

ITEM No ...4.....

REPORT TO: CITY GOVERNANCE COMMITTEE – 25 SEPTEMBER 2023
REPORT ON: CAPITAL EXPENDITURE MONITORING 2023/24
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 245–2023

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 31 July 2023.

Appendix 1, which details the General Services position to the end of July 2023, shows a revised projected outturn for 2023/24 of £87.154m, a decrease of £10.669m since the last Capital Monitoring report was approved at City Governance Committee on 21st August 2023 (Report 212-2023, Article V refers). The budget of £10.669m will be required in 2024/25.

Appendix 3, which details the Housing HRA position to the end of July 2023, shows a revised projected outturn for 2023/24 of £28.924m, a decrease of £0.598m since the last capital monitoring report was approved at City Governance Committee on 21st August 2023 (Report 212-2023, Article V 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 2023/24m 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 31 July is 14% of the Revised Budget 2023/24 compared to 10% 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.

Reductions in planned expenditure include:

- Site 6 South Side Development (£7.586m);
- Economic Development Fitout (£0.391m);
- LACD Projects (£0.442m);
- Property Rationalisation (£0.806m);
- Riverside Recycling Site (£0.518m);
- Transport & Infrastructure (£0.391m);
- Sports Facilities – Upgrade Community Sports Provision (£0.389m);

5.2 2023/24 Expenditure Variations

Appendix 1, which details the position to the end of July 2023, shows a revised projected outturn for 2023/24 of £87.154m, a decrease of £10.669m since the Capital Monitoring report was approved at City Governance Committee on 21st August 2023 (Report 212-2023, Article V refers). The main reasons for the movement are detailed in points 5.2.1 to 5.2.7 below:

- 5.2.1 Economic Development Fitout (Deliver Inclusive Economic Growth – Other Projects) – Reduction in projected expenditure of £391,000 in 2023/24. The budget will be required to fitout the remaining railway station unit, when a suitable tenant has been identified. The budget will be required in future years. There will be a reduction in borrowing in 2023/24 and a corresponding increase in future years.
- 5.2.2 Site 6 South Development (Deliver Inclusive Economic Growth) - Reduction in projected expenditure of £7.586m in 2023/24. The budget has been rephased to reflect the latest project cashflow received from the contractor for delivering the project. The revised phasing does not impact the delivery programme or anticipated completion date. The budget will be required in 2024/25. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25.
- 5.2.3 LACD Projects (Build Resilient and Empowered Communities – Other Projects) – Reduction in projected expenditure of £442,000 in 2023/24. A review of this budget will be undertaken, as part of the preparation of the Capital Plan 2024-29, to determine the appropriate level and type of spaces required to deliver services provided by LACD. The budget will be required in future years to fund capital projects. There will be a reduction in borrowing in 2023/24 and a corresponding increase in future years.
- 5.2.4 Property Rationalisation (Design a Modern Council – Other Projects) - Reduction in projected expenditure of £806,000 in 2023/24. A review to determine the appropriate level and type of spaces required to deliver council services is currently being developed. Any works resulting from this review will be carried out from this budget. The budget will be required in 2024/25. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25.

