

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT & DEVELOPMENT COMMITTEE

23 September 2009

Agenda Item	
Report No	

MONITORING OF CAPITAL EXPENDITURE TO 31 July 2009

Report by Director of Planning and Development

SUMMARY

This report outlines the Expenditure and Income to 31 July 2009 for the 2009/10 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 Programme

- 1.1 Capital monitoring information to July 31 2009 is set out in Appendix 1 and analysed below.
- 1.2 Expenditure to the end of July is £342k, but payments processed during August bring the total at the time of writing to approximately £400k.
- 1.3 Tenders for Phase 2 streetscape works in Nairn came in over budget and were therefore withdrawn. Preparation of revised proposals with a reduced scope is on hold pending the outcome of a second application to Scottish Government for Town Centre Regeneration Funding (TCRF). The first round application to TCRF for Nairn was unsuccessful, but feedback was received and it is still possible that the capital programme monies can be effectively used to secure additional funding for streetscape works in Nairn. If successful with TCRF, we will invite tenders for a significantly enhanced Phase 2 package amounting to £1.342 million.
- 1.4 The contract for Dingwall streetscape Phase 1 commenced on site on September 14th. Dingwall was successful in securing a total of £463k through TCRF of which £306k is allocated to streetscape works. A second phase of works will therefore be put to tender for commencement on site in February 2010.
- 1.5 The first round applications for TCRF for Wick and Fort William were unsuccessful, but the outcome of second tranche applications will be known at the end of October. The availability of funds within the P&D Capital Programme provides essential match funding within these applications, but means that we have been unable to proceed with capital expenditure whilst awaiting the outcome of the TCRF bids.

- 1.6 Total estimated costs for installation of an all abilities access ramp at Dunnet Pavilion have been updated to £74k based on a revised specification due to complex site conditions. Our recommendation is that the provision of this ramp does not offer value for money and that all-abilities access could be more cost-effectively provided by alternative means, such as a platform lift. Discussions with Housing & Property Services indicate that a cross-service project in 2010/11 could deliver not only a more cost-effective means of primary all-abilities access to the building, but could also address other restrictive features within the premises, such as changes in floor levels, design of doorways and access to toilets. Our recommendation is that funding is carried forward to 2010/11 in order to deliver a more comprehensive solution and better value for money.
- 1.7 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 elsewhere in the programme. Planned underspend is indicated in the comments column of Appendix A, but will be managed and may be allocated against alternative projects depending on progress through the year.

2. Vacant and Derelict Land Fund

- 2.1 The re-profiled cash flow which was submitted to the Scottish Government on the 6th of May has been approved. Whilst ambitious it reflects the ability to accelerate spend as a result of the significant preliminary work undertaken in 2008/09. The Spend to date is confined to the three projects in Inverness and is related to study work. However, the Council and the Highland Housing Alliance have recently agreed the terms of a £380,000 VDLF contribution for the Larnach development in Wick and it is anticipated that the terms of a £250,000 VDLF contribution for the Harbour Quay project will be agreed by the end of September.
- 2.2 A short update on each of the projects identified in the approved Delivery Plan is contained in Appendix 2.
- 2.3 Members will note from Appendix 2, paragraph 7.1 that an alternative project at Bridgend in Alness may be forthcoming to replace the Old Distillery site as it now appears unlikely that VDLF resources will be required at this site. Given that this alternative site is development ready and hence there is an opportunity to accelerate this housing development if this project proves eligible and acceptable to the Scottish Government, Members are asked to consider a delegated decision making process at this time. This will enable the Council to amend the Delivery Plan and hence offer grant on this site if a Council decision on this matter is required before the November 2009 PED Committee.

3. RECOMMENDATION

3.1 Committee is recommended to:

- (i) Note this report and approve that funds allocated to Dunnet Pavilion be carried forward to 2010/11.

