

REPORT TO: CITY GOVERNANCE COMMITTEE – 19 FEBRUARY 2024

REPORT ON: CAPITAL PLAN 2024-29

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES REPORT

REPORT NO: 18-2024

1 PURPOSE OF REPORT

- 1.1 To enable Members to consider proposed changes to the 2023-28 Capital Plan (as agreed by the Council on 21 November 2022 - Report 309-2022, Article VIII refers) to prioritise projects within the available resources and to recommend the allocations for 2028-29.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Council:
- (a) notes the impact of the current financial environment on the Capital Plan 2023-28
 - (b) agrees the revised Capital Plan for 2024-29, as detailed in Appendix A;
 - (c) notes the risks outlined in Appendix B of the Report and that a further report on the Capital Plan will be presented to the Committee should there be any material change in circumstances.

3 FINANCIAL IMPLICATIONS

- 3.1 The Capital Plan 2023-28, agreed by the Council in November 2022, comprised £381m of investment over its five-year period.
- 3.2 The Capital Plan 2024-29 has been prepared within the backdrop of decreasing resources. From period 2027/28, no new borrowing can be incurred, unless revenue budget is identified to cover the capital financing costs. Any borrowing shown is solely on named projects where the budget has been reprofiled.
- 3.3 The general capital grant allocation, from Scottish Government, for 2024/25 has been confirmed. Certain ringfenced capital allocations of grant for 2024/25 have not yet been distributed. Where an assumption has been made for the level of capital grant for these projects, and the actual award is different, the Capital Plan will be adjusted accordingly so that resources match expenditure.
- 3.4 The volatility in the housing market, due to interest rates and building costs, alongside the current economic uncertainties, both domestically and worldwide, have led to less demand for development sites. In addition, higher levels of abnormalities, are reducing any potential capital receipts. The overall level of capital receipts included in the plan has been reviewed, and a decision has been made to show more realistic levels, based on the aforementioned, and fact that potential available sites to sell, are also reducing.
- 3.5 As a result of the above, savings of £3.8m are required in order to deliver the General Services programme as planned. Officers undertook a detailed review of the Plan and identified where potential savings could be made, that would have least impact on the delivery of the Council's core Services. Details of these are set out in Appendix C.
- 3.6 The Council is therefore recommended to agree a revised plan with the reduction in discretionary investment of £3.8m to deliver a balanced plan for General Services, as shown in Appendix A.
- 3.7 Whilst the impact of rising costs has also had an impact on the HRA capital programme this has been partly mitigated through the reprioritisation of the current programme which is possible given the cyclical nature of these investments. It should be noted that the overall additional borrowing that would be required over the period of the 5-year plan amounts to circa £8.6m and this has been factored into the latest rent increase agreed (Report 20-2024, City Governance Committee 22 January

2024, Article VI refers).

- 3.8 Budgets for 2028/29 have been added, for block programmes only, and these are shown within the Capital Plan 2024-29. These are funded by the General Capital Grant from Scottish Government. There is no scope to fund expenditure in 2028/29 from borrowing, unless a revenue budget can be identified to fund the capital financing costs, associated with any additional borrowing.

4 COUNCIL PRIORITIES

- 4.1 The Capital Plan takes account of the Council priorities as set out in the Council Plan 2022-27, with the capital budgets aligned to the strategic themes.

- 4.2 Sustainability is a key focus for the Council with the investment of £88m in tackling climate change to help deliver the Councils Net Zero ambitions making up nearly a quarter of the Capital Plan. This includes

- Green Transport Hub & Spokes at Bell Street Multi Storey Car Park
- Energy efficiency measures in Council Housing
- Low carbon projects

- 4.3 The new East End Community Campus commenced work on site April 2022 as planned. Steady progress has been made on site, with the superstructure now progressing through the winter months. Although a nominal amount of time was lost due to Storm Babet, this will be managed through the overall construction programme with the project maintaining the target for August 2025 opening. The building is being constructed to meet Passivhaus certification standard, creating a building that is highly insulated, air tight and well ventilated providing a low energy building, ensuring the council have a sustainable low carbon energy efficient building.