- 5.2.5 Riverside Recycling Site (Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045 – Other Projects) – Reduction in projected expenditure of £518,000 in 2023/24. A match funding bid is being prepared for submission to the Scottish Government’s Recycling Improvement Fund during autumn 2023. This will form part of a larger improvement project at the Household Waste Recycling Centre. If successful, it is expected that the spend will be commenced in 2023/24 and then completed during 2024/25. There will be a reduction in borrowing in 2023/24 and a corresponding increase in future years.
- 5.2.6 Transport & Infrastructure (Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045 – Other Projects) - Reduction in projected expenditure of £391,000 in 2023/24. The budget will be required in 2024/25 as match funding requirements for infrastructure projects being delivered through Sustrans Places for Everyone programme. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25.
- 5.2.7 Sports Facilities (Build Resilient and Empowered Communities – Other Projects) – Reduction in projected expenditure of £389,000 on Upgrade Community Sports Provision in 2023/24. Designs are progressing to obtain costs for upgrading of Pavilions. This will be followed by a client review, resulting in project spend being required to be rephased into 2024/25. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25.
- 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	(14.424)	49.735	49.735	-
General Capital Grant	13.150	(572)	12.578	12.578	-
Capital Grants & Contributions	12.146	7.500	19.646	19.646	-
Capital Receipts – Sale of Assets	3.000	(1.198)	1.802	1.802	-
Capital Financed from Current Revenue	1.401	(3)	1.398	1.398	-
Capital Fund	<u>2.436</u>	<u>(441)</u>	<u>1.995</u>	<u>1.995</u>	
	<u>96.292</u>	<u>(9.138)</u>	<u>87.154</u>	<u>87.154</u>	<u>-</u>

- 5.4.3 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)	87.154

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)

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 31 July 2023 is 11% of the Revised Budget 2023/24 compared to 10% for the same period last year.

6.2 Appendix 3, which details the Housing HRA position to the end of July 2023, shows a revised projected outturn for 2023/24 of £28.924m, a decrease of £0.598m since the last capital monitoring report was approved at City Governance Committee on 21st August 2023 (Report 212-2023, Article V refers). The main reason for the movement is detailed in point 6.2.1 below:

6.2.1 Free from Serious Disrepair - Windows - (Build Resilient and Empowered Communities) - The projected expenditure has decreased by £337,000 in 2023/24. This is mainly due to the Whitfield project which has been updated to reflect the latest timescales and estimates for the programme.

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.

6.4 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	376	23.373	23.373	-
Capital Grants & Contributions	4.265	-	4.265	4.265	-
CFCR	450	-	450	450	-
Capital Receipts – Sale of Assets	1.573	(1.187)	386	386	-
Receipts from Owners	<u>450</u>	<u>-</u>	<u>450</u>	<u>450</u>	<u>-</u>
	<u>29.735</u>	<u>(811)</u>	<u>28.924</u>	<u>28.924</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)	28.924

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)

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

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
2023

14 SEPTEMBER

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2023/24 DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING TO 31st JULY 2023

Appendix 1

	<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 2023/24 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.7.2023 as a % of Revised Budget</u>
GENERAL SERVICES							
<u>Capital Expenditure</u>							
Reduce Child Poverty & Inequalities in Income, Education & Health	37,962	(5,342)	32,620	4,147	32,620	0	13%
Deliver Inclusive Economic Growth	15,300	(7,878)	7,422	(109)	7,422	0	-1%
Tackle Climate Change and reach Net Zero carbon emissions by 2045	17,543	1,619	19,162	2,965	19,162	0	15%
Build Resilient and Empowered Communities	8,379	3,099	11,478	1,391	11,478	0	12%
Design a Modern Council	24,108	(7,636)	16,472	3,442	16,472	0	21%
Capital Expenditure 2023/24	103,292	(16,138)	87,154	11,836	87,154	0	14%
<u>Capital Resources</u>							
Expenditure Funded from Borrowing	64,159	(14,424)	49,735	4,465	49,735		
General Capital Grant	13,150	(572)	12,578	4,409	12,578		
Capital Grants & Contributions - corporate		337	337		337		
Capital Grants & Contributions - project specific	12,146	7,163	19,309	1,026	19,309		
Capital Receipts - Sale of Assets	3,000	(1,198)	1,802	50	1,802		
Capital Financed from Current Revenue	1,401	(3)	1,398	297	1,398		
Capital Fund	2,436	(441)	1,995	1,589	1,995		
Capital Resources 2023/24	96,292	(9,138)	87,154	11,836	87,154		
Capital Expenditure as % of Capital Resources	107%		100%		100%		

