

**THE HIGHLAND COUNCIL**  
**Resources Committee – 1 October 2008**

Agenda Item	
Report No	

**Property Capital Monitoring Statement**  
**Report by the Director of Housing & Property**

**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 £7,473,000, and has been allocated as follows:

- £3,090,000 for Strategic Asset Management (SAM) Projects
- £1,335,000 for Disability Discrimination Act (DDA) Projects
- £445,000 for Statutory Compliance
- £972,000 for Office Rationalisation Projects
- £1,631,000 for Energy Management Projects.

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

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

**2. Strategic Asset Management Programme**

2.1 The £3,090,000 Strategic Asset Management budget for 2008/09 comprises:

- £2,290,000 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:

- 3no Projects currently at Briefing stage
- 6no Projects currently at Design stage
- 2no Projects currently at Tender stage
- 2no Projects Contract awarded and due to start on site
- 5no Projects currently On Site
- 2no Projects 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 It is anticipated that the Strategic Asset Management investment budget will be fully expended this financial year.

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

3.1 A budget of £1,335,000 has been allocated 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.

3.3 Progress with these Projects is as follows:

- 2no Projects currently at Briefing stage
- 8no Projects currently at Design stage
- 5no Projects currently at Tender stage
- 1no Project awarded and due to start on site
- 3no Projects currently On Site
- 3no Projects completed and in Defects Liability Period
- 3no Projects currently on Hold

3.4 It is anticipated that the 2008/09 DDA budget will be fully expended 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, etc. It is anticipated that the budget will be fully expended in 2008/09.

### **5. Office Rationalisation Programme**

5.1 A budget of £972,000 has been allocated to address priority office rationalisation projects. This comprises a £272,000 allocation for initial design works on both the Wick and Badenoch & Strathspey Office Rationalisation Projects and a carry forward from 2007/08 of £700,000 for Drummie House, Golspie.

#### **5.2 Wick - Office Rationalisation Project**

The Project Board has been established under the leadership of Ian Hargrave Corporate Manager. The Project Team will be led by David Sutherland Ward Manager. Good foundations have been laid for management of this project. A progress report on project design, cost and timetable will be presented to a future Resources Committee.

### 5.3 **Badenoch & Strathspey - Office Rationalisation Project**

There is a recognised need to rationalise office accommodation in Badenoch and Strathspey. Work to date has involved the Corporate Manager and the Head of Housing Development and Estates. The review has reached the stage where detailed surveys will be necessary to support a comprehensive option appraisal.

## 6. **2008/09 Energy Management Capital Programme**

- 6.1 A budget of £1,631,000 has been allocated for 2008/09 for Energy Management projects. The Council's Energy Management capital programme has been established 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. A detailed allocation of this budget is highlighted in the Table in **Appendix 4**, which also contains the list of projects which are programmed for completion during 2008/09.
- 6.2 There are a range of projects illustrating the scope of measures that are required to improve the energy performance of Council buildings.
- 6.3 A number of solar water systems have been installed during the school holidays and this has involved a range of local contractors. This aspect of the programme helps in the development of skills and resources across the Council area.
- 6.4 The programme to install solar water heating in swimming pools is being carried out at a number of sites and agreements have been entered into with suppliers in the Government's renewables programme which can provide some support funding to the programme.
- 6.5 Assessment of wind condition has been carried out at a number of schools and orders have been placed for 6 turbines. Tenders are now being issued across the Highland area to find contractors to install the units and to undertake training for inclusion in the lists of Government approved installers. This will increase the availability of resources and expertise in this technology in the Highlands.
- 6.6 The use of Photo-voltaic (PV) cells have been assessed in a number of buildings across the Council and tenders have been sought from a number of specialist suppliers. 10kWp has been installed at Council Headquarters. PV installations are being progressed with suppliers in the Government's renewables programme which means that there is the possibility of additional funding support.
- 6.7 A number of biomass boilers are programmed for installation this financial year. Tenders have been accepted for a unit at Inverloch Primary School. Boilers in Halkirk, Pulteneytown and Lairg Primary are currently being designed, with tenders being issued in October 2008 for installation early in the new year. Outline studies are being undertaken for a biomass boiler at Lochcarron Primary School.
- 6.8 Heating management control systems, which will improve the energy management of the Council's buildings, are being assessed and quotes are being sought for replacement and rationalisation.
- 6.9 Discussions are advanced with the Supply Authority, Scottish & Southern Energy (SSE) for the installation of additional automated reading meters at sites which do not currently have this facility. This will allow rationalisation of the meters and improved management of energy consumption.