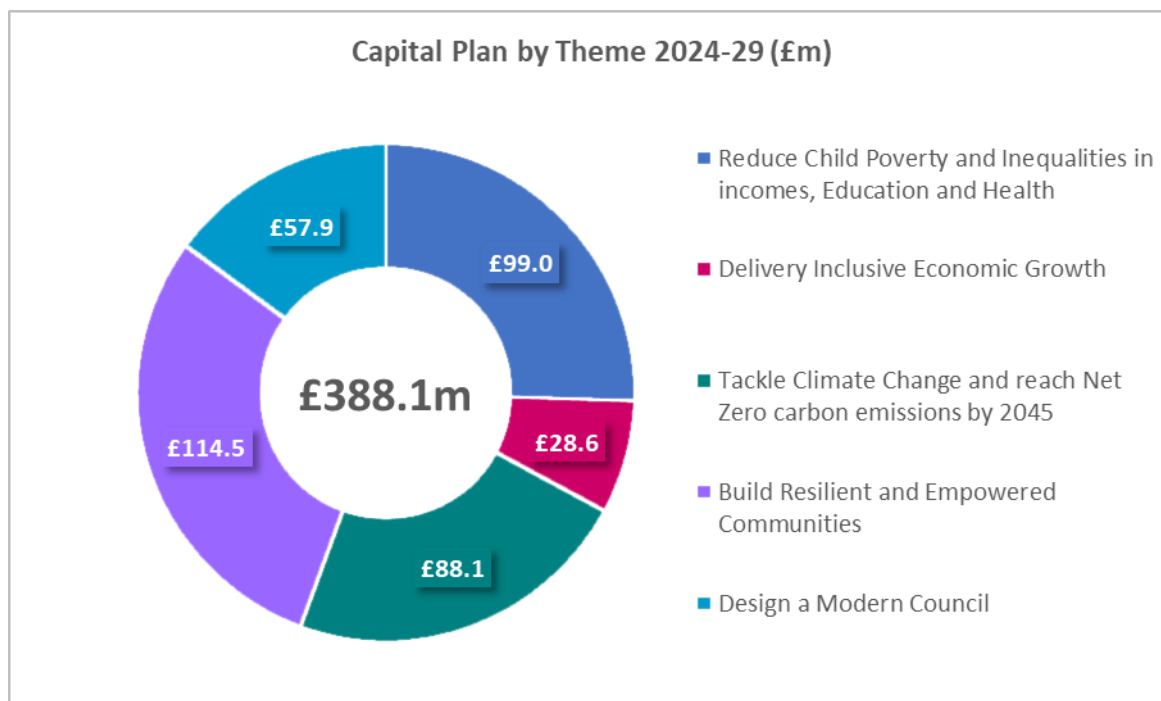
- 4.4 Following the unsuccessful outcome of the bid for Learning Estate Improvement Programme (LEIP) funding, provision for the full cost of the proposed Western Gateway Primary School has been included in the plan at a revised overall cost of £25m reflecting the latest estimated cost and timescales for this project. It is assumed that circa £4m will be funded by developer contributions with the balance being met from borrowing. It should be noted that there remain external factors outwith the Council's control that will require to be resolved before this project can be completed. These include planning consent for the next phase of development (which is predicated on delivery of the traffic network upgrades required in and around the Swallow roundabout), the timing of the transfer of ownership of the proposed site, and site servicing.

- 4.5 The HRA Capital Plan is committed to investment for increasing the supply of new build Council Housing to meet the housing needs within Dundee. The recent Scottish Government announcement outlining a 26% reduction to the Affordable Housing Supply Programme Budget which is used to augment our investment will have an impact on our ability to deliver on the priorities set out within the Strategic Housing Investment Plan (SHIP) 2023-2028.

The specific impact is not yet known until further information is provided from Scottish Government. Projects currently on site or which already have a funding commitment will not be affected, however the impact is anticipated to be on developments which were planned to commence next year and in subsequent years that don't already have the financial commitment. Any changes that arise during the year will be reflected in the established monitoring process and advised to members at that point.

The capital plan is being reviewed to ensure capital spend is being utilised in the most effective way and discussions are ongoing with partners how to manage.

- 4.6 The table below provides a summary of the Capital plan broken down by the themes of the Council Plan over the period from April 2024 to March 2029.



5 PRUDENTIAL FRAMEWORK

- 5.1 The Prudential Framework has been developed as a professional code of practice to support local authorities in taking decisions on capital investment. Local authorities are required by Regulation to comply with the Prudential Code under Part 7 of the Local Government in Scotland Act 2003. The Capital Plan 2024-29 has been prepared in compliance with the Prudential Code.
- 5.2 Under the Prudential Code Local Authorities are obliged to introduce a system of option appraisal for capital projects and to develop asset management plans to assist in determining capital expenditure priorities.
- 5.3 Option appraisal guidelines have been developed which allow services to consider systematically whether individual capital projects provide value for money. An option appraisal report will be completed for all projects of £1m or above being considered for inclusion in the Council's Capital Plan. All Option Appraisals must be presented to the Capital Governance Group in the first instance.
- 5.4 The Prudential Code requires the Executive Director of Corporate Services to prepare a set of indicators that demonstrate that the Council's Capital Plan 2024-29 is affordable, prudent and sustainable, via the level of Council's borrowing for General services and Housing HRA. The Prudential Indicators are shown in Appendix D of this report.

6 RISK ASSESSMENT

- 6.1 Appendix B sets out the principal risks to the delivery of the Capital Plan. These will be kept under review by the Capital Governance Group and any material change in circumstances that affect the delivery of the plan will be reported to Committee.

7 CONSULTATION

- 7.1 The Council Leadership Team has been consulted in the preparation of the report.

8 POLICY IMPLICATIONS

- 8.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of/ mitigating factors for them is included as an Appendix E to this report.

