

The Highland Council

17 December 2015

Agenda Item	11
Report No	HC/55/15

Capital Programme Review: Capital Plan 2015/16 to 2024/25

Joint Report by the Director of Finance and the Director of Development and Infrastructure

Summary

This report sets out the long-term General Fund Capital Plan for financial years 2015/16 to 2024/25.

1. Background

- 1.1 The basis of the General Fund capital plan presented within this report was approved by the Council in June 2013, at which point it had undergone a major review involving Outline Business Cases, scoring against weighted criteria and prioritisation into a rank order.
- 1.2 A revised 10 year plan which did not revisit the scoring process but built on the results was presented to the Council Meeting on 12th March 2015. However unlike the June 2013 plan, the March 2015 plan was fully funded and took account of changes to estimated costs and timings of major projects considered a priority by the Council, in particular Westlink, the Ness Flood Prevention Scheme and the Schools build programme. The plan also created space for a potential Regional Sports facility and Cultural Hub by reducing generic heading budget lines
- 1.3 At the Council Meeting on 12th March the funding envelope was agreed but the contingency amount for the Regional Sports facility and Cultural Hub was removed and the generic budget lines re-introduced to the Plan. It was also agreed that the plan would be the subject of further review by Members
- 1.4 The further review by Members was undertaken through a series of meetings held in August 2015 on an area basis. A revised plan was presented to the Council Meeting on the 29th October 2015 which spanned 9 years and took full account of the slippage experienced in 2014/15 with projects carried forward in full.
- 1.5 An option to remove £24.520m worth of projects from the March plan and replace it with additional expenditure on Roads, Bridges and Piers was considered but whilst it was agreed that the additional expenditure was desirable there was a reluctance to remove £24.520m from the scored

programme

- 1.6 The Plan, now presented, has been extended by one year but incorporates additional resource in the form of the General Fund Capital Grant only, no new borrowing or other income has been assumed. Revised profiling has been undertaken to better match the annual funding available and these changes are summarised at **Annex 7**.
- 1.7 The Plan now contains all the projects previously prioritised, an additional £24.520m for Roads, Bridges and Piers and an additional provision of £1.6m for Minor Flood Works.
- 1.8 The Plan, even after the re-profiling is still heavily front-loaded due to the Westlink project and only achieves financial balance across the 10 year period. The funding increases are consistent across that 10 year period. However, this position will be kept under review and may require adjustment whereby additional loan charge budget may be required to match the advanced borrowing.
- 1.9 This 10 year plan will now form the basis of a future rolling 10 year programme and will be updated at least annually to allow for new projects to be considered in later years. There will also be scope to add additional schemes that offer revenue savings.

2. Economic Context and Funding Position

- 2.1 The Council has funding notified for the current financial year only. Therefore the funding position for future years can only be determined by reference to the information available at this time and the loan charge assumptions for the Council's revenue budget agreed at the meeting on 12 March. It was agreed that an increase in the provision for Loan Charges of £2.5m would be factored into the revenue budget annually and this level of increase would continue throughout the period of this plan with the exception of the final year 2024/25.
- 2.2 The anticipated General Capital Grant (GCG) from 2016/17 assumes a flat cash funding position with a starting point based on various notifications from the Scottish Government founded on the allocation within Finance Circular 6/2014.
- 2.3 Affordability, prudence and sustainability are key financial considerations in relation to capital planning, and are enshrined in the CIPFA Prudential Code for Capital Finance, the regulatory guidance which relates to Local Authority capital. Forecast revenue budget implications are as set out within this report. Updated Prudential Indicators will be prepared following consideration of this capital plan, and as is normal practice submitted to the Resources Committee as part of on-going treasury management reporting.
- 2.4 In addition to the core funding assumption described above, there are further projects which are included in the plan based on self-financing from the savings or income these projects are expected to generate. These projects

have been shown separately in the annexes to this report, and in relation to funding have also been highlighted separately. The financing of this additional borrowing shown, will be met from earmarked savings or income generated from these projects.

- 2.5 As part of the funding arrangements for this capital plan a level of over-programming, amounting to £54m, is built in.

Over-programming was introduced to deal with the Council's experience of programme slippage over many years and can work well where there are generic expenditure headings which slip year on year and eventually result in a lower level of total expenditure. However over-programming is not funding, rather a device to intentionally over-estimate the level of programme to be delivered in any given year and as such the previous programme has built in unfunded expenditure of £54m. The type of project now included in the 10 year plan may slip but it is anticipated that the bulk of the programme will be fully expended and therefore requires to be fully funded. The unfunded element will be closely monitored and if the slippage captured is insufficient then proposals will be brought forward on future funding requirements.

- 2.6 As with other aspects of the capital plan, the funding assumptions made carry risks and uncertainties. Further information on risks and assumptions is set out later in this report.

3. Proposals for the Capital Plan

- 3.1 A summary of the gross expenditure and proposed funding for financial years 2015/16 to 2024/25 is attached at **Annex 1**. The detailed Plan is attached at **Annex 2**. The proposed funding envelope is attached at **Annex 3** with detail on Project Income at **Annex 4**.

