

## THE HIGHLAND COUNCIL

### TRANSPORT, ENVIRONMENTAL AND COMMUNITY SERVICES COMMITTEE – 18 March 2010

Agenda Item	
Report No	

#### Capital Expenditure Monitoring – 1 April 2009 to 31 January 2010

#### Report by Director of Transport, Environmental and Community Services

##### SUMMARY

This report summarises the capital expenditure monitoring position for the period from 1 April 2009 to 31 January 2010 and the projected year end position.

#### 1. Background

- 1.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome agreement.
- 1.2 The summary of capital expenditure against current programme and estimated outturn is included in **Appendix 1**. The "Budget" column is that proposed by the Transport, Environmental and Community Services Committee on 14 August 2008, amended to include Inverness City projects previously included in the Chief Executive's capital programme. These projects relate to transport and infrastructure improvements and sit well with the TEC Services programme, hence their inclusion. The proposed programme was subsequently approved by the Highland Council on 4 September 2008.
- 1.3 The budget has been adjusted to take account of the 2008/09 underspend of £0.356m and the accelerated capital expenditure totalling £3.2m which TECS May Committee recommended for approval to Resources Committee, subsequently approved at Resources on 10 June 2009.
- 1.4 Previously the budget had been reduced by £3.501m to take account of accelerated schemes undertaken in financial year 2008/09, with the intention for this amount to be deducted from the capital programme in future years. To avoid confusion, the Finance Service have removed this sum from the budget, and have allowed for it in the ongoing review of the capital programme for future years.
- 1.5 Finally, the capital programme has been adjusted by moving the four projects listed below, from the current year into 2010/11. The reasons for the delays are set out in the paragraphs below.

• Inverness Trunk Link Road	£2.836m
• Kyle of Tongue Bridge	£0.957m
• SWR Inverness Flood Prevention	£3.200m
• Nether Lochaber Slipway	£0.796m

- 1.6 As reported to the TECS Committee on 24 September 2009 the Council is working with the Scottish Government, Transport Scotland and British Waterways to examine and agree solutions for completing the link road between the A9/A96 and the A82 trunk roads, including crossing the River Ness and the Caledonian Canal, however it will not be possible to achieve the level of expenditure previously allocated for 2009/10.
- 1.7 It was hoped that work on the Kyle of Tongue Bridge would start in the current financial year, however there are a number of outstanding technical issues to be resolved, and it is now proposed to start the works in 2010/11.
- 1.8 It was hoped to start the construction of Phases I and II of the South West Relief (SWR) Inverness Flood Prevention project in the current year, however there are still outstanding issues to be resolved in relation to Controlled Activity Licences which are issued by SEPA, and the work is now scheduled to start in 2010/11.
- 1.9 Due to the complexity of works to repair the Nether Lochaber Slipway the project has been deferred to 2010/11. This will allow time to review the design proposals and to consult with the local community.

## **2. Expenditure**

- 2.1 After 10 months of the financial year the gross expenditure is £17.882m representing 75.0% of the 2009/10 programmed figure.

## **3. Income**

- 3.1 After 10 months of the financial year the actual income received is £0.982m representing 160.7% of the 2009/10 projected outturn figure, which includes £0.332m of income in respect of leased vehicles, and final grant income of £0.427m in respect of Inverness City Streetscape Works.

## **4. Progress on Capital Projects**

- 4.1 Progress on capital projects is as reported in the notes column on **Appendix 1**.

## **5. Estimated Outturn**

- 5.1 The projected outturns for expenditure and income are £27.020m and £1.565m respectively leading to an overspend of £2.420m. The overspend is due to the capital purchase of plant and vehicles, approved at the January TECS Committee. The budget has been adjusted in February to reflect the capital purchase, increasing by £2.433m to a net total capital programme of £25.3m.
- 5.2 After taking account of the budget adjustment, a small underspend of £0.013m is predicted. However, due to the prolonged cold weather and heavy snowfalls, delays in capital schemes are occurring. Every effort will be made to keep these to a minimum, however the underspend position may well rise by the end of the financial year.

