

REPORT TO: CITY GOVERNANCE COMMITTEE – 20 NOVEMBER 2023
REPORT ON: CAPITAL EXPENDITURE MONITORING 2023/24
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 304–2023

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 30 September 2023.

Appendix 1, which details the General Services position to the end of September 2023, shows a revised projected outturn for 2023/24 of £83.783m, a decrease of £1.617m since the last Capital Monitoring report was approved at City Governance Committee on 23rd October 2023 (Report 285-2023, Article IV refers). The net movements that have contributed to this movement are summarised in paragraph 5.1 of the report. It is emphasised that this is not an underspend in so far that the net figure of £1.617m will still be required in 2024/25 and funded from borrowing in that year.

Appendix 3, which details the Housing HRA position to the end of September 2023, shows a revised projected outturn for 2023/24 of £24.150m, an increase of £0.411m since the last capital monitoring report was approved at City Governance Committee on 23rd October 2023 (Report 285-2023, Article IV 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 September is 32% of the Revised Budget 2023/24 compared to 24% 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.

Additional planned expenditure includes:

- School Estate Investment – East End Community Campus - £0.897m – acceleration of onsite project cashflow

Reductions in planned expenditure include:

- City Improvement Fund – (£0.500m) – delays to agreeing projects being taken forward
- Learning Disability Accommodation – Whitfield – (£1.145m) – rephasing due to revaluation of project
- Site 6 South Development – Offices – (£0.840m) – rephasing of onsite project cashflow

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 £83.783m, a decrease of £1.617m since the last Capital Monitoring report was approved at City Governance Committee on 23rd October 2023 (Report 285-2023, Article IV refers). The main reasons for the movement are detailed in points 5.2.1 to 5.2.4 below:

5.2.1 School Estate Investment – East End Community Campus (Reduce Child Poverty and Inequalities in Income, Education & Health) – Additional expenditure of £0.897m in 2023/24. The budget has been rephased to reflect the revised contractors programme for on-site activities. There will be an increase in borrowing in 2023/24 and a corresponding decrease in 2024/25. The overall cost of the project, remains unchanged.

5.2.2 City Improvement/Investment Fund (Build Resilient and Empowered Communities) - Reduction in projected expenditure of £0.500m in 2023/24 on City Improvement Fund. An investment plan for Murraygate/Cowgate is currently being prepared, and this will be finalised for consideration by members in the new year. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25.

5.2.3 Learning Disability Accommodation – Whitfield – (Reduce Child Poverty and Inequalities in Income, Education and Health) – Reduction in projected expenditure of £1.145m in 2023/24. The project timescales have slipped and it is now anticipated that the project will progress during 2024/25. There will be a reduction in borrowing in 2023/24 and a corresponding increase in 2024/25.

5.2.4 Site 6 South Development – Offices (Deliver Inclusive Economic Growth) – Reduction in projected expenditure of £0.840m in 2023/24. The budget has been updated to reflect the latest phasing for the project based on a revised cashflow from the contractor. The budget will be required in 2024/25. There will be 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	(17.035)	47.124	47.124	-
General Capital Grant	13.150	(572)	12.578	12.578	-
Capital Grants & Contributions	12.146	7.761	19.907	19.907	-
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>(12.509)</u>	<u>83.783</u>	<u>83.783</u>	<u>-</u>

- 5.4.1 Capital receipts – Sale of Assets – Reduction in projected capital receipts of £0.754m in 2023/24. The figure has been reduced to reflect the volatility in the housing market, due to interest rates and rising costs, and current economic uncertainties. This is being managed in the current year by the slippage being reported this month (in para 5.2 above). The overall target for capital receipts is being reviewed, in light of the current economic climate, and any necessary revisions will be made when the Capital Plan is next reviewed, when either an alternative funding source identified or savings identified from within the current Capital Plan, to cover any overall shortfall, over the period of the Capital Plan.
- 5.4.2 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)	83.783

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 30 September 2023 is 17% of the Revised Budget 2023/24 compared to 14% for the same period last year.

