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| **Agenda Item** | **12** |
| **Report No** | **HC/31/23** |

# The Highland Council

**Date:** **14 September 2023**

**Report Title:** **Capital Programme Review – General Fund**

**Report By:** **Head of Corporate Finance**

## 1. Purpose/Executive Summary

1.1 The Council in March 2023 agreed a single year capital budget for 2023/24 in recognition of the ongoing capital review and need to address the affordability of the prior capital programme. At that time the Council's capital programme totalled £475m over the coming 5 years, contrasted with a planned affordability level of £300m (being £60m per annum).

1.2 A number of Member briefing sessions have provided Members context to the capital review process, and the affordability parameters which have under-pinned the review. The report provides Members with relevant information to inform the review.

1.3 The review process has indicated that due to rising capital costs and inflation, the costs of delivering the then capital programme had increased from £475m at March 2023 to £566m at July 2023. This has widened the gap between the current programme and an affordable level.

1.4 This report provides for Members the output of the capital programme review process, and a new recommended capital programme covering the 5 year period 2024/25 to 2028/29. Any projects which fall beyond the 5 year duration will be reflected in 'future years' and a future capital review would need determine priorities, phasing and affordability for 2029/30 and beyond.

1.5 The proposed programme will see £343m of General Fund capital investment over the 5 year period, with the principles under-pinning the review process set out in section 6 of this report.

## 2. Recommendations

2.1 Members are asked to:

i. Note the capital review process as described in this report;
ii. Note the extent to which the cost of financing the Capital Programme impacts on the Council's revenue budget, the affordability parameters set out within this report, and the planning assumption for loan charge implications to be managed within an estimated annual increase of £1.5m p.a. (Paragraph 5.7);
iii. Agree the revised capital programme as set out on **appendices A and B** including the updated project costs reflected;

iv. Note the further projects and capital budgets as set out on **appendix C** which are not incorporated within the capital programme at this time, and will require future assessment and consideration in relation to affordability and priority;
v. Note that should material circumstances alter, for example a funding decision in relation to LEIP Phase 3 projects, then the Council would have the opportunity at that point to consider again its capital programme, and whether scope to revisit priorities at that time;
vi. Agree to bring a further Capital Programme report to Council in October 2023.

## 3. Implications

3.1 Resource – the capital programme recommendations have been developed on the basis of the financial outlook and affordability set out within this paper, and on the basis that the current level of capital programme is not affordable, and is placing a growing pressure on the revenue budget through loan charge costs in the short to medium term, as well as the longer-term implications of a high level of debt.

The proposed capital programme, at £343m over the 5 years, while somewhat higher than the affordability planning assumption of £300m, nonetheless represents a level of capital which can more readily be funded in the context of the challenging financial outlook for the coming years. The annual loan charge impact for future revenue budgets will be factored into the process for future revenue budget setting. The proposed capital programme is within the Prudential Indicators and Limits agreed by the Council in its Treasury Management Strategy Statement in March of this year. Future indicators will be updated to reflect the recommendations arising from this report.

3.2 Legal – there are no specific implications to highlight in this report.

3.3 Community (Equality, Poverty, Rural and Island) – the capital programme provides for investment across a broad range of localities, facilities and service areas.

3.4 Climate Change / Carbon Clever – the Council’s capital programme will support the Council to deliver policy expectations.

3.5 Risk – there are a range of relevant risks pertaining to the capital programme. In terms of capital investment projects and prioritisation, the level of need is expected to exceed available capital investment, and as such there is an ongoing process of prioritisation and ensuring the available capital is targeted at the most pressing project priorities. That also needs be a dynamic process, recognising that needs may change and new or different requirements may have to be responded to. Through the work of Council Officers, and reporting to relevant Committees, existing processes already provide mechanisms for management of the capital programme and regular reporting on needs, priorities and programmes.

In relation to costs and financing, inflation rates remain high and there is ongoing pressure in relation to rising contract and material costs. This has been mitigated through updated project costings within the programme, however with capital budgets being finite, all Services will need to manage cost within the budgets agreed by Council. Any material risk to individual project budgets, for examples through the tendering process, will be reported to Members under existing reporting arrangements. In relation to capital financing, and as noted within this report, interest rates remain high and represent a significant pressure and risk to the capital programme. The revised level of capital programme mitigates this risk through ensuring the level of capital reduces from current levels and the expected level of borrowing is within affordable parameters.

3.6 Health and Safety (risks arising from changes to plant, equipment, process, or people) – the capital programme provides for capital investment which will support the Council in managing health and safety and related risks across its asset estate. These risks will need to be prioritised and managed within available resource.

3.7 Gaelic – the capital programme will support investment in activity related to Gaelic language and culture provision.

## 4. Current Capital Programme

4.1 The last substantive review of capital was undertaken in December 2021 with at that time a 15 year capital programme agreed based upon 5 years firm plus 5 years indicative plus 5 years outline. The average annual net capital budget in that programme was £63m p.a., however, much of that programme was very heavily front loaded, i.e. higher spend in the earlier firm years of the programme. Some changes to that programme have been agreed by Council since December 2021.

4.2 In March 2023, report HC/01/23 to Council agreed a single year 2023/24 capital budget in recognition of the need to review the capital programme and that *"it is evident that the approved capital programme is no longer affordable."* That report stated that *"On a long term basis a sustainable annual level of capital investment is estimated to be in the order of £55 to £60m."*

4.3 Officers have progressed the capital review in the subsequent months, leading to the recommendations as set out within this report.

## 5. Capital Affordability

5.1 The capital programme is funded through a number of different ways:

- Scottish Government General Capital Grant;
- Council Borrowing, the financing costs of which are repaid over the longer-term and charged to revenue through loan charges;
- Project specific income which can include specific Scottish Government grants, grants and contributions from other parties, Developer Contributions, etc.

