

THE HIGHLAND COUNCIL

Resources Committee – 11 June 2008

Agenda Item	
Report No	

Property Capital Monitoring Statement

Report by the Director of Housing & Property Services

Summary

This report sets out the current position with regard to the 2008/09 Property Capital Programme.

1. Introduction

1.1 The current approved Property Capital budget for 2008/09 is £9,352,000, and has been allocated as follows:

- £2,943,000 for Strategic Asset Management Projects: (£2,400,000 plus variance of £690,000 from 2007/2008, less £147,000 consisting of the following previously approved transfers:
 - Golspie Swimming Pool – Contribution out to ECS – £90,000
 - Lochaber Leisure Centre – Contribution out to ECS – £70,000
 - Carr's Corner Fort William – Contribution in from TEC – £13,000);
- £1,188,000 for Disability Discrimination Act (DDA) Works: (£713,000 plus variance of £635,000 from 2007/2008, less £160,000 consisting of the following previously approved transfers:
 - Fort William Library – Contribution out to ECS – £30,000
 - Lochaber Leisure Centre – Contribution out to ECS – £150,000
 - Thurso Library – Contribution in from ECS – £20,000);
- £445,000 for Statutory Compliance: (£450,000 less variance of £5,000 from 2007/2008);
- £3,145,000 for Office Rationalisation, (£2,000,000 plus variance of £1,145,000 from 2007/2008);
- and £1,631,000 for Energy Management Works, (£833,000 plus variance of £798,000 from 2007/2008).

1.2 The Finance Service capital monitoring statement is attached as **Appendix 1**.

1.3 Further details of progress and revisions against each budget heading are given below.

2. Strategic Asset Management Programme

2.1 The £2,943,000 Strategic Asset Management budget for 2008/09 comprises:

- £2,143,000 for investment in Site Specific Projects
- £800,000 for investment in Non Site Specific Projects

2.2 **Summary of Programme Performance**

A detailed allocation of this budget is highlighted within the Table in **Appendix 2**, which also contains the list of projects which are programmed for completion during 2008/09.

Progress with Site Specific Projects is as follows:

- 7no Projects currently at Briefing stage
- 6no Projects currently at Design stage
- 7no Projects currently at Tender stage
- 2no Projects currently On Site
- 1no Project completed and in Defects Liability Period

The Non Site Specific budget has been allocated to deal with urgent Minor Projects identified throughout the year across the following budget headings:

- Asbestos Removal
- Building Fabric Works
- Electrical Works
- Mechanical Works
- Water Safety Management Works

2.3 As a result of developing robust arrangements for project consultation, specification, briefing and delivery it is anticipated that the Strategic Asset Management investment programme will be fully achieved this financial year.

2.4 **2009/10 Strategic Asset Management - Programme Development**

In an effort to further improve performance on delivery of the SAM Property Capital Programme, Members are asked to approve commencement of preliminary investigative works and discussions with clients allowing a provisional programme of works for 2009/10 to be developed. The extent, scope and anticipated cost of proposed projects shall be reported to Resources Committee on a regular basis.

3. **Disability Discrimination Act (DDA) Programme**

3.1 A revised total of £1,188,000 has been approved for 2008/09 to address work required to enable premises to comply with Part III of the Disability Discrimination Act (DDA).

3.2 **Summary of DDA Programme Performance**

A detailed allocation of this budget is highlighted within the Table in **Appendix 3**, which also contains the list of projects which are programmed for completion during 2008/09.

Progress with these Projects is as follows:

- 7no Projects currently at Briefing stage
- 10no Projects currently at Design stage
- 4no Projects currently at Tender stage
- 2no Projects currently On Site
- 2no Projects completed and in Defects Liability Period

3.3 Again with robust arrangements in place for project consultation, specification, briefing and delivery it is anticipated that the 2008/09 DDA programme will be fully achieved this financial year.