- 3.2 Capital Investment of £900.199m is planned as follows:

	£m
Prioritised Projects (June 2013)	874.079
Roads, Bridges and Piers	24.520
Minor Flood Works	1.600
Total	900.199

- 3.3 Overall there is sufficient funding to match the plan presented, given the assumptions in section 2. However in most financial years the project expenditure does not match the funding available in that particular financial year. Accurate profiling of capital expenditure is extremely difficult and therefore rather than adjust the funding profile to match an uncertain expenditure profile it is sufficient that overall funding is available for the plan. Strategic Committees will inevitably require to change the profiles for particular areas of spend and in practice the Director of Finance will adjust the treasury management arrangements to ensure the necessary funding is available in the appropriate year. Importantly though it must be clear that funding surpluses in

a particular year are not available for additional projects as they merely balance other years where funding is less than anticipated expenditure.

- 3.4 Given the long-term nature of the capital plan, and the need to provide flexibility to accommodate new or changing demands, some lines still contain 'generic' headings. These represent annual budget amounts for the stated priority headings (e.g. major bridges), but where the specific allocations have not yet been determined by Strategic Committees. The plan presented at Annex 2 includes projects previously included in generic headings where Strategic Committees have made a determination.
- 3.5 In the case of 'generic' headings which remain, it will be for the relevant Strategic Committee to determine prioritised allocations to local projects within the budget allocated. It is expected that consultation will be undertaken at a local level and when projects are identified they will be shown separately within the plan with the corresponding reduction in the funding available within the "generic" heading.

4. Future Changes to the Plan

- 4.1 All opportunities to attract external funding from Europe, Westminster and Holyrood will continue to be actively pursued. Any additional resources will be considered in light of the current plan and the overall financial position of the Council
- 4.2 A list of projects identified as desirable but currently unfunded is attached at **Annex 5**. Should funding or other circumstances alter, these projects may be incorporated in the plan at a future date.
- 4.3 A list of projects previously scored but below the affordability line is attached at **Annex 6**. Further consideration of these projects will only take place following a future review of the Plan.

5. City/Region Deal

- 5.1 Initial discussions with both the Scottish and UK Governments at both political and officer level indicated a willingness to explore the Council's ambition for a City/Region Deal. In the March 2015 budget the Chancellor announced that discussions would start with Cardiff, Aberdeen and Inverness. Following these initial discussions the UK Government confirmed an initial allocation of £3m to spend in 2015/16 on city centre projects in Inverness.
- 5.2 Two projects were identified which were approved by the City of Inverness Area Committee on 2 June, 2015. The first project related to upgrading the Castle grounds and its access to enhance the experience for visitors to the Castle, which is linked to a separate project to create a public viewing platform at the North Tower. The second project was to create a free public access Wi-Fi scheme for the City to increase digital connectivity, progress the "smart cities" initiative and enhance the visitor economy.

- 5.3 A report was submitted to the Council on 3 September, 2015 on the City/Region Deal where Members approved the vision, themes and the individual projects which would form the basis of the Council's initial requests to the Scottish and UK Governments.
- 5.4 The Council's Statement of intent and associated Outline Business Cases were submitted to the Scottish and UK Governments on 4 September. The Chancellor's Autumn statement referred to the on-going City Deal negotiations with Inverness. It is hoped to conclude negotiations in early 2016.

6. Financial Implications

- 6.1 As described earlier, the affordability case for the capital plan had been based, with the exception of the final year, on an average loan charge cost of an additional £2.5m per annum, as a result of the borrowing required to finance the plan. Members will be aware that within the 2015/16 Revenue Budget the increase in the loan charges budget was reduced to £0.5m but that in 2016/17 the £2m was re-instated with an increase of £4.5m included in that financial year. In addition to this baseline affordability position, there are loan charge costs which are expected to be covered by savings/income earmarked from self-financing projects.
- 6.2 The level of Loan Charges was considered as part of the Revenue Budget process and reductions of £1.123m and £0.830m for 2015/16 and 2016/17 respectively were agreed at Council on 18 December 2014. The first saving was predicated on tactical borrowing and this is currently being progressed. The saving in 2016/17 was based on borrowing less as a result of an anticipated reduction in the scale of the capital plan; the plan attached to this report contains no such reduction. However there is an overall reduction in new borrowing as a result of slippage captured from previous financial years and this will replace the proposed saving. This is in effect a re-setting of the base loan charge budget, stemming from known factors and forward assumptions on interest rates and will not impact on the affordability of the proposed plan.

7. Risks and Assumptions

- 7.1 As with any budget, there are a number of assumptions made in arriving at the figures, and risks attached to those assumptions. Given the long-term nature of the plan covered by this report, that in itself adds further risks. The following section highlights some of the risks identified in relation to this capital plan, and the consequences that could result.
- 7.2 Funding risks:

Risk	Consequences
1. Grant/Government Support Changes.	
<ul style="list-style-type: none"> • Downside risk of reductions in 	Impact on

grant

- Upside risk of increases if Governments prioritise capital investment

affordability line, more or less funding available depending on circumstances

2. Other external project financial support not available.

- A number of projects assume a level of external grant or contribution as significant parts of their funding package.
- The plan depends on realising £0.750m annually from capital receipts when assets may be subject to transfer to Community Projects at below market value.

Complete funding package not in place. Increased Council contribution required, or project may have to be re-prioritised or terminated.

3. Interest Rate Changes

- Downside risk of rise in interest rates
- Upside risk of decrease in rates (not considered likely given current interest rate low).

Increase in borrowing costs resulting in higher charges to revenue budget, or reduction in affordability.

4. Over-programming and Front-Loading

- Downside risk of not capturing one off slippage elements and having to fund the full plan or having to provide funding earlier than anticipated
- Upside risk of capturing more slippage than represented by over-programming.

