

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT & DEVELOPMENT COMMITTEE

12 August 2009

Agenda Item	
Report No	

2008/09 AND 2009/10 CAPITAL PROGRAMME MONITORING

Report by Director of Planning and Development

SUMMARY

This report outlines current Expenditure and Income to 30 June 2009 for the 2009/10 Capital Programme and provides an end of year report on the 2008/09 Capital Programme. The Planning and Development Service Capital Programme and use of the Vacant and Derelict Land Fund supports the Council's Single Outcome Agreement commitments to help build a competitive, sustainable and adaptable Highland economy and help sustain Highland communities.

1. Core 2008/09 Programme

- 1.1 Gross expenditure to the end of the financial year was £816k, which represents 62% of budget. This represents work that was physically complete / delivered by March 31st. A further £353k (27% of budget) was legally (contractually) committed by March 31st, giving a total of 89% of budget spent or legally committed within 2008/09. In total this represents 25 capital projects complete or underway across Highland. The final column of Appendix 1 gives an indication of the status of individual projects at the end of March 2009.
- 1.2 An underspend of £472k (of which £353k already legally committed at March 31 2009) is carried forward into Financial Year 2009/10.

2. Core 2009/10 Programme

- 2.1 Capital monitoring information to June 30 2009 is set out in Appendix 2 and analysed below.
- 2.2 Expenditure to the end of June is low, but does not reflect payments processed in July. Actual expenditure at the time of writing is £341k.
- 2.3 The two largest capital projects for this financial year are progressing on schedule: Phase1 of Nairn streetscape works (approx. £271k) is complete and tenders for Phase 2 (approx. £215k) are due on July 31 with commencement on site planned for September. Tenders have been received for Dingwall streetscape (£461k) and works are planned to commence on site at the end of August. Significant additional works in Nairn and Dingwall will be possible if we are successful in our bids for Town Centre Regeneration Fund (TCRF) monies through Scottish Government. Similarly, it is also hoped to deliver enhanced projects in Fort William and Wick through TCRF and successful bids will be announced by Scottish Government at the end of July 2009.

- 2.4 Bids to TCRF included £2.36 million additional capital expenditure across five towns. Success in these bids will result in a significantly increased workload during the current financial year. This situation will be managed through the use of external consultants and cross-service working with TEC Services.
- 2.5 Streetscape works in Brora are complete and re-location of the war memorial in Gairloch is currently underway on site.
- 2.6 Planning permission for installation of an all-abilities access ramp to Dunnet Pavilion is expected early August 2009. The complexity of the site means that costs will be in excess of budget. It is proposed re-allocate £15k long-term underspend from the Caithness Heritage Access Project (CHAP) to Dunnet and Members are asked to approve this re-allocation, which we feel is in accordance with the ethos of the CHAP, albeit under a different project heading.
- 2.7 Community consultation in relation to Ellon Wood (Carrbridge) and Beaully Square will take place in August and September 2009. In Beaully we will be trying a new approach with the use of an exhibition trailer in the centre of Beaully Square in order to encourage wider community participation. This action is specifically aimed at delivering on the Council's SOA local outcome commitment to enable our communities take a greater role in shaping their future.
- 2.8 Members have previously approved acceleration of £150k from 2011/12 in respect of Dingwall High Street. As the total capital budget is not increased to accommodate this acceleration, it is necessary to identify planned underspend, which has been set against Core Paths, Storr Woodland, Muirtown Basin and Longman. This underspend will be managed and may be allocated against alternative projects depending on progress through the year.
- 2.9 Members will be aware that staffing constraints have, for a number of years, limited the capacity of the Projects Team to deliver the Capital Programme and the Service's asset management responsibilities. Whilst we continue to mitigate this situation, primarily by cross service cooperation and the appropriate use of consultants, it will remain a significant challenge to deliver the Service's capital programme commitments.

3. Vacant and Derelict Land Fund: 2008/09 and 2009/10

- 3.1 As reported at the May PED Committee, VDLF spend for 2008/09 was nil. This is in part a result of the delay in the Council's Delivery Plan being approved by the Scottish Government as well as the need to undertake significant study work for a number of the priority projects. A re-profiled cash flow to this effect, showing a two year spend profile was submitted to the Scottish Government on the 6th May is currently being considered by Ministers and is contained in Appendix 3. Whilst ambitious it reflects the ability to accelerate spend as a result of the significant preliminary work undertaken in 2008/09. Spend to date in 2009/10 is confined to the three projects in Inverness and is related to study work.
- 3.2 A short update on each of the projects identified in the approved Delivery Plan is contained in Appendix 4.

