

REPORT TO: CITY GOVERNANCE COMMITTEE – 8 JANUARY 2024
REPORT ON: CAPITAL EXPENDITURE MONITORING 2023/24
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 1–2024

1 PURPOSE OF REPORT

1.1 To appraise Elected Members of the latest position regarding the Council's Capital Plan 2023-28.

2 RECOMMENDATION

2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Plan 2023-28.

3 FINANCIAL IMPLICATIONS

3.1 This report shows the latest projections for 2023/24 expenditure and total cost as at 30 November 2023.

Appendix 1, which details the General Services position to the end of November 2023, shows a revised projected outturn for 2023/24 of £77.807m, a decrease of £0.160m since the last Capital Monitoring report was approved at City Governance Committee on 4th December 2023 (Report 352-2023, Article III refers). The net movements that have contributed to this movement are summarised in paragraph 5.1 of the report. The net figure of £0.160m will still be required in 2024/25 and 2025/26 and funded from borrowing in that year.

Appendix 3, which details the Housing HRA position to the end of November 2023, shows a revised projected outturn for 2023/24 of £19.043m, a decrease of £3.771m since the last capital monitoring report was approved at City Governance Committee on 4th December 2023 (Report 352-2023, Article III refers).

An explanation of the major variances is shown in Section 5 and 6 of the report.

4 BACKGROUND

4.1 The Capital Plan 2023-28 was approved at Policy and Resources Committee on 21 November 2022 (Report 309-2022, Article VIII refers).

In addition to monitoring the in-year budget (i.e. 2023/24) the total projected cost of each project will be monitored against the cost when the tender acceptance was approved at Committee. Furthermore, the projected completion date for each project will be monitored against the completion date as anticipated when the tender report was approved. The capital programme is being monitored in conjunction with the Council's asset managers.

The Housing HRA Capital Programme 2023/24 was approved as part of the Capital Plan 2023-28 which was approved at Policy and Resources Committee on 21 November 2022 (Report 309-2022, Article VIII refers). In addition, the Housing HRA Capital Budget reflects information contained in Scottish Housing Quality Standard submission.

Officers within services continue to review the capital programme of works and prioritising those projects that can realistically be progressed during the current year. There is a risk of further slippage in the capital programme, as the Council reacts to the market conditions currently affecting the construction industry. Updated projections will be incorporated into future capital monitoring reports.

4.2 Local Authorities from 1 April 2004 are required, by Regulation, to comply with the Prudential Code under Part 7 of the Local Government Act 2003. The Capital Budget for 2023/24 is being monitored within the framework of the updated Prudential Code 2021.

4.3 The Capital Monitoring report provides detailed information on major projects and programmes contained within the Capital Budget and the impact of expenditure movements on future financial years.

5 GENERAL SERVICES CURRENT POSITION

5.1 Appendix 2 details the latest projected outturn for major projects and programmes, both for 2023/24 and for the whole project life-span. In addition, the Appendix monitors project timescales. In some instances, it is not possible to provide approved or projected total project costs and timescales due to the project being a block programme containing various smaller projects within it. In these cases, the total cost is assumed to be the budgeted figure plus previous year actuals. The projected completion date is assumed to be the end of the financial year.

Appendix 1 summarises the total gross expenditure for 2023/24 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 30 November is 53% of the Revised Budget 2023/24 compared to 38% for the same period last year.

The overall net reduction in the projected outturn for 2023/24 reflects project/programmes budgets being reprofiled. Key variations are as follows and details are provided in subsequent paragraphs.

Increases in planned expenditure include:

- Desktop Management System - £0.600m

Reductions in planned expenditure include:

- Purchase of Computer Equipment (£0.400m)

5.2 2023/24 Expenditure Variations

Appendix 1, which details the General Services position to the end of September 2023, shows a revised projected outturn for 2023/24 of £77.807m, a decrease of £0.160m since the last Capital Monitoring report was approved at City Governance Committee on 4th December 2023 (Report 352-2023, Article III refers). The main reasons for the movement are detailed in points 5.2.1 to 5.2.2 below:

5.2.1 Desktop Management Software (Design a Modern Council) – Additional projected expenditure of £0.600m in 2023/24. A new platform to securely deliver applications and desktops to all Council staff was approved at City Governance Committee on 4th December 2023 (Report 364-2023, Article VIII refers). The additional expenditure is required to allow time to have the new solution in place well in advance of the current licensing running out in May 2024. It will take approximately 3 months to migrate all users to the new platform. The budget will be brought forward to cover this expenditure. There will be an increase in borrowing in 2023/24 and a corresponding decrease in 2024/25.