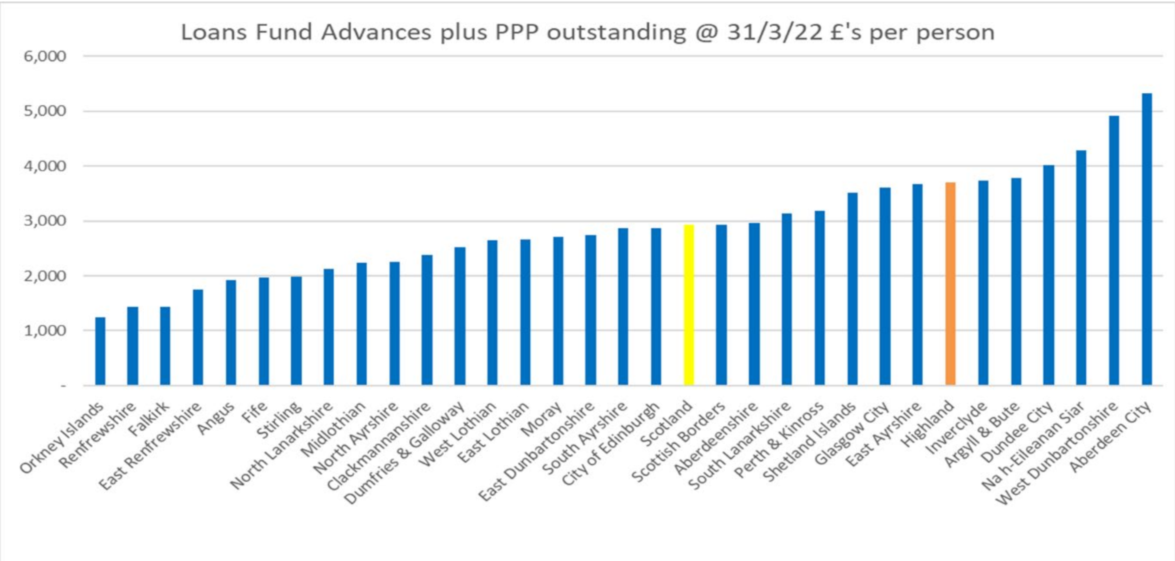
5.2 The project costs reflected within the capital programme are <u>net</u> of project specific income, and as a result for the purposes of this report, and affordability considerations, it is the combination of Scottish Government General Capital Grant and Council borrowing that are the focus.

5.3 The baseline level of Scottish Government capital grant has been in the region of £22m per annum. In any given year this could vary as a result of adjustments or specific and targeted funding additions. For example, in 2023/24 over and above the £22m baseline grant, there is an addition of £5.5m capital grant which is intended to support the Council to meet pay award costs. As a result, that element can be ignored as far as core and sustainable funding expectations for the capital programme. Given the financial challenges across the public sector and facing the Scottish Government budget, it seems reasonable to conclude that the baseline £22m grant is a realistic planning assumption going forward. There is the risk that Scottish Government funding for capital could reduce into future years, conversely there is always the potential it could increase, but recent precedents suggest that if this was to happen it would most likely be for additional or targeted resource.

5.4 Borrowing has in recent years been the most significant aspect of capital programme funding, and as capital programmes have increased over successive years, it has been borrowing which has also increased to fund that higher level of investment. While the Council has the discretion to determine its level of capital programme and borrowing required, it must be done so within the Cipfa Prudential Code which the Council has adopted, and the Council's Annual Treasury Management and Strategy Statement which is the route through which the principles of the Code are adopted and implemented.

5.5 The graph and table below give some context and historic analysis of the Council's capital borrowing and funding position, which is very relevant to decisions on affordability going forward. 'Loans Fund Advances' represent the cumulative cost of capital investment expenditure, less the costs written down and charged to revenue via loan charges principal repayments in past years. This accumulated cost is then charged against revenue into future years (up to 60 depending on asset type) to charge the cost to revenue on a term representative of the useful life of the asset. For the graph below, sourced from Scottish Government published statistics, the cost of PPP 'debt' is included to give an overall position per Local Authority.

Graph 1 highlights that in relative terms the Council's capital 'debt' per member of the population is at the upper end compared to other Local Authorities. This position is reflective of past capital investment decisions, over decades.




The annual loan charges costs met from the revenue budget are a combination of (a) the main element being loan charges on historic 'debt' plus (b) loan charges on new/future capital investment and borrowing. Affordability is therefore driven by both factors, but the legacy of a high level of historic 'debt' to be repaid is a significant factor.

Table 1 below shows a historic comparison of the level of General Fund Loans Fund capital advances, showing the change over time in the level of capital spend, its impact on borrowing, and the resulting growth in loans charge principal repayments which charge the costs of capital to the revenue budget. 2023/24 is based on current budget and quarter 1 forecasts.

Table 1

| | General Fund opening debt | Principal instalment | Net Capital expenditure | General Fund Outstanding debt |
|---|---|---|---|---|
| 2009/10 | **453,908,424** | -21,986,367 | 36,386,814 | 468,308,872 |
| 2010/11 | 468,308,872 | -24,665,444 | 47,314,828 | 490,958,257 |
| 2011/12 | 490,958,257 | -25,830,160 | 42,277,322 | 507,405,419 |
| 2012/13 | 507,405,419 | -26,501,824 | 32,840,685 | 513,744,280 |
| 2013/14 | 513,744,280 | -27,132,652 | 50,380,487 | 536,992,114 |
| 2014/15 | 536,992,114 | -28,239,807 | 48,885,980 | 557,638,288 |
| 2015/16 | 557,638,288 | -28,182,353 | 80,769,834 | 610,225,769 |
| 2016/17 | 610,225,769 | -28,620,203 | 71,396,633 | 653,002,199 |
| 2017/18 | 653,002,199 | -28,228,538 | 48,173,473 | 672,947,134 |
| 2018/19 | 672,947,134 | -29,496,860 | 52,445,024 | 695,895,298 |
| 2019/20 | 695,895,298 | -30,310,605 | 56,437,356 | 722,022,050 |
| 2020/21 | 722,022,050 | -29,902,521 | 18,814,568 | 710,934,097 |
| 2021/22 | 710,934,097 | -33,337,681 | 65,155,062 | 742,751,477 |
| 2022/23 | 742,751,477 | -5,669,509 | 67,070,684 | 804,152,652 |
| 2023/24 | 804,152,652 | -32,607,246 | 97,460,000 | **869,005,406** |
| | **Average** | **-26,714,118** | **54,387,250** | |

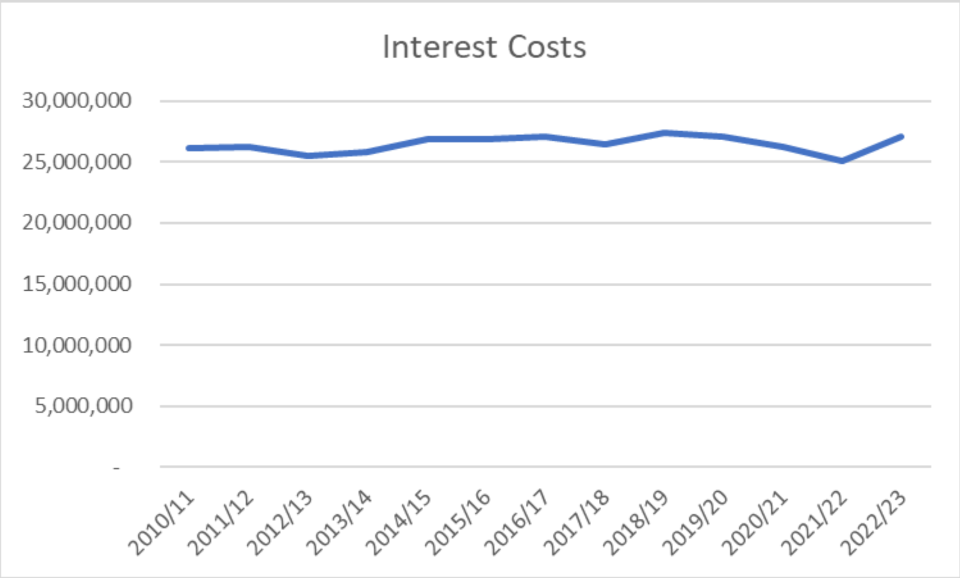
Of particular note is that over the years shown, the level of loans fund advances outstanding has increased from circa £450m in 2009 to £869m forecast by end of 2023/24. That is driven by capital expenditure which on average has been £54.3m net per annum, contrasted with annual principal repayments through loan charges of on average £26.7m. Both the level of debt and the annual principal repayments have grown over that period, based on the level of capital expenditure.