4. RECOMMENDATION

- 4.1 That Members note this report and approve the re-allocation of capital programme funds to Dunnet Pavilion as per paragraph 2.6.

Signature:

Designation: Director of Planning & Development

Date: 28 July 2009

Authors: Ann Hackett, Principal Projects Officer, 01463 702565
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THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE - 1 APRIL 2008 TO 31 MARCH 2009

SERVICE: PLANNING, ENVIRONMENT & DEVELOPMENT

Project Description	Project Code	BUDGET			ACTUAL YEAR TO DATE			ESTIMATED OUTTURN			VARIANCE	COMMENTS
		A	B	C	D	E	F	G	H	I	J	G
		Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Column I minus Column C	C/F = Carry Forward LC = Legally Committed FY = Financial Year
Pan Highland Projects												
Community Woodland	13576	31	0	31	10	0	10	10	0	10	(21)	Near complete on site. Further £1k LC. C/F underspend for ongoing Comm Wldnd programme in 2009/10.
Core Path Network Development	22131	202	40	162	156	0	156	156	0	156	(6)	Further £23 LC. Ongoing programme so C/F to 09/10.
Village & Small Town Regeneration Projects												
Auldearn High Street Enhancements	PD001	20	0	20	12	0	12	12	0	12	(8)	PED approved underspend for Brora (LC).
Brora Village Centre Streetscape Project	PD030	80	0	80	10	0	10	10	0	10	(70)	On site now. £107 LC so underspend to C/F.
Business Improvement Districts	PD034	50	0	50	13	0	13	13	0	13	(37)	BID proposals for signage still in prep so C/F underspend to FY 09/10.
Dingwall-Invergordon All Abilities Link Route	22125	0	0	0	0	50	(50)	0	50	(50)	(50)	FY 07/08 income.
Dingwall High Street	PD016	70	10	60	8	0	8	8	0	8	(52)	ITT issued. Target on site 31/8/09 so underspend to C/F.
Nairn Streetscape	20052	0	0	0	14	0	14	14	0	14	14	£145 LC. On site now. This is an FY 09/10 project.
Dornoch High Street	PD015	110	0	110	105	0	105	105	0	105	(5)	Contract complete. Contract retention (£5k) due next FY.
Evanton Village Enhancements	22859	0	0	0	1	0	1	1	0	1	1	Legal fees
Fort Augustus Village Enhancements	PD033	85	15	70	9	0	9	9	0	9	(61)	Liaising with TECS re additional funding before re-tender so C/F underspend to 09/10.
Gairloch Village Enhancements	PD009	88	20	68	31	0	31	31	0	31	(37)	Tenders received, award w/b June 1st. Target on site early June so underspend to C/F to FY 09/10.
Kyle of Lochalsh High Street	PD014	170	0	170	124	0	124	124	0	124	(46)	Near complete. £14 LC. PED approved underspend for Brora (LC) so C/F underspend to FY 09/10.
Strathpeffer Spa Gardens	22860	0	0	0	9	0	9	9	0	9	9	
Thurso High Street Streetscape	PD028	60	0	60	160	0	160	160	0	160	100	Complete. £100k FY 09/10 spend brought forward to 08/09.
Watten Gateways		30	5	25	3	0	3	3	0	3	(22)	Installation June so C/F.
Wick Riverside All Abilities	PD005	0	0	0	0	0	0	0	0	0	0	Complete.
Tourism Related Projects												
Access in Lochaber	22681	0	0	0	35	48	(13)	35	48	(13)	(13)	Complete.
Caithness Heritage Access Project	22855	44	0	44	21	0	21	21	0	21	(23)	Further £31 LC. C/F for ongoing programme in 2009/10.
Dornoch Mercat Cross Enhancement		35	5	30	0	0	0	0	0	0	(30)	Tenders received, award w/b June 1st.
Leasgeary Woodland & Riverside Walk	PD003	0	0	0	0	0	0	0	0	0	0	Contract retention (less than £1k)
Nethybridge Gateways	PD035	30	5	25	9	0	9	9	0	9	(16)	Complete. PED approved underspend for Brora (LC) so C/F.
Hill of Fearn	22128	0	0	0	3	0	3	3	0	3	3	Complete.
Visitor signage and interpretation	13578	80	15	65	51	0	51	51	0	51	(14)	Ongoing programme so C/F underspend to FY 09/10.
Property Upgrading Projects												
Dunnet Pavilion Upgrade	PD002	40	5	35	5	0	5	5	0	5	(30)	Designs complete. Awaiting planning perm before ITT, so C/F underspend to FY 09/10
Nairn Tradespark Wood new car park	PD027	15	0	15	12	0	12	12	0	12	(3)	Complete.
North Kessock A9 Upgrade	PD017	0	0	0	2	0	2	2	0	2	2	Underspent from 07/08
North Kessock Access Upgrade	PD012	0	0	0	2	0	2	2	0	2	2	Retention
Smoo Cave Durmess Path and Access Provision	22130	0	0	0	1	0	1	1	0	1	1	Contract complete
Inverness City Developments												
Merkinch LNR	PD036	10	0	10	10	0	10	10	0	10	0	Grant payment to community group.
Dunain Community Woodland		10	0	10	0	0	0	0	0	0	(10)	Grant payment to community group - group awaitng lease from Robertson's - so C/F to FY 09/10.
Muirtown Basin / waterfront		50	0	50	0	0	0	0	0	0	(50)	Late addition to programme so C/F underspend to FY 09/10.
Total Core Projects		1,310	120	1,190	816	98	718	816	98	718	(472)	