5.2.2 Purchase of Computer Equipment (Design a Modern Council) - Reduction in projected expenditure of £0.400m in 2023/24. This budget is planned to be used to assist funding of a new Asset Management System and for the installation of fibre internet and network security services for all schools. The budget will be required in 2024/25 and 2025/26. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25 and 2025/26.

5.3 Projected capital expenditure as a percentage of projected capital resources is currently standing at 100%. Project cashflows, for phasing of budgets, are constantly being reviewed.

5.4 The table below shows the latest position regarding the capital resources for funding of the 2023/24 programme: -

	Approved Budget £m	Adjustments £m	Revised Budget £m	Projected Outturn £m	Variance £m
Borrowing	64.159	(22.161)	41.998	41.998	-
General Capital Grant	13.150	(572)	12.578	12.578	-
Capital Grants & Contributions	12.146	6.911	19.057	19.057	-
Capital Receipts – Sale of Assets	3.000	(1.952)	1.048	1.048	-
Capital Financed from Current Revenue	1.401	(270)	1.131	1.131	-
Capital Fund	<u>2.436</u>	<u>(441)</u>	<u>1.995</u>	<u>1.995</u>	
	<u>96.292</u>	<u>(18.485)</u>	<u>77.807</u>	<u>77.807</u>	<u>-</u>

5.4.1 Over the last 5 years the actual outturns achieved have been: -

	£m
2019/20	50.172
2020/21	39.537
2021/22	45.038
2022/23	44.086
2023/24 (Projected)	77.807

5.5 Projected Total Cost Variations

There are no total cost variations to report since the previous capital monitoring report went to committee.

5.6 Completion Date Variations (this compares the estimated completion date as per the tender acceptance report to the actual completion date)

5.6.1 There are no completion date variations to report since the previous capital monitoring report went to committee.

Officers are constantly reviewing the capital programme to ascertain the impact of global supply chain issues on the timescales for delivering projects. Officers will report any further revisions to estimated completion dates in future capital monitoring reports.

6 HOUSING HRA - CURRENT POSITION

6.1 2023/24 Expenditure Variations

Appendix 2 details the latest projected outturn for each project, both for 2023/24 and for the whole project life-span. In addition, the Appendix monitors project timescales. In some instances, it is not possible to provide approved or projected total project costs and timescales due to the project being a block programme containing various smaller projects within it. In these cases, the total cost is assumed to be the budgeted figure plus previous year actuals. The projected completion date is assumed to be the end of the financial year.

Appendix 3 summarises the total gross expenditure for 2023/24 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 30th November 2023 is 29% of the Revised Budget 2023/24 compared to 35% for the same period last year.

6.2 Appendix 3, which details the Housing HRA position to the end of November 2023, shows a revised projected outturn for 2023/24 of £19.043m, a decrease of £3.771m since the last capital monitoring report was approved at City Governance Committee on 4th December 2023 (Report 352-2023, Article III refers). The main reason for the movement is detailed in points 6.2.1 to 6.2.2 below:

- 6.2.1 Energy Efficiency - External Insulation and Cavity Fill (Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045) - The projected expenditure has decreased by £1.671m in 2023/24. The reduction in expenditure is due to the revised programme for the External Insulation programme at Fleming Gardens. The survey and design work is underway however the majority of spend is projected for 24/25 and so the programme has been amended along with the projected expenditure.
- 6.2.2 Increased Supply of Council Housing (Build Resilient and Empowered Communities) – The projected expenditure has decreased by £1.805m in 2023/24. The programme has been rephased to reflect the latest timescales and estimated programme. The decrease in projected expenditure in 2023/24 is due to a technical review of the costs for Blackness being required which has delayed the proposed programme start date.
- 6.3 Projected capital expenditure as a percentage of projected capital resources is currently standing at 100%. Project cashflows, for phasing of budgets, are constantly being reviewed.
- 6.3.1 Capital Receipts, Grants & Contributions – There is a projected reduction in capital grants of £0.447m in 2023/24. The reduction in projected grant funding relates to Scottish Government new build grants which have been updated in line with the latest phasing of the new build programmes. There will be a decrease in 2023/24 and a corresponding increase in future years.
- 6.4 The table below shows the latest position regarding the funding of the 2023/24 programme: -