The £60m affordability assumption used within this report for the capital review, is derived from an assumed £22m p.a. of baseline Scottish Government capital grant, plus a nominal £35m p.a. of annual loans charge principal repayments or new capital borrowing. I.e. combined £57m or on a rounded basis £60m p.a.

This, as shown in the table below, is based upon the rationale that a circa £60m per annum capital programme, funded by new capital borrowing of £35m per annum, all other things being equal would not increase the overall level of General Fund capital advances and debt to be repaid. I.e. so long as the level of new borrowing is no greater than the annual principal repayments, the level of debt would be static. Which in turn would mitigate against pressure on loan charge budgets going forward. The table below gives an illustration over 5 years.

| Year | Opening Debt | Est. Loan Charge Principal Repayment | New net capital expenditure met from borrowing | Closing Debt |
|---|---|---|---|---|
| 2024/25 | £869,005,406 | -£35,000,000 | £35,000,000 | £869,005,406 |
| 2025/26 | £869,005,406 | -£35,000,000 | £35,000,000 | £869,005,406 |
| 2026/27 | £869,005,406 | -£35,000,000 | £35,000,000 | £869,005,406 |
| 2027/28 | £869,005,406 | -£35,000,000 | £35,000,000 | £869,005,406 |
| 2028/29 | £869,005,406 | -£35,000,000 | £35,000,000 | £869,005,406 |

5.5 Given interest rates have been at a low level, and stable, over the past 10 or more years, the increase in loan charges over that time has been almost exclusively driven by the increase in principal repayments shown in table 1 above. Even with the increase in debt over that period, the annual level of interest cost has remained fairly stable, as shown in the graph below. That situation will clearly alter in current and forward years due to the increase in interest rates since March 2022.




5.6 The table below sets out the increases in Bank of England base interest rates over the past year. There are expectations of a likely further increase in Bank of England base rate to 5.5%, and that rate then likely to persist for 12-18 months before an easing back over subsequent years to the Bank of England target level. Even with a more affordable level of capital programme, there remains the risk that interest rates put pressure onto loan charge budgets i.e. an annual increase in the loan charge budget will still be required to accommodate interest rate increases.

- 03 March 2022 to 0.50%
- 17 March 2022 to 0.75%
- 05 May 2022 to 1.00%
- 16 June 2022 to 1.25%
- 04 August 2022 to 1.75%
- 22 September 2022 to 2.25%
- 03 November 2022 to 3.00%
- 15 December 2022 to 3.50%
- 02 February 2023 to 4.00%
- 23 March 2023 to 4.25%
- 11 May 2023 to 4.50%
- 22 June 2023 to 5.00%
- 3 August 2023 5.25%

5.7 The report to Council in March 2023 had indicated a budget outlook for the forthcoming financial years which assumed a £1.5m p.a. annual increase in loan charge costs to accommodate rising interest rates and based upon an assumed significantly reduced level of capital programme which has been the context for this capital review. In that scenario, this would still require the Council in each year to make provision for an annual increase in loan charges of that level, and with the resulting implications for the budget gap/savings targets as a result.

The intent with the capital programme review is to arrive at recommendations which fall within that affordability assumption. This is to avoid a scenario whereby if the capital programme had continued at existing levels, the Council would be faced with potential pressures in the revenue budget of loan charges of several million pounds in each year of the programme.

Loan charge modelling undertaken indicates that the proposed 5 year capital programme within this report can be accommodated within that overall outlook, subject to assumptions made. It is however important to note that the front-loading of the capital expenditure profile in the early years, and those early years also being where the highest level of interest rates are assumed, gives an impact with a significant front-loading of the loan charge cost increases.

By way of illustration, 2024/25 is forecast at present to have a budgetary impact requiring an additional £3m to be fed into loan charges in that year. The impact in subsequent years is forecast to be a declining level of loan charge increase, such that over the 5-year programme term the programme could fall within the overall loan charge planning assumption.

There are a considerable number of assumptions within this modelling, ranging from annual level of capital, expenditure cashflows, interest rate assumptions and asset type and expected useful life. This is also an iterative process with any change to individual project cost and phasing having a knock-on effect into loan charges.

The forecast for 2024/25 does illustrate the consequence of a capital programme above the £60m affordability assumption, and the impact of interest rates. Quite clearly if the Council does not arrive at a capital programme at a more affordable level, the pressure on loan charges would be significantly higher as a result. With the separate agenda report on budget update providing an updated outlook that 2024/25 and subsequent years are facing a much larger budget gap than forecast, before factoring in the implications of this revised capital programme.

The intent would be through re-profiling of capital expenditure over the 5 years, where feasible to do so, and further review of Treasury Management assumptions, actions are taken with the aim of ‘smoothing’ the loan charge cost over the 5 year period, to align as closely as possible to a £1.5m per annum revenue budget requirement.

In the short-term there are risks to the scope to achieve this change, with much dependent on the interest rate position and the timescale for interest rates falling. Conversely, in the latter years, on the presumption of a return to a more normalised interest rate level, expectations are that loan charge budget requirement would be more manageable.

Even with these risks and challenges, the revised level of capital programme results in a substantially lower loan charge budgetary impact than would have been the case if the Council did not revise its capital programme to an affordable level.

On an annual basis, and aligned with the revenue budget planning timetable, loan charge assumptions will be re-modelled to ensure that for each year's annual revenue budget there is an up to date assessment.

## 6. Capital Review Principles

6.1 The capital review and recommendations within this report are under-pinned by the following principles:

- Affordability – the capital programme must be affordable, prudent and sustainable to the Council, considering implications for the revenue budget in the short, medium and longer-term. Recognition that capital resources are not infinite and need to be set in the context of a currently challenging financial outlook for the Council.

- Delivering strategic priorities – clear alignment with the Council's programme *'Our Future Highland'*, in the context of what is affordable.

- Deliverable – the level of capital programme, and the internal and external resources necessary to support the programme, must be deliverable. The goal should be to deliver on annual budgetary amounts agreed, and pro-actively manage slippage and risks to avoid underspend and project delay.

- Flexible and responsive to opportunity – in addition to delivering what the Council commits to in the programme, a flexible response is necessary to ensure the Council is able to adjust and adapt as other opportunities may arise, and where these can be accommodated within the Council's capital funding strategy. This approach would include, for example, (i) ensuring some resource is allocated to planning and preparation of 'shovel ready' projects to be well placed to maximise external funding opportunities (ii) using the capital programme and investment to support invest to save and income generating opportunities where business cases demonstrate financial return beyond the cost of capital financing.