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		A	B	C	D	E	F	G	H	I	J	G
		Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000	Column I minus Column C	C/F = Carry Forward LC = Legally Committed FY = Financial Year
Vacant and Derelict Land Fund												
Carsegate Estate, Inverness		20	20	0	0	0	0	0	0	0	0	Phase II study anticipated completion July 09.
Former quarry, Harbour Road, Inverness		20	20	0	0	0	0	0	0	0	0	Phase II study anticipated completion July 09.
Longman Estate, Inverness		20	20	0	0	0	0	0	0	0	0	Phase I Study to commence March 2009.
Old distillery site, Ainess		0	0	0	0	0	0	0	0	0	0	Awaiting H&PS title search to clarify land ownership.
South Head, Wick		50	50	0	0	0	0	0	0	0	0	Awaiting detailed costs from Pentland Housing Association.
Harbour Quay, Wick		30	30	0	0	0	0	0	0	0	0	Awaiting information from The Highland Housing Alliance.
Larnach, Wick		0	0	0	0	0	0	0	0	0	0	Awaiting information from The Highland Housing Alliance.
Seabank Tank Farm, Invergordon		0	0	0	0	0	0	0	0	0	0	Feasibility/delivery mechanism is being investigated prior to engaging with landowner.
Bone Mill, High Street, Inverness		0	0	0	0	0	0	0	0	0	0	Project team met developer mid-February to discuss residential proposals.
Other VDLF		1,360	1,360	0	0	0	0	0	0	0	0	
Total Vacant and Derelict Land Fund		1,500	1,500	0	0	0	0	0	0	0	0	
GRAND TOTAL		2,810	1,620	1,190	816	98	718	816	98	718	(472)	