## 6. Major Issues and Variances

- 6.1 The major movement in the capital programme, as previously reported to the TEC Services Committee in January, is the final estimated position of the Inverness City Streetscape Works. This position takes account of the outstanding works highlighted at paragraph 6.2. The estimated budget shortfall of £0.8m has been met from further slippage on the Council's bridges programme; the SWR Inverness Flood Prevention project; and the Bus Priority and Real Time Passenger Information project. Next year's capital programme will be adjusted to reflect accelerated/slipped projects.
- 6.2 The final elements of the streetscape project, Stephen's Street and the Crown Retaining Wall, are due to commence before the end of the financial year. Contracts are due to be awarded in March. The final outturn position of the Inverness City Streetscape Works will be reported on completion of final phase of works, to a future TEC Services Committee, sometime later in 2010.

## 7. RECOMMENDATIONS

7.1 Members are invited to:

- a) **note** the capital expenditure monitoring position; and
- b) **note** the position in relation to the Inverness City Streetscape Works.

Signature:

Designation: Director of Transport, Environmental and Community Services

Date: 9 March 2010

Author: Mike Mitchell, TEC Finance Manager/Jan Capital Monitoring

Background Papers: Monitoring Statement 31/01/10 and Highland Council Financial Ledger

THE HIGHLAND COUNCIL										
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2009 TO 31ST JANUARY 2010										
SERVICE: TRANSPORT, ENVIRONMENTAL AND COMMUNITY										
Project Description	Project Code	BUDGET			ACTUAL		OUTTURN		VARIANCE	COMMENTS
		A	B	C	D	E	F	G		
		Gross Expenditure	Income	Net Expenditure	Net Expenditure to date	Estimated Expenditure	Estimated Income	Estimated Net Expenditure	Col. E minus Col. C	
		£(000)	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)	
<b>ROADS AND BRIDGES</b>										
<b>Major Road Improvements</b>										
Inverness Trunk Link Road	20258	100	0	100	164	200	0	200	100	Ongoing discussions with Transport Scotland.
Inverness Airport Access Road	10563	0	0	0	28	28	0	28	28	
Broadford-Armadale (V)	22206	200	0	200	777	800	0	800	600	Scheme complete - in maint. Claims submission agreed.
Achnasheen-Kinlochewe (III)	21515	0	0	0	11	11	0	11	11	Land agent fees
Aviemore Transport Interchange	10568	0	0	0	16	16	0	16	16	Final costs now confirmed.
Inverness Cross Railink	11565	10	0	10	0	0	0	0	(10)	Under review as part of City Vision.
Kinnairdie Link Road	23024	25	0	25	70	75	0	75	50	Design work ongoing.
Stromeferry Bypass	21829/22428	50	0	50	79	80	0	80	30	Emergency works in progress as a result of rock fall.
Inverness City Streetscape Works	22058	350	350	0	575	1,577	777	800	800	Final outturn figures currently under review. Scheme in maintenance.
Inverness City - Huntly Street	TC700	500	0	500	33	150	0	150	(350)	Design in progress.
Ness Walk Footway (Cathedral to Hospice)		195	0	195	0	0	0	0	(195)	Subject to options appraisal.
Station Square		166	0	166	0	0	0	0	(166)	Subject to options appraisal.
Bus Station Gateway/Margaret Street		120	0	120	0	0	0	0	(120)	Subject to options appraisal.
Inverness City - Bank St, Castle St or Academy St		200	0	200	0	0	0	0	(200)	Subject to options appraisal.
Roundabouts and City Approaches		130	0	130	0	0	0	0	(130)	Subject to options appraisal.
<b>Lifeline Roads</b>										
B8007 - Salen to Kilchoan	TC258/568	172	83	89	106	383	83	300	211	Work in progress. Acceleration of scheme, funded from future years.
A896 - Kinlochewe to Lochcarron	TC259/569	291	84	207	104	384	84	300	93	Work in progress. Acceleration of scheme, funded from future years.
A855 - Portree to Staffin	TC260/570	200	83	117	206	583	83	500	383	Work in progress. Acceleration of scheme, funded from future years.
<b>Major Bridge Works</b>										
Kyle of Tongue Bridge	22479	60	0	60	20	60	0	60	0	Preliminary design ongoing. Underspend will be carried forward to 2010/11.
Bonar Bridge	22478	576	0	576	213	246	0	246	(330)	Works complete - in maint. Original estimate too high, reduced scope.
A862 Muir of Ord Railway Bridge	21616	31	0	31	52	60	0	60	29	Design ongoing. Requires planning permission.
A836 Naver Bridge	22480	58	0	58	2	2	0	2	(56)	Preliminary design in abeyance pending capital programme review.
B863 Invercoe Bridge	TC201	8	0	8	0	5	0	5	(3)	Preliminary design in abeyance pending capital programme review.
<b>Lifeline Bridges</b>										
Aviemore Railway Bridge	TC202	254	0	254	243	245	0	245	(9)	Winter break in works - expected to resume in April.
Inverlair Bridge	22877	599	0	599	26	60	0	60	(539)	Design near complete. Advertised for tenderers.
A835 Strathkaniard	10289	1,132	0	1,132	228	550	0	550	(582)	Under construction. Project completion in 2010/11.
A835 Luirgean	TC203	472	0	472	62	1,000	0	1,000	528	Under construction. Project accelerated, due for completion in 2010/11.
A835 Drumrunie	10287	529	0	529	19	150	0	150	(379)	Under construction. Project completion in 2010/11.
Thurso Cemetery Footbridge	TC330	461	0	461	216	315	0	315	(146)	Works complete - in maintenance. Original estimate too high.
Balnacra to Lair Rail Bridge	20977	50	0	50	30	50	0	50	0	Preliminary design ongoing.
Gravity Bridge	TC476	100	0	100	32	110	0	110	10	Under construction. Completion expected April 2010.
Hastigrow Bridge	TC477	100	0	100	18	100	0	100	0	Tenders returned. Estimate on low side.
Bower Bridge	TC478	100	0	100	17	100	0	100	0	Tenders returned. Estimate on low side.
U2511 Newmills Bridge	TC497	200	0	200	19	50	0	50	(150)	Design near complete. Advertised for tenderers.
B9176 Alt Dearg Bridge	TC503	65	0	65	6	8	0	8	(57)	Works complete - in maintenance.
Craggie Bridge	TC611	100	0	100	59	75	0	75	(25)	Out to tender.
<b>Structural Road Works</b>										
Area Minor Capital Works	Various	204	0	204	117	204	0	204	0	Works ongoing.
Road Structural Capital Works	Various	2,832	0	2,832	2,587	3,645	0	3,645	813	Progressing. Projects accelerated to help with the financial downturn.
Timber Transport Fund		100	0	100	0	100	0	100	0	Match funding with Forestry Commission, schemes complete by 31 March.