- Supporting Health and Safety and compliance – the Council has an obligation to ensure its assets operate in a compliant environment and Health and Safety is managed for our communities, users of assets and council staff. The programme should provide a 'generic' budget line for core investment in each asset group, which takes account of Health and Safety and compliance requirements, risk and affordability.

- Need, evidence and data driven – the capital programme should be underpinned by a needs driven approach, using available evidence to support capital prioritisation and investment decisions. This would include, for example, using of School 'Core Facts' and school roll forecasts relating to capacity, condition and suitability needs; road condition survey data; and so on.

- Supporting asset rationalisation – the Council has a vast number of assets and has already taken a number of actions to review and rationalise its estate. The capital programme should support that asset rationalisation approach, investing only in those assets where a need to retain is clear, and supporting actions and decisions to disinvest where possible.

- Environmental considerations and Net Zero – to support the Council's Net Zero Strategy and the transition to assets which align with that strategy.

## 7. Capital Programme Recommendations

The proposed programme is summarised as follows. There is significant front-loading of expenditure on the current profile and analysis. Further Officer work is necessary to seek to smooth out the expenditure profile, balancing funding/affordability factors against service and user needs/and deliverability. The table below indicates a target level of re-profiling across the years of the programme which the Officer Capital Programme Board will take forward, with reports back through relevant Committees.

**Summary for HC 14th September report**

**Proposed General Fund Capital Programme Summary**

| | Total | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | *Avg p.a* |
|---|---|---|---|---|---|---|---|
| | Net | Net | Net | Net | Net | Net | *Net* |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | *£'000* |
| Core Budget Provison (appendix A) | 162,141 | 33,553 | 33,259 | 31,858 | 31,753 | 31,718 | *32,428* |
| Named Specific Projects (appendix B) | 181,335 | 93,767 | 48,628 | 26,941 | 10,296 | 1,703 | *36,267* |
| Total programme before re-profiling | 343,476 | 127,320 | 81,887 | 58,799 | 42,049 | 33,421 | 68,695 |
| Re-profiling Target | - | - 35,000 | - 12,000 | 7,000 | 18,000 | 22,000 | - |
| **Total Proposed Programme** | **343,476** | **92,320** | **69,887** | **65,799** | **60,049** | **55,421** | **68,695** |

7.1 Core Budget Provision £162m over 5 years

**Appendix A** sets out the proposed capital programme making provision for a core capital budget for each of the main asset types and capital investment needs. These budgets allow Services and the relevant Committees to prioritise investment across their assets within these budget lines. For many of the asset types, this budget represents not only the core element of capital investment, but in some instances the sole capital budget allocated for that asset group.

These core budgets include investment in:

- Roads, Bridges, Street Lighting
- Schools Estate Improvement
- Property Estate Investment
- Health and Social Care Facilities
- Fleet, Plant, Equipment and ICT
- Other infrastructure incl Flood Prevention, Piers and Harbours
- Waste Management and Recycling
- Bereavement Services
- Community and Leisure Services

These core capital budgets, sometimes referred to as generic budgets, provide for essential investment to maintain service delivery and invest in health and safety, risk and compliance needs within the available budget.

Despite the scale of the affordability challenge being faced over the next few years, the proposed programme in the main sustains these budget lines at current annual capital programme levels.

In the context of increasing demands across many of the Council's asset groups, and the impact of inflation, there is the risk that inevitably a prioritisation of this resource to highest need will still be necessary.

7.2 As noted earlier at paragraph 1.3, overall costs have increased relative to the current approved programme, with the costs at July 2023 update being £566m relative to £475m at March 2023. This has been a further factor in the need for review. Appendix D provides analysis of the movement in project budget from March 2023 to the current proposed programme. This represents a number of factors including revised profiling of spend, increase in estimated cost, and revision of project scope. Approval of the recommendations in this report, and the revised capital programme, will also formally approve those new updated project budgets.

7.3 After consideration of the Core Capital budget as set out in Appendix A, the remainder of the capital programme, consisting of a number of named and specific projects, has been reviewed to consider opportunity to re-phase, revise scope and re-prioritise in light of the affordability context.

The range of options considered by Officers has included:-

- Is there still an absolute need and priority to deliver the project?
- Can the project be slipped beyond the life of the current 5 year capital programme?
- Can the project be slipped within the life of the current 5 year capital programme?
- Can the scope of the investment in the project be revised and scaled back?

**Appendix B** sets out the proposed capital programme as a result of this review. The following paragraphs provide further context to the review process and recommendations reached.

The projects funded and provided for within this part of the programme include:

- Tain 3-18 Campus (LEIP Phase 1)
- Broadford Primary and Nairn Academy (LEIP Phase 2)
- New Tornagrain Primary School
- A revised budget and scope of project across a number of Highland schools
- A890 Stromeferry rockface stabilisation works
- Bridges including Naver, Invercoe and Infirmary Bridge Inverness
- Piers and Harbour project investment at Kinlochbervie, Uig, Portree, Lochinver
- Inverness Castle Redevelopment (City Region Deal)
- Fort William Waste Transfer Station and Landfill Restoration
- Burial Ground investment at various sites across the Highlands

The following sections provide some further context to the proposed programme at appendix B.

7.4 The School Estate and Capacity Needs

The recommendations are founded on data and evidence to determine where additional capacity is required, and the expected timeline of that need. While there continues to be extensive house building in a number of parts of the Highland, and this gives rise to school capacity pressures, latest population projection and other data is suggesting a lower school capacity impact from new housing development. This is driven be a combination of factors including lower birth rates, a lower pupil product ratio per house, wider economic factors and cost of living crisis leading to some slowdown in the housing market.

As a result, for a number of capacity driven school investment projects, including new school builds, current assessment is that the need is not expected to be required within the life of the new 5-year capital programme. Projects assessed as not being required within the 5-year programme are Ness Castle Primary Phase 2, Stratton Primary School and East Inverness Secondary.

Capital investment has been included for Tornagrain Primary School because forecast school roll forecast data indicates the need to provide for additional capacity within the 5-year period.

In all cases there is a recognition that school roll forecasts continue to kept under regular review, and if circumstances change and the need and timescale for delivery alters, future capital programme reviews provide the opportunity to revisit assumptions.

7.5 Learning Estate Investment Programme (LEIP)

LEIP is the Scottish Government's school estate funding programme which, through a bid process, councils can secure revenue funding over a 25 year period, equivalent to circa 50% of expected capital costs using Scottish Future Trust metrics, to meet outcome targets set by Scottish Government. The outcome targets, and intent behind the programme funding, is to ensure the revenue funding provides for future maintenance and lifecycle in the new schools. The revenue funding is not intended to meet loan charge and capital financing costs, with the revenue funding model ultimately putting the cost of capital for LEIP projects onto councils.