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE - 1 APRIL - 30 JUNE 2009

SERVICE: PLANNING, ENVIRONMENT & DEVELOPMENT

Project Description	Project Code	BUDGET			ACTUAL YEAR TO DATE			ESTIMATED OUTTURN			VARIANCE Column I minus Column C	COMMENTS
		A Gross Expenditure £000	B Income £000	C Net Expenditure £000	D Gross Expenditure £000	E Income £000	F Net Expenditure £000	G Gross Expenditure £000	H Income £000	I Net Expenditure £000		
Pan Highland Projects												
Community Woodland	13576	46	-	46	-	-	-	46	-	46	0	Community consultation beginning Sept.
Core Path Network Development	22131	207	50	157	20	-	20	123	-	123	(34)	£23 LC. £100k Victoria Walk Wick - to be implemented by TECS. Planned slippage contra Dingwall acceleration.
Village & Small Town Regeneration Projects												
Brora Village Centre Streetscape Project	PD030	126	-	126	-	-	-	126	-	126	0	Main works complete. Interpretation in prep.
Business Improvement Districts	PD034	37	-	37	-	-	-	37	-	37	0	Proposals with Transerv for approval.
Beaully Square	PD039	22	-	22	-	-	-	22	-	22	0	Community consultaion end August.
Business Improvement District - Fort William	PD040	50	-	50	-	-	-	50	-	50	0	Awaiting outcome of TCRF bid 30/7.
Dingwall High Street Streetscape	PD016	302	-	302	21	-	21	452	-	452	150	Tenders received. Target on site end August. £150k accelerated from 2011/12.
Dornoch High Street	PD015	5	-	5	-	-	-	5	-	5	0	Complete. Contract retention.
Fort Augustus Village Enhancements	PD033	91	-	91	1	-	1	91	-	91	0	Original tender over budget. Tender re-issue August.
Gairloch Village Enhancements	PD009	87	-	87	-	-	-	87	-	87	0	War memorial work currently on site.
Kyle of Lochalsh High Street	PD014	15	-	15	-	-	-	15	-	15	0	Complete. Contract retention.
Nairn High Street Streetscape	20052	472	-	472	19	-	19	472	-	472	0	Phase 1 complete. Phase 2 tenders due end July.
Strathpeffer Spa Gardens	22860	(4)	-	(4)	-	-	-	(4)	-	(4)	0	
Ullapool Environmental Improvements	PD041	59	15	44	-	-	-	59	15	44	0	
Watten Gateways	PD029	22	-	22	-	-	-	22	-	22	0	Awaiting installation by TECS.
Wick High Street Regeneration	PD042	60	-	60	-	-	-	60	-	60	0	Awaiting outcome of TCRF bid.
Tourism Related Projects												
Caithness Heritage Access Project	22855	83	10	73	2	-	2	58	-	58	(15)	33k LC. Seek approval for £15k reallocation to Dunnet Pavilion all-abilities access ramp.
Dornoch Mercat Cross Enhancement	PD031	30	-	30	-	-	-	30	-	30	0	Contract awarded.
Visitor Signage and Interpretation	13578	89	15	74	2	-	2	74	-	74	0	Work planning in progress.
Property Upgrading Projects												
Dunnet Pavilion Upgrade	PD002	30	0	30	1	1	-	45	0	45	15	Seek approval for £15k reallocation from Caithness Heritage.
Storr Woodland Restructuring and Enhancements	PD004	120	50	70	-	-	-	0	0	0	(70)	Planned slippage contra Dingwall acceleration.
Inverness City Developments												
Merkinch Local Nature Reserve	PD036	25	-	25	-	-	-	25	0	25	0	Contribution to community group
Dunain Community Woodland	PD037	20	-	20	-	-	-	20	0	20	0	Contribution to community group
Muirtown Basin / waterfront	PD038	100	-	100	-	-	-	75	0	75	(25)	Pathwork and Partnership with BW Great Glen Canoe Trail. Planned slippage contra Dingwall acceleration.
Longman		25	-	25	-	-	-	0	0	0	(25)	Planned slippage contra Dingwall acceleration.
Total Core Projects		2,119	140	1,979	65	1	64	1,990	15	1,975	(4)	

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		A Gross Expenditure £000	B Income £000	C Net Expenditure £000	D Gross Expenditure £000	E Income £000	F Net Expenditure £000	G Gross Expenditure £000	H Income £000	I Net Expenditure £000	J Column I minus Column C	
Vacant & Derelict Land Fund												
External project management	PD052	95	95	-	-	-	-	95	95	-	0	
Carsegate Estate, Inverness	PD043	380	380	-	49	300	(251)	680	680	-		Phase II study expected to be complete by the middle of Aug 09. If the sampling results indicate a risk from contamination then Phase III remediation will be required which will in turn dictate when on site works can be pursued.
Former quarry, Harbour Road, Inverness	PD044	325	325	-	32	250	(218)	575	575	-	0	Phase II study expected to be complete by the middle of Aug 09. If the sampling results indicate a risk from contamination then Phase III remediation will be required which will in turn dictate when on site works can be pursued.
Longman Estate, Inverness	PD045	74	74	-	5	150	(145)	224	224	-	0	Phase I study expected to be complete by the middle of Aug 09. Phase II intrusive work will follow.
Old distillery site, Alness	PD046	140	140	-	-	-	-	140	140	-	0	VDLF assistance may not be required for this particular project. Alternatives are being explored.
South Head, Wick	PD047	138	138	-	-	300	(300)	438	438	-	0	Revised VDLF application expected Aug 09.
Harbour Quay, Wick	PD048	100	100	-	-	150	(150)	250	250	-	0	VDLF application received from HHA seeking £600k. VDLF assistance of £250k has been offered subject to return of contract.
Larnach, Wick	PD049	130	130	-	-	250	(250)	380	380	-	0	VDLF application received from HHA seeking £380k. VDLF assistance of £380k has been offered subject to return of contract.
Seabank Tank Farm, Invergordon	PD050	63	63	-	-	-	-	63	63	-	0	The commissioning of feasibility/delivery mechanism work is being investigated prior to engaging with the landowner.
Bone Mill, High Street, Invergordon	PD051	55	55	-	-	100	(100)	155	155	-	0	Land assembly taking place to secure comprehensive redevelopment.
Total Vacant and Derelict Land Fund		1,500	1,500	-	86	1,500	(1,414)	3,000	3,000	-	0	
GRAND TOTAL		3,619	1,640	1,979	151	1,501	(1,350)	4,990	3,015	1,975	(4)	

