

Agenda Item	7
Report No	CP/15/25

The Highland Council

Committee: **Communities and Place**

Date: **14 August 2025**

Report Title: **Capital Monitoring Report for the periods Q4 2024/25 and Q1 2025/26**

Report By: **Assistant Chief Executive - Place**

1 Purpose/Executive Summary

- 1.1 This report sets out the Capital budget outturn for the Communities and Place Service for 2024/25 and for the period of Quarter 1 for 2025/26.
- 1.2 The purpose of this report is to support the Council's overall financial management and budgetary control arrangements. This report also supports the Committee and its Members in fulfilling the Scheme of Delegation in relation to financial management and remit of Strategic Committees which includes:-

"to scrutinise the management of the Revenue and Capital Budgets for the Services included in the Committee's remit and monitor and control these budgets, including dealing with over- expenditure."
- 1.3 This report provides Members with commentary on any material variances within the forecast, and actions taken or proposed in relation to variances.
- 1.4 There are a range of capital projects being taken forward by the Service in respect of Waste Management; Bereavement Services; Community Spaces; Vehicles and Plant and Public Conveniences. The remainder of this report discusses the projects overall supported by information in the Appendices.
- 1.5 The outturn for 2024/25 was a net expenditure of £5.870m against a budget of £12.813m.
- 1.6 The expenditure to date at Quarter 1 for 2025/26 is a net expenditure of £4.010m against a budget of £12.559m. Forecast year end net expenditure is £12.304m.

2 Recommendations

2.1 Members are asked to:-

- i. **Scrutinise and approve** the outturn for the year 2024/25 as set out in this report and Appendix 1;
- ii. **Scrutinise and approve** the forecast financial position for the year 2025/26 as set out in this report and Appendix 2; and
- iii. **Consider and note** the explanations provided for any material variances and actions taken or proposed.

3 Implications

3.1 **Resource** – this report provides key financial information regarding the Capital budget and forecast financial performance against that budget, including progress with Service Delivery. There are ongoing issues with inflation and supply issues that continue to put pressure on individual projects, or ongoing programmes of work. This is being regularly monitored and adjustments made where appropriate.

3.2 **Legal** - The contents of this report support the requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting.'

3.3 **Risk** - Risk implications to the capital budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees and the Highland Council.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no specific implications arising from this report.

3.5 **Gaelic** - There are no specific implications arising from this report.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and report and therefore an impact assessment is not required.

5 Overview

5.1 The Capital Programme budget for 2024/25 was £12.81m. Further detail is reported in **Appendix 1** including actual spend of £11.908m and net expenditure of £5.870m.

5.2 The main reasons for the forecast variance are attributable to the Waste project at Fort William transfer station which will be completed in 2025/26, the Landfill Restoration Programme, Play Parks, and burial grounds extensions that will not complete until into 2025/26.

5.3 The Capital Programme budget for 2025/26 is £12.559m. Further detail is reported in **Appendix 2** including actual spend of £3.198m and net expenditure of £4.010m. Forecast year end net expenditure is £12.304m.

6 2024/25 Quarter 4 and Outturn Commentary on Variances

6.1 **Landfill Restorations** – Underspend of £0.965m due to projects not completing in 2024/25.

Actions Taken or Proposed - Underspend has been reprofiled into 2025/26. The Necessary Landfill capping works will take place this year.

6.2 **Waste Transfer Stations** – Underspend of £2.536m due to works not completing at Fort William Waste Transfer Station.

Actions Taken or Proposed Actions - Underspend has been reprofiled into 2025/26. The build of the Fort William transfer station is on target for completion by 22 August 2025, the overall project has a projected underspend of £0.488m.

6.3 **Infrastructure & Banks** – Underspend of £0.054m.

Actions Taken or Proposed - Underspend has been reprofiled into 2025/26.

6.4 **Bereavement Services** – Underspend of £2.08m relates to projects that were not completed in 2024/25. Projects completed in 2024/25 included new extension at Canisbay and improvements at Rosskeen; Durour; Croy; Petty (Tornagrain) and Tomnacross.

Actions Taken or Proposed – Underspend has been reprofiled into 2025/26.

6.5 **Community spaces – Play areas** - Underspend for 2024/25 of £1.076m.

Actions Taken or Proposed – Underspend for 2024/25 of £1.076m has been reprofiled into 2025/26. The overall governance for the play parks capital budget is delivered by Area Committees. Officers continue to work with Members to prioritise how the area funding is spent and to drive delivery of the selected projects.

6.6 **Vehicles & Plant** – Significant spend achieved. Underspend of £0.425m.

Actions Taken or Proposed - Underspend has been reprofiled into 2025/26 and current vehicle and plant review been undertaken to right size Highland Council Fleet.

6.7 **Public Conveniences** – had a carried forward overspend of £0.076m from 2023/24. Projects completed in 2024/25 accounted for a spend of £0.185m with an income of £0.049m received. This accounted for a total £0.076m overspend.