The recommended revised programme continues the Council's commitment to deliver the 3 major projects funded through the confirmed LEIP Phase 1 (Tain 3-18 Campus) and Phase 2 (Nairn Academy and Broadford Primary) programmes. Significant capital investment has been provided within the programme for the updated expected capital costs for these 3 projects. The revised budget for Tain had previously been agreed by Council. The budgets for Nairn and Broadford reflect updated estimates of capital cost and Members are asked to approve these revised figures.

The Council has recently been notified of an increase in LEIP revenue funding for Tain, recognising cost movements over time. The Council will continue to engage with Scottish Government and the Scottish Futures Trust regarding the revenue funding for the Nairn and Broadford projects.

In relation to LEIP Phase 3, there is still no announcement from Scottish Government nor any clarity on a timeline for an announcement. The Council had submitted the following bids in October 2022 and in expectation of an announcement by the end of that calendar year.

- A single bid consisting of a bundle of three new primary school buildings at Beauly, Dunvegan and Park.
- A replacement building for St Clement's Special School on a new site in Dingwall.

- A new primary school at Tornagrain to the east of Inverness.

Given the scale of the affordability challenge faced by the Council, and in the absence of a decision by Scottish Government and funding commitment from the LEIP Phase 3 programme, there are significant risks relating to ongoing development of these projects in the absence of a Scottish Government decision.

Within the affordability parameters set out in this report, and recognising the need to make suitable provision for the range of ongoing investment, including health and safety investment across the Council's assets (see Appendix A), even were the Scottish Government to announce a LEIP Phase 3 outcome, it would not be possible to accommodate all the Phase 3 projects within the capital programme at planned affordability levels.

Considering the factors highlighted in the paragraphs above, the recommendations within this report are that only one of the LEIP Phase 3 projects is included within the proposed programme at this time: Tornagrain Primary School. This being driven by capacity needs assessment and it being unavoidable that the Council need make provision for this project. The capital costs for the project reflect the net cost factoring in Developer Contributions.

For the other LEIP Phase 3 bids, ongoing capital funding to progress the current intended scope of the projects is <u>not</u> provided in the proposed capital programme over the next 5 years. Instead, a revised level of capital budget provision has been included for Beauly, Dunvegan, Park and St Clement's to allow for essential investment in the existing buildings which may arise over the next 5 years and pending a new build in the future. This revised budget is a reduced level of capital and is intended for essential maintenance works and health and safety investment.

Should circumstances alter, which may include clarity on LEIP Phase 3, then the Council would need determine at that point its commitment to these projects and a decision made as to the funding to be allocated, and necessary capital programme re-prioritisation that would be necessary.

7.6 Further Additional Projects

**Appendix C** sets out further additional projects, and increased budget requests that have come forward from Services as part of the review process. As these relate to increases to core budget lines in some cases, they have been shown here and <u>not</u> incorporated in the totals referred to at paragraph 7.1 and appendix A. In other cases the proposal relates to a wholly new project or capital budget, and these would need considered on an exceptional basis and in recognition that the affordability challenge faced by the Council has necessitated a focus on prioritising existing capital commitments, rather than consideration of new and additional proposals. These are also not included in the proposed revised programme for this reason.

Investment proposals in Appendix C are therefore not part of the recommended capital programme at this time.

7.6 Main Programme Changes and Re-prioritisation

**Appendix D** provides a summary of key programme changes for the named projects shown, contrasting the prior capital programme with that proposed in this report. Highlighting the major reductions/re-phasing/re-prioritisation within the programme.

## 8. Revised Capital Programme – Affordability and future approaches

8.1 Future reports to Council will consider any further amendments to the capital programme. This could include further assessment of the proposals on appendix C of this report, updated assessment of affordability in light of updated treasury management forecasts; Local Government Finance settlements and external funding sources; and the scope for incorporation of new or additional business case-driven investment where the costs of capital/loan charges can be met from the expected project return.

It is recommended that further work is undertaken to support future capital reviews, and to bring back to Council a new Capital Strategy which would provide the context and framework for future capital investment decisions. That would consider, amongst other things, criteria used to inform capital decision making, and how the capital strategy can support the Council in realising income generation and growth and saving opportunities.

Designation: Head of Corporate Finance

Date: 5 September 2023

Author: Brian Porter, Head of Corporate Finance and Kate Lackie, Interim Depute Chief Executive

Background Papers:

Appendices:

**Summary for HC 14th September report**

**Proposed General Fund Capital Programme Summary**

| | Total Net £'000 | 24/25 Net £'000 | 25/26 Net £'000 | 26/27 Net £'000 | 27/28 Net £'000 | 28/29 Net £'000 | *Avg p.a Net £'000* |
|---|---|---|---|---|---|---|---|
| Core Budget Provison (appendix A) | 162,141 | 33,553 | 33,259 | 31,858 | 31,753 | 31,718 | *32,428* |
| Named Specific Projects (appendix B) | 181,335 | 93,767 | 48,628 | 26,941 | 10,296 | 1,703 | *36,267* |
| Total programme before re-profiling | 343,476 | 127,320 | 81,887 | 58,799 | 42,049 | 33,421 | *68,695* |
| Re-profiling Target | - | - 35,000 | - 12,000 | 7,000 | 18,000 | 22,000 | - |
| **Total Proposed Programme** | **343,476** | **92,320** | **69,887** | **65,799** | **60,049** | **55,421** | ***68,695*** |