- (ii) Authorise the Director of Planning & Development, in consultation with the Chairman, to consider and approve, if required before the November 2009 PED Committee, an amendment to the VDLF Delivery Plan to enable the alternative Bridgend Site, Ainess, to be offered VDLF grant.

Signature:

Designation: Director of Planning & Development

Date: 16 September 2009

Authors: Ann Hackett, Principal Projects Officer, 01463 702565
Alan Webster, Regeneration Adviser, 01463 702263

Appendix 2: Vacant and Derelict Land Fund Project Update

1. Carsegate Industrial Estate (Inverness)

- 1.1 Phase II study expected to be complete by the end of September 2009.

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.

Housing and Property Services are actively pursuing layout and cost analysis for the provision of services to accommodate workshop type units which will be subject to scrutiny in light of emerging Phase II findings.

2. Harbour Road (Inverness)

- 2.1 Phase II study expected to be complete by the end of September 2009.

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 has been provided by Atkins Limited. Atkins have indicated that based on the information available for this site, a moderate risk is present for the existing site and surrounding receptors. The main receptors consist of the present site residents and visitors, the water environment and commercial/industrial workers. Atkins therefore recommends that intrusive ground investigations are carried out to ascertain full details on the underlying conditions. However, in order to do so it is desirable to identify 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.

4. South Head (Wick)

- 4.1 A revised VDLF application from Pentland Housing Association is expected by the end of September 2009.

5. Harbour Quay (Wick)

- 5.1 The Council has received a VDLF application from the Highland Housing Alliance seeking assistance of £600,000. At this time the Delivery Plan can only offer support of £250,000. The Highland Housing Alliance is currently considering the terms of a £250,000 VDLF contribution and it is anticipated that this contract will be agreed by the end of September 2009. The award will allow for the acquisition of the privately owned recycling yard, the undertaking of Phase I and II studies and preliminary design proposals.

6. Larnach (Wick)

- 6.1 The Council has agreed to award the Highland Housing Alliance £380,000 which will enable the project to commence September 2009.

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 (Aness)

- 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 and hence an alternative project needs to be developed in Aness.

One alternative development ready project (18 flats of which 6 will be rented to the Council for 20 years) does currently exist at Bridgend, Aness and while not currently on the Vacant and Derelict Land Register, it is likely to be on the next register and hence potentially eligible given the above and the desire by the Scottish Government to have a project in Aness (as per Scottish Index of Multiple Deprivation). A project assessment is underway and will in the first instance be sent to the Scottish Government for determination as to whether it is eligible and is considered an acceptable alternative site for VDLF support in Aness. If this proves acceptable to the Scottish Government the Council will then need to consider an amendment to the Delivery Plan accordingly before any grant is offered.

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 sale has been concluded further dialogue between the Council and the successful purchaser will take place.