Actions Taken or Proposed - Overspend has been reprofiled into 2025/26.

7 2025/26 Quarter 1 Commentary on Variances

7.1 Landfill Restoration – Initial forecast for year end is underspend of £0.517m

Actions Taken or Proposed - This project has a budget of £1.937m for 2025/26 and current expenditure of £0.012m. Capping works to take place this year. Estimated spend below budget but restoration and compliance works will continue in future years.

7.2 Waste Transfer Stations

(a) **Fort William project** – Initial forecast for year end is underspend of £0.599m.

Actions Taken or Proposed – This project has a budget of £2.591m for 2025/26 and a current expenditure of £1.027m. Work is ongoing. Circa £0.070m of further spend expected in 2026/27 so there is potential for an underspend in the region of £0.488m on this project subject to continued good progress and compensation event decisions.

(b) **Seater project** - On target forecast for year end.

7.3 Infrastructure and Banks – Expect to spend the budgeted amount in year. The minor negative expenditure relates to a credit note issued against a previously paid invoice.

7.4 Bereavement Services – Initial forecast for year end is overspend of £0.709m.

Bereavement Services Projects have a budget of £3.553m for 2025/26 which are all in progress. Overall budgets are under pressure due to higher costs on projects including Portree burial ground extension (forecast overspend £0.415m).

Actions Taken or Proposed – Forecast overspends for 2025/26 are being mitigated by reprofiling budget for the remaining 3 years of the 5-year programme.

7.5 Community spaces – Play Areas – On target forecast for year end. This project has a budget of £1.076m with a current expenditure of £0.529m and an actual income of £0.176m. The net expenditure of this project is currently £0.353m.

Actions Taken or Proposed – Projects are progressing well with many orders placed and work scheduled for completion by the end of the financial year. All capital from the Scottish Government allocation must be committed by the end of this financial year.

7.6 Vehicles & Plant – On target forecast for year end.

Actions Taken or Proposed – Projects are currently under review in line with overall fleet review. Income expected to be generated from sales of owned fleet.

7.7 **Public Conveniences** – The £0.1m budget allocation is subject to final approval of budget by Capital Programme Board. £0.0049m of negative expenditure is possibly a duplicate accrual, to be investigated and updated prior to Quarter 2. Expected to spend to budget.

Actions Taken or Proposed - 2025/26 spending may unlock match funding in year, and this will be included in Quarter 2 forecast if applicable. There is no further capital expenditure programmed for public conveniences.

Designation: Assistant Chief Executive - Place

Date: 23 July 2025

Author: Alan McKinnie, Strategic Lead - Waste Strategy & Operations
Alan Yates, Strategic Lead - Environmental Health and Bereavement Services
Debbie Sutton, Chief Officer Operations and Maintenance
Paul Reid, Chief Officer Facilities & Fleet Management

Background Papers: None

Appendices: Appendix 1 – Monitoring of Capital Expenditure Q4 2024/25
Appendix 2 – Monitoring of Capital Expenditure Q1 2025/26

MONITORING OF CAPITAL EXPENDITURE - Q4 FINAL 2024/25

SERVICE: COMMUNITIES & PLACE	BUDGET		ACTUALS TO DATE Q4 FINAL			VARIANCE		
	2024/25 Capital Budget	2024/25 Actual Expenditure	2024/25 Actual Income	2024/25 Actual Net Year to Date	2024/25 Variance Forecast Outturn v Budget	2024/25 To Reprofile to Next Financial Year	2024/25 Overspend / (Underspend)	
	£000	£000	£000	£000	£000	£000	£000	
Project Description								
WASTE MANAGEMENT								
Landfill Restorations								
Landfill Restoration Programme	1,239	274	0	274	(965)	(965)	0	
Waste Transfer Stations								
Longman Waste Transfer Station	137	214	(77)	137	0	0	0	
Fort William Waste Transfer Station	3,548	998	0	998	(2,550)	(2,536)	(14)	
Aviemore Granish Waste Transfer Station	0	14	0	14	14	0	14	
Infrastructure & Banks								
Wheeled Bin Replacements - Household/Commercial	50	0	0	0	(50)	(50)	0	
Household Waste Recycling Centre Facilities	11	7	0	7	(4)	(4)	0	
Plant, Infrastructure & Banks	37	250	(213)	37	0	0	0	
Recycling Improvement Fund								
RIF Capital Projects	0	4,514	(4,536)	(22)	(22)	(22)	0	
BEREAVEMENT SERVICES								
Burials and Cremations								
Crematorium Inverness	50	135	0	135	85	85	0	
Burial Ground Alness	350	3	0	3	(347)	(347)	0	
Burial Ground Canisbay	215	259	0	259	44	44	0	
Burial Ground Dores	303	0	0	0	(303)	(303)	0	
Burial Ground Dunvegan	274	0	0	0	(274)	(274)	0	
Burial Ground Glen Nevis	508	38	0	38	(470)	(470)	0	
Burial Ground Kilmorack	30	1	0	1	(29)	(29)	0	
Burial Ground Mount Vernon Thurso	180	4	0	4	(176)	(176)	0	
Burial Ground Portree	505	79	0	79	(426)	(426)	0	
Burial Ground Reay	120	1	0	1	(119)	(119)	0	
Burial Grounds General	256	240	0	240	(16)	(16)	0	
War Memorials	19	0	0	0	(19)	(19)	0	
Memorial Safety	39	9	0	9	(30)	(30)	0	
COMMUNITY SPACES								
Play Areas	1,603	1,360	(833)	527	(1,076)	(1,076)	0	
Nairn Beach Access Platform	0	0	3	3	3	0	3	
VEHICLES & PLANT								
Vehicle & Plant Purchases	1,694	2,910	(333)	2,577	883	883	0	
Amenities Plant & Equipment	521	413	0	413	(108)	(108)	0	
Mechanical Street Sweepers/Waste Plant & Vehicles	200	0	0	0	(200)	(200)	0	
Waste Shredders*	1,000	0	0	0	(1,000)	(1,000)	0	
PUBLIC CONVENiences								
PC Upgrades	(76)	185	(49)	136	212	136	76	
OVERALL TOTAL	12,813	11,908	(6,038)	5,870	(6,943)	(7,022)	79	