**The Highland Council** **Appendix A**

**Capital Programme Review 2024/25 - 2028/29**

**<u>Core Project Budget Provision within Proposed programme</u>**

| | Total Net £'000 | 24/25 Net £'000 | 25/26 Net £'000 | 26/27 Net £'000 | 27/28 Net £'000 | 28/29 Net £'000 |
|---|---|---|---|---|---|---|
| **SCHOOLS - ESTATE MANAGEMENT** | **25,740** | **5,148** | **5,148** | **5,148** | **5,148** | **5,148** |
| School Estate Improvement Programme | 25,125 | 5,025 | 5,025 | 5,025 | 5,025 | 5,025 |
| School Residential Properties | 615 | 123 | 123 | 123 | 123 | 123 |
| **PROPERTY ESTATE ASSET MANAGEMENT** | **45,546** | **9,110** | **9,109** | **9,109** | **9,109** | **9,109** |
| Council Property Estate Investment | 45,546 | 9,110 | 9,109 | 9,109 | 9,109 | 9,109 |
| **COMMUNITY AND LEISURE FACILITIES** | **2,221** | **445** | **445** | **445** | **443** | **443** |
| HLH Properties - Life Cycle Investment | 1,358 | 272 | 272 | 272 | 271 | 271 |
| Community & Leisure Facilities | 863 | 173 | 173 | 173 | 172 | 172 |
| **HEALTH & SOCIAL CARE PROGRAMME** | **2,696** | **540** | **539** | **539** | **539** | **539** |
| Adult Services (NHS) | 2,000 | 400 | 400 | 400 | 400 | 400 |
| Children's Services/Out of Authority | 696 | 140 | 139 | 139 | 139 | 139 |
| **ROADS** | **40,016** | **8,005** | **8,004** | **8,003** | **8,003** | **8,001** |
| Roads General Infrastructure Improvements | 39,045 | 7,810 | 7,810 | 7,809 | 7,809 | 7,807 |
| Dingwall Development Infrastructure | 740 | 148 | 148 | 148 | 148 | 148 |
| Safer Routes to School | 231 | 47 | 46 | 46 | 46 | 46 |
| **BRIDGES** | **8,936** | **1,788** | **1,787** | **1,787** | **1,787** | **1,787** |
| Major Bridges | 8,936 | 1,788 | 1,787 | 1,787 | 1,787 | 1,787 |
| **ACTIVE TRAVEL** | **4,419** | **884** | **884** | **884** | **884** | **883** |
| Bus Shelters | 109 | 22 | 22 | 22 | 22 | 21 |
| Active Travel Transformation | 4,310 | 862 | 862 | 862 | 862 | 862 |
| **LIGHTING & COMMUNICATIONS** | **2,206** | **442** | **441** | **441** | **441** | **441** |
| Lighting Structural Works | 2,206 | 442 | 441 | 441 | 441 | 441 |
| **FLOOD PREVENTION - STUDIES** | **519** | **105** | **104** | **104** | **103** | **103** |
| Surface Water Management Plans | 248 | 50 | 50 | 50 | 49 | 49 |
| Coastal Flood Prevention Studies | 271 | 55 | 54 | 54 | 54 | 54 |
| **HARBOURS & FERRIES** | **1,100** | **220** | **220** | **220** | **220** | **220** |
| Harbours Health & Safety and General Structural | 1,100 | 220 | 220 | 220 | 220 | 220 |
| **PLANNING & DEVELOPMENT** | **286** | **286** | **-** | **-** | **-** | **-** |
| Town & Countryside Regeneration | 185 | 185 | - | - | - | - |
| Wester Ross Visitor Hubs | 63 | 63 | - | - | - | - |
| Misc Assets, Bridges & Structures | 38 | 38 | - | - | - | - |
| **WASTE MANAGEMENT - INFRASTRUCTURE & BANKS** | **255** | **51** | **51** | **51** | **51** | **51** |
| Household Green Bin Replacements | 195 | 39 | 39 | 39 | 39 | 39 |
| Waste Recycling Centre Office/Welfare Facilities | 60 | 12 | 12 | 12 | 12 | 12 |
| **BEREAVEMENT SERVICES** | **2,199** | **441** | **440** | **440** | **439** | **439** |
| War Memorials | 1 | 1 | - | - | - | - |
| Memorial Safety | 25 | 5 | 5 | 5 | 5 | 5 |
| Bereavement Services General | 2,173 | 435 | 435 | 435 | 434 | 434 |
| **PUBLIC CONVENIENCES** | **166** | **34** | **33** | **33** | **33** | **33** |
| Public Convenience Upgrades | 166 | 34 | 33 | 33 | 33 | 33 |

**The Highland Council** **Appendix A**

**Capital Programme Review 2024/25 - 2028/29**

**Core Project Budget Provision within Proposed programme**

| | Total Net £'000 | 24/25 Net £'000 | 25/26 Net £'000 | 26/27 Net £'000 | 27/28 Net £'000 | 28/29 Net £'000 |
|---|---|---|---|---|---|---|
| **VEHICLES & PLANT** | **12,768** | **2,554** | **2,554** | **2,554** | **2,553** | **2,553** |
| Vehicle & Plant Purchases | 12,768 | 2,554 | 2,554 | 2,554 | 2,553 | 2,553 |
| **ICT** | **13,068** | **3,500** | **3,500** | **2,100** | **2,000** | **1,968** |
| ICT Core Equipment | 13,068 | 3,500 | 3,500 | 2,100 | 2,000 | 1,968 |
| **CORE PROGRAMME TOTALS** | **162,141** | **33,553** | **33,259** | **31,858** | **31,753** | **31,718** |

**The Highland Council** **Appendix B**
**Capital Programme Review 2024/25 - 2028/29**

**Named Projects within the Proposed Capital Programme**

| Project Description | Total Net £'000 | 24/25 Net £'000 | 25/26 Net £'000 | 26/27 Net £'000 | 27/28 Net £'000 | 28/29 Net £'000 |
|---|---|---|---|---|---|---|
| **SCHOOLS - MAJOR PROJECTS** | **6,500** | **2,100** | **1,100** | **1,100** | **1,100** | **1,100** |
| Charleston Academy | 1,500 | 300 | 300 | 300 | 300 | 300 |
| Culloden Academy | 3,500 | 1,500 | 500 | 500 | 500 | 500 |
| Plockton Residence | 1,500 | 300 | 300 | 300 | 300 | 300 |
| | | | | | | |
| **SCHOOLS - LEIP FUNDED** | **129,250** | **61,106** | **36,423** | **23,021** | **8,700** | **-** |
| Tain 3-18 Campus - LEIP 1 | 36,956 | 35,156 | 1,800 | - | - | - |
| Nairn Academy - LEIP 2 | 54,771 | 15,000 | 25,000 | 13,771 | 1,000 | - |
| Broadford Primary - LEIP 2 | 18,973 | 9,500 | 9,173 | 300 | - | - |
| Beauly Primary School - LEIP 3 | 800 | 200 | 200 | 200 | 200 | - |
| Dunvegan Primary School - LEIP 3 | 1,500 | 1,100 | 100 | 100 | 100 | 100 |
| Park Primary School - LEIP 3 | 250 | 50 | 50 | 50 | 50 | 50 |
| St Clement's School - LEIP 3 | 500 | 100 | 100 | 100 | 100 | 100 |
| Tornagrain Primary School - LEIP 3 | 15,500 | - | - | 8,500 | 7,250 | - 250 |
| | | | | | | |
| **HOUSING (NON-HRA)** | **1,100** | **966** | **134** | **-** | **-** | **-** |
| Longman Travelling People Site | 1,100 | 966 | 134 | - | - | - |
| | | | | | | |
| **ROADS** | **1,750** | **550** | **50** | **550** | **50** | **550** |
| A890 Stromeferry Rockface Stabilisation | 1,750 | 550 | 50 | 550 | 50 | 550 |
| | | | | | | |
| **BRIDGES** | **12,155** | **7,555** | **4,600** | **-** | **-** | **-** |
| B863 Invercoe Bridge, Lochaber | 120 | 120 | - | - | - | - |
| Naver Bridge | 11,500 | 6,900 | 4,600 | - | - | - |
| Infirmary Bridge | 535 | 535 | - | - | - | - |
| | | | | | | |
| **FLOOD PREVENTION - SCHEMES** | **210** | **210** | **-** | **-** | **-** | **-** |
| Braehead Coastal Protection | 210 | 210 | - | - | - | - |
| | | | | | | |
| **HARBOURS & FERRIES** | **9,986** | **6,986** | **3,000** | **-** | **-** | **-** |
| Kinlochbervie Harbour | 3,000 | - | 3,000 | - | - | - |
| Lochinver Harbour | 3,000 | 3,000 | - | - | - | - |
| Portree Harbour | 2,000 | 2,000 | - | - | - | - |
| Uig Ferry Terminal and Link Span | 1,986 | 1,986 | - | - | - | - |
| | | | | | | |
| **CAR PARKS** | **707** | **417** | **200** | **30** | **30** | **30** |
| Rose Street Multistorey | 707 | 417 | 200 | 30 | 30 | 30 |
| | | | | | | |
| **PLANNING & DEVELOPMENT** | **10,823** | **9,564** | **1,259** | **-** | **-** | **-** |
| Inverness Castle | 10,823 | 9,564 | 1,259 | - | - | - |
| | | | | | | |
| **WASTE LANDFILL RESTORATION** | **4,032** | **1,246** | **207** | **2,140** | **416** | **23** |
| Landfill Restoration Programme | 4,032 | 1,246 | 207 | 2,140 | 416 | 23 |
| | | | | | | |
| **WASTE TRANSFER STATIONS** | **1,853** | **1,798** | **55** | **-** | **-** | **-** |
| Fort William WTS | 1,853 | 1,798 | 55 | - | - | - |