9 **BACKGROUND PAPERS**

9.1 None

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES
09 FEBRUARY 2024



CAPITAL PLAN 2024-29

FOR

GENERAL SERVICES

&

HOUSING HRA

Feb-24

Executive Director of Corporate Services

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DUNDEE CITY COUNCIL**CAPITAL PLAN 2024-29****PROJECTED CAPITAL RESOURCES**

		<u>2023/24</u> <u>£000</u>	<u>2024/25</u> <u>£000</u>	<u>2025/26</u> <u>£000</u>	<u>2026/27</u> <u>£000</u>	<u>2027/28</u> <u>£000</u>	<u>2028/29</u> <u>£000</u>
1 Capital expenditure funded from borrowing	General Services	35,552	99,115	31,533	7,642	17,268	
	Housing HRA	15,351	22,864	20,750	28,635	20,182	23,494
2 Capital Element of General Capital Grant less PSHQ	General Services	14,983	11,551	12,578	13,000	13,000	12,578
3 Capital grants & contributions - corporate	General Services	337					
	Housing HRA	450	450	450	450	450	450
4 Capital grants & Contributions - project specific	General Services	18,595	17,212	2,289	3,180	482	
	Housing HRA	1,873	1,209	6,452	1,133	200	2,988
5 Capital Receipts - Sale of Assets	General Services	1,048	2,000	2,000	2,000	1,000	
	Housing HRA	439	731	104			
6 Capital Fund	General Services	1,995	426				
7 Capital Financed from Current Revenue	General Services	1,131					
	Housing HRA	450	450	450	450	450	450
8 Over Programming	General Services		6,000				
	Housing HRA						
TOTAL PROJECTED GROSS CAPITAL RESOURCES		92,204	162,008	76,606	56,490	53,032	39,960
TOTAL PLANNED GROSS CAPITAL EXPENDITURE		92,204	162,008	76,606	56,490	53,032	39,960

DUNDEE CITY COUNCIL

CAPITAL PLAN 2024-29

PRICE BASE : OUTTURN PRICES

SUMMARY

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Reduce Child Poverty and Inequalities in incomes, Education and Health	149,782	21,176	29,631	64,217	9,758	7,500	17,500	-
Delivery Inclusive Economic Growth	59,741	24,949	6,131	19,232	6,050	1,700	1,279	400
Tackle Climate Change and reach Net Zero carbon emissions by 2045	138,119	31,670	18,340	31,267	17,205	14,537	12,300	12,800
Build Resilient and Empowered Communities	184,569	44,157	25,936	27,423	26,911	23,092	16,043	21,007
Design a Modern Council	84,187	14,146	12,166	19,869	16,682	9,661	5,910	5,753
Total Gross Expenditure	616,398	136,098	92,204	162,008	76,606	56,490	53,032	39,960

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2024-29

REDUCE CHILD POVERTY AND INEQUALITIES IN INCOMES, EDUCATION AND HEALTH

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Harris Academy Extension (Less External Funding)	4,824 (4,824)	1,238 (1,238)	3,386 (3,386)	200 (200)				
School Estate Investment - East End Community Campus	100,800	3,011	25,700	63,657	8,432			
School Estate Investment - Western Gateway (Less External Funding)	25,000 (3,662)					7,500 (3,180)	17,500 (482)	
Young Person House (Fairbairn Street Replacement)	3,290	3,003	287					
Young Persons Homes Refurbishments	500	499	1					
Early Learning & Childcare 1140 Expansion (Less External Funding)	12,839 (8)	12,834 (8)	5					
Free School Meals Expansion - Primary Schools	635	147	128	360				
Social Care Prov of Accom for Adults with Learning Disabilities Learning Disability Accommodation	694 1,200	444	124		126 1,200			
Net Expenditure	141,288	19,930	26,245	64,017	9,758	4,320	17,018	
Netted Off Receipts	(8,494)	(1,246)	(3,386)	(200)		(3,180)	(482)	
Gross Expenditure	149,782	21,176	29,631	64,217	9,758	7,500	17,500	

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2024-29

DELIVER INCLUSIVE ECONOMIC GROWTH

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Central Waterfront (Less External Funding)	8,968 (947)	8,821 (947)	107	40				
Site 6 South Development - Offices	26,202	988	5,594	18,620	1,000			
Vacant & Derelict Land Fund (Less External Funding)	15,304 (14,913)	14,963 (14,572)	10 (10)	331 (331)				
Tay Cities	4,050				4,050			
Tay Cities - 5G Testbeds (Less External Funding)	84 (84)	44 (44)	20 (20)	20 (20)				
Demolition of Properties & Remediation Works	5,133	133	400	221	1,000	1,700	1,279	400
Net Expenditure	43,797	9,386	6,101	18,881	6,050	1,700	1,279	400
Netted Off Receipts	(15,944)	(15,563)	(30)	(351)				
Gross Expenditure	59,741	24,949	6,131	19,232	6,050	1,700	1,279	400