4. Statutory Compliance Programme

- 4.1 The £445,000 allocated in the current financial year is to cover the cost of Property Risk Management, Health & Safety Inspections and Sustainability initiatives. It is anticipated that the budget will be fully expended in 2008/09.

5. Office Rationalisation Programme

- 5.1 A budget of £3,145,000 has been allocated to address priority office rationalisation projects. This comprises a £2,000,000 allocation in 2008/09 and a carry forward of £1,145,000 from 2007/08.
- 5.2 It is proposed that the Wick Office Rationalisation project should be taken forward as the next scheme in this programme. A separate paper on the Resources Committee agenda sets out the proposed way ahead for this project. Initial cost estimates will be established in line with the scoping of the project.

6. 2007/08 Energy Management Capital Programme

- 6.1 A budget of £1,631,000 for 2008/09 has been allocated to address priority Energy Management projects. The Council's Energy Management capital programme is set up to undertake capital projects that can contribute to a reduction in the Council's energy consumption and for the installation of renewable technology to reduce carbon emissions. Members are asked to approve expenditure on the detailed list of projects for 2008/09 contained in Table 1 below:-

6.2

Proposed New Energy Projects for 2008/09				Table 1
Item	Ward	Property	Proposed Works	Budget
1.	1	Lairg Primary	Install Biomass Boiler	150,000
2.	2	Thurso Swimming Pool	Install Water Heating Solar Panels	30,000
3.	3	Pulteneytown Primary	Install Biomass Boiler	150,000
4.	4	Halkirk Primary	Conversion of Peat Fired Boiler	200,000
5.	7	Alness Academy Pool	Install Water Heating Solar Panels	30,000
6.	9	Dingwall Leisure Centre Pool	Install Water Heating Solar Panels	30,000
7.	18	Culloden Academy Pool	Install Water Heating Solar Panels	30,000
8.	22	Inverlochy Primary	Install Biomass Boiler	150,000
9.	TBC	Various sites to be identified	Installation of Photovoltaic Cells	150,000
10.	TBC	Various sites to be identified	Installation of Instaltec Heating Controls	175,000
11.	TBC	Various sites to be identified	Installation of Wind Turbines	250,000
12.	TBC	Various sites to be identified	Installation of Solar Water Heating to Schools	100,000
13.	TBC	Various sites to be identified	Metering Upgrade to Buildings	150,000
14.	TBC	Various sites to be identified	Minor Energy Efficiency Works	36,000
			Total	1,631,000

7. Recommendation

Members are asked to:

1. Note the current position with regard to budget allocation and progress with the 2008/09 Property capital programme.
2. Approve the commencement of investigative works for preparation of the 2009/10 Strategic Asset Management programme.
3. Approve the allocation of the Energy Management Budget to the projects identified in Table 1, paragraph 6.2.

Signature:

Designation: **Director of Housing and Property**

Date: 29 May 2008

Author: Finlay MacDonald – Property Manager (Building)
Robert Campbell – Principal Project Manager
Eddie Boyd – Principal Engineer

Appendix 1

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE - 1st April 2007 to 20th May 2008

SERVICE: HOUSING & PROPERTY SERVICES

Projects	Project Code	2007/08						Expenditure to be incurred in March, based on Jan est o/t and Feb actuals	Notes
		Budget			Actual		Variance		
		A	B	C	D	E	F		
		Gross Expenditure £(000)	Income £(000)	Net Expenditure £(000)	Net Expenditure £(000)	Net Estimated Outturn £(000)	Col E minus Col C £(000)		
Strategic Asset Management									
Health & Safety (S.A.M.)	20856	2,663	0	2,663	1,973	1,973	(690)	0	
Disability Discrimination Act	21866	1,252	0	1,252	617	617	(635)	0	
Statutory Compliance	22009	477	0	477	482	482	5	0	
Drummuie House/Office Rationalisaton	22281	2,994	0	2,994	1,949	1,949	(1,045)	0	
Office Rationalisation - General	21784	100		100		0	(100)	0	
Energy Management	PS011	833		833	35	35	(798)	0	
		8,319	0	8,319	5,057	5,057	(3,262)	0	