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REDUCE CHILD POVERTY AND INEQUALITIES IN INCOMES, EDUCATION AND HEALTH

Note 1

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 31/07/2023 £'000	Projected Outturn 2023/24 £000	Actual Project Cost to 31/07/2023 £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	(420)	3,936	1,215	3,936	2,453	5,174	5,174	Dec-23	Dec-23
(Less External Funding)	(4,356)	420	(3,936)	(1,644)	(3,936)	(1,647)	(5,174)	(5,174)		
School Estate investment-East End Community Campus	32,580	(5,714)	26,866	2,695	26,866	5,706	100,800	100,800	Jul-25	Jul-25
OTHER PROJECTS - Reduce Child Poverty and Inequalities	1,026	792	1,818	237	1,818	16,806	18,959	18,810		
Net Expenditure	33,606	(4,922)	28,684	2,503	28,684	23,318	119,759	119,610		
Receipts	(4,356)	420	(3,936)	(1,644)	(3,936)	(1,647)	(5,174)	(5,174)		
Gross Expenditure	37,962	(5,342)	32,620	4,147	32,620	24,965	124,933	124,784		

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 31/07/2023 £'000	Projected Outturn 2023/24 £000
MAJOR PROJECTS - Deliver Inclusive Economic Growth					
Site 6 South Development - Offices	14,000	(7,566)	6,434	71	6,434
Demolition of Properties & Remediation Works	1,300	(900)	400	7	400
OTHER PROJECTS - Deliver Inclusive Economic Growth		588	588	(187)	588
(Less External Funding)		(341)	(341)		(341)
Net Expenditure	15,300	(8,219)	7,081	(109)	7,081
Netted Off Receipts		(341)	(341)		(341)
Gross Expenditure	15,300	(7,878)	7,422	(109)	7,422

Note 1				
Actual Project Cost to 31/07/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
1,059	26,202	26,202	Feb-25	Feb-25
140	533	533	Mar-24	Mar-24
67,355	66,240	68,786		
(9,841)	(7,830)	(10,138)		
58,713	85,145	85,383		
(9,841)	(7,830)	(10,138)		
68,554	92,975	95,521		

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

Project/Nature of Expenditure	Approved Budget	Total	Revised Budget	Expenditure to	Projected	Note 1				
	2023/24 £000	Adjusts £000	2022/23 £000	31/07/2023 £'000	Outturn 2022/23 £000	Actual Project Cost to 31/07/2023 £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	5,979	10,026	2,122	10,026	7,551	9,067	18,031	Mar-24	Mar-24
(Less External Funding)	(4,047)	(5,229)	(9,276)	416	(9,276)	(5,013)	(9,067)	(17,281)	Mar-24	Mar-24
Cycling, Walking & Safer Routes		1,235	1,235	160	1,235	849	1,924	1,924	Mar-24	Mar-24
(Less External Funding)		(1,235)	(1,235)	17	(1,235)	(672)	(1,924)	(1,924)	Mar-24	Mar-24
DCA Lifecycle plant replacement programme	4,355	(4,205)	150	5	150	13	4,550	4,550	Tender not yet approved	
Low Carbon Transport (Green Transport Hub & Spokes - Bell Street)	850	565	1,415	54	1,415	74	16,000	16,000	Tender not yet approved	
(Less External Funding)		(1,415)	(1,415)	20	(1,415)		(14,400)	(14,400)		
Vehicle Fleet & Infrastructure	2,398	(914)	1,484	835	1,484	1,009	2,662	2,662	Mar-24	Mar-24
(Less Sale of Vehicles & Equipment)				(9)		(9)			Mar-24	Mar-24
OTHER PROJECTS - Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045	5,893	(1,041)	4,852	(211)	4,852	23,802	29,184	28,382		
(Less External Funding)	(3,000)	1,662	(1,338)	691	(1,338)	(1,689)	(2,877)	(2,107)		
Net Expenditure	10,496	(4,598)	5,898	4,100	5,898	25,915	35,119	35,837		
Receipts	(7,047)	(6,217)	(13,264)	1,135	(13,264)	(7,383)	(28,268)	(35,712)		
Gross Expenditure	17,543	1,619	19,162	2,965	19,162	33,298	63,387	71,549		