DUNDEE CITY COUNCIL

CAPITAL PLAN 2024-29

PRICE BASE: OUTTURN PRICES

TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Coastal Protection Works (Less External Funding)	17,106 (562)	16,178 (562)	85	535	308			
Broughty Ferry to Monifieth Active Travel Improvements (Less External Funding)	17,922 (17,172)	5,429 (5,429)	9,913 (9,913)	2,580 (1,830)				
Flood Risk Management	849		50	699	100			
St Marys Drainage	200	1	8	191				
Active Travel Infrastructure (Less External Funding)	915 (265)	179 (50)	706 (215)	30				
Low Emission Zone (Less External Funding)	1,663 (1,624)	1,025 (1,025)	638 (599)					
Cycling, Walking & Safer Streets (Less External Funding)	2,576 (2,576)	689 (689)	1,235 (1,235)	652 (652)				
Parks & Open Space (Less External Funding)	629 (627)	318 (456)	204 (171)	107				
DCA Lifecycle plant replacement programme	4,550	8	100	500	3,942			

DUNDEE CITY COUNCIL

CAPITAL PLAN 2024-29

PRICE BASE: OUTTURN PRICES

TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Low Carbon Transport - Green Transport Hub & Spokes - Bell Str (Less External Funding)	16,000 (14,400)	20 (20)	1330 (1,330)	12170 (11,870)	2,480 (1,180)			
Recycling Initiatives	697	70	461	166				
Riverside Recycling Site	628	10	100	518				
Low Carbon Projects	3,655	3,444	194	17				
Transport & Infrastructure (Less External Funding)	1,142 (186)	185 (41)	166 (145)	591	200			
Vehicle Fleet & Infrastructure (Less External Funding)	10,940 (395)	1,232 (54)	1,680 (341)	2,828	1,300	1,300	1,300	1,300
Smart Cities - Mobility Innovation Living Laboratory Ph 2 (Less External Funding)	2,896 (1,363)	2,882 (1,363)	14					
HOUSING HRA ELEMENT								
Energy Efficient	55,751		1,456	9,683	8,875	13,237	11,000	11,500
Net Expenditure	98,949	21,981	4,391	16,915	16,025	14,537	12,300	12,800
Netted Off Receipts	(39,170)	(9,689)	(13,949)	(14,352)	(1,180)			
Gross Expenditure	138,119	31,670	18,340	31,267	17,205	14,537	12,300	12,800

DUNDEE CITY COUNCIL

CAPITAL PLAN 2024-29

PRICE BASE: OUTTURN PRICES

BUILD RESILIENT AND EMPOWERED COMMUNITIES

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
NON HOUSING HRA ELEMENT								
Community Regeneration Fund	2,380	71	547	598	308	308	308	240
Community Choices - Participatory Budget	233		233					
Menzieshill - Community Provision (Less External Funding)	12,886 (1,320)	12,881 (1,320)	5					
Gypsy Traveller Site, Balmuir Wood (Less External Funding)	238 (84)	230 (84)	8					
Bridge Assessment Work Programme (Less External Funding)	3,496 (563)	523 (120)	749 (119)	724 (324)	400	400	400	300
Council Roads and Footpaths - Other	2,100		400	400	400	300	300	300
Road Reconstructions/Recycling	15,000		2,500	2,500	2,500	2,500	2,500	2,500
Road Safety (Less External Funding)	862 (199)		284 (199)	98	90	150	150	90
Traffic signal upgrades	155		28	67	60			
Footway Upgrades	2,830		560	560	560	400	400	350
LED Street Lighting Installations	3,838	3,769	69					
Street Lighting Renewal	6,197		1,100	1,117	1,000	1,000	1,000	980
District Shopping (Less External Funding)	633 (157)	366 (135)	172 (22)	95				

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2024-29

BUILD RESILIENT AND EMPOWERED COMMUNITIES

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
City Improvement Fund	500			250	250			
City Investment Fund	2,217	79	523	1,115	500			
Levelling Up - UK Shared Prosperity Fund (Less External Funding)	532 (2,749)	(79)	150 (673)	382 (1,497)	(500)			
Parks & Open Space (Less External Funding)	8,700 (2,872)	2,930 (1,723)	1,404 (175)	2,408 (365)	1,112 (609)	203	353	290
Sports Facilities Less External Funding	1,597 (164)	207	77 (41)	838 (123)	150	150	100	75
LACD Projects	1,150	130	20	250	250	250	250	
HOUSING HRA ELEMENT								
Free from Serious Disrepair	29,138	738	5,138	4,550	4,550	5,062	4,750	4,350
Modern Facilities and Services	6,750		250	1,000	1,000	1,500	1,500	1,500
Healthy, Safe and Secure	16,389	4,498	2,941	2,710	1,310	1,310	1,810	1,810
Miscellaneous	7,312	412	1,415	1,437	1,012	1,012	1,012	1,012
Increased Supply of Council Housing - See note 1 below (Less External Funding)	57,827 (21,722)	16,997 (7,867)	7,130 (1,873)	6,114 (1,209)	11,249 (6,452)	8,337 (1,133)	1,000 (200)	7,000 (2,988)
Demolitions	409	326	33	10	10	10	10	10
Sheltered Lounge Upgrades	1,200		200	200	200	200	200	200
Net Expenditure	154,739	32,829	22,834	23,905	19,350	21,959	15,843	18,019
Netted Off Receipts	(29,830)	(11,328)	(3,102)	(3,518)	(7,561)	(1,133)	(200)	(2,988)
Gross Expenditure	184,569	44,157	25,936	27,423	26,911	23,092	16,043	21,007

