	0	0	4	4	0	0	0	0	0	0	No further work expected at present.
VEHICLES & PLANT											
Vehicle & Plant Purchases	1,694	1,341	(157)	1,184	1,813	(540)	1,273	(421)	(421)	0	Total spend this FY is forecast to be £1.813m. There are 8 conversions in the pipeline but have been delayed to 25/26. As such no further spend beyond this level anticipated for 24/25. Expected income this FY includes £200k from the sale of old fleet and a £340k contribution from the insurance fund in respect of 5 vehicles written off.
Amenities Plant & Equipment	378	56	0	56	378	0	378	0	0	0	Budget to be spent on robomowers and roboliners for Amenities. Full budget to be spent this FY.
Mechanical Street Sweepers/Waste Plant & Vehicles	200	0	0	0	175	0	175	(25)	(25)	0	New sweeper for Nairn to be purchased this FY. The remaining balance to carry into 25/26 to contribute towards next years purchases.
Waste Shredders*	1,000	0	0	0	1,000	0	1,000	0	0	0	Purchase of two shredders to shred bulky waste and subsequently deliver to Energy from Waste facilities. The budget will be committed this financial year. It is expected the shredders will be delivered and in operation by the end of the financial year but a further update to be provided later in the year as it could fall into April (25/26 FY).
PUBLIC CONVENIENCES											
PC Upgrades	(76)	142	9	151	185	(40)	145	221	136	85	No further committed projects, all forecast spend from previous commitments. Anticipating a further £38k to complete Kinlochbervie upgrades and final retentions due across completed projects. Income includes final RTIP amounts for Lochiver & Kinlochbervie.
OVERALL TOTAL	12,670	4,773	(638)	4,135	14,994	(6,672)	8,322	(4,348)	(4,433)	85	

*Project budgets are either wholly or partly self-funded (ie from income generated or savings).

CAPITAL MAJOR PROJECT WHOLE LIFE REPORTING - 2024/25 Q2

SERVICE: COMMUNITIES & PLACE

Project Description	WHOLE LIFE BUDGET			ACTUALS TO DATE 24/25 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		4,298	-1,972	2,326	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 2026.