Increase in borrowing costs resulting in higher charges to revenue budget, or reduction in affordability.

7.3 Project delivery risks:

Risk

Capital projects not deliverable within expected timescales.

Potentially greater uncertainty in a longer-

Consequences

Capital slippage, budget underspend and project delay.

term Plan.

A number of high value and complex projects due to be delivered may increase delivery risks.

- 7.4 Audit Scotland in March 2013 published a good practice guide to Major Capital Investment in Councils which includes “Questions to support scrutiny and challenge”. The link is provided below
http://www.auditscotland.gov.uk/docs/local/2013/nr_130314_major_capital_investment_guide.pdf

In considering this paper Members’ attention is drawn to this best practice guide. The Key messages from the report were that Councils should:

- develop and confirm long-term investment strategies to set out the needs and constraints for local capital investment, and consult with stakeholders such as service users and suppliers as they develop these strategies
- develop and use clearly defined project milestones for monitoring and reporting. This should include a clear process for preparing and approving business cases as a key part of decision-making and continuous review of all major capital projects
- improve the quality of capital project and programme information that is routinely provided to elected members, including reporting of performance against cost, time and scope targets, risk and intended and realised benefits
- consider developing a continuing programme of training for elected members on capital issues, using independent external advisers if necessary
- actively look for opportunities for joint working with other councils, community planning partnerships and public bodies to improve the efficiency of their capital programmes. This should cover joint projects, sharing resources such as facilities and staff, sharing good practice and taking part in joint procurement.

8. Implications

- 8.1 Resource Implications – are as detailed within the report and annexes. The level of borrowing required to finance this Plan needs to be considered in the context of decisions regarding the Revenue Budget. As stated in Section 6, the Plan requires additional borrowing with resultant additional revenue costs of £2.5m per year (except 2024/25), an annual sum that places significant pressure on the Revenue Budget given the scale of the financial gap currently projected. An overall small capital funding surplus of £2.546m is available to deal with unexpected cost increases across the plan
- 8.2 Climate Change/Carbon Clever Implications – the capital plan will contain projects which may result in positive or negative implications. The Plan

contains a number of proposals which are expected to positively contribute to carbon reduction. These include low and neutral carbon, and energy management & carbon reduction plan. Any implications relating to capital projects will be considered by Strategic Committees as part of ongoing monitoring and delivery of those projects.

- 8.3 Equalities Implications – Any implications relating to capital projects will be considered by Strategic Committee as part of ongoing monitoring and delivery of those projects.
- 8.4 Legal Implications – there are no specific legal implications to highlight within this report.
- 8.5 Economic Implications – the capital plan will result in over £900m of capital investment over the 10 year period. It is expected this will result in significant economic impacts including the creation or retention of jobs associated with delivering the capital plan.
- 8.6 Rural Implications - the plan will deliver projects across the Highland area thus delivering benefits to both rural and urban locations.
- 8.7 Gaelic Implications – there are no specific Gaelic implications other than those already contained within this report.
- 8.8 Risk Implications are as highlighted in paragraphs 7.2 and 7.3 of this report.

9. Conclusions

- 9.1 The Capital Plan has been extended by one year to 10 years by assuming receipt of an extra year of General Capital Grant from the Scottish Government. No new borrowing or additional income has been assumed
- 9.2 The Capital Plan, which has been re-profiled, now incorporates all the projects scoring above the line from the original ranking process, an additional provision of £24.520m for Roads, Bridges and Piers and an additional £1.6m for Minor Flood Works.
- 9.3 The Plan as presented is fully funded based on assumptions around the level General Capital Grant, an assumed increase of £2.5m annually on the Loan Charges budget (except 2024/25) and an assumed level of over-programming of £54m. It now also forms the basis of a future 10 year rolling programme.

Recommendations

Members are asked to:

1. Approve the Capital Plan 2015/16 to 2024/25
2. Note the relationship between the Capital Plan and the Revenue Budget which requires additional loan charges of £2.5m per annum (except financial year 2024/25) to fund the level of capital investment contained within the plan
3. Note the risks around the level of Scottish Government general capital grant and the need to monitor the Plan's affordability on a regular basis

Designation: Director of Finance and Director of Development and Infrastructure

Date: 8 December 2015

Author: David Robertson, Head of Corporate Finance

Background Papers: None

**Capital Programme 2015/16 - 2024/25
Summary**

Annex 1

	Gross Expenditure £m	Over- programming £m	Programme After Over- programming Adjustment £m	Funding £m	Funding Gap/(Surplus) £m
2015/16	137.920		137.920	139.164	-1.244
2016/17	111.907	-20.000	91.907	86.080	5.827
2017/18	130.059	-25.000	105.059	95.744	9.315
2018/19	99.128	-5.000	94.128	85.825	8.303
2019/20	100.364	-4.000	96.364	83.275	13.089
2020/21	84.213		84.213	86.412	-2.199
2021/22	76.601		76.601	80.412	-3.811
2022/23	62.651		62.651	81.412	-18.761
2023/24	66.551		66.551	81.912	-15.361
2024/25	30.805		30.805	28.509	2.296
Total	900.199	-54.000	846.199	848.745	-2.546