	Approved Budget £m	Adjustments £m	Revised Budget £m	Projected Outturn £m	Variance £m
Borrowing	22.997	(7.166)	15.831	15.831	-
Capital Grants & Contributions	4.265	(2.392)	1.873	1.873	-
CFCR	450	-	450	450	-
Capital Receipts – Sale of Assets	1.573	(1.134)	439	439	-
Receipts from Owners	450	-	450	450	-
	<u>29.735</u>	<u>(10.692)</u>	<u>19.043</u>	<u>19.043</u>	<u>-</u>

- 6.4.1 Over the last 5 years the actual outturns achieved have been: -

	£m
2019/20	23.565
2020/21	7.316
2021/22	12.338
2022/23	9.232
2023/24 (Projected)	19.043

6.5 Projected Total Cost Variations

There are no total cost variations to report since the previous capital monitoring report went to committee.

6.6 Completion Date Variations (this compares the estimated completion date as per the tender acceptance report to the actual completion date)

Energy Efficiency - External Insulation and Cavity Fill (Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045) – Fleming Gardens External Wall Insulation has been rephased and is now estimated to complete by 31 August 2024.

All Housing Capital Projects are continually reviewed across the partnership. Any variations to estimated costs and completion dates will be reported in future capital monitoring reports throughout the year.

7 **RISK ASSESSMENT**

7.1 There are a number of risks which may have an impact on the Capital Expenditure programme. The main areas of risk are identified in Appendix 4 to this report, along with the impact, consequences and controls in place to mitigate the risk together with the mechanisms in place to help mitigate these risks.

8 **POLICY IMPLICATIONS**

8.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

9 **CONSULTATION**

9.1 The Council Leadership Team have been consulted and are in agreement with the content of this report.

10 **BACKGROUND PAPERS**

10.1 None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

13 DECEMBER 2023

This page is intentionally left blank

2023/24 DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING TO 30th NOVEMBER 2023

Appendix 1

	<u>Approved</u> <u>Capital</u> <u>Budget</u> <u>2023/24</u> <u>£000</u>	<u>Total</u> <u>Budget</u> <u>Adjustments</u> <u>£000</u>	<u>Revised</u> <u>Capital</u> <u>Budget</u> <u>2023/24</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>2023/24</u> <u>£000</u>	<u>Projected</u> <u>Outturn</u> <u>2023/24</u> <u>£000</u>	<u>Variance</u> <u>£000</u>	<u>Actual Spend</u> <u>to 30.11.2023</u> <u>as a % of</u> <u>Revised</u> <u>Budget</u>
GENERAL SERVICES							
<u>Capital Expenditure</u>							
Reduce Child Poverty & Inequalities in Income, Education & Health	37,962	(5,926)	32,036	16,555	32,036	0	52%
Deliver Inclusive Economic Growth	15,300	(9,169)	6,131	1,388	6,131	0	23%
Tackle Climate Change and reach Net Zero carbon emissions by 2045	17,543	(1,223)	16,320	10,182	16,320	0	62%
Build Resilient and Empowered Communities	8,379	968	9,347	4,124	9,347	0	44%
Design a Modern Council	24,108	(10,135)	13,973	8,678	13,973	0	62%
Capital Expenditure 2023/24	103,292	(25,485)	77,807	40,927	77,807	0	53%
<u>Capital Resources</u>							
Expenditure Funded from Borrowing	64,159	(22,161)	41,998	22,145	41,998		
General Capital Grant	13,150	(572)	12,578	8,819	12,578		
Capital Grants & Contributions - corporate		337	337	337	337		
Capital Grants & Contributions - project specific	12,146	6,574	18,720	5,720	18,720		
Capital Receipts - Sale of Assets	3,000	(1,952)	1,048	1,009	1,048		
Capital Financed from Current Revenue	1,401	(270)	1,131	902	1,131		
Capital Fund	2,436	(441)	1,995	1,995	1,995		
Capital Resources 2023/24	96,292	(18,485)	77,807	40,927	77,807		
Capital Expenditure as % of Capital Resources	107%		100%		100%		

