

Agenda Item	15
Report No	CP/33/21

THE HIGHLAND COUNCIL

Committee: Communities and Place Committee

Date: 31 August 2021

Report Title: Communities & Place Capital Monitoring – Outturn for 2020/21 and Quarter 1 2021/22

Report By: Executive Chief Officer - Communities and Place

1. Purpose/Executive Summary

- 1.1 This report provides members with an out-turn monitoring statement for the 2020/21 financial year, as well as the first reported position for the new 2021/22 financial year, for the Quarter to end June 2021.
- 1.2 In relation to the 2020/21 out-turn, as recently reported to the June Council meeting, the Communities & Place element of the capital programme had an underspend of £0.117m.
- 1.3 Net spend on capital projects in the first quarter of financial year 2021/22 totalled £0.947m.
- 1.4 Given this is the first quarter of the financial year, the fact Covid is still having an impact and based on present expenditure trends a balanced position for the year end is forecast.

2. Recommendations

- 2.1 Members are asked to:
 - i. Note the capital outturn position for the 2020/21 financial year.
 - ii. Consider the financial position as at 30 June 2021 and note the estimated year end forecast.

3. Implications

- 3.1 Resource - Resource implications are discussed in the report.
- 3.2 Risk - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.
- 3.3 Legal - The contents of this report and the annual accounts aim to satisfy the requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting'.
- 3.4 There are no specific equality, climate change/Carbon Clever, rural or Gaelic implications arising as a direct result of this report.

4. Capital Programme Outturn 2020/21

- 4.1 **Appendix 1** provides a summary of the reprofiled current year budgets and spend and income for the year ended 31 March 2021. The reprofiled budget was approved at Highland Council in January 2021. The year-end actual figures provided reflect the net project expenditure, i.e. project costs incurred less project-specific income received.
- 4.2 Overall, there has been a net expenditure of £3.317m for the 2020/21 financial year. Total expenditure incurred was £3.549m with income received of £0.232m. The reprofiled net budget was £3.434m and after taking account of the outturn position, left an underspend of £0.117m which comprised £0.121m of slippage and a small overspend of £0.004m. The slippage was carried forward to the 2021/22 financial year.

5. Capital Programme 2021/22

- 5.1 The capital programme summary is included in **Appendix 2**. It shows net expenditure to 30 June 2021 of £0.947m. The estimated outturn position shows a net expenditure of £15.887m. Given this is the first quarter of the financial year, the fact Covid is still having an impact and based on present expenditure trends a balanced position for the year end is forecast.
- 5.2 Progress on capital projects is as reported in the notes column on **Appendix 2**.

6. Potential Project Issues

- 6.1 Separate reports for the Committee meeting highlight capital resource matters relating to waste infrastructure. The key points are summarised below.
- 6.2 Longman Waste Transfer Station – risk of increased cost due to unforeseen work relating to protected species on site (badgers) and potential adaptation to piling solution. The current cost estimates (worst case scenario) of the unforeseen work is £0.431m. Any increase will be subject to negotiations with the contractor as part of the routine contract dialogue.
- 6.3 Fort William Waste Transfer Station – currently provision for £1.8m in the capital budget and Project Design Unit believe this should be sufficient if straight forward, but there is a risk around land decontamination, potentially adding a further £0.5m of costs.
- 6.4 Recycling Improvement Fund – if the Council is successful in its bid to this Fund for additional capital investment there is a potential risk that it could lead to unbudgeted

revenue consequences. However, it should be noted any revenue costs associated with additional recycling would also see a reduction in disposal costs elsewhere. The bid has progressed for stage 2 consideration for extending garden waste collections in East Inverness and Nairn, is income generating and will benefit from route optimisation work underway and this provides mitigation for any additional revenue costs.

7. Additional Capital Investment

- 7.1 The Scottish Government made a manifesto commitment to renew play parks across Scotland, so that all children have access to quality play in their own community, backed by £60m over the period of the Parliament. The first allocation was to be made within the first 100 days of the new Government.
- 7.2 The allocation for 2021/22 has been confirmed as £5m. The Highland Council's allocation is £0.234m (4.68%) and will be paid as part of the General Capital Grant commencing in September. The criteria for the first phase of funding is (1) 95% on population 0-14 years of age, and (2) 5% on rurality. The phasing of the £55m allocation over the remaining years is yet to be determined.
- 7.3 The current backlog of capital requirements is £3.3m. A strategic review of playparks is already underway, and Member and Officers are working to identify investment priorities for playparks. This will help inform the basis for the allocation of the £0.234m based on the Service's own plans and priorities, and the nationally agreed principles. Subject to receiving clarity on the principles and Members agreeing the priorities, a report will be presented to Communities and Place Committee in November with options for allocating the £0.234m across Highland. Revenue consequences of Capital expenditure will have to be considered ahead of spend.
- 7.4 An additional £0.4m was approved at June Council for works to burial grounds and the Crematorium. This funding will enable work to progress priority burial ground extension projects including extensions at Portree, Alness, Dornoch, Fort William, Dores and Kilmorack. The additional funding will also help to deliver improvements to the Crematorium to allow a greater range of memorial options for bereaved families.