6.10 It is anticipated that the 2008/2009 Energy Management budget will be fully expended this financial year.

**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.

Signature:

Designation: **Director of Housing and Property**

Date: 14 September 2008

Authors: 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 2008 to 31st August 2008**

Service: Housing & Property

Projects	Project Code	2008/09							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)
<b>Strategic Asset Management</b>										
Health & Safety (S.A.M.)	20856	3,090	0	3,090		681	3,090	0		
Disability Discrimination Act	21866	1,335	0	1,335		127	1,335	0		
Statutory Compliance	22009	445	0	445		33	445	0		
Drummuie House/Office Rationalisaton	22281	700	0	700		511	700	0		
Office Rationalisation - General	21784	272	0	272		0	272	0		
Energy Management	PS011	1,631	0	1,631		281	1,631	0		
		7,473	0	7,473		1,633	7,473	0		

## 2008/09 SAM Programme - Project Expenditure Profiles

Project Ref	Ward No	Property	Project Description	Project Status	Costing Indicator	Project Budget	Projected Expenditure for 2008/09	Target Status for 31st March 2009
PA		Previous Project Retentions/Payments (to be paid 2008/09)		Projects Complete	5 Fin	£200,000	£200,000	Retentions to be paid
PA	3	Wick Assembly Rooms	Alterations to Boiler House - Payment Only	On Site	4 Ten	£30,000	£11,000	Project Review Being Undertaken
PA	3	Wick High School	Replacement Fire Alarm System	Design Stage	3 Ten	£100,000	£78,000	Project to be at Practical Completion Stage
PA	7	Alness Academy	Replacement Roof Covering to Swimming Pool	Tender Stage	2 Des	£200,000	£69,000	Project to be 40% Complete
PA	7	Invergordon Leisure Centre	Refurbish Lift	Design Stage	2 Des	£60,000	£53,000	Project to be at Practical Completion Stage
PA	8	Milton Primary	Replacement Windows & Doors	Design Stage	2 Des	£200,000	£177,000	Project to be 85% Complete
PA	9	Ross House, Dingwall	Installation of Ventilation - Final Phase	Design Stage	2 Des	£60,000	£53,000	Project to be at Practical Completion Stage
PA	10	Fortrose Academy	Electrical Upgrade - Phase 1	On Site	4 Ten	£251,000	£224,000	Project to be at Practical Completion Stage
PA	12	Banavie Primary	Replace Windows	Design Stage	2 Des	£60,000	£58,000	Project to be at Practical Completion Stage
PA	15	Council Offices, HQ	A&B Blocks - Remedial Work to Bridges	<b>Complete</b>	4 Ten	£149,000	£131,000	Project to be at Practical Completion Stage
PA	15	Council Offices, HQ	A&B Blocks - Ventilation System Control Upgrade	Design Stage	1 Est	£40,000	£35,000	Project to be at Practical Completion Stage