REDUCE CHILD POVERTY AND INEQUALITIES IN INCOMES, EDUCATION AND HEALTH

Project/Nature of Expenditure	Approved Budget	Total Adjusts	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2023/24 £000	£000	2023/24 £000	30/11/2023 £'000	2023/24 £000	Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS - Reduce Child Poverty and Inequalities										
Harris Academy Extension	4,356	(620)	3,736	3,367	3,736	4,605	5,174	5,174	Dec-23	Aug-24
(Less External Funding)	(4,356)	620	(3,736)	(3,347)	(3,736)	(3,350)	(5,174)	(5,174)		
School Estate investment-East End Community Campus	32,580	(4,817)	27,763	12,923	27,763	15,935	100,800	100,800	Jul-25	Jul-25
OTHER PROJECTS - Reduce Child Poverty and Inequalities	1,026	(489)	537	265	537	16,834	18,959	18,800		
Net Expenditure	33,606	(5,306)	28,300	13,208	28,300	34,024	119,759	119,600		
Receipts	(4,356)	620	(3,736)	(3,347)	(3,736)	(3,350)	(5,174)	(5,174)		
Gross Expenditure	37,962	(5,926)	32,036	16,555	32,036	37,374	124,933	124,774		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2023-28

Appendix 2

DELIVER INCLUSIVE ECONOMIC GROWTH

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 30/11/2023 £'000	Projected Outturn 2023/24 £000
MAJOR PROJECTS - Deliver Inclusive Economic Growth					
Site 6 South Development - Offices	14,000	(8,406)	5,594	1,509	5,594
Demolition of Properties & Remediation Works	1,300	(900)	400	66	400
OTHER PROJECTS - Deliver Inclusive Economic Growth		137	137	(187)	137
(Less External Funding)		(30)	(30)	(10)	(30)
Net Expenditure	15,300	(9,199)	6,101	1,378	6,101
Netted Off Receipts		(30)	(30)	(10)	(30)
Gross Expenditure	15,300	(9,169)	6,131	1,388	6,131

Note 1

Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,497	26,202	26,202	Feb-25	Mar-25
193	533	533	Mar-24	Mar-24
67,355	66,240	68,746		
(9,851)	(7,830)	(10,138)		
60,194	85,145	85,343		
(9,851)	(7,830)	(10,138)		
70,045	92,975	95,481		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2023-28

TACKLE CLIMATE CHANGE AND REACH NET ZERO CARBON EMISSIONS BY 2045

Appendix 2

Project/Nature of Expenditure	Approved Budget	Total	Revised Budget	Expenditure to	Projected	Note 1				
	2023/24 £000	Adjusts £000	2022/23 £000	30/11/2023 £'000	Outturn 2022/23 £000	Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS - Tackle Climate Change and Reach Net Zero Emissions by 2045										
Broughty Ferry to Monifieth Active Travel Improvements	4,047	5,346	9,393	7,761	9,393	13,190	9,067	18,031	Mar-24	Mar-24
(Less External Funding)	(4,047)	(5,346)	(9,393)	(2,117)	(9,393)	(7,546)	(9,067)	(17,281)	Mar-24	Mar-24
Cycling, Walking & Safer Routes		1,235	1,235	511	1,235	1,200	1,924	1,924	Mar-24	Mar-24
(Less External Funding)		(1,235)	(1,235)	(264)	(1,235)	(953)	(1,924)	(1,924)	Mar-24	Mar-24
DCA Lifecycle plant replacement programme	4,355	(4,255)	100	27	100	35	4,550	4,550	Tender not yet approved	
Low Carbon Transport (Green Transport Hub & Spokes - Bell Street)	850	480	1,330	253	1,330	273	16,000	16,000	Main Tender not yet approved	
(Less External Funding)		(1,330)	(1,330)	20	(1,330)	20	(14,400)	(14,400)		
Vehicle Fleet & Infrastructure	2,398	(1,127)	1,271	985	1,271	2,162	2,449	2,449	Mar-24	Mar-24
(Less Sale of Vehicles & Equipment)		(35)	(35)	(26)	(35)	(26)	(35)	(35)	Mar-24	Mar-24
OTHER PROJECTS - Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045	5,893	(2,902)	2,991	645	2,991	23,634	27,275	27,234		
(Less External Funding)	(3,000)	1,599	(1,401)	410	(1,401)	(1,970)	(2,877)	(2,877)		
Net Expenditure	10,496	(7,570)	2,926	8,205	2,926	30,019	32,962	33,671		
Receipts	(7,047)	(6,347)	(13,394)	(1,977)	(13,394)	(10,475)	(28,303)	(36,517)		
Gross Expenditure	17,543	(1,223)	16,320	10,182	16,320	40,494	61,265	70,188		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2023-28

