

**QUARTER 1 CAPITAL MONITORING 2025-26**

Report by Chief Financial Officer

PURPOSE

- 1.1 The purpose of the Report is to provide Members with an update on the progress of the 2023-28 Capital Programme as at 30 June 2025.

EXECUTIVE SUMMARY

- 2.1 At its meeting on 8 February 2023 the Comhairle agreed a Capital Programme of £25m. Since the initial programme was set, a further £24.2m has been awarded to the Comhairle by the Scottish Government and other funders, towards several different projects as detailed:

PROJECT	£'000
General Capital Grant	4,739
Emerging Energies Technology Fund	2,200
RCGF - Calanais 2025, Loch Carnan	2,150
Transport Scotland - Lochmaddy Pier	3,397
SG - Lionel School Community Hub	1,125
SG - Islands Programme	1,085
SG - Targeted Funding Programmes	6,593
HIE Spaceport	840
Bairns Hoose	510
Shared Prosperity Fund	428
Various other organisations	408
Asset Sales income	744
	24,219

- 2.2 Projects totalling £28.2m were carried forward from the 2018-23 Capital Programme. The delivery of these projects is ongoing, and detail can be seen in Appendix 1.
- 2.3 At 30 June 2025 £1.5m of expenditure had been incurred in 2025/26. The full breakdown can be seen in Appendix 1.

RECOMMENDATION

- 3.1 It is recommended that the Comhairle note the capital expenditure at 30 June 2025 as detailed at Appendix 1 of the Report.

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Appendix: 1. Q1 capital monitoring 2025-26

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	This Report provides an update on capital performance.
Legal	Section 35 of The Local Government in Scotland Act 2003.
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	Covid and Brexit are likely to have ongoing consequences on the cost of delivering the Capital Programme.
Equalities	None
Corporate Strategy	The Capital Programme is aligned with the Comhairle's Corporate Strategy.
Environmental Impact	None
Consultation	N/A

BACKGROUND

5.1 In February 2023, the Comhairle agreed a Capital Programme for 2023-28 of £25m. Projects totalling £28.2m were brought forward from the 2018-23 Programme. Taking into account additional funding awarded of £24.2m, capital funded from revenue and the use of prudential borrowing totalling £2.4m, the 2023-28 Capital Programme now totals £79.8m.

UPDATE

- 6.1 During quarter 1 of 2025/26 £1.5m has been spent on capital projects.
- 6.2 Education, Sport and Children's Services – negligible spend during this quarter. £100k was allocated to the Nicolson Institute Additional Support Needs works project from the additional General Capital Grant received in 2024/25 on the approval of the Asset Investment Team.
- 6.3 Integration Joint Board – there was minimal spend in the quarter.
- 6.4 Sustainable Development – There was spend of £527k during the quarter. £100k was spent on housing adaptations. £200k of Gaelic capital funding was paid out to Cnoc Soilleir. £209k was allocated to the Shared Prosperity Fund and £81k for the Place Based Investment Programme. At the April series of meetings, it was agreed to allocate £230k of the receipt from the sale of 49-51 Cromwell Street to the medical adaptations budget.
- 6.5 Transportation and Infrastructure – £806k was spent in the quarter. £390k on road maintenance and £161k was spent on the Emerging Energies Technology Fund. £85k was spent on a cleansing vehicle. £244k of funding was allocated through the Bus Infrastructure fund and £462k for Climate Change.
- 6.6 Policy and Resources – having removed the items of funding which are paid with the General Capital Grant but are ringfenced we have £961k more grant in 2025/26 than was budgeted for when the programme was set.

GENERAL CAPITAL GRANT

- 7.1 When the 2023-28 capital programme was agreed it was based on estimated General Capital Grant of £5m per year. The award for 2023/24 was £1.3m higher than estimated and based on a recommendation from the Asset Investment Team this was allocated to Roads Maintenance.
- 7.2 The 2024/25 Settlement revealed that the General Capital Grant awarded to the Comhairle was nearly £1m higher than budgeted. At the November 2024 Committee series, it was agreed to allocate £250k of this to cover the adaptations required at Bremner Court in preparation for the transfer of Blar Buidhe residents. At the February 2025 Committee series, it was agreed to allocate a further £400k to Roads Maintenance in lieu of a reduction to the roads revenue budget in 2025/26.
- 7.3 After allowing for items that are paid as part of the General capital grant but are required to be monitored separately the amount of funding for 2025/26 is £961k higher than anticipated.