6.2 Appendix 3, which details the Housing HRA position to the end of September 2023, shows a revised projected outturn for 2023/24 of £24.150m, an increase of £0.411m since the last capital monitoring report was approved at City Governance Committee on 23rd October 2023 (Report 285-2023, Article IV refers). The main reason for the movement is detailed in point 6.2.1 below:

6.2.1 Healthy, Safe and Secure, Multi Storey Development Improvements– (Build Resilient and Empowered Communities) – The projected expenditure has increased by £0.442m in 2023/24. This is due to the installation of waste recycling facilities and its infrastructure at various Housing MSD sites which was recently approved at Neighbourhood Regeneration, Housing and Estate Management committee on 23rd of October (Report 298-2023, Article V refers).

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	(2.453)	20.544	20.544	-
Capital Grants & Contributions	4.265	(1.945)	2.320	2.320	-
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>(5.585)</u>	<u>24.150</u>	<u>24.150</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)	24.150

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

09 NOVEMBER 2023

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2023/24 DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING TO 30th SEPTEMBER 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 30.9.2023</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	(5,790)	32,172	10,578	32,172	0	33%
Deliver Inclusive Economic Growth	15,300	(9,049)	6,251	249	6,251	0	4%
Tackle Climate Change and reach Net Zero carbon emissions by 2045	17,543	1,023	18,566	6,479	18,566	0	35%
Build Resilient and Empowered Communities	8,379	2,022	10,401	2,745	10,401	0	26%
Design a Modern Council	24,108	(7,715)	16,393	6,805	16,393	0	42%
Capital Expenditure 2023/24	103,292	(19,509)	83,783	26,856	83,783	0	32%
<u>Capital Resources</u>							
Expenditure Funded from Borrowing	64,159	(17,035)	47,124	14,409	47,124		
General Capital Grant	13,150	(572)	12,578	6,614	12,578		
Capital Grants & Contributions - corporate		337	337		337		
Capital Grants & Contributions - project specific	12,146	7,424	19,570	3,116	19,570		
Capital Receipts - Sale of Assets	3,000	(1,952)	1,048	50	1,048		
Capital Financed from Current Revenue	1,401	(270)	1,131	672	1,131		
Capital Fund	2,436	(441)	1,995	1,995	1,995		
Capital Resources 2023/24	96,292	(12,509)	83,783	26,856	83,783		
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	30/09/2023 £'000	2023/24 £000	Actual Project Cost to 30/09/2023 £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	2,819	3,736	4,057	5,174	5,174	Dec-23	Aug-24
(Less External Funding)	(4,356)	620	(3,736)	(2,498)	(3,736)	(2,501)	(5,174)	(5,174)		
School Estate investment-East End Community Campus	32,580	(4,817)	27,763	7,507	27,763	10,518	100,800	100,800	Jul-25	Jul-25
OTHER PROJECTS - Reduce Child Poverty and Inequalities	1,026	(353)	673	252	673	16,821	18,959	18,810		
Net Expenditure	33,606	(5,170)	28,436	8,080	28,436	28,895	119,759	119,610		
Receipts	(4,356)	620	(3,736)	(2,498)	(3,736)	(2,501)	(5,174)	(5,174)		
Gross Expenditure	37,962	(5,790)	32,172	10,578	32,172	31,396	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 30/09/2023 £'000	Projected Outturn 2023/24 £000
MAJOR PROJECTS - Deliver Inclusive Economic Growth					
Site 6 South Development - Offices	14,000	(8,406)	5,594	380	5,594
Demolition of Properties & Remediation Works	1,300	(900)	400	56	400
OTHER PROJECTS - Deliver Inclusive Economic Growth		257	257	(187)	257
(Less External Funding)		(10)	(10)		(10)
Net Expenditure	15,300	(9,059)	6,241	249	6,241
Netted Off Receipts		(10)	(10)		(10)
Gross Expenditure	15,300	(9,049)	6,251	249	6,251

Note 1

Actual Project Cost to 30/09/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
1,368	26,202	26,202	Feb-25	Mar-25
186	533	533	Mar-24	Mar-24
67,355	66,240	68,786		
(9,841)	(7,830)	(10,138)		
59,068	85,145	85,383		
(9,841)	(7,830)	(10,138)		
68,909	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