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	Total	Revised Budget	Expenditure to	Projected	Note 1				
	2023/24 £000	Adjusts £000	2023/24 £000	31/07/2023 £'000	Outturn 2023/24 £000	Actual Project Cost to 31/07/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS - Build Resilient and Empowered Communities										
Road Maintenance Partnership	3,460	0	3,460	744	3,460	744	3,460	3,460	Mar-24	Mar-24
Street Lighting Renewal	1,000	217	1,217	343	1,217	343	1,217	1,217	Mar-24	Mar-24
City Improvement/Investment Fund	500	1,138	1,638	11	1,638	90	1,217	1,217	Mar-24	Mar-24
(Less External Funding)	(500)	(638)	(1,138)	(500)	(1,138)	(579)	(717)	(717)	Mar-24	Mar-24
Parks & Open Spaces	2,026	185	2,211	41	2,211	3,131	5,304	5,304	Mar-24	Mar-24
(Less External Funding)	(243)	(17)	(260)	(17)	(260)	(1,740)	(1,750)	(1,729)	Mar-24	Mar-24
OTHER PROJECTS/PROGRAMMES - Build Resilient and Empowered Communities	1,393	1,559	2,952	252	2,952	18,242	22,317	20,970		
(Less External Funding)		(369)	(369)		(369)	(1,665)	(2,417)	(2,417)		
Net Expenditure	7,636	2,075	9,711	874	9,711	18,566	28,631	27,305		
Receipts	(743)	(1,024)	(1,767)	(517)	(1,767)	(3,984)	(4,884)	(4,863)		
Gross Expenditure	8,379	3,099	11,478	1,391	11,478	22,550	33,515	32,168		

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 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 31/07/2023 £'000	Projected Outturn 2023/24 £000	Note 1				
						Actual Project Cost to 31/07/2023 £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	4	200	168	5,200	5,200	Tender not yet approved	
Depot Rationalisation Programme	2,500	(2,000)	500	44	500	215	3,063	3,063	Tender not yet approved	
Dundee Ice Arena Plant & Upgrade	1,200	(223)	977	181	977	324	9,100	9,100	Main Tender not yet approved	
Olympia Refurbishment Works	3,332	(441)	2,891	1,589	2,891	4,861	6,163	6,163	Oct-23	Oct-23
Property Lifecycle Development Programme	7,608	(937)	6,671	530	6,671	3,874	10,015	10,015	Mar-24	Mar-24
Purchase Computer Equipment	1,758	79	1,837	296	1,837	1,856	3,397	3,397	Mar-24	Mar-24
(Less External Funding)		(1)	(1)		(1)	(648)	(650)	(649)	Mar-23	Mar-23
Schools Connectivity	1,200	(10)	1,190	7	1,190	17	1,200	1,200		
OTHER PROJECTS/PROGRAMMES - Design a Modern Council	1,458	748	2,206	791	2,206	41,337	41,961	45,709		
Net Expenditure	24,108	(7,637)	16,471	3,442	16,471	52,004	79,449	83,198		
Netted Off Receipts		(1)	(1)		(1)	(648)	(650)	(649)		
Gross Expenditure	24,108	(7,636)	16,472	3,442	16,472	52,652	80,099	83,847		

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 31/07/2023	Projected Outturn 2023/24 £000
Energy Efficient	8,586	(1,571)	7,015	197	7,015
Net Expenditure	8,586	(1,571)	7,015	197	7,015
Receipts					
Gross Expenditure	8,586	(1,571)	7,015	197	7,015