*Project budgets are either wholly or partly self-funded (ie from income generated or savings).

Project Description	BUDGET		ACTUALS TO DATE Q1			FORECASTS TO END OF 25/26			VARIANCE		
	2025/26 Capital Budget		2025/26 Actual Expenditure	2025/26 Actual Income	2025/26 Actual Net Year to Date	2025/26 Forecast Expenditure	2025/26 Forecast Income	2025/26 Forecast Outturn	2025/26 Variance Forecast Outturn v Budget	2025/26 To Reprofile to Next Financial	2025/26 Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
WASTE MANAGEMENT											
Landfill Restorations											
Landfill Restoration Programme	1,937		12	0	12	1,420	0	1,420	(517)	(517)	0
Waste Transfer Stations											
Fort William Waste Transfer Station	2,591		1,027	0	1,027	1,992	0	1,992	(599)	(599)	0
Seater Waste Transfer Station	0		26	0	26	266	(266)	0	0	0	0
Infrastructure & Banks											
Wheeled Bin Replacements - Household/Commercial	87		0	0	0	87	0	87	0	0	0
Household Waste Recycling Centre Facilities	15		(4)	0	(4)	11	0	11	(4)	(4)	0
Plant, Infrastructure & Banks	0		0	0	0	200	(200)	0	0	0	0
Recycling Improvement Fund											
RIF Capital Projects	22		112	1,026	1,138	643	(460)	183	161	161	0
BEREAVEMENT SERVICES											
Burials and Cremations											
Crematorium Inverness	1,065		367	0	367	1,065	0	1,065	0	0	0
Burial Ground Alness	347		0	0	0	347	0	347	0	0	0
Burial Ground Canisbay	(44)		0	0	0	0	0	0	44	0	44
Burial Ground Dores	303		0	0	0	303	0	303	0	0	0
Burial Ground Dunvegan	274		0	0	0	274	0	274	0	0	0
Burial Ground Glen Nevis	470		100	0	100	400	0	400	(70)	(70)	0
Burial Ground Kilmorack	29		22	0	22	22	0	22	(7)	0	(7)
Burial Ground Mount Vernon Thurso	176		1	0	1	246	0	246	70	70	0
Burial Ground Portree	426		765	0	765	841	0	841	415	415	0
Burial Ground Reay	119		0	0	0	119	0	119	0	0	0
Burial Grounds General	334		16	0	16	600	0	600	266	266	0
War Memorials	19		0	0	0	10	0	10	(9)	0	(9)
Memorial Safety	35		0	0	0	35	0	35	0	0	0
COMMUNITY SPACES											
Play Areas	1,076		529	(176)	353	1,252	(176)	1,076	0	0	0
Nairn Beach Access Platform	0		7	0	7	7	(7)	0	0	0	0
VEHICLES & PLANT											
Vehicle & Plant Purchases	1,670		155	(38)	117	1,820	(150)	1,670	0	0	0
Amenities Plant & Equipment	108		71	0	71	108	0	108	0	0	0
Mechanical Street Sweepers/Waste Plant & Vehicles	400		0	0	0	400	0	400	0	0	0
Waste Shredders*	1,000		0	0	0	1,000	0	1,000	0	0	0
PUBLIC CONVENiences											
PC Upgrades	100		(5)	0	(5)	95	0	95	(5)	(5)	0
OVERALL TOTAL	12,559		3,198	812	4,010	13,562	(1,259)	12,304	(256)	(283)	28

*Project budgets are either wholly or partly self-funded (ie from income generated or savings).

*Budget is subject to final approval by the Capital Programme Board.