Service	2015/16			2016/17			2017/18			2018/19			2019/20		
	2015/16 Gross £000	2015/16 Income £000	2015/16 Net £000	2016/17 Gross £000	2016/17 Income £000	2016/17 Net £000	2017/18 Gross £000	2017/18 Income £000	2017/18 Net £000	2018/19 Gross £000	2018/19 Income £000	2018/19 Net £000	2019/20 Gross £000	2019/20 Income £000	2019/20 Net £000
Care & Learning	67,558	-623	66,935	42,655	-400	42,255	57,085	-3,950	53,135	40,705	-1,650	39,055	34,505	-450	34,055
Chief Executive's Office	604	-	604	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Development	6,529	-	6,529	9,800	-	9,800	6,800	-	6,800	-	-	-	-	-	-
Community Services	15,534	-303	15,231	16,265	-550	15,715	15,865	-350	15,515	15,565	-350	15,215	15,465	-350	15,115
Development & Infrastructure	44,676	-3,610	41,066	42,437	-1,491	40,946	49,309	-1,325	47,984	42,108	-350	41,758	49,394	-353	49,041
Carbon CLEVER	850	-	850	500	-	500	500	-	500	500	-	500	500	-	500
Capital Discretionary Fund	2,169	-	2,169	250	-	250	500	-	500	250	-	250	500	-	500
Total	137,920	-4,536	133,384	111,907	-2,441	109,466	130,059	-5,625	124,434	99,128	-2,350	96,778	100,364	-1,153	99,211
Overprogramming				-20,000		-20,000	-25,000		-25,000	-5,000		-5,000	-4,000		-4,000
Total after Overprogramming	137,920	-4,536	133,384	91,907	-2,441	89,466	105,059	-5,625	99,434	94,128	-2,350	91,778	96,364	-1,153	95,211

Service	2020/21			2021/22			2022/23			2023/24			2024/25			2015/16-2024/25 Total		
	2020/21 Gross £000	2020/21 Income £000	2020/21 Net £000	2021/22 Gross £000	2021/22 Income £000	2021/22 Net £000	2022/23 Gross £000	2022/23 Income £000	2022/23 Net £000	2023/24 Gross £000	2023/24 Income £000	2023/24 Net £000	2024/25 Gross £000	2024/25 Income £000	2024/25 Net £000	Total Gross £000	Total Income £000	Total Net £000
Care & Learning	38,155	-450	37,705	38,150	-450	37,700	17,750	-450	17,300	16,750	-450	16,300	-	-	-	353,313	-8,873	344,440
Chief Executive's Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	604	-	604
Corporate Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,129	-	23,129
Community Services	19,465	-350	19,115	13,465	-350	13,115	13,465	-350	13,115	15,800	-350	15,450	10,470	-	10,470	151,359	-3,303	148,056
Development & Infrastructure	25,843	-353	25,490	23,986	-353	23,633	30,686	-353	30,333	30,501	-353	30,148	17,835	-	17,835	356,775	-8,541	348,234
Carbon CLEVER	500	-	500	500	-	500	500	-	500	2,500	-	2,500	2,000	-	2,000	8,850	-	8,850
Capital Discretionary Fund	250	-	250	500	-	500	250	-	250	1,000	-	1,000	500	-	500	6,169	-	6,169
Total	84,213	-1,153	83,060	76,601	-1,153	75,448	62,651	-1,153	61,498	66,551	-1,153	65,398	30,805	-	30,805	900,199	-20,717	879,482
Overprogramming																-54,000	-	-54,000
Total after Overprogramming	84,213	-1,153	83,060	76,601	-1,153	75,448	62,651	-1,153	61,498	66,551	-1,153	65,398	30,805	-	30,805	846,199	-20,717	825,482

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Community & Leisure Facilities											
Am Fasgadh (Highland Folk Museum)	19										19
Community & Leisure Facilities	1,160	290	684	300	900	500	1,250	500	500		6,084
Dornoch Sports Centre						100	2,400	500			3,000
Invergordon Leisure	99										99
Thurso Swimming Pool	854	50									904
Inverness Leisure	730	75		700		2,300					3,805
Thurso Library	633	50									683
Secondary Schools Programme											
Inverness High School	475	2,000	5,000	2,000	500						9,975
Inverness Royal Academy	18,506	7,250	2,000								27,756
Lochaber High Phase 3 & 4	2,301	500									2,801
Portree HS Hostel	1,409	2,000	70								3,479
Wick Joint Campus (net of SG grant paid direct to contractor)	1,605	500	900								3,005
SSER - Tain 3-18 Campus	1,250	7,350	20,000	15,000	1,400						45,000
Secondary Schools - Retentions	65										65
Primary Schools Programme											
Beaully Primary School					500	4,500	4,500	500			10,000
Cromarty Primary - Extension/Refurbishment	1,655	50									1,705
Fort William - Caol/RC Joint Campus	6,598	4,469	300								11,367
Greater Fort William Primaries incl Gaelic / New Gaelic Primary	1,685	170									1,855
Fort William - New School at Lundavra	3,937	237									4,174
Portree Gaelic Primary School	1,031	2,034	5,383	200							8,648
Wick - New Noss Primary	10,354	250									10,604
Primary Schools - Retentions	125										125
Special Schools Programme											
Black Isle Education Centre Replacement		250	1,500	250							2,000
St Clements Special School	1,602	50									1,652
St Duthus Special School	245	200									445
Health & Social Care Programme											
Residential Unit, CSER / Wick Children's Home	153										153
Adult Services (NHS)	1,177	1,500	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,177
Avoiding Out-of-area Children's Placements	902										902
Children's Services Investment	427	200	200	200	200	200	200	200	200	200	2,027
Minor Works and Equipment Replacement		105	105	105	105	105	100	100	100	100	825
Residential Unit for Children with Autism					250	1,500	250				2,000
Estate Management											
C&YP Act - Early Learning & Childcare	1,002	850	176								2,028
C&YP Act - Households in Receipt of Benefits	2,350	2,350	242								4,942
Free School Meals	1,746	2,750	250								4,746
SSER - North West Skye		500	4,500	4,500	500						10,000
SSER - Inverness Schools	500	2,500	5,500	10,500	10,000	7,000	8,500	3,000	500		48,000
SSER - Future Projects				400	7,100	14,500	7,500	5,000	5,000		39,500
SSER - Remaining Phases of Review	107	150	100	100							457
Estate Strategy - Life Cycle Investment - Schools	751	1,975	6,475	4,000	9,600	5,000	9,750	5,500	8,000		51,051
Estate Strategy - Roll Pressures / School Sufficiency & Suitability	789	1,000	2,200	1,450	2,450	1,450	2,700	1,450	1,450		14,939
ICT Investment	1,283	1,000									2,283
Radon Remedial Works	33										33