DUNDEE CITY COUNCIL**PRICE BASE: OUTTURN PRICES****CAPITAL PLAN 2024-29****DESIGN A MODERN COUNCIL****ALL FIGURES £'000**

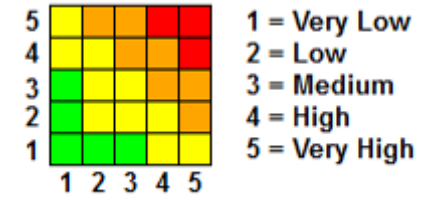
Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cemeteries	625	27	98	100	100	100	100	100
Contaminated Land	310		70	70	70	50		50
Recycling & Waste Management	931		181	150	150	150	150	150
Baldovie Depot Redevelopment	5,200	164	31	3,071	1,934			
Purchase Computer Equipment (Less External Funding)	8,214 (649)	1,560 (648)	1,437 (1)	1,258	1,258	1,108	835	758
Purchase Desktop Collaboration Platform	6,493	1,985	710	719	729	700	850	800
Smart Cities Digital/ICT Investment	443	306	137					
Desktop Management Software	1,500			1,500				
Schools Connectivity	1,400	10	290	1,100				
Asset Management System Replacement	350				350			

DUNDEE CITY COUNCIL**PRICE BASE: OUTTURN PRICES****CAPITAL PLAN 2024-29****DESIGN A MODERN COUNCIL****ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Property Lifecycle Development Programme (Less External Funding)	32,538 (6)	3,316 (6)	4,771	6,425	5,923	4,793	3,695	3,615
Property Rationalisation Programme	3,947	3,192	149	268	338			
Depot Rationalisation Programme	3,063	171	250	2092	550			
Capitalisation of Borrowing Costs	1,400			280	280	280	280	280
Contingency Capital Expenditure	2,409		150	2,259				
Dundee Ice Arena Plant & Upgrade	9,100	143	900	577	5,000	2480		
Olympia Refurbishment Works	6,264	3272	2,992					
Net Expenditure	83,532	13,492	12,165	19,869	16,682	9,661	5,910	5,753
Netted Off Receipts	(655)	(654)	(1)					
Gross Expenditure	84,187	14,146	12,166	19,869	16,682	9,661	5,910	5,753

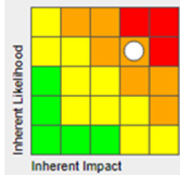
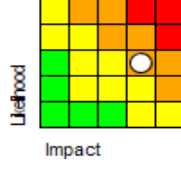
APPENDIX B

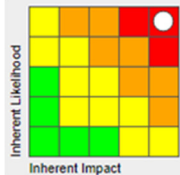
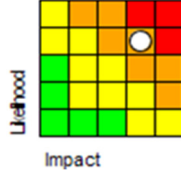
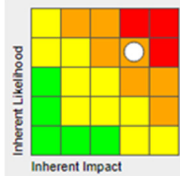
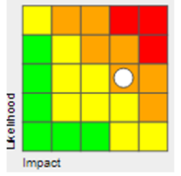
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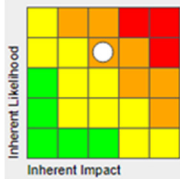

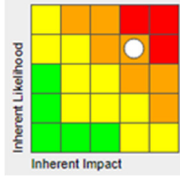
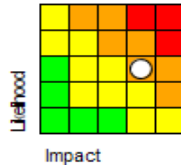


Risk Report
Report Type: Capital Plan 2024-29
Report Author: Executive Director of Corporate Services

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 plan.	<ul style="list-style-type: none"> Lasting effect of Brexit The war in Ukraine and uncertainties in the Middle East 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 the Capital Plan is adjusted to account for any remedial action required. 	
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 (Current)
			updated cost projections costs by reallocation of resources from other projects or make savings to Plan		<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"> In year Capital monitoring processes ensure overspenders 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. 	 <p>Inherent Likelihood</p> <p>Inherent Impact</p>	<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. 	 <p>Residual Likelihood</p> <p>Residual Impact</p>