2008/09 SAM Programme - Project Expenditure Profiles

Project Ref	Ward No	Building	Projects	Project Status	Costing Indicator	Project Budget	Projected Expenditure for 2008/09
PA		Previous Project Retentions/Payments (to be paid 2008/09)		Projects Complete	5 Fin		£190,046
PA	3	Wick Assembly Rooms	Alterations to Boiler House - Payment Only	On Site	4 Ten	£50,000	£31,801
PA	3	Wick High School	Replacement Fire Alarm System	Tender Stage	3 Ten	£100,000	£78,848
PA	5	Brora Primary	Electrical Upgrade - Phase 2	Design Stage	2 Des	£250,000	£15,000
PA	7	Alness Academy	Replacement Roof Covering to Swimming Pool	Design Stage	2 Des	£200,000	£87,009
PA	7	Invergordon Leisure Centre	Refurbish Lift	Design Stage	2 Des	£60,000	£53,923
PA	8	Milton Primary	Replacement Windows & Doors	Design Stage	2 Des	£200,000	£83,377
PA	9	Dingwall Education Centre	Replacement Boiler Plant	Briefing Stage	1 Est	£60,000	£53,923
PA	9	Ross House, Dingwall	Installation of Ventilation - Final Phase	Briefing Stage	1 Est	£60,000	£53,923
PA	10	Fortrose Academy	Asbestos Removal	Design Stage	1 Est	£200,000	£145,705
PA	10	Fortrose Academy	Electrical Upgrade - Phase 1	Tender Stage	3 Ten	£175,000	£173,931
PA	12	Banavie Primary School	Replace Windows	Design Stage	2 Des	£60,000	£58,282
PA	15	Council Offices, HQ	A&B Blocks - Remedial Work to Bridges	Tender Accepted	3 Ten	£150,000	£128,298
PA	15	Council Offices, HQ	A&B Blocks - Ventilation System Control Upgrade	Briefing Stage	1 Est	£40,000	£35,501
PA	15	Council Offices, HQ	Refurbishment of Toilets	Briefing Stage	1 Est	£100,000	£48,568
PA	15	Council Offices, HQ	Re-covering Parapet Gutters	Briefing Stage	1 Est	£150,000	£4,100
PA	15	Inverness Castle	Roof Lead Replacement & Structural Repairs	Tender Stage	4 Ten	£80,000	£32,354
PA	15	Inverness High School	Replacement Fire Alarm System	Tender Stage	3 Ten	£79,000	£68,280
PA	16	Cauldeen Primary	Replacement Windows & Doors - Phase 6	Tender Stage	3 Ten	£500,000	£315,578
PA	16	Inverness Royal Academy	Replacement Fire Alarm System	Tender Stage	3 Ten	£101,000	£87,411
PA	18	Duncan Forbes Primary	Electrical Upgrade	On Site	4 Ten	£349,000	£210,579
PA	18	Smithton Primary School	Replacement Boiler Plant	Briefing Stage	1 Est	£150,000	£119,705
PA	21	Kingussie Primary	Replacement Boiler Plant	Briefing Stage	1 Est	£250,000	£18,196
PA	22	Carr's Corner Fort William	Offices - Installation of Ventilation System	Complete	4 Ten	£54,000	£48,662
PA		Non-Site Specific Works	Minor Projects	Ongoing	1 Est	£800,000	£800,000
Totals						£4,218,000	£2,943,000
		Total Budget allocated to Projects for 2008/09					£2,943,000
		Projected Total Spend by 31st March 2009					£2,943,000