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
TOTAL	67,558	42,655	57,085	40,705	34,505	38,155	38,150	17,750	16,750	-	353,313

Capital Programme 2015/16-2024/25 - Chief Executive's Office

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Regeneration of Cameron Square, Fort William	6										6
Inverness City Gateways	66										66
Ross and Cromarty Citizen's Advice Bureau	1										1
Alexandra Bridge, Tain	50										50
Inverness, Badenoch & Strathspey Citizen's Advice Bureau	281										281
Carbon Clever Community Grants	200										200
TOTAL	604	-	-	-	-	-	-	-	-	-	604

Capital Programme 2015/16-2023/24 - Corporate Development

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Service Point Improvements	36										36
ICT Contract Asset Investment	42										42
Video Conferencing/UnifiedComms/Chamber Voting System	851										851
Digital Outreach	800	5,000	4,200								10,000
ICT Re-Provision (from 2015)	4,800	4,800	2,600								12,200
TOTAL	6,529	9,800	6,800	-	-	-	-	-	-	-	23,129

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Roads & Bridges											
Road Structural Capital Works	2,841	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	2,920	63,361
Road Surface Dressing Capital	1,687										1,687
Bridges, Retaining Walls & Culverts	489										489
Area Minor Works - Traffic Calming	165										165
Timber Extraction	46										46
Active Travel											
Cycling, Walking and Safer Streets (RF SG grant)	548	350	350	350	350	350	350	350	350		3,348
20mph Zones	142	50	50	50	50	50	50	50	50		492
Bus Shelters	232	150	150	50	50	50	50	50			782
Lighting											
Lighting	588	500	500	500	500	500	500	500	500		4,588
Ferries & Harbours											
Ferries/Harbours General	476	250	250	250	250	250	250	250	250		2,476
Pontoons	76										76
Ice Plant, Lochinver		400									400
Coast Protection											
Coast Protection									400	400	800
Environmental Health											
Contaminated Land	102								350	350	802
Community Works											
Burial Grounds		600	600	400	300	300	300	300	300	300	3,100
Burial Ground Extension - Portree	97										97
Burial Ground Extension - Nairn	676										676
Inverness Crematorium - Replacement Cremators	444										444
War Memorials											
Public Conveniences (Multiple Wards) (TECS)									1,300	1,300	2,600
Play Areas (incl Partner Centre Projects)	345	50	50	50	50	50	50	50	550	500	1,745
Depots	144	100	100	100	100	100	100	100	100		944
Vehicles & Plant	4,271	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	5,000	45,271
Travelling People Sites	165	115	115	115	115	115	115	115			970
Projects Funded from Project Savings (Self-Financing)											
Lighting LED (Enhanced Bid)	2,000	2,000	2,000	2,000	2,000	6,000					16,000
TOTAL	15,534	16,265	15,865	15,565	15,465	19,465	13,465	13,465	15,800	10,470	151,359