**The Highland Council** **Appendix B**
**Capital Programme Review 2024/25 - 2028/29**

**<u>Named Projects within the Proposed Capital Programme</u>**

| **Project Description** | **Total Net £'000** | **24/25 Net £'000** | **25/26 Net £'000** | **26/27 Net £'000** | **27/28 Net £'000** | **28/29 Net £'000** |
|---|---|---|---|---|---|---|
| **BEREAVEMENT SERVICES** | **1,969** | **819** | **1,150** | **-** | **-** | **-** |
| Crematorium | 1,200 | 50 | 1,150 | - | - | - |
| Burial Ground Kilmorack | 120 | 120 | - | - | - | - |
| Burial Ground Glen Nevis | 265 | 265 | - | - | - | - |
| Burial Ground Dores | 254 | 254 | - | - | - | - |
| Burial Ground Alness | 130 | 130 | - | - | - | - |
| **VEHICLES & PLANT** | **500** | **200** | **200** | **100** | **-** | **-** |
| Mechanical Street Sweepers | 500 | 200 | 200 | 100 | - | - |
| **ICT** | **500** | **250** | **250** | **-** | **-** | **-** |
| Care First System Replacement | 500 | 250 | 250 | - | - | - |
| **TOTALS** | **181,335** | **93,767** | **48,628** | **26,941** | **10,296** | **1,703** |

**The Highland Council** **Appendix C**
**Capital Programme Review 2024/25 - 2028/29**

**New Projects and Additional Requests for Existing Projects - No Recommendation at this time**

| Project Description | Total Net £'000 | 24/25 Net £'000 | 25/26 Net £'000 | 26/27 Net £'000 | 27/28 Net £'000 | 28/29 Net £'000 |
|---|---|---|---|---|---|---|
| **Existing Generic Projects with No Current Provision** | **12,025** | **2,405** | **2,405** | **2,405** | **2,405** | **2,405** |
| Private Sector Housing Grants | 7,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Salix Energy Efficiency Match Funding | 3,125 | 625 | 625 | 625 | 625 | 625 |
| Flood Risk Management Act Studies | 1,400 | 280 | 280 | 280 | 280 | 280 |
| | | | | | | |
| **Existing Generic Projects Additional Requests** | **4,875** | **977** | **977** | **975** | **974** | **972** |
| ICT Core Equipment | 1,133 | 227 | 227 | 227 | 226 | 226 |
| Lighting Structural Works | 2,794 | 559 | 559 | 559 | 559 | 558 |
| Major Bridges | 182 | 37 | 37 | 36 | 36 | 36 |
| Burial Grounds General | 617 | 124 | 124 | 123 | 123 | 123 |
| Memorial Safety | 75 | 15 | 15 | 15 | 15 | 15 |
| War Memorials | 74 | 15 | 15 | 15 | 15 | 14 |
| | | | | | | |
| **New Project Requests** | **64,087** | **16,797** | **9,538** | **9,418** | **13,697** | **14,637** |
| B851/B862 South Loch Ness Road Improvements | 2,500 | 500 | 500 | 500 | 500 | 500 |
| Ledmore Radio Mast Replacement | 200 | - | - | 200 | - | - |
| South Kessock Flood Study | 100 | - | - | 50 | 50 | - |
| Aviemore Burn Flood Study | 80 | 50 | 30 | - | - | - |
| Nethy Bridge Flood Study | 100 | 50 | 50 | - | - | - |
| River Coilte Flood Study | 80 | - | 50 | 30 | - | - |
| Ussie Burn Flood Study | 80 | - | | - | 50 | 30 |
| Coastal Change Adaptation Plan | 100 | 50 | 50 | - | - | - |
| Uig Harbour Pier Structural | 3,000 | - | 3,000 | - | - | - |
| Kyle Fisher Pier Structural | 1,000 | - | - | 1,000 | - | - |
| Corran Ferry LUF Match Funding | 5,200 | 5,200 | - | - | - | - |
| Sconser Raasay SVRP Infra Upgrade | 200 | 200 | - | - | - | - |
| Green Freeport - Tomich Junction | 3,350 | 3,350 | - | - | - | - |
| VECTEC Fuel Mgt Replace | 500 | 500 | - | - | - | - |
| Jet Patcher Replacement | 350 | 350 | - | - | - | - |
| SWAN2 Implementation | 2,406 | 1,172 | 1,234 | - | - | - |
| Depot Upgrades | 11,000 | 1,000 | 1,000 | 3,000 | 3,000 | 3,000 |
| Chromebook Refresh | 9,000 | - | - | - | 4,500 | 4,500 |
| Minor Bridges & Culverts | 5,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Heavy Fleet Decarbonisation | 8,850 | 350 | 1,000 | 1,500 | 2,500 | 3,500 |
| Decarb Fleet - Depot Alterations | 3,000 | - | - | 1,000 | 1,000 | 1,000 |
| EV Infrastructure (Pathfinder Proj) | 1,200 | 1,200 | - | - | - | - |
| EV Infrastructure (Highland Wide) | 4,500 | 900 | 900 | 900 | 900 | 900 |
| Traffic Mgt Improvs (Signals) | 500 | 380 | 120 | - | - | - |
| Waste Bank Replacements | 941 | 170 | 179 | 188 | 197 | 207 |
| Green Waste Storage Areas | 400 | 200 | 200 | - | - | - |
| Digital Waste Tracking System | 250 | 75 | 125 | 50 | - | - |
| Street Sweeping Bays | 200 | 100 | 100 | - | - | - |
| | | | | | | |
| **Total New Projects and Additional Requests** | **80,987** | **20,179** | **12,920** | **12,798** | **17,076** | **18,014** |

