

**REPORT TO: POLICY AND RESOURCES COMMITTEE - 21 NOVEMBER 2022**

**REPORT ON: CAPITAL PLAN 2023-28**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 309-2022**

**1 PURPOSE OF REPORT**

1.1 To enable Members to consider proposed changes to the 2022-27 Capital Plan (as agreed by the Council on 24 January 2022 - Report 24-2022, Article III refers) to prioritise projects within the available resources and to recommend the allocations for 2027-28.

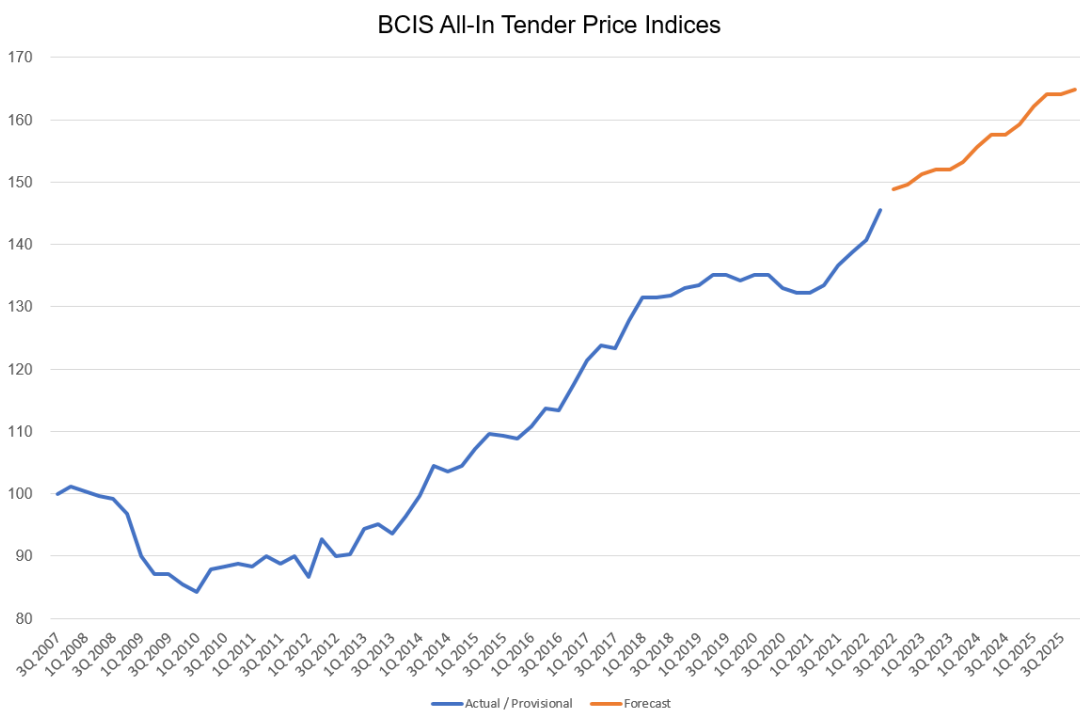
**2 RECOMMENDATIONS**

- 2.1 It is recommended that the Council:
  - (a) notes the impact of the current financial environment on the Capital Plan 2022-27
  - (b) agrees the revised Capital Plan for 2023-28, as detailed in Appendix A;
  - (c) notes the risks outlined in Section 7 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, agreed by the Council in January 2022, comprised £382m of investment over its five-year period (2022-27).

3.2 The response to Covid, Brexit and war in Ukraine have led to a significant increase in construction inflation driven by shortages in the supply of materials and labour and the cost of energy and the chart below shows how the Building Cost Information Service (BCIS) index has risen since quarter 3 2007.