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Roads & Bridges											
Inverness West Link	1,611	10,020	13,030	2,410	14,820	682					42,573
Torvean Golf Course	3,126	506	1,661	2,636							7,929
Canal Parks Enhancements	50	1,525	2,317								3,892
Inshes Roundabout		500	2,000	200	2,300	1,475					6,475
Major Road Improvements		856	812		7,525	5,000	5,000	5,000	2,500	2,600	29,293
Kinnairdie Road (including junction at County Buildings)	726	344	1,188	4,600							6,858
Stromeferry Rockface Stabilisation	224		250		250		300		300		1,324
A890 Stromeferry Bypass									2,500	7,500	10,000
Minor Roads		1,095	1,095	1,095	1,095	1,095	1,095	1,095	500		8,165
A99 Keiss to North of Keiss Widening	407										407
B851/B862 South Loch Ness Road Improvements	369										369
A832 Slattadale Widening	1,047										1,047
B9091 Clephanton Bends Improvement	71										71
Achnasheen Road Restraint System	235										235
A861 Drynie Hill - ERDF	52										52
A890 Balnacra to Lair Rail Bridge	75										75
Major Bridges				1,500	1,500	1,500	1,500	1,500	1,500		9,000
A862 Muir of Ord Railway Bridge	2,170	1,500	1,500								5,170
A836 Naver Bridge, Bettyhill, Sutherland	100										100
B863 Invercoe Bridge, Lochaber	46										46
U1074 Ruthven Bridge	1,146										1,146
Wick Harbour Bridge	10										10
Lifeline Bridges		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		8,000
A861 Sheil - Lifeline Bridges	3										3
A986 Chada - Lifeline Bridges	101										101
B8007 Glenmore Bridge	169										169
B8005 Bridge Replacements - Lifeline Bridges (5)	37										37
A855 Leasgary Bridge	25										25
Ruthven (Spey) Bridge - Lifeline Bridges	135										135
Dulsie Bridge	30	500									530
Newhall Bridge (2015 January storms)	400										400
A831 Comar Refurbishment - Lifeline Bridges	25										25
A861 Glenuig - Storm Damage	10										10
Active Travel											
Park and Ride and Bus Priority Measures	30			610					585	585	1,810
Flood Prevention											
Ness Flood Prevention Scheme including Streetscaping	9,293	250									9,543
Flood Prevention Schemes		2,000	2,000	5,000	1,350			7,000	7,000	6,025	30,375
Acharacle Flood Prevention	51										51
River Enrick Flood Prevention, Drumnadrochit	126										126
Dell Burn, Inverness Flood Study	20										20
River Lochy - Caol Flood Scheme	113										113
Mill Burn Flood Prevention	116										116
Smithton / Culloden Flood Alleviation	751										751
Feabuie (Near Balloch) Flood Alleviation	39										39
Balmacaan - Drumnadrochit - Flood Alleviation	7										7
Blairninch - Strathpeffer - Flooding	112										112
River Gynack, Kingussie - Flooding	22										22
Minor Flood Works		400	400	400	400	400	400	400	400	400	3,200
Potentially Vulnerable Area : Flood Mitigation		1,000	1,000	1,000	1,000	1,000	1,000	1,000	500		7,500

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Waste Management											
Waste Strategy - Landfill Capacity Extension Phase B&C Seater	347										347
Seater Landfill Restoration Programme	247	1,250		250	1,250						2,997
Croftaugh Remedial Works to Landfill Site	8										8
Waste Strategy - Plant, Infrastructure & Banks	500	1,650	5,000	5,000	2,100	500	500	500	500		16,250
Granish Landfill Site Restoration					750						750
Ferries & Harbours											
Refurbish Link Span - Uig				1,000							1,000
Parks & Play Areas - Development											
Inshes District Park Phases 1 and 2 (expenditure dependent on developers' contributions funding)	732										732
Strategic Asset Management											
SAM : Health & Safety and Statutory Compliance Projects	2,560	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	40,160
SAM : Property Rationalisation Review			1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	13,000
Wick Office Rationalisation	499										499
Fort William Office Review	2,761	3,000									5,761
Kingussie Office Rationalisation	1,739										1,739
Energy Initiatives	2,598	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,100	800	30,298
Non HRA Housing											
National Housing Trust	2,506										2,506
Former Private Sector Housing Grant Funded from GCG	3,009	2,491	2,491	2,491	2,491	2,491	2,491	2,491	2,491		22,937
Planning & Development											
Town & Countryside Regeneration Programme	771	600	600	600	600	600	600	600	925	325	6,221
Town & Countryside Regeneration - Visitor Management	841										841
Town & Countryside Regeneration - Misc Asset Bridges Structures	450										450
Green Networks, Core Paths & Long Distance Routes	255										255
Town & Countryside Regeneration - Glenbrittle Footbridge, Carbost	239										239
Vacant Derelict Land Fund VDLF (Ring-fenced SG Grant)	1,534										1,534
Projects Funded from Project Savings (Self-Financing)											
Income Generation - Wind Turbines - Funded from Savings		1,900	965	1,066	863						4,794
Waste Strategy - Element funded from savings from investment		1,950	2,900	1,150							6,000
TOTAL	44,676	42,437	49,309	42,108	49,394	25,843	23,986	30,686	30,501	17,835	356,775

Capital Programme 2015/16-2024/25 - Carbon Clever

Annex 2

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Carbon Neutral Inverness in a Low Carbon Highlands (excluding 2015/16 transfers to Service budgets for expenditure on approved projects)	850	500	500	500	500	500	500	500	2,500	2,000	8,850
TOTAL	850	500	500	500	500	500	500	500	2,500	2,000	8,850

Capital Programme 2015/16-2024/25 - Capital Discretionary Fund

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	2024/25 Gross £000	Total for 2015/16 - 2024/25 Gross £000
Capital Discretionary Fund (excluding 2015/16 transfers to Service budgets for expenditure on approved projects)	2,169	250	500	250	500	250	500	250	1,000	500	6,169
TOTAL	2,169	250	500	250	500	250	500	250	1,000	500	6,169

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
GCG (excluding funding for C&YP Act)	33,759	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	290,340
GCG - C & Y P Act - Early Learning & Childcare	1,526										1,526
GCG - C & Y P Act - 2 Yr Olds	2,409										2,409
Sub-total General Capital Grant	37,694	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	28,509	294,275
Borrowing	70,437	47,530	54,995	50,000	50,000	50,000	50,000	51,000	51,500		475,462
Borrowing for Self-financing Projects *	2,000	5,850	5,865	4,216	2,863	6,000					26,794
C/fwd 2014/15 Underspend	14,237										14,237
C/fwd 2014/15 Funding Surplus	9,510										9,510
Project Income (including Ring-Fenced Grants)	4,536	2,441	5,625	2,350	1,153	1,153	1,153	1,153	1,153		20,717
General Capital Receipts	750	750	750	750	750	750	750	750	750		6,750
Excess UCCR Applied	0	1,000	0	0							1,000
Total Funding	139,164	86,080	95,744	85,825	83,275	86,412	80,412	81,412	81,912	28,509	848,745