Designation: Executive Chief Officer – Communities and Place

Date: 16 August 2021

Author: Mike Mitchell, Services Finance Manager

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2020 TO 31ST MARCH 2021

SERVICE: COMMUNITIES & PLACE

Project Description	Actual Net Year to Date	2020/21 Reprofiled Budget	2020/21 Actual Expenditure	2020/21 Actual Income	2020/21 Acceleration / (Slippage)	2020/21 Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000
WASTE MANAGEMENT						
Landfill Extensions						
Landfill Restorations						
Landfill Restoration Programme	155	78	155	0	77	0
Waste Management Strategy						
Residual Waste Management Facility	296	700	296	0	(404)	0
Plant, Infrastructure & Banks	213	304	213	0	(91)	0
BEREAVEMENT SERVICES						
Burials and Cremations						
Burial Ground Extension - General	0	1	0	0	(1)	0
Burial Ground Kilmorack	4	30	4	0	(26)	0
Burial Ground Glen Nevis	2	40	2	0	(38)	0
Burial Ground Dores	7	30	7	0	(23)	0
Burial Ground Kilvean	50	100	50	0	(50)	0
Burial Ground Alness	19	45	19	0	(26)	0
Burial Ground Dornoch	16	40	16	0	(24)	0
Burial Ground Chapelhill	3	0	3	0	3	0
Inverness Crematorium	1	1	1	0	0	0
War Memorials	0	12	0	0	(12)	0
COMMUNITY SPACES						
Parks and Play Areas - Development						
Play Areas	0	0	21	(21)	0	0
VEHICLES & PLANT						
Vehicle & Plant Purchases	2,547	2,053	2,758	(211)	494	0
COMMUNITY SUPPORT						
Service Point Improvements	4	0	4	0	0	4
OVERALL TOTAL	3,317	3,434	3,549	(232)	(121)	4

MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2021 TO 30TH JUNE 2021

SERVICE: COMMUNITIES & PLACE

Project Description	Actual Net	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	COMMENTS
	Year to Date	Reprofiled Budget	Actual Expenditure	Actual Income	Estimated Outturn	Acceleration / (Slippage)	Overspend / (Underspend)	
	£000	£000	£000	£000	£000	£000	£000	
WASTE MANAGEMENT								
Landfill Extensions								
Landfill Restorations								
Landfill Restoration Programme	3	623	3	0	623	0	0	Works due to start July/August on cells 7 & 8 at Seater.
Waste Management Strategy								
Residual Waste Management Facility	195	9,262	195	0	9,262	0	0	Contract awarded and preparatory works underway.
Plant, Infrastructure & Banks	209	2,091	209	0	2,091	0	0	Works underway on the Granish waste transfer station.
BEREAVEMENT SERVICES								
Burials and Cremations								
Burial Ground Portree	0	153	0	0	103	(50)	0	Project Design Unit to organise test digs.
Burial Ground Kilmorack	0	41	0	0	41	0	0	Project Design Unit to organise test digs.
Burial Ground Glen Nevis	0	141	0	0	141	0	0	Project Design Unit to organise test digs.
Burial Ground Dores	1	100	1	0	100	0	0	Design complete. Land transactions held up by the discovery of unmarked graves.
Burial Ground Kilvean	0	50	0	0	50	0	0	Contract awarded for last phase. Work to commence on site June 2021.
Burial Ground Alness	0	181	0	0	131	(50)	0	Project Design Unit to organise test digs.
Burial Ground Dornoch	0	127	0	0	127	0	0	Project Design Unit to organise test digs.
Burial Ground Daviot	60	0	60	0	100	100	0	Installation of plinths, paths and preparatory works underway.
War Memorials	1	12	1	0	12	0	0	Various small works underway.
COMMUNITY SPACES								
Parks and Play Areas - Development								
Play Areas	(11)	0	2	(13)	0	0	0	Income from Lochbroom Community Council
VEHICLES & PLANT								
Vehicle & Plant Purchases	489	3,106	492	(3)	3,106	0	0	Progressing purchases, including £1m of extra roads equipment.
OVERALL TOTAL	947	15,887	963	(16)	15,887	0	0	