BUILD RESILIENT AND EMPOWERED COMMUNITIES

Appendix 2

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 30/11/2023 £'000	Projected Outturn 2023/24 £000
MAJOR PROJECTS - Build Resilient and Empowered Communities					
Road Maintenance Partnership	3,460		3,460	2,083	3,460
Street Lighting Renewal	1,000	217	1,217	636	1,217
City Improvement/Investment Fund	500	223	723	344	723
(Less External Funding)	(500)	(223)	(723)	(344)	(723)
Parks & Open Spaces	2,026	(505)	1,521	212	1,521
(Less External Funding)	(243)	(17)	(260)	(20)	(260)
OTHER PROJECTS/PROGRAMMES - Build Resilient and Empowered Communities	1,393	1,033	2,426	849	2,426
(Less External Funding)		(576)	(576)	(22)	(576)
Net Expenditure	7,636	152	7,788	3,738	7,788
Receipts	(743)	(816)	(1,559)	(386)	(1,559)
Gross Expenditure	8,379	968	9,347	4,124	9,347

Note 1

Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,083	3,460	3,460	Mar-24	Mar-24
636	1,217	1,217	Mar-24	Mar-24
423	1,217	1,217	Mar-24	Mar-24
(423)	(717)	(717)	Mar-24	Mar-24
3,067	4,378	4,378	Mar-24	Mar-24
(1,743)	(1,750)	(1,729)	Mar-24	Mar-24
18,814	21,557	20,210		
(1,687)	(2,860)	(2,860)		
21,170	26,502	25,176		
(3,853)	(5,327)	(5,306)		
25,023	31,829	30,482		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2023-28

DESIGN A MODERN COUNCIL

Appendix 2

Project/Nature of Expenditure	Approved Budget	Total	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2023/24 £000	Adjusts £000	2023/24 £000	30/11/2023 £'000	2023/24 £000	Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS/PROGRAMMES - Design a Modern Council										
Baldovie Depot Redevelopment	5,052	(4,852)	200	11	200	200	5,200	5,200	Tender not yet approved	
Depot Rationalisation Programme	2,500	(2,050)	450	138	450	309	3,063	3,063	Tender not yet approved	
Dundee Ice Arena Plant & Upgrade	1,200	(223)	977	624	977	767	9,100	9,100	Main Tender not yet approved	
Olympia Refurbishment Works	3,332	(340)	2,992	2,732	2,992	6,004	6,163	6,163	Oct-23	Oct-23
Property Lifecycle Development Programme	7,608	(2,734)	4,874	3,294	4,874	6,363	7,943	7,943	Mar-24	Mar-24
Purchase Computer Equipment	1,758	(321)	1,437	905	1,437	2,255	2,997	2,997	Mar-24	Mar-24
(Less External Funding)		(1)	(1)		(1)	(648)	(650)	(649)	Mar-23	Mar-23
Schools Connectivity	1,200	(910)	290	9	290	19	2,600	2,600		
Desktop Management System		600	600		600					
OTHER PROJECTS/PROGRAMMES - Design a Modern Council	1,458	695	2,153	949	2,153	41,455	42,031	45,731		
Net Expenditure	24,108	(10,136)	13,972	8,678	13,972	56,724	78,447	82,148		
Netted Off Receipts		(1)	(1)		(1)	(648)	(650)	(649)		
Gross Expenditure	24,108	(10,135)	13,973	8,678	13,973	57,372	79,097	82,797		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2023-28

TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045 - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2022/23 £000	Expenditure to 30/11/2023	Projected Outturn 2023/24 £000
Energy Efficient	8,586	(6,642)	1,944	460	1,944
Net Expenditure	8,586	(6,642)	1,944	460	1,944
Receipts					
Gross Expenditure	8,586	(6,642)	1,944	460	1,944