2008/09 DDA Programme - Project Expenditure Profiles

Project No	Ward No	Building	Project Status	Costing Indicator	Project Budget	Projected Expenditure for 2008/09	
DDA		Previous Project Retentions/Payments (to be paid during 2008/09)	Projects Complete	4 Ten		£71,255	
DDA	2	Thurso Library & Registrars Davidsons Lane, THURSO	Tender Stage	4Ten	£180,000	£155,528	
DDA	2	Thurso Social Work Office (Gd Fl), 16 High Street, THURSO	Briefing Stage	1 Est	£40,000	£35,948	
DDA	3	Wick Library, Sinclair Terrace, WICK	Briefing Stage	1 Est	£160,000	£12,000	
DDA	3	Wick Town Hall - Phase 1- Registration Offices, Bridge Street, WICK	Briefing Stage	1 Est	£50,000	£4,000	
DDA	5	Dornoch Library & Chambers, Carnegie Buildings, High Street, DORNOCH	Design Stage	2 Des	£60,000	£55,376	
DDA	5	Golspie Community Library, Golspie High School, Main Street, GOLSPIE	Tender Stage	4 Ten	£20,000	£19,273	
DDA	6	Gairloch Service Point - Unit 1(Includes Unit 2), Auchtercairn, GAIRLOCH	On Site	4 Ten	£69,000	£35,127	
DDA	6	Ullapool Service Point - Building, Mo Dhachaidh, North Road, ULLAPOOL					
DDA	6	Lochcarron Service Point	Complete	4 Ten	£20,000	£17,930	
DDA	7	Alness Service Point, Market Square House, Obsdale Road, ALNESS	Tender Stage	3 Ten	£40,000	£33,648	
DDA	7	Invergordon Library - Building, High Street, INVERGORDON	Design Stage	2 Des	£100,000	£89,872	
DDA	7	Invergordon Service Point, 62 High Street, INVERGORDON	Tender Stage	3 Ten	£10,000	£9,273	
DDA	8	Tain Library, Stafford Street, TAIN	Design Stage	2 Des	£60,000	£53,923	
DDA	8	Tain Social Work Office, Scotsburn Road, TAIN	Briefing Stage	1 Est	£50,000	£44,936	
DDA	9	Muir of Ord Library, Great North Road, MUIR OF ORD	Briefing Stage	1 Est	£40,000	£35,949	
DDA	10	Cromarty Library, Hugh Miller Institute, Church Street, CROMARTY	Design Stage	2 Des	£120,000	£107,846	
DDA	11	Portree Planning Office, The Green, PORTREE, Isle of Skye	Complete	3 Ten	£41,000	£16,617	
DDA	12	Caol Library, Caol Primary School, Glenkingie Street, Caol, FORT WILLIAM	Design Stage	2 Des	£50,000	£45,662	
DDA	15	Church Street Offices, 1-3, Church Street, INVERNESS	Design Stage	2 Des	£150,000	£75,290	
DDA	15	HQ Council Offices, Glenurquhart Road, INVERNESS (Phase1- Ext Works)	Briefing Stage	1 Est	£50,000	£3,000	
DDA	15	Inverness Library, Farraline Park, INVERNESS	Design Stage	2 Des	£150,000	£11,000	
DDA	17	Trading Standards Office, 38 Harbour Road, INVERNESS	Design Stage	2 Des	£40,000	£37,401	
DDA	18	Culloden Library & Community Centre, Keppoch Road, Culloden, INVERNESS	Design Stage	2 Des	£100,000	£91,325	
DDA	19	Cemetery Office/Chapel of Rest/Store, NAIRN	Briefing Stage	1 Est	£80,000	£71,898	
DDA	21	Highland Folk Park, (Phase 1) Toilet Buildings NEWTONMORE	Design Stage	2 Des	£60,000	£53,923	
Totals						£1,740,000	£1,188,000
		Total Budget allocated to Projects for 2008/09					£1,188,000
		Projected Total Spend by 31st March 2009					£1,188,000