PA	15	Council Offices, HQ	Refurbishment of Toilets	Briefing Stage	1 Est	£100,000	£50,000	Project to be 50% Complete
PA	15	Council Offices, HQ	Re-covering Parapet Gutters	Briefing Stage	1 Est	£150,000	£50,000	Project to be 35% Complete
PA	15	Inverness Castle	Roof Lead Replacement & Structural Repairs - Phase 2	Briefing Stage	1 Est	£50,000	£50,000	Project to be Complete
PA	15	Inverness High School	Replacement Fire Alarm System	Contract Awarded	3 Ten	£79,000	£68,000	Project to be at Practical Completion Stage
PA	16	Cauldeen Primary	Replacement Windows & Doors - Phase 6	On Site	4 Ten	£302,000	£257,000	Project to be at Practical Completion Stage
PA	16	Cauldeen Primary	Reception Upgrade & External Works	On Site	4 Ten	£210,000	£200,000	Project to be at Practical Completion Stage
PA	16	Inverness Royal Academy	Replacement Fire Alarm System	Contract Awarded	3 Ten	£101,000	£87,000	Project to be at Practical Completion Stage
PA	18	Duncan Forbes	Electrical Upgrade	On Site	4 Ten	£465,000	£320,000	Project to be at Practical Completion Stage
PA	20	Cradlehall Primary	Replacement Rotten Glazed Screens - Phases 1&2	PH1Tender Stage	3 Ten	£170,000	£20,000	Phase1 to be at Practical Completion Stage
PA	22	Carr's Corner Fort William	Offices - Installation of Ventilation System	<b>Complete</b>	4 Ten	£54,000	£49,000	Project to be at Practical Completion Stage
PA	Various	Sites to be Confirmed	Preliminary Briefing/Design work for 2009/10 Projects	Briefing Stage	1 Est	£50,000	£50,000	Projects to be at Design Stage
PA	Various	Non-Site Specific Minor Works	Highland Wide - Asbestos Removal	Ongoing	3 Ten	£100,000	£100,000	Minor Works will be 100% Complete
PA	Various	Non-Site Specific Minor Works	Highland Wide - Building Fabric Works	Ongoing	3 Ten	£300,000	£300,000	Minor Works will be 100% Complete
PA	Various	Non-Site Specific Minor Works	Highland Wide - Electrical Works	Ongoing	3 Ten	£70,000	£70,000	Minor Works will be 100% Complete
PA	Various	Non-Site Specific Minor Works	Highland Wide - Mechanical Works	Ongoing	3 Ten	£130,000	£130,000	Minor Works will be 100% Complete
PA	Various	Non-Site Specific Minor Works	Highland Wide - Water Safety Mangement Works	Ongoing	3 Ten	£200,000	£200,000	Minor Works will be 100% Complete
<b>Totals</b>						<b>£3,881,000</b>	<b>£3,090,000</b>	
<b>Total Budget allocated to Projects for 2008/09</b>							<b>£3,090,000</b>	
<b>Projected Total Spend by 31st March 2009</b>							<b>£3,090,000</b>	