Appendix 2

Project/Nature of Expenditure	Approved Budget	Total	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2023/24 £000	Adjusts £000	2022/23 £000	30/09/2023 £'000	2022/23 £000	Actual Project Cost to 30/09/2023 £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	5,916	9,963	4,823	9,963	10,252	9,067	18,031	Mar-24	Mar-24
(Less External Funding)	(4,047)	(5,916)	(9,963)	(1,001)	(9,963)	(6,430)	(9,067)	(17,281)	Mar-24	Mar-24
Cycling, Walking & Safer Routes		1,235	1,235	335	1,235	1,024	1,924	1,924	Mar-24	Mar-24
(Less External Funding)		(1,235)	(1,235)	(136)	(1,235)	(825)	(1,924)	(1,924)	Mar-24	Mar-24
DCA Lifecycle plant replacement programme	4,355	(4,255)	100	14	100	22	4,550	4,550	Tender not yet approved	
Low Carbon Transport (Green Transport Hub & Spokes - Bell Street)	850	480	1,330	124	1,330	144	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	(913)	1,485	898	1,485	1,009	2,663	2,663	Mar-24	Mar-24
(Less Sale of Vehicles & Equipment)		(21)	(21)	(16)	(21)	(16)	(21)	(21)	Mar-24	Mar-24
OTHER PROJECTS - Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045	5,893	(1,440)	4,453	285	4,453	24,245	28,709	28,663		
(Less External Funding)	(3,000)	1,659	(1,341)	557	(1,341)	(1,823)	(2,877)	(2,877)		
Net Expenditure	10,496	(5,820)	4,676	5,903	4,676	27,622	34,624	35,328		
Receipts	(7,047)	(6,843)	(13,890)	(576)	(13,890)	(9,074)	(28,289)	(36,503)		
Gross Expenditure	17,543	1,023	18,566	6,479	18,566	36,696	62,913	71,831		

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 Adjusts	Revised Budget	Expenditure to	Projected Outturn	Actual Project Cost to	Current Approved Project Cost	Projected Total Cost	Approved Completion Date	Projected/ Actual Completion Date
	2023/24 £000	£000	2023/24 £000	30/09/2023 £'000	2023/24 £000	30/09/2023 £000	£000	£000		
MAJOR PROJECTS - Build Resilient and Empowered Communities										
Road Maintenance Partnership	3,460	0	3,460	1,559	3,460	1,559	3,460	3,460	Mar-24	Mar-24
Street Lighting Renewal	1,000	217	1,217	509	1,217	509	1,217	1,217	Mar-24	Mar-24
City Improvement/Investment Fund	500	638	1,138	23	1,138	102	1,217	1,217	Mar-24	Mar-24
(Less External Funding)	(500)	(638)	(1,138)		(1,138)	(102)	(717)	(717)	Mar-24	Mar-24
Parks & Open Spaces	2,026	(225)	1,801	121	1,801	2,973	4,658	4,658	Mar-24	Mar-24
(Less External Funding)	(243)	(17)	(260)	(20)	(260)	(1,743)	(1,750)	(1,729)	Mar-24	Mar-24
OTHER PROJECTS/PROGRAMMES - Build Resilient and Empowered Communities	1,393	1,392	2,785	533	2,785	18,543	21,473	20,126		
(Less External Funding)		(535)	(535)	(22)	(533)	(1,687)	(2,581)	(2,581)		
Net Expenditure	7,636	832	8,468	2,703	8,470	20,154	26,977	25,651		
Receipts	(743)	(1,190)	(1,933)	(42)	(1,931)	(3,532)	(5,048)	(5,027)		
Gross Expenditure	8,379	2,022	10,401	2,745	10,401	23,686	32,025	30,678		

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 30/09/2023 £'000	Projected Outturn 2023/24 £000
MAJOR PROJECTS/PROGRAMMES - Design a Modern Council					
Baldovie Depot Redevelopment	5,052	(4,852)	200	7	200
Depot Rationalisation Programme	2,500	(2,050)	450	63	450
Dundee Ice Arena Plant & Upgrade	1,200	(223)	977	395	977
Olympia Refurbishment Works	3,332	(441)	2,891	2,578	2,891
Property Lifecycle Development Programme	7,608	(937)	6,671	2,540	6,671
Purchase Computer Equipment	1,758	79	1,837	318	1,837
(Less External Funding)		(1)	(1)		(1)
Schools Connectivity	1,200	(10)	1,190	8	1,190
OTHER PROJECTS/PROGRAMMES - Design a Modern Council					
	1,458	719	2,177	896	2,177
Net Expenditure	24,108	(7,716)	16,392	6,805	16,392
Netted Off Receipts		(1)	(1)		(1)
Gross Expenditure	24,108	(7,715)	16,393	6,805	16,393