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
			<ul style="list-style-type: none"> Potential claim from contractors for extension of time. 			
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/savings identified to cover funding shortfall 		<ul style="list-style-type: none"> Robust monitoring of the projected level of capital receipts, over the period covered in the Capital plan, 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, cost of raw materials, means housing developers are delaying purchasing sites for development, in anticipation that economic outlook 	<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 Plan expenditure programme is re profiled to take account of the delays in receiving the capital receipts 		<ul style="list-style-type: none"> Projected capital receipts projected over period of Capital Plan reviewed, and adjustments made for any short-term delays and remedial action taken. The capital expenditure programme naturally slips due to external factors, so 	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
	<p>will improve in future.</p> <ul style="list-style-type: none"> Businesses are delaying applying for business loans for expanding etc in anticipation that interest rates will come down 				any delays in receiving receipts can be matched against the expenditure slippage.	
6.Capital Financing Costs	<ul style="list-style-type: none"> External economic factors out with control of council pushing up interest rates. 	<ul style="list-style-type: none"> Potential overspend of the Capital Financing costs budget. 	<ul style="list-style-type: none"> Level of borrowing used to finance the capital programme reduces. Capital expenditure programme reduced to take account for the reduction in borrowing resources 		<ul style="list-style-type: none"> Treasury Management Strategy. Limited exposure to variable rate funding 	
7.Uncertainty over future levels of Capital Grants from Scottish Government. – only 2024/25 confirmed	<ul style="list-style-type: none"> Scottish Government overall funding shortfalls Funding diverted from Local Authorities into other areas e.g. NHS Funding diverted from Capital to fund Pay awards Funding priorities of Scottish Government changing 	<ul style="list-style-type: none"> Money diverted into specific grants away from General Capital Grants Overall level of Capital Grant received reduces 	<ul style="list-style-type: none"> Capital grant ringfenced on areas not necessarily priority of Council, away from General Capital Grant (where Council controls the spend on local priorities) Shortfall in resources available to fund the capital programme Capital plan reviewed and expenditure plans reduced to account for reduction in capital grant 		<ul style="list-style-type: none"> Rolling five-year capital plan approved each year Realistic assumptions on future levels of Capital grants included in Capital Plan, taking account of Scottish Government forward planning 	

APPENDIX C

DUNDEE CITY COUNCIL

CAPITAL PLAN 2024-29

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Projects where budget savings have been applied - affect on corporate borrowing						
Economic Development Fit Out			(391)			(391)
Low Carbon Projects		(385)	(50)			(435)
LACD projects		(442)			250	(192)
District Shopping		(95)				(95)
Contingency Capital Expenditure	(231)		(286)	(640)		(1,157)
Capitalisation of Borrowing Costs	(280)					(280)
Cemeteries			(144)			(144)
Industrial Estates Improvements		(108)				(108)
Shopping Parades Improvements			(118)			(118)
Property Rationalisation Programme			(200)			(200)
Property Lifecycle Improvements		(250)				(250)
Sub Total	(511)	(1,280)	(1,189)	(640)	250	(3,370)
Transfers from Capital Fund for Uncommitted Grants						(426)
Total - Proposals to Fund Shortfall						<u>(3,796)</u>

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1. CAPITAL EXPENDITURE INDICATORS**1.1 Level of Capital Expenditure**

This indicator measures affordability and gives a basic control of the Council's capital expenditure. To provide an accurate indicator of capital expenditure all receipts are excluded from the calculation, so figures are based on gross expenditure.

1.2 Ratio of Financing Costs to Net Revenue Stream

This also measures affordability. The measure includes both current and future commitments based on the Capital Plan and shows the revenue budget used to fund the capital financing costs associated with the capital expenditure programme.

Variations to the ratio imply that the proportion of loan charges has either increased or decreased in relation to the total funded from Government Grants and local taxpayers.

2. TREASURY MANAGEMENT INDICATORS

The Annual Treasury Management Activity for 2022/23 including Prudential Indicators covering period 2022/23 to 2027/28 was reported to City Governance Committee on 25 September 2023 (Report No 256-2023 Article VI refers). These have now been updated to reflect projected expenditure included in the 2024-29 Capital Plan.

PRUDENTIAL CODE INDICATORS - TREASURY MANAGEMENT INDICATORS

Adoption of Revised CIPFA Treasury Management Code of Practice

Yes

Upper limit for variable and fixed rate exposure

	Net principal re variable rate borrowing / investments	Net principal re fixed rate borrowing / investments
2023/24	30%	100%
2024/25	30%	100%
2025/26	30%	100%
2026/27	30%	100%
2027/28	30%	100%
2028/29	30%	100%

Actual External Debt

	31/03/2022	31/03/2023
	£'000	£'000
Actual borrowing	542,657	516,161
Actual other long term liabilities	168,748	164,096
Actual external debt	711,405	680,257

Maturity structure of fixed rate borrowing 2023/24

Period	Lower %	Upper %
Under 12 months	0	10
12 months & within 24 months	0	15
24 months & within 5 years	0	25
5 years & within 10 years	0	25
10 years +	50	95
Upper limit for total principal sums invested for over 364 days	n/a	No sums will be invested longer than 364 days

External debt, excluding investments, with limit for borrowing and other long term liabilities separately identified

	Authorised Limit				Operational Boundary		
	Borrowing £000	Other £000	Total £000		Borrowing £000	Other £000	Total £000
2023/24	603,000	160,000	763,000		573,000	160,000	733,000
2024/25	705,000	154,000	859,000		675,000	154,000	829,000
2025/26	734,000	148,000	882,000		704,000	148,000	852,000
2026/27	747,000	142,000	889,000		717,000	142,000	859,000
2027/28	761,000	135,000	896,000		731,000	135,000	866,000
2028/29	760,000	129,000	889,000		730,000	129,000	859,000