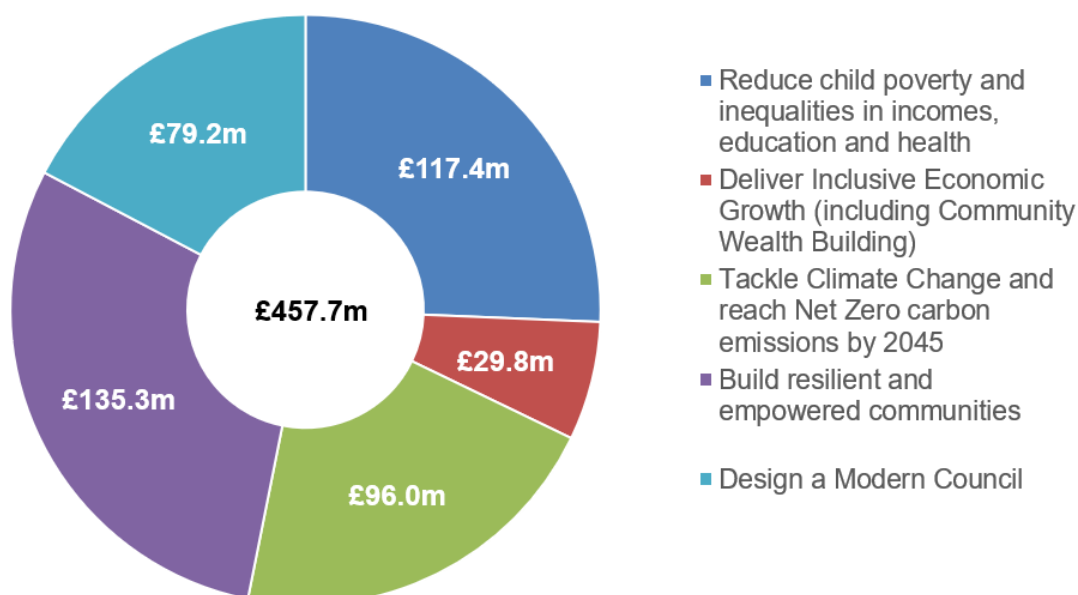
- 3.3 In this context the Council has seen tenders for projects returning prices around 30% above what was expected when the plan was agreed.
- 3.4 Recognising that in this environment it will not be possible to deliver the agreed plan within the available resources. Officers have undertaken a detailed review to establish options to deliver the Council's priorities.
- 3.5 This analysis has identified that an additional £23.6m is needed to deliver the General Fund programme as planned, details of which are set out in Appendix B. This sum has been determined by increasing the budgetary provision for major projects that have not yet started by 30% whilst retaining the block programmes (apart from the property development and improvement programmes) at the existing level.
- 3.6 There are three ways that the Council could address this shortfall:
- (a) increased borrowing. This would come at an additional annual revenue cost of approximately £1.2m per year and in the light of the recently agreed Medium Term Financial Strategy and subsequent rises to borrowing rates this is not recommended;
  - (b) reduction in block programmes. As noted above most of these programmes have not been increased and are already under pressure to deliver core and statutory services, principally in relation to roads and infrastructure. Officer advice is that there is insufficient scope to reduce planned spending in these areas to address the shortfall; or
  - (c) focus on priorities. The only other option is to reduce spend on discretionary capital investment and focus these resources on the priority projects.
- 3.7 The Council is therefore recommended to agree a revised plan with a reduction in discretionary investment of £23.6m to deliver a balanced plan for General Fund Services. Appendix C sets out the proposed changes to achieve this reduction.
- 3.8 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 £9m and this has been factored into the latest proposed rent increase agreed for consultation (Report 261-2022 to Neighbourhood Services Committee 31 October 2022 refers).
- 3.9 Appendix A sets out the revised plan that reflects these changes. This includes allocations for 2027-28 on the assumption that no additional borrowing is undertaken, and the plan is limited to the resources available through capital grant and receipts.

#### **4 COUNCIL PRIORITIES**

- 4.1 In reviewing the Capital Plan Officers have taken account of the Council Plan 2022-27 as set out in the Concurrent Report with the plan now aligned to the strategic themes.
- 4.2 Sustainability is a key focus for the Council with the investment of £96m in tackling climate change to help deliver the Councils Net Zero ambitions making up over a fifth of the Capital Plan. This includes
- active travel projects;
  - modernisation of energy systems in Council Buildings;
  - energy efficiency measures in Council Housing;
  - investment in the electric fleet; and
  - low carbon projects and the low emission zone.

- 4.3 The largest project in the programme is the East End Community Campus and the revised plan assumes that this, together with the Western Gateway Primary School are delivered in partnership with the Scottish Government. The principles for the project are to deliver high quality, suitable, sustainable, low carbon, digitally enabled learning environments. Accordingly, the Council will be designing the facility to meet the Scottish Government energy target which is set at a new benchmark level in excess of the current technical standards. The energy criteria for the new campus building requires the design to achieve an energy usage of less than 67/kWh/sqm/annum during the operation of the facility which will be achieved by using low and zero carbon technologies.
- 4.4 The table below provides a summary of the Capital plan broken down by the themes of the Council Plan over the period from April 2022 to March 2028.

**Capital Plan by Theme 2022-28**



## 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 2023-28 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 should 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 2023-28 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 (to follow).

## 6 RISK ASSESSMENT

- 6.1 The table below 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.

<b>Risks</b>	<b>Possible causes</b>	<b>Potential impacts</b>
The cost of delivering projects exceeds the provision in the capital plan	Inflation – including the impact of material, labour and energy costs.	Changes to the scope of individual projects to accommodate additional costs. Changes to the Capital Plan to accommodate the additional costs by the reallocation of resources from other projects.
	Delays - including the impact of inflation, and the supply of materials, equipment or labour.	
	Unforeseen circumstances, such as ground conditions or archaeology, leading to delay and / or additional works.	
	Cost estimates included in the Capital Plan prove insufficient once projects are fully developed.	
There is slippage in the delivery of the Capital Plan	Delays in the supply of materials, equipment or labour - including delays due to COVID and / or Brexit or disruption following the war in Ukraine.	Additional costs incurred in delivering projects. Delay in realising the benefits of the investment in the service. Additional revenue costs associated with the delayed availability of the asset.
	Unforeseen circumstances delay the completion of individual projects.	
	Slippage in earlier projects have an impact of the development and delivery of subsequent projects.	
The resources available to fund the capital plan reduce	Delays in the timing and / or reductions in the value of capital receipts.	Changes to the Capital Plan to reduce the programme to match the level of resources available. Additional revenue costs to maintain the capital