Note 1

Actual Project Cost to 31/07/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
1,780	8,598	8,098	Mar-24	Mar-24
1,780	8,598	8,098		
1,780	8,598	8,098		

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 31/07/2023	Projected Outturn 2023/24 £000
Free from Serious Disrepair	4,550	(460)	4,090	1,250	4,090
Modern Facilities & Services	500	(50)	450		450
Healthy, Safe and Secure	2,550	26	2,576	676	2,576
Miscellaneous	1,777	68	1,845	286	1,845
Increased Supply of Council Housing	11,562	1,067	12,629	673	12,629
(Less External Funding)	(4,265)		(4,265)		(4,265)
Demolitions	10	9	19	2	19
Sheltered Lounge Upgrades	200	100	300	46	300
Net Expenditure	16,884	760	17,644	2,933	17,644
Receipts	(4,265)		(4,265)		(4,265)
Gross Expenditure	21,149	760	21,909	2,933	21,909

Note 1

Actual Project Cost to 31/07/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,610	5,463	5,463	Mar-24	Mar-24
	450	450	Mar-24	Mar-24
2,871	4,819	4,819	Mar-24	Mar-24
1,603	3,163	3,163	Mar-24	Mar-24
17,673	29,629	29,629	Mar-21	TBC
(7,867)	(7,098)	(7,867)		
2	19	19	Mar-24	Mar-24
46	300	300	Mar-24	Mar-24
16,938	36,745	35,976		
(7,867)	(7,098)	(7,867)		
24,805	43,843	43,843		

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 31 JULY 2023

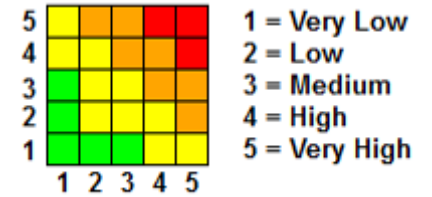
Appendix 3

	<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 31 Jul 2023 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.7.2023 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	(1,571)	7,015	197	7,015	-	3%
<u>Build Resilient and Empowered Communities</u>							
Free from Serious Disrepair	4,550	(460)	4,090	1250	4,090	-	31%
Modern Facilities and Services	500	(50)	450		450	-	0%
Healthy, Safe & Secure	2,550	26	2,576	676	2,576	-	26%
Miscellaneous	1,777	68	1,845	286	1,845	-	16%
Increase Supply of Council Housing	11,562	1,067	12,629	673	12,629	-	5%
Demolitions	10	9	19	2	19	-	11%
Sheltered Lounge Upgrades	200	100	300	46	300	-	15%
Capital Expenditure 2023/24	29,735	(811)	28,924	3,130	28,924	-	11%
<u>Capital Resources 2023/24</u>							
Expenditure Funded from Borrowing	22,997	376	23,373	3,133	23,373	-	
Capital Receipts, Grants & Contributions - project specific							
Scottish Government Grants	4,265		4,265		4,265	-	
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	(3)	450	-	
Capital Receipts:-							
Sale of Assets - Land	1,573	(1,187)	386		386	-	
	29,735	(811)	28,924	3,130	28,924		
Capital Expenditure as % of Capital Resources	100%		100%		100%		

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APPENDIX 4

Pentana Risk Matrix


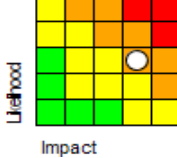


Risk Report

Report Type: Capital Monitoring 2023/24

Report Author: Executive Director of Corporate Services

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (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 	<p>Inherent Likelihood Inherent Impact</p>	<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. 	<p>Likelihood Impact</p>
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 	<p>Inherent Likelihood Inherent Impact</p>	<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 	<p>Likelihood Impact</p>

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
			<p>additional costs by reallocation of resources from other projects</p>		<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. 	
<p>3.Estimated Completion date for the Project</p>	<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 (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 (Current)
	in anticipation that interest rates will come down				receiving receipts can be matched against the expenditure slippage.	