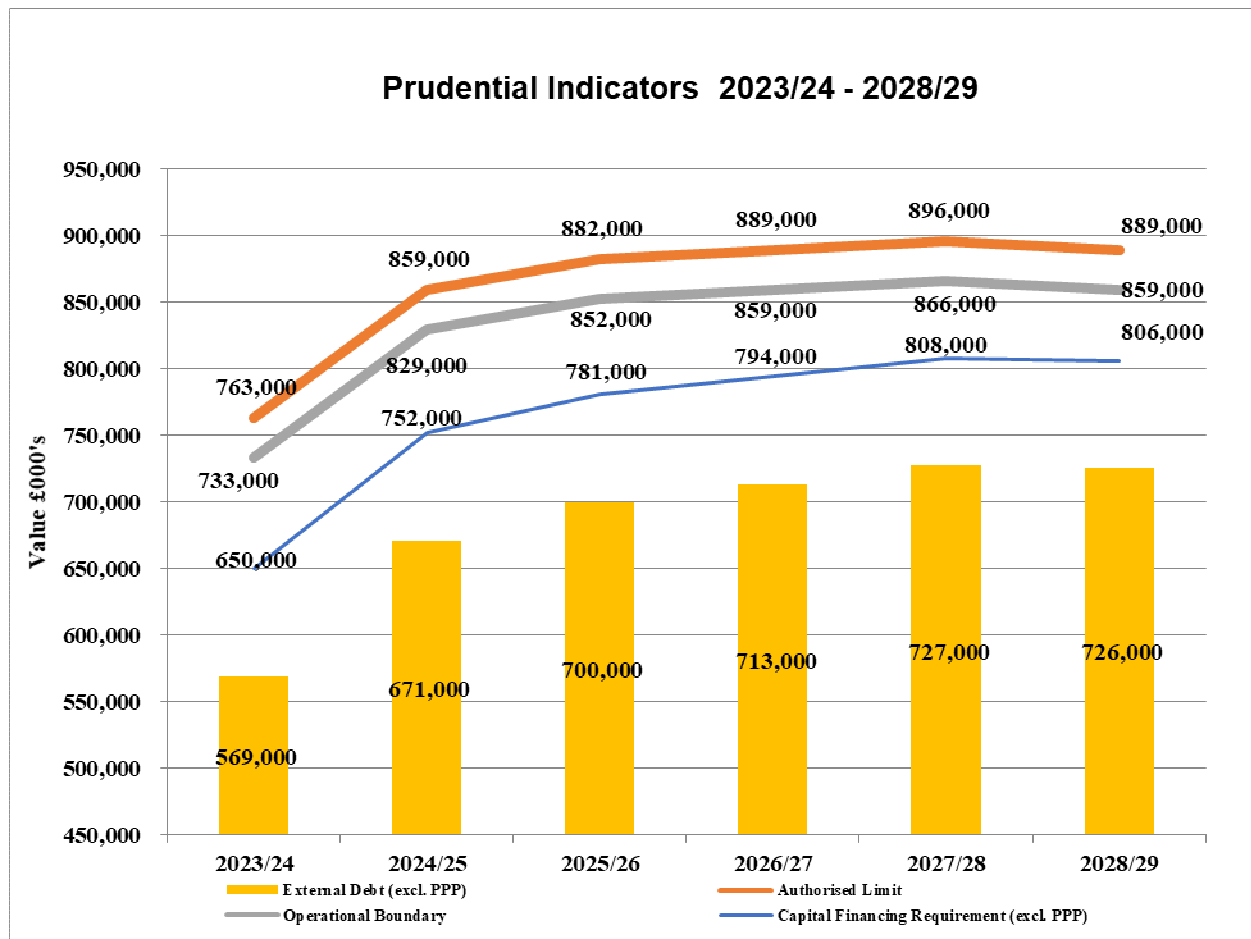
PRUDENTIAL CODE INDICATORS - PRUDENTIAL INDICATORS

	Capital Expenditure		
	Non-HRA £000	HRA £000	Total £000
2023/24	73,641	18,563	92,204
2024/25	136,304	25,704	162,008
2025/26	48,400	28,206	76,606
2026/27	25,822	30,668	56,490
2027/28	31,750	21,282	53,032
2028/29	12,578	27,382	36,960

	Ratio Commercial & Service Income to Net Revenue Stream	Ratio of financing costs to Net Revenue Stream	
	Non HRA %	Non-HRA %	HRA %
2023/24	1.4	5.1	34.8
2024/25	1.4	5.8	34.6
2025/26	1.3	7.3	34.4
2026/27	1.3	7.3	33.5
2027/28	1.3	7.4	34.9
2028/29	1.3	7.1	36.2