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<b>CAR PARKING</b>										
Multi Storey Car Park	21469	64	0	64	34	100	0	100	36	Works complete - pay on exit scheme being progressed.
<b>ACTIVE TRAVEL</b>										
Cycling, Walking & Safer Streets	Various	449	374	75	172	449	374	75	0	Works ongoing.
20mph Zones	Various	0	0	0	47	50	0	50	50	Works ongoing. Very few schemes left to complete.
Bus Shelters	Various	75	0	75	37	75	0	75	0	£25k allocated to each Area.
Bus Priority/Real Time Passenger Information	TC556	511	0	511	41	360	0	360	(151)	Work in progress. Underspend will be carried forward to 2010/11.
Gateway/Visitor Information - Digital Solutions		100	0	100	0	0	0	0	(100)	Under review.
HITRANS Public Transport Projects	TC072	0	0	0	6	0	0	0	0	
<b>LIGHTING</b>										
Structural Lighting Works	Various	450	0	450	530	650	0	650	200	Works ongoing.
Lighting	Various	50	0	50	7	50	0	50	0	Works ongoing.
<b>FLOOD PREVENTION</b>										
<b>Flood Prevention Schemes</b>										
SWR Inverness Flood Prevention	Various	1,466	0	1,466	992	1,200	0	1,200	(266)	Works constrained by narrow environmental window - licences progressing.
<b>Flood Prevention Orders</b>										
Acharacle Flood Prevention	10146	5	0	5	0	5	0	5	0	Report on outline scheme - raising Moss Road complete.
Mill Burn Flood Prevention	TC382	25	0	25	0	25	0	25	0	Designs being worked on.
Dell Burn Flood Prevention	22169	25	0	25	0	25	0	25	0	Designs being worked on.
River Enrick Flood Prevention	21595	0	0	0	2	50	0	50	50	Designs being worked on.
River Thurso Flood Prevention	22727	25	0	25	0	25	0	25	0	Design work under consideration.
River Ness Flood Prevention - Upper Section	22726	50	0	50	46	100	0	100	50	FPO approved. Designs being worked on.
River Ness Flood Prevention - Tidal Section		50	0	50	0	100	0	100	50	FPO approved. Planning Approval in progress. Designs being worked on.
River Lochy & Caol Flood Prevention	22725	163	0	163	12	83	0	83	(80)	Designs being worked on.
Wick River Burn Flood Prevention		100	0	100	0	0	0	0	(100)	Design work under consideration.
<b>WASTE MANAGEMENT</b>										
<b>Landfill Extensions</b>										
Landfill Capacity Extensions - Ph B & C Seater	Various	67	0	67	115	200	0	200	133	Progressing. Includes gas flare installation; ground water investigation cost.
Landfill Capacity Extensions - Cell 2 & 3 Granish	Various	250	0	250	453	455	0	455	205	Works complete; outturn includes costs of gas control system.
<b>Landfill Restorations</b>										
Landfill Restoration - Longman Ph A,B,C & D	Various	0	0	0	166	330	0	330	330	Restoration complete. £170k of outturn relates to retentions & gas system.
<b>Waste Disposal</b>										
Waste Treatment and Disposal Facilities	Various	798	0	798	160	748	0	748	(50)	Progressing. Projects accelerated to help with the financial downturn.
<b>Recycling</b>										
Plant, Infrastructure & Banks	22630	100	0	100	28	100	0	100	0	Progressing. Replacement banks purchased.