Appendix 3: Vacant and Derelict Land Fund Cashflow 2009/11

Site Address		Budget 2009/10	Budget 2010/11
Inverness	Carsegate Estate	£680,000	£250,000
	Harbour Road	£575,000	£160,000
	Longman East	£224,000	0
Alness	Old Distillery site	£140,000	£140,000
Wick	South Head	£438,000	£350,000
	Harbour Quay	£250,000	0
	Larnach	£380,000	0
Invergordon	Seabank Tank Farm	£63,000	£550,000
	Bone Mill, High Street	£155,000	£34,000
External Project Management		£55,500	£55,500

Appendix 4: Vacant and Derelict Land Fund Project Update

1. Carsegate Industrial Estate (Inverness)

- 1.1 Phase II study expected to be complete by the middle of August 2009. A short break in the works was agreed whilst waiting on the publication of new legislation which would have informed the human health risk assessment part of the study. Unfortunately this legislation was not released and therefore a satisfactory alternative approach was agreed with the Council's Contaminated Land Unit.

If the sampling results indicate a risk from contamination then Phase III remediation will be required which will in turn dictate when on site works can be pursued.

2. Harbour Road (Inverness)

- 2.1 Phase II study expected to be complete by the middle of August 2009. A short break in the works was agreed whilst waiting on the publication of new legislation which would have informed the human health risk assessment part of the study. Unfortunately this legislation was not released and therefore a satisfactory alternative approach was agreed with the Council's Contaminated Land Unit.

If the sampling results indicate a risk from contamination then Phase III remediation will be required which will in turn dictate when on site works can be pursued.

3. Longman East (Inverness)

- 3.1 A Draft Phase I Study is complete and the consultants have indicated that based on the information available for this site, a moderate risk is present for the existing site and surrounding receptors. It is therefore recommended that intrusive ground investigations are carried out to ascertain full details on the underlying conditions. However, in order to do so it will necessary to identify a range of potential land uses for the site which will in turn inform the site investigation strategy that will be adopted as part of the Phase II works (to be commissioned September 2009).

4. South Head (Wick)

- 4.1 A VDLF application has been received from Pentland Housing Association. An initial assessment of this application necessitated further supplementary information being provided by PHA. This information is required before the application can be determined.

5. Harbour Quay (Wick)

- 5.1 The Council has received a VDLF application from the Highland Housing Alliance. An early assessment suggests that this application does satisfy the Council's requirements and is likely to be approved subject to conditions. Such conditions will pertain to the development taking place to the specification and timescales outlined in the application as well as some mechanism for clawing back funds if the sales income exceeds the projections also provided in the application.

6. Larnach (Wick)

- 6.1 The Council has received a VDLF application from the Highland Housing Alliance. An early assessment suggests that this application does satisfy the Council's requirements and is likely to be approved subject to conditions. Such conditions will pertain to the development taking place to the specification and timescales outlined in the application as well as some mechanism for clawing back funds if the sales income exceeds the projections also provided in the application.

The VDLF contribution will complement the Conservation Area Regeneration Scheme (CARS) grant of £297,836 to the Highland Housing Alliance which was approved on the 20th of May 2009.

7. Old Distillery site (Ainess)

- 7.1 As more information comes to light regarding this site it is becoming apparent that there is less likelihood of VDLF support being required. If this does prove to be the case alternative projects will be explored in Ainess in the first instance and reported to Committee.

8. Seabank Tank Farm (Invergordon)

- 8.1 The commissioning of feasibility/delivery mechanism scoping work is being investigated prior to engaging with landowner.

9. Bone Mill (Invergordon)

- 9.1 The marketing of the adjacent tyre garage has provided an opportunity for a more comprehensive redevelopment of this site. Once the sale has been concluded further dialogue between the Council and the successful purchaser will take place.