	Net Borrowing Requirement (NBR)			Capital Financing Requirement (CFR)			
	1 April £000	31 March £000	Movement £000	Non-HRA £000	HRA £000	Total £000	Movement £000
2023/24	504,439	569,000	64,561	468,000	182,000	650,000	35,058
2024/25	569,000	671,000	102,000	560,000	192,000	752,000	102,000
2025/26	671,000	700,000	29,000	581,000	200,000	781,000	29,000
2026/27	700,000	713,000	13,000	578,000	216,000	794,000	13,000
2027/28	713,000	727,000	14,000	585,000	223,000	808,000	14,000
2028/29	727,000	725,000	(2,000)	574,000	232,000	806,000	(2,000)

	NBR v CFR Difference
	Total £000
2023/24	81,000
2024/25	81,000
5162025/ 26	81,000
2026/27	81,000
2027/28	81,000
2028/29	81,000





Integrated Impact Assessment

Committee Report Number: 18-2024

Document Title: Capital Plan 2024-29

Document Type: Other

Description:

This report sets out the Capital Plan for both General Fund and HRA for 2024-29.

Intended Outcome:

The Plan will support the delivery of the Council Plan.

Period Covered: 19/02/2024 to 31/03/2029

Monitoring:

Capital monitoring reports to the City Governance Committee

Lead Author:

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Equality, Diversity and Human Rights

Impacts & Implications

Age: Positive

The Plan includes investments in a range of projects that support the delivery a range of services that benefit specific groups including the provision of new schools and social care services.

Disability: Positive

The investments delivered in the capital plan will improve accessibility of services.

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregency & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	Positive
Lochee:	Positive
Coldside:	Positive
Maryfield:	Positive
North East:	Positive
East End:	Positive
The Ferry:	Positive
West End:	Positive

Positive Implications: The capital plan will bring improvements in infrastructure across the whole city. Some projects will have a more direct impact in their immediate locality whilst others will provide services to all residents.

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Household Group Impacts and Implications

Carers: No Impact

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: Positive

The investment in the capital plan will create employment and training opportunities in Dundee.

Serious & enduring mental health problems: No Impact

Homeless: Positive

Investment in new Council Housing will help provide homes for more people in the city.

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: Positive

The investment in the capital plan will create employment opportunities in Dundee.

Education & Skills: Positive

The investment in educational facilities will help provide the best start for young people in the city. The scale of the programme will support the provision of training.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: Positive

The energy efficiency measures planned for the HRA will have a positive impact on fuel poverty.

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation No Impact

Employment Opportunities: Negative

Whilst the removal of resources for specific projects such as the fit out of economic development retail units may have a potential negative impact for employment opportunities it is noted that there are currently no commitments for this. Should these plans be confirmed at a later date then these projects could be reinstated and subject to the borrowing being met from the rental income generated from these units. It should also be noted that further direct and indirect employment opportunities will be created through investment elsewhere in the plan.

Education: Positive

The investment in the capital plan will create training opportunities in Dundee. Specific projects will help deliver improved schools that will help drive improvements in attainment.

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: Positive

Investment in Council assets and infrastructure will improve local neighbours.

Transport: Positive

Investment in roads and sustainable transport projects will improve transportation links and accessibility.

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: Positive

The projects in the capital plan will make a significant contribution to the shift to Net Zero. Whilst in isolation the removal of resources such as low carbon projects will have a negative impact, subject to the full evaluation of any specific projects these can be reinstated in the plan if the savings these projects make can fund the cost of borrowing to meet these investments.

Adapting to the effects of climate change: Positive

The plan includes a number of measures to offset the impact of climate change including building improvements and flood defences.

Resource Use Impacts

Energy efficiency & consumption: Positive

All new investment will have a positive impact on energy usage.

Prevention, reduction, re-use, recovery or recycling of waste: Positive

The plan includes plans that will help ensure the sustainable management of waste in the city.

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: Positive

The Capital Plan includes investment in a number of sustainable transportation initiatives.

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: Positive

The Capital Plan includes investment in the Councils Parks and Open Spaces.

Open & green spaces: Positive

The Capital Plan includes investment in the Councils Parks and Open Spaces.

Built Environment Impacts

Built Heritage: Positive

The investment in both existing and new property will help support a sustainable Build environment.

Housing: Positive

The investment in the HRA and new build will help support a sustainable Build environment

Is the proposal subject to a Strategic
Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the
Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Positive

The 5-year Capital Plan sets out a structured investment in Council Services to deliver the Council Plan.

Economic/Financial Sustainability / Security & Equipment: Positive

The investment in assets and infrastructure will support the local economy. The Plan has been assessed for affordability.

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: Positive

Planned investment in assets reduces the risk on unexpected maintenance.

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

There are considerable risks associated with the subject matter of this report. This is due either to a significant departure from the previous norm of Council activity, the nature of the proposals or the potential for substantial financial or other impact to be sustained. The report incorporates the potential for losses in excess of £250,000 should the downside risk materialise and / or there is potential for the Council's decision to be challenged and for significant reputational damage.

The delivery of the Capital Plan will be monitored through the Capital Governance Group and regularly reported to the Policy and Resources Committee.

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