**The Highland Council** *Appendix D*

**Capital Programme Review 2024/25 - 2028/29**

**Summary of main changes in specific project proposals**

| **Project Description** | **Mar-23 Programme Total Net £'000** | **New Programme Total Net £'000** | ***Inc / (dec) Net £'000*** |
|---|---|---|---|
| **SCHOOLS - MAJOR PROJECTS** | **123,546** | **6,500** | ***-117,046*** |
| Charleston Academy | 14,524 | 1,500 | *-13,024* |
| Culloden Academy | 10,059 | 3,500 | *-6,559* |
| Plockton Residence | 12,000 | 1,500 | *-10,500* |
| Ness Castle Primary Ph1 | -1,813 | - | *1,813* |
| Ness Castle Primary Ph2 | 7,776 | - | *-7,776* |
| Stratton Primary | 22,000 | - | *-22,000* |
| East Inverness Secondary | 59,000 | - | *-59,000* |
| | | | |
| **SCHOOLS - LEIP FUNDED** | **132,785** | **129,250** | ***-3,535*** |
| Tain 3-18 Campus - LEIP 1 | 36,400 | 36,956 | *556* |
| Nairn Academy - LEIP 2 | 37,920 | 54,771 | *16,851* |
| Broadford Primary - LEIP 2 | 12,365 | 18,973 | *6,608* |
| Beauly Primary School - LEIP 3 | 10,350 | 800 | *-9,550* |
| Dunvegan Primary School - LEIP 3 | 10,600 | 1,500 | *-9,100* |
| Park Primary School - LEIP 3 | 11,000 | 250 | *-10,750* |
| St Clement's School - LEIP 3 | 12,150 | 500 | *-11,650* |
| Tornagrain Primary School - LEIP 3 | 2,000 | 15,500 | *13,500* |
| | | | |
| **COMMUNITY & LEISURE** | **4,831** | **-** | ***-4,831*** |
| Inverness Leisure Centre/Aquadome | 2,600 | - | *-2,600* |
| Eden Court Theatre Redevelopment | 2,231 | | *-2,231* |
| | | | |
| **HOUSING (NON-HRA)** | **-** | **1,100** | ***1,100*** |
| Longman Travelling People Site | - | 1,100 | *1,100* |
| | | | |
| **ROADS** | **8,393** | **1,750** | ***-6,643*** |
| A890 Stromeferry Rockface Stabilisation | 679 | 1,750 | *1,071* |
| Inshes Roundabout | 5,053 | - | *-5,053* |
| Inverness West Link | -1,339 | - | *1,339* |
| NC500 LUF Match Funding | 4,000 | - | *-4,000* |
| | | | |
| **BRIDGES** | **14,756** | **12,155** | ***-2,601*** |
| B863 Invercoe Bridge, Lochaber | 3,808 | 120 | *-3,688* |
| Naver Bridge | 6,140 | 11,500 | *5,360* |
| Infirmary Bridge | 535 | 535 | - |
| A884 Acharn & Achnagavin Bridge | 2,042 | - | *-2,042* |
| White Bridge | 233 | - | *-233* |
| Dulsie Bridge | 459 | - | *-459* |
| B8007 Glenmore Bridge | 737 | - | *-737* |

**The Highland Council** *Appendix D*

**Capital Programme Review 2024/25 - 2028/29**

**Summary of main changes in specific project proposals**

| **Project Description** | **Mar-23 Programme Total Net £'000** | **New Programme Total Net £'000** | ***Inc / (dec) Net £'000*** |
|---|---|---|---|
| A831 Comar Refurbishment | 802 | - | - *802* |
| | | | |
| **ACTIVE TRAVEL** | **93** | **-** | **- *93*** |
| Aviemore Active Travel Path | 93 | - | - *93* |
| | | | |
| **FLOOD PREVENTION - SCHEMES** | **4,471** | **210** | **- *4,261*** |
| Braehead Coastal Protection | - | 210 | *210* |
| Smithton / Culloden Flood Alleviation | - 9 | - | *9* |
| River Nairn & Auldearn Burn FPS | 377 | - | - *377* |
| River Gynack FPS / NFMS | 393 | - | - *393* |
| Mill Burn FPS | 570 | - | - *570* |
| Golspie FPS / NFMS | 687 | - | - *687* |
| River Peffery FPS | 1,237 | - | - *1,237* |
| River Thurso FPS | 1,216 | - | - *1,216* |
| | | | |
| **HARBOURS & FERRIES** | **4,977** | **9,986** | ***5,009*** |
| Kinlochbervie Harbour | 1,600 | 3,000 | *1,400* |
| Lochinver Harbour | 1,600 | 3,000 | *1,400* |
| Portree Harbour | 1,777 | 2,000 | *223* |
| Uig Ferry Terminal and Link Span | - | 1,986 | *1,986* |
| | | | |
| **CAR PARKS** | **116** | **707** | ***591*** |
| Rose Street Multistorey | 116 | 707 | *591* |
| | | | |
| **PLANNING & DEVELOPMENT** | **12,236** | **10,823** | **- *1,413*** |
| Inverness Castle | 11,834 | 10,823 | - *1,011* |
| Storr Visitor Management | 10 | - | - *10* |
| Dell of Spey | 56 | - | - *56* |
| Ardersier Path | 26 | - | - *26* |
| Inverness Rail Station | 310 | - | - *310* |
| | | | |
| **WASTE LANDFILL RESTORATION** | **1,187** | **4,032** | ***2,845*** |
| Landfill Restoration Programme | 1,187 | 4,032 | *2,845* |
| | | | |
| **WASTE TRANSFER STATIONS** | **-** | **1,853** | ***1,853*** |
| Fort William WTS | - | 1,853 | *1,853* |
| | | | |
| **BEREAVEMENT SERVICES** | **1,359** | **1,969** | ***610*** |
| Crematorium | 590 | 1,200 | *610* |
| Burial Ground Kilmorack | 120 | 120 | - |

**The Highland Council** *Appendix D*

**Capital Programme Review 2024/25 - 2028/29**

**<u>Summary of main changes in specific project proposals</u>**

| **Project Description** | **Mar-23 Programme Total Net £'000** | **New Programme Total Net £'000** | ***Inc / (dec) Net £'000*** |
|---|---|---|---|
| Burial Ground Glen Nevis | 265 | 265 | - |
| Burial Ground Dores | 254 | 254 | - |
| Burial Ground Alness | 130 | 130 | - |
| | | | |
| **VEHICLES & PLANT** | **121** | **500** | ***379*** |
| Mechanical Street Sweepers | 121 | 500 | *379* |
| | | | |
| **ICT** | **125** | **500** | ***375*** |
| Care First System Replacement | 125 | 500 | *375* |
| | | | |
| **TOTALS** | **308,996** | **181,335** | **- 127,661** |