Note 1

Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,043	10,253	10,167	Mar-25	Mar-25
2,043	10,253	10,167		
2,043	10,253	10,167		

BUILD RESILIENT AND EMPOWERED COMMUNITIES - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 30/11/2023	Projected Outturn 2023/24 £000
Free from Serious Disrepair	4,550	633	5,183	2,213	5,183
Modern Facilities & Services	500	(250)	250		250
Healthy, Safe and Secure	2,550	387	2,937	1,301	2,937
Miscellaneous	1,777	(412)	1,365	654	1,365
Increased Supply of Council Housing	11,562	(4,431)	7,131	693	7,131
(Less External Funding)	(4,265)	2,392	(1,873)		(1,873)
Demolitions	10	23	33	25	33
Sheltered Lounge Upgrades	200		200	113	200
Net Expenditure	16,884	(1,658)	15,226	4,999	15,226
Receipts	(4,265)	2,392	(1,873)		(1,873)
Gross Expenditure	21,149	(4,050)	17,099	4,999	17,099

Note 1

Actual Project Cost to 30/11/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
3,537	6,536	6,536	Mar-24	Mar-24
	250	250	Mar-24	Mar-24
5,745	7,692	7,692	Mar-24	Mar-24
1,969	2,683	2,683	Mar-24	Mar-24
17,693	24,131	24,131	Mar-21	Dec-23
(7,867)	(7,098)	(7,867)		
25	33	33	Mar-24	Mar-24
113	200	200	Mar-24	Mar-24
21,215	34,427	33,658		
(7,867)	(7,098)	(7,867)		
29,082	41,525	41,525		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2023-28

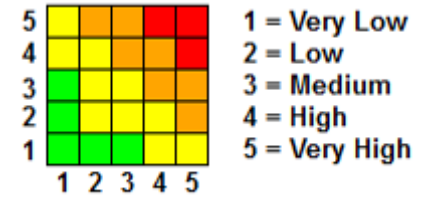
DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING 30 NOVEMBER 2023

Appendix 3

	<u>Approved Capital Budget 2023/24 £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2023/24 £000</u>	<u>Actual Spend to 30 Nov 2023 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 30.11.2023 as a % of Revised Budget</u>
<u>Capital Expenditure 2023/24</u>							
<u>Tackle Climate Change and reach Net Zero carbon emissions by 2045</u>							
Energy Efficiency	8,586	(6,642)	1,944	460	1,944	-	24%
<u>Build Resilient and Empowered Communities</u>							
Free from Serious Disrepair	4,550	633	5,183	2213	5,183	-	43%
Modern Facilities and Services	500	(250)	250		250	-	0%
Healthy, Safe & Secure	2,550	387	2,937	1,301	2,937	-	44%
Miscellaneous	1,777	(412)	1,365	654	1,365	-	48%
Increase Supply of Council Housing	11,562	(4,431)	7,131	693	7,131	-	10%
Demolitions	10	23	33	25	33	-	76%
Community Care - Sheltered Lounge Upgrades	200		200	113	200	-	57%
Capital Expenditure 2023/24	29,735	(10,692)	19,043	5,459	19,043	-	29%
<u>Capital Resources 2023/24</u>							
Expenditure Funded from Borrowing	22,997	(7,166)	15,831	5,411	15,831	-	
Capital Receipts, Grants & Contributions - project specific							
Scottish Government Grants	4,265	(2,392)	1,873		1,873	-	
Capital Funded from Current Revenue							
Council Tax discount reductions used to fund affordable housing	450		450		450	-	
Capital Receipts, Grants & Contributions							
Receipts from Owners	450		450	(5)	450	-	
Capital Receipts:-							
Sale of Assets - Land	1,573	(1,134)	439	53	439	-	
	29,735	(10,692)	19,043	5,459	19,043		
Capital Expenditure as % of Capital Resources	100%		100%		100%		


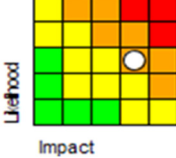

APPENDIX 4

Pentana Risk Matrix



Risk Report
Report Type: Capital Monitoring 2023/24
Report Author: Executive Director of Corporate Services