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<b>FERRIES AND HARBOURS</b>												
Ferries/Harbours - General	Various	449	0	449	380	449	0	449	0	Projects/schemes progressing.		
Raasay Ferry Terminal	10175	5,635	0	5,635	3,665	5,635	0	5,635	0	Work in progress. Will be substantially complete this financial year.		
Sconser Improvements		10	0	10	0	0	0	0	(10)	Not being progressed at present.		
Nether Lochaber Slipway	TC331	100	0	100	73	100	0	100	0	Complex scheme alternative options under consideration.		
River Wick Retaining Wall	TC803	0	0	0	59	60	0	60	60	Emergency work to retaining wall, per TECS Ctte approval.		
<b>ENVIRONMENTAL HEALTH</b>												
Contaminated Land - General	20809	569	0	569	156	326	0	326	(243)	Works ongoing.		
<b>COMMUNITY WORKS</b>												
<b>Burials and Cremations</b>												
Burial Ground Extension - General	Various	100	0	100	5	3	0	3	(97)			
Burial Ground Extension - Badenscallie	TC656	0	0	0	2	5	0	5	5	Works ongoing.		
Burial Ground Extension - Glen Nevis	21899	0	0	0	41	40	0	40	40	Works ongoing.		
Burial Ground Extension - Strathy	22137	0	0	0	3	5	0	5	5	Works ongoing.		
Burial Ground Extension - Duror	TC666	0	0	0	9	10	0	10	10	Works ongoing.		
Burial Ground Extension - Kilmuir	TC452	0	0	0	0	28	0	28	28	Works ongoing.		
Burial Ground Extension - Killearnan	TC590	0	0	0	2	50	0	50	50	Works ongoing.		
Burial Ground Extension - Mitchell Hill	TC589	0	0	0	1	50	0	50	50	Works ongoing.		
<b>Public Toilets</b>												
Public Conveniences - General	Various	300	0	300	15	250	0	250	(50)			
Public Conveniences - Fort Augustus	TC538	0	0	0	24	0	0	0	0	Completion of works, early 2010/11 financial year.		
<b>Parks and Play Areas - Development</b>												
Inshes Park (Phases 1 to 3)	TC460	87	0	87	0	87	0	87	0	Design being worked on.		
Play Areas - General	Various	170	0	170	44	170	0	170	0	£50k allocated to each Area.		
<b>Depots</b>												
Gully Waste Treatment Facilities	TC813	0	0	0	147	310	0	310	310	Works underway, nearing completion. Mobile unit progressing.		
<b>MISCELLANEOUS</b>												
Vehicle Purchases (CFCR funded)	21060	0	0	0	2,748	2,765	332	2,433	2,433	TECS vehicles & plant capitalised per January TECS Ctte approval.		
<b>OVERALL TOTAL</b>		<b>23,841</b>	<b>974</b>	<b>22,867</b>	<b>16,425</b>	<b>27,020</b>	<b>1,733</b>	<b>25,287</b>	<b>2,420</b>			