## 2008/09 DDA Programme - Project Expenditure Profiles

Project No	Ward No	Property	Project Status	Costing Indicator	Project Budget	Projected Expenditure for 2008/09	Target Status for 31st March 2009	
DDA		Previous Project Retentions/Payments (to be paid during 2008/09)	Projects Complete	4 Ten	£90,000	£90,000	Retentions to be paid	
DDA	2	Thurso Library & Registrars Davidsons Lane, THURSO	On Site	4 Ten	£195,000	£171,000	Project to be at Practical Completion Stage	
DDA	2	Thurso Social Work Office (Gd Fl), 16 High Street, THURSO	Design Stage	1 Est	£50,000	£45,000	Project to be at Practical Completion Stage	
DDA	3	Wick Library, Sinclair Terrace, WICK	Briefing Stage	1 Est	£200,000	£12,000	Project to be at Design Stage	
DDA	3	Wick Town Hall - Phase 1- Registration Offices, Bridge Street, WICK	Briefing Stage	1 Est	£50,000	£4,000	Project to be at Design Stage	
DDA	5	Dornoch Library & Chambers, Carnegie Buildings, High Street, DORNOCH	Design Stage	2 Des	£66,000	£60,000	Project to be at Practical Completion Stage	
DDA	5	Golspie Community Library, Golspie High School, Main Street, GOLSPIE	Tender Stage	3 Ten	£30,000	£30,000	Project to be at Practical Completion Stage	
DDA	6	Gairloch Service Point - Unit 1(Includes Unit 2), Auchtercairn, GAIRLOCH	<b>Complete</b>	4 Ten	£69,000	£35,000	Project to be 100% Complete	
DDA	6	Ullapool Service Point - Building, Mo Dhachaidh, North Road, ULLAPOOL	Contract Awarded				Project to be at Practical Completion Stage	
DDA	6	Lochcarron Service Point	<b>Complete</b>	4 Ten	£20,000	£18,000	Project to be 100% Complete	
DDA	7	Alness Service Point, Market Square House, Obsdale Road, ALNESS	Project On Hold	3 Ten	£40,000	£0	Accommodation Review in Progress	
DDA	7	Invergordon Library - Building, High Street, INVERGORDON	Design Stage	2 Des	£100,000	£90,000	Project to be at Practical Completion Stage	
DDA	7	Invergordon Service Point, 62 High Street, INVERGORDON	Tender Stage	3 Ten	£10,000	£10,000	Project to be 100% Complete	
DDA	8	Tain Library, Stafford Street, TAIN	Tender Stage	3 Ten	£60,000	£55,000	Project to be at Practical Completion Stage	
DDA	8	Tain Social Work Office, Scotsburn Road, TAIN	Design Stage	1 Est	£60,000	£55,000	Project to be at Practical Completion Stage	
DDA	9	Muir of Ord Library, Great North Road, MUIR OF ORD	Tender Stage	3 Ten	£40,000	£36,000	Project to be at Practical Completion Stage	
DDA	10	Cromarty Library, Hugh Miller Institute, Church Street, CROMARTY	Design Stage	2 Des	£120,000	£108,000	Project to be at Practical Completion Stage	
DDA	11	Portree Planning Office, The Green, PORTREE, Isle of Skye	<b>Complete</b>	4 Ten	£41,000	£25,000	Project to be 100% Complete	
DDA	12	Caol Library, Caol Primary School, Glenkingie Street, Caol, FORT WILLIAM	On Site	4 Ten	£50,000	£46,000	Project to be at Practical Completion Stage	
DDA	15	Church Street Offices, 1-3, Church Street, INVERNESS	Project On Hold	2 Des	£150,000	£0	Accommodation Review in Progress	
DDA	15	HQ Council Offices, Glenurquhart Road, INVERNESS (Phase1- Ext Works)	Design Stage	1 Est	£100,000	£7,000	Design Stage to be Complete	
DDA	15	Inverness Library, Farraline Park, INVERNESS	Project On Hold	2 Des	£150,000	£0	Accommodation Review in Progress	
DDA	17	Trading Standards Office, 38 Harbour Road, INVERNESS	Design Stage	2 Des	£40,000	£37,000	Project to be at Practical Completion Stage	
DDA	18	Culloden Library & Community Centre, Keppoch Road, Culloden, INVERNESS	Tender Stage	3 Ten	£100,000	£91,000	Project to be at Practical Completion Stage	
DDA	19	Cemetery Office/Chapel of Rest/Store, NAIRN	Design Stage	1 Est	£65,000	£60,000	Project to be at Practical Completion Stage	
DDA	21	Highland Folk Park, (Phase 1) Toilet Buildings NEWTONMORE	On Site	4 Ten	£60,000	£55,000	Project to be at Practical Completion Stage	
DDA	TBC	Preliminary Briefing/Design work for 2009/10 Projects	Design Stage	1Est	£195,000	£195,000	Design Stages to be Complete	
<b>Totals</b>						<b>£2,151,000</b>	<b>£1,335,000</b>	
<b>Total Budget allocated to Projects for 2008/09</b>						<b>£1,335,000</b>		
<b>Projected Total Spend by 31st March 2009</b>						<b>£1,335,000</b>		

