

Agenda Item	6
Report No	CP/22/25

The Highland Council

Committee: **Communities and Place**

Date: **6 November 2025**

Report Title: **Capital Monitoring Report for the period Q2 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 the period of Quarter 2 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 expenditure to date at Quarter 2 for 2025/26 is a net expenditure of £4.023m against a budget of £13.838m. Forecast year end net expenditure is £13.435m.

2 Recommendations

2.1 Members are asked to:-

- i. **Scrutinise and approve** the forecast financial position for the year 2025/26 as set out in this report and Appendix 1 of the report; and
- ii. **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 2025/26 is £13.838m. Further detail is reported in **Appendix 1** including actual spend of £4.433m and net expenditure of £4.023m. Forecast year end net expenditure is £13.435m.

6 2025/26 Quarter 2 Commentary on Variances

6.1 Landfill Restoration – This project has a budget of £1.937m

Actions Taken or Proposed – Current spend is £0.154m. Capping works to take place this year. Estimated spend below budget but restoration and compliance works will continue in future years.

6.2 Waste Transfer Stations

(a) **Fort William project** – Forecast for year end is underspend of £0.470m.

Actions Taken or Proposed – This project has a budget of £2.591m for 2025/26 and a current expenditure of £1.269m. Work is ongoing. Circa £0.070m of further spend expected in 2026/27 so there is potential for an underspend in the region of £0.470m on this project subject to continued good progress and compensation event decisions.

(b) **Seater project** – Current spend is £0.038m, forecast spend of circa £66k on push walls, £100k for concrete plinth and £100k for weighbridge. Intention is to draw down earmarked balances to cover spend.

6.3 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.

6.4 Recycling Improvement Fund – Current spend is £0.351m and the majority of forecast spend should be met by forecast income from the various RIF pots. There is a potential uncovered cost of circa £0.183m in relation to missed milestones payments in Portree. If alternative pots are not available, then the intention is to draw down earmarked balances to cover spend.

6.5 Bereavement Services – Bereavement Services Projects have a budget of £3.553m for 2025/26 which are all in progress. The full budget is expected to be spent in year.

6.6 Community Spaces – Play Areas – On target forecast for year end. This project has a budget of £2.295m with a current expenditure of £0.688m and an actual income of £0.180m. The net expenditure of this project is currently £0.508m.

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.

6.7 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.

6.8 **Public Conveniences** – The £0.1m budget expected to be spent on some minor capital works within a couple of facilities.

Designation: Assistant Chief Executive - Place

Date: 2 October 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
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Background Papers: None

Appendices: Appendix 1 – Monitoring of Capital Expenditure Q2 2025/26

Project Description	BUDGET		ACTUALS TO DATE Q2			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 Year	2025/26 Overspend / (Underspend)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
WASTE MANAGEMENT											
Landfill Restorations											
Landfill Restoration Programme	1,937		154	0	154	1,420	0	1,420	(517)	(517)	0
Waste Transfer Stations											
Longman Waste Transfer Station	0		4	0	4	4	0	4	4	0	4
Fort William Waste Transfer Station	2,591		1,269	0	1,269	2,121	0	2,121	(470)	(470)	0
Seater Waste Transfer Station	0		38	0	38	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)	15	0	15	0	0	0
Plant, Infrastructure & Banks	0		0	0	0	200	(200)	0	0	0	0
Recycling Improvement Fund											
RIF Capital Projects	22		498	(147)	351	653	(460)	193	171	171	0
BEREAVEMENT SERVICES											
Burials and Cremations											
Crematorium Inverness	1,065		486	0	486	1,065	0	1,065	0	0	0
Burial Ground Ailness	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		774	0	774	841	0	841	415	415	0
Burial Ground Reay	119		0	0	0	119	0	119	0	0	0
Burial Grounds General	334		94	0	94	400	0	400	66	66	0
War Memorials	19		0	0	0	10	0	10	(9)	(9)	0
Memorial Safety	35		0	0	0	35	0	35	0	0	0
COMMUNITY SPACES											
Play Areas	2,295		688	(180)	508	2,471	(176)	2,295	0	0	0
Nairn Beach Access Platform	0		7	(7)	0	7	(7)	0	0	0	0
VEHICLES & PLANT											
Vehicle & Plant Purchases	1,730		224	(77)	147	2,030	(300)	1,730	0	0	0
Amenities Plant & Equipment	108		80	0	80	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		(1)	0	(1)	0	0	0	(100)	0	(100)
OVERALL TOTAL	13,838		4,433	(410)	4,023	14,843	(1,409)	13,435	(404)	(345)	(59)

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