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Qtr)	Residual Risk (Current)
1.General Price inflation may be greater than contingencies already built into figures in capital monitoring/plan.	<ul style="list-style-type: none"> Lasting effect of Brexit The war in Ukraine Labour shortages pushing up labour costs. 	<ul style="list-style-type: none"> Increased financial cost of projects. Potential Overspends as allowance in Capital Plan is insufficient to cover increased cost. 	<ul style="list-style-type: none"> Changes to the scope of projects to accommodate additional costs. Delays to project progressing due to rescoping of project. Changes to Capital Plan to accommodate the additional costs by reallocation of resources from other projects 		<ul style="list-style-type: none"> Robust Capital Monitoring processes in place to enable any potential issues to be highlighted as soon as they arise, and any necessary action taken. 		
2.Additional Costs once Project has started and works on-going	<ul style="list-style-type: none"> Unforeseen circumstances such as ground conditions leading to delay and /or additional cost. Under performance in the materials supply chain. 	<ul style="list-style-type: none"> Increased financial cost of projects. Potential Overspends as allowance in Capital Plan is insufficient to cover increased cost. 	<ul style="list-style-type: none"> The estimated completion of the project is delayed Changes to the scope of the ongoing project, if possible, to accommodate the increased costs. Changes to Capital Plan to accommodate the 		<ul style="list-style-type: none"> Robust monitoring of the project by professional Project Managers means potential issues are highlighted and remedial action taken to resolve as soon as possible. Specific Risk registers exist for major capital 		

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Qtr)	Residual Risk (Current)
			additional costs by reallocation of resources from other projects		<p>projects contained within the capital monitoring, and they are continually reviewed as the project progresses, and corrective action taken where necessary.</p> <ul style="list-style-type: none"> Capital monitoring processes ensure overspends are highlighted as soon as known and corrective action taken. 		
3.Estimated Completion date for the Project	<ul style="list-style-type: none"> Extreme weather conditions can delay progress Unforeseen issues can arise once project starts e.g. ground conditions Under performance in the materials supply chain. 	<ul style="list-style-type: none"> Delay in the asset becoming operational. Negative press coverage for Council Service delivery impacted due to delays in completing works. 	<ul style="list-style-type: none"> Potential additional revenue costs as asset not operational and ready to be used, Delay In achieving revenue savings from the project. Knock on effect of not being able to progress subsequent projects, as staff engaged on delivery of current project. Potential additional capital costs where equipment has been hired. Potential claim from contractors for extension of time. 		<ul style="list-style-type: none"> Robust monitoring of the project by professional Project Managers means when potential delays to the project are highlighted and remedial action taken to resolve as soon as possible to minimise any delays to the completion date. 		

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Qtr)	Residual Risk (Current)
4.Capital Receipts from Sale of Assets not achieved	<ul style="list-style-type: none"> Uncertain market conditions, e.g. level of interest rates and inflation, means housing developers are not purchasing sites for development. Abnormals can reduce the value of the site being marketed. Brownfield sites have higher level of abnormals due to contamination etc. Uncertain economic/world means businesses are not expanding 	<ul style="list-style-type: none"> Less funding available to fund current capital programme 	<ul style="list-style-type: none"> Alternate capital resources identified to compensate for the shortfall, if possible. Capital programme is reprioritised to take account of the funding shortfall 		<ul style="list-style-type: none"> Robust monitoring of the projected capital receipts by officers from City Development and Support services, means any shortfalls are identified and remedial action taken. 		
5.Delays in Capital Receipts being Received	<ul style="list-style-type: none"> Uncertain market conditions, e.g. level of interest rates and inflation, means housing developers are delaying purchasing sites for development, in anticipation that interest rates and rate of inflation will come down Businesses are delaying applying for business loans for expanding etc 	<ul style="list-style-type: none"> Less funding available to fund current capital programme in the short term 	<ul style="list-style-type: none"> Capital programme is slipped to take account of the delays in receiving the capital receipts 		<ul style="list-style-type: none"> Robust monitoring of the projected capital receipts by officers from City Development and Support services, means any short-term delays are identified and remedial action taken. The capital expenditure programme naturally slips due to external factors, so any delays in 		

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Qtr)	Residual Risk (Current)
	in anticipation that interest rates will come down				receiving receipts can be matched against the expenditure slippage.		