Note 1

Actual Project Cost to 30/09/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
196	5,200	5,200		Tender not yet approved
234	3,063	3,063		Tender not yet approved
538	9,100	9,100		Main Tender not yet approved
5,850	6,163	6,163	Oct-23	Oct-23
5,609	9,740	9,740	Mar-24	Mar-24
1,878	3,397	3,397	Mar-24	Mar-24
(648)	(650)	(649)	Mar-23	Mar-23
18	1,200	1,200		
41,402	41,921	45,640		
55,077	79,134	82,854		
(648)	(650)	(649)		
55,725	79,784	83,503		

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 30/09/2023	Projected Outturn 2023/24 £000
Energy Efficient	8,586	(3,586)	5,000	291	5,000
Net Expenditure	8,586	(3,586)	5,000	291	5,000
Receipts					
Gross Expenditure	8,586	(3,586)	5,000	291	5,000

Note 1

Actual Project Cost to 30/09/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
1,874	6,583	6,133	Mar-24	Mar-24
1,874	6,583	6,133		
1,874	6,583	6,133		

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 30/09/2023	Projected Outturn 2023/24 £000
Free from Serious Disrepair	4,550	729	5,279	1,659	5,279
Modern Facilities & Services	500	(250)	250		250
Healthy, Safe and Secure	2,550	87	2,637	996	2,637
Miscellaneous	1,777	107	1,884	442	1,884
Increased Supply of Council Housing	11,562	(2,681)	8,881	593	8,881
(Less External Funding)	(4,265)	1,945	(2,320)		(2,320)
Demolitions	10	9	19	2	19
Sheltered Lounge Upgrades	200		200	75	200
Net Expenditure	16,884	(54)	16,830	3,767	16,830
Receipts	(4,265)	1,945	(2,320)		(2,320)
Gross Expenditure	21,149	(1,999)	19,150	3,767	19,150

Note 1

Actual Project Cost to 30/09/2023 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
3,007	6,652	6,652	Mar-24	Mar-24
	250	250	Mar-24	Mar-24
3,054	4,880	4,880	Mar-24	Mar-24
1,758	3,202	3,202	Mar-24	Mar-24
17,593	25,881	25,881	Mar-21	Dec-23
(7,867)	(7,098)	(7,867)		
2	19	19	Mar-24	Mar-24
75	200	200	Mar-24	Mar-24
17,622	33,986	33,217		
(7,867)	(7,098)	(7,867)		
25,489	41,084	41,084		

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

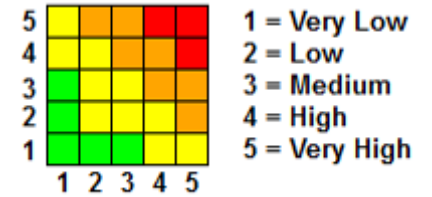
DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING 30 SEPTEMBER 2023

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 Sep 2023 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 30.9.2023 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	(3,586)	5,000	291	5,000	-	6%
<u>Build Resilient and Empowered Communities</u>							
Free from Serious Disrepair	4,550	729	5,279	1659	5,279	-	31%
Modern Facilities and Services	500	(250)	250		250	-	0%
Healthy, Safe & Secure	2,550	87	2,637	996	2,637	-	38%
Miscellaneous	1,777	107	1,884	442	1,884	-	23%
Increase Supply of Council Housing	11,562	(2,681)	8,881	593	8,881	-	7%
Demolitions	10	9	19	2	19	-	11%
Sheltered Lounge Upgrades	200		200	75	200	-	38%
Capital Expenditure 2023/24	29,735	(5,585)	24,150	4,058	24,150	-	17%
<u>Capital Resources 2023/24</u>							
Expenditure Funded from Borrowing	22,997	(2,453)	20,544	4,045	20,544	-	
Capital Receipts, Grants & Contributions - project specific							
Scottish Government Grants	4,265	(1,945)	2,320		2,320	-	
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	(1,187)	386	18	386	-	
	29,735	(5,585)	24,150	4,058	24,150		
Capital Expenditure as % of Capital Resources	100%		100%		100%		


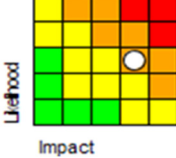

APPENDIX 4

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)
			<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 (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.		