THE HIGHLAND COUNCIL
MONITORING OF CAPITAL EXPENDITURE - 1 APRIL - 31 JULY 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	46	-	46	0	-	0	46	-	46	-	Community consultation Sept / Oct.
Core Path Network Development	22131	207	50	157	26	-	26	157	-	157	-	£96k Victoria Walk, Thurso. Projects near Lairg, Tain, Skeabost, Staffin, Lochinver & Culloden.
Village & Small Town Regeneration Projects												
Brora Village Centre Streetscape Project	PD030	126	-	126	106	-	106	152	26	126	-	Main works complete. Interpretation in prep.
Business Improvement District - Inverness	PD034	37	-	37	-	-	-	37	-	37	-	Transport Scotland approval in place.
Beauly Square	PD039	22	-	22	-	-	-	22	-	22	-	Community consultation Sept 2nd.
Fort William Improvements	PD040	50	-	50	-	-	-	50	-	50	-	Awaiting outcome of 2nd tranche TCRF bid due end October.
Dingwall High Street Streetscape	PD016	302	-	302	24	-	24	758	306	452	150	Phase 1 contract awarded, on site Sept 14th. £150k accelerated from 2011/12. TCRF income £306k. Phase 2 tender in prep.
Dornoch High Street	PD015	5	-	5	-	-	-	5	-	5	-	Complete. Contract retention.
Fort Augustus Village Enhancements	PD033	91	-	91	1	-	1	91	-	91	-	Project programme delayed to align with H&PS works on toilet block. Target on site Feb 2010.
Gairloch Village Enhancements	PD009	87	-	87	-	-	-	87	-	87	-	War memorial re-location complete. Invoices awaited. Dunes path upgrade with remaining funds - spec in prep.
Kyle of Lochalsh High Street	PD014	15	-	15	12	-	12	15	-	15	-	Complete. Contract retention.
Nairn High Street Streetscape	20052	472	-	472	146	-	146	472	-	472	-	Phase 1 complete but further costs awaited. Phase 2 tenders withdrawn as over budget. Retender with reduced scope is on hold pending outcome of 2nd tranche TCRF bid due end October.
Strathpeffer Spa Gardens	22860	(4)	-	(4)	1	-	1	(4)	-	(4)	-	
Ullapool Environmental Improvements	PD041	59	15	44	-	-	-	59	15	44	-	Community consultation September 12th.
Watten Gateways	PD029	22	-	22	-	-	-	22	-	22	-	Awaiting installation by TECS.
Wick High Street Regeneration	PD042	60	-	60	-	-	-	60	-	60	-	On hold pending outcome of 2nd tranche TCRF bid due end October.
Tourism Related Projects												
Caithness Heritage Access Project	22855	68	10	58	21	-	21	58	-	58	-	£10k LC. Further interpretation panels in prep.
Dornoch Mercat Cross Enhancement	PD031	30	-	30	-	-	-	30	-	30	-	Contract awarded.
Visitor Signage and Interpretation	13578	89	15	74	4	-	4	74	-	74	-	Various projects in prep.
Property Upgrading Projects												
Dunnet Pavilion Upgrade	PD002	45	-	45	1	1	-	0	0	0	(45)	Initial proposals cost prohibitive. Seek Committee approval for C/F to FY10/11 for revised proposals in partnership with H&PS.
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	-	Contribution to community led project.
Dunain Community Woodland	PD037	20	-	20	-	-	-	20	0	20	-	Contribution to community led project. On hold pending formal lease between Robertson's and community.
Muirtown Basin / waterfront	PD038	100	-	100	-	-	-	90	0	90	(10)	Partnership work with BW for Great Glen Canoe Trail (£70k) and path works (20k). Planned slippage contra Dingwall acceleration (10k).
Longman		25	-	25	-	-	-	-	-	-	(25)	Planned slippage contra Dingwall acceleration.
Subtotal Core Projects		2,119	140	1,979	342	1	342	2,326	347	1,979	0	
Vacant & Derelict Land Fund												
External project management	PD052	95	95	-	-	-	-	95	95	-	-	See appendix 2

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		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	
Carsegate Estate, Inverness	PD043	380	380	-	55	300	(245)	680	680	-	-	Phase II study expected to be complete by the end of September 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	-	37	250	(213)	575	575	-	-	Phase II study expected to be complete by the end of September 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	-	-	Draft Phase I study now complete. Phase II intrusive work will commence October 09.
Old distillery site, Alness	PD046	140	140	-	-	-	-	140	140	-	-	VDLF assistance may not be required for this particular project. Alternatives are being explored.
South Head, Wick	PD047	138	138	-	-	300	(300)	438	438	-	-	Revised VDLF application expected Aug 09.
Harbour Quay, Wick	PD048	100	100	-	-	150	(150)	250	250	-	-	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	-	-	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	-	-	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	-	-	Land assembly taking place to secure comprehensive redevelopment.
Subtotal Vacant & Derelict Land Fund		1,500	1,500	-	97	1,500	(1,403)	3,000	3,000	-	-	
GRAND TOTAL		3,619	1,640	1,979	439	1,501	(1,061)	5,326	3,347	1,979	0	