* Self-financing projects : DI / HP/2013/02 Wind Turbines ; DI / TECS/2013/22 Waste Strategy (part) ; CS / TECS/2013/11 LED Lighting

Capital Programme 2015/16 - 2024/25
Project Income

Annex 4

Project Name	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000	Income Description
Dornoch Sports Centre		-400									-400	Sport Scotland grant
Portree Gaelic Primary School	-623		-3,500								-4,123	SG grant
SSER - Inverness Schools				-1,200							-1,200	SG grant for Gaelic school
Roll Pressures / School Sufficiency & Suitability			-450	-450	-450	-450	-450	-450	-450		-3,150	Developer contributions (Torvean & Ness-side)
Cycling, Walking and Safer Streets	-258	-350	-350	-350	-350	-350	-350	-350	-350		-3,058	Ring-fenced SG grant
Cycling infrastructure	-45										-45	EU grant
Ice Plant, Lochinver		-200									-200	European Fisheries Fund
Inverness West Link			-300	-300	-300	-300	-300	-300	-300		-2,100	Developer contributions
Torvean Golf Course				-50							-50	Sports Scotland grant
Canal Parks Enhancements		-50	-550								-600	Sports Scotland & SRU grants
Inshes Roundabout			-475								-475	Developer contributions
Kinnairdie Road (including junction at County Buildings)	-27	-41			-53	-53	-53	-53	-53		-333	Developer contributions
A890 Strathcarron / Junction to Balnacra - ERDF	-231										-231	ERDF grant
U1074 Ruthven Bridge	-250										-250	Timber Transport Fund
ERDF - Green & Active Travel - Millburn Road	-401										-401	ERDF grant
River Ness Streetscaping Works - Phase 1		-1,400									-1,400	Common Good and SG grant
Sconser Ferry Terminal	-41										-41	ERDF grant
Inshes District Park phases 1 and 2	-750										-750	Developer contributions
Starter Business Units in Inverness	-376										-376	ERDF grant
Vacant Derelict Land Fund VDLF	-1,534										-1,534	Ring-fenced SG grant
	-4,536	-2,441	-5,625	-2,350	-1,153	-1,153	-1,153	-1,153	-1,153	-	-20,717	

Project Name	Estimated Total Cost £000
A890 Stromeferry Bypass - Costs in excess of £10m	90,000
Academy Street, Inverness	3,000
Broadford Airfield	5,000
Caol Link Road, Fort William	25,000
Highland Cycling Infrastructure	15,000
TOTAL	138,000

"Below the Line" Projects (excluding Enhanced Generic Bids) per June 2013 Capital Programme

Annex 6

Project Name	2015/16 Gross £000	2016/17 Gross £000	2017/18 Gross £000	2018/19 Gross £000	2019/20 Gross £000	2020/21 Gross £000	2021/22 Gross £000	2022/23 Gross £000	2023/24 Gross £000	Total Gross £000
Corran Ferry Replacement Boat								8,000		8,000
Vacant and Derelict Land Regeneration		500	500	500	500	500	500	500		3,500
Hilton Village		1,000	500							1,500
Inverness Transport Interchange				4,600						4,600
Invergordon Railway Siding (Ward 7) (H&P)		1,000	2,500	2,500						6,000
Early Years Childcare Centre, Nairn (Ward 19) (H&SC)		400	1,500	1,500	578					3,978
Inverness Primary Schools A96 Corridor						1,000	9,500	9,500		20,000

Adjustments included in Dec 2015 Programme

Slippage Adjustments and Additional Budget for Roads & Minor Flood Works

2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	10 Year Total £000
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CARE & LEARNING

Dornoch Sports Centre										
Original Gross Budget	100	2,400	500							3,000
Remove Slippage	-100	-2,400	-500							-3,000
Reinstate Slippage					100	2,400	500			3,000
Revised Gross Budget	0	0	0	0	0	100	2,400	500	0	0

Inverness Leisure										
Original Gross Budget	730	75		3,000						3,805
Remove Slippage				-2,300						-2,300
Reinstate Slippage					2,300					2,300
Revised Gross Budget	730	75	0	700	0	2,300	0	0	0	0

Beauly Primary School										
Original Gross Budget			500	4,500	4,500	500				10,000
Remove Slippage			-500	-4,500	-4,500	-500				-10,000
Reinstate Slippage					500	4,500	4,500	500		10,000
Revised Gross Budget	0	0	0	0	500	4,500	4,500	500	0	0

Residential Unit for Children with Autism										
Original Gross Budget		250	1,500	250						2,000
Remove Slippage		-250	-1,500	-250						-2,000
Reinstate Slippage					250	1,500	250			2,000
Revised Gross Budget	0	0	0	0	250	1,500	250	0	0	0

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	10 Year Total £000
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COMMUNITY SERVICES

Coast Protection											
Original Gross Budget		100	100	100	100	100	100	100	100		800
Remove Slippage		-100	-100	-100	-100	-100	-100	-100	-100		-800
Reinstate Slippage									400	400	800
Revised Gross Budget	0	0	0	0	0	0	0	0	400	400	800

Contaminated Land											
Original Gross Budget	102	100	100	100	100	100	100	100			802
Remove Slippage		-100	-100	-100	-100	-100	-100	-100			-700
Reinstate Slippage									350	350	700
Revised Gross Budget	102	0	0	0	0	0	0	0	350	350	802

Public Conveniences											
Original Gross Budget		325	325	325	325	325	325	325	325		2,600
Remove Slippage		-325	-325	-325	-325	-325	-325	-325	-325		-2,600
Reinstate Slippage									1,300	1,300	2,600
Revised Gross Budget	0	0	0	0	0	0	0	0	1,300	1,300	2,600

Play Areas											
Original Gross Budget	345	250	250	150	150	150	150	150	150		1,745
Remove Slippage		-200	-200	-100	-100	-100	-100	-100	-100		-1,000
Reinstate Slippage									500	500	1,000
Revised Gross Budget	345	50	50	50	50	50	50	50	550	500	1,745

Vehicles & Plant											
Original Gross Budget	4,271	4,000	4,000	6,000	6,000	7,000	7,000	7,000			45,271
Remove Slippage				-1,500	-1,500	-2,500	-2,500	-2,500			-10,500
Reinstate Slippage		500	500						4,500	5,000	10,500
Revised Gross Budget	4,271	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	5,000	45,271

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	10 Year Total £000
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DEVELOPMENT & INFRASTRUCTURE

West Link											
Original Gross Budget	1,611	14,020	9,030	2,410	14,820	682					42,573
Remove Slippage		-4,000									-4,000
Reinstate Slippage			4,000								4,000
Revised Gross Budget	1,611	10,020	13,030	2,410	14,820	682	0	0	0	0	42,573

Canal Parks Enhancements											
Original Gross Budget	50	2,025	1,817								3,892
Remove Slippage		-500									-500
Reinstate Slippage			500								500
Revised Gross Budget	50	1,525	2,317	0	0	0	0	0	0	0	3,892

Inshes Roundabout											
Original Gross Budget			2,000	2,500	1,975						6,475
Remove Slippage				-2,300							-2,300
Reinstate Slippage		500			325	1,475					2,300
Revised Gross Budget	0	500	2,000	200	2,300	1,475	0	0	0	0	6,475

Major Road Improvements											
Original Gross Budget		856	812		7,525	7,600	5,000	5,000	2,500		29,293
Remove Slippage						-2,600					-2,600
Reinstate Slippage										2,600	2,600
Revised Gross Budget	0	856	812	0	7,525	5,000	5,000	5,000	2,500	2,600	29,293

A890 Stromeferry Bypass											
Original Gross Budget									10,000		10,000
Remove Slippage									-7,500		-7,500
Reinstate Slippage										7,500	7,500
Revised Gross Budget	0	0	0	0	0	0	0	0	2,500	7,500	10,000

Park & Ride and Bus Priority Measures											
Original Gross Budget	30	570		1,210							1,810
Remove Slippage		-570		-600							-1,170
Reinstate Slippage									585	585	1,170
Revised Gross Budget	30	0	0	610	0	0	0	0	585	585	1,810

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	10 Year Total £000
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Flood Prevention Schemes											
Original Gross Budget	0	2,000	2,000	5,000	1,350	10,525	9,500				30,375
Remove Slippage						-10,525	-9,500				-20,025
Reinstate Slippage								7,000	7,000	6,025	20,025
Revised Gross Budget	0	2,000	2,000	5,000	1,350	0	0	7,000	7,000	6,025	30,375

Energy Initiatives											
Original Gross Budget	2,598	3,600	3,600	3,600	3,600	3,600	3,600	3,600	2,500		30,298
Remove Slippage		-200	-200	-200	-200	-200	-200	-200	-200		-1,600
Reinstate Slippage									800	800	1,600
Revised Gross Budget	2,598	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,100	800	30,298

Town & Countryside Regeneration											
Original Gross Budget	771	650	700	700	700	700	700	700	600		6,221
Remove Slippage		-50	-100	-100	-100	-100	-100	-100			-650
Reinstate Slippage									325	325	650
Revised Gross Budget	771	600	600	600	600	600	600	600	925	325	6,221

CARBON CLEVER & CDF

Carbon Clever											
Original Gross Budget	850	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		8,850
Remove Slippage		-500	-500	-500	-500	-500	-500	-500	-500		-4,000
Reinstate Slippage									2,000	2,000	4,000
Revised Gross Budget	850	500	500	500	500	500	500	500	2,500	2,000	8,850

Capital Discretionary Fund											
Original Gross Budget	2,169	500	500	500	500	500	500	500	500		6,169
Remove Slippage		-250		-250		-250		-250			-1,000
Reinstate Slippage									500	500	1,000
Revised Gross Budget	2,169	250	500	250	500	250	500	250	1,000	500	6,169

Total Slippage Adjustments	-100	-8,445	975	-13,125	-6,350	-7,925	-6,275	3,825	9,535	27,885	0
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	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	10 Year Total £000
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COMMUNITY SERVICES

Road Structural Capital Works											
Original Gross Budget	2,841	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	38,841
Additional Budget		2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,920	24,520
Revised Gross Budget	2,841	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	2,920	63,361

DEVELOPMENT & INFRASTRUCTURE

Minor Flood Works											
Original Gross Budget		200	200	200	200	200	200	200	200	200	1,600
Additional Budget		200	200	200	200	200	200	200	200	200	1,600
Revised Gross Budget	0	400	400	400	400	400	400	400	400	0	3,200

Total Additional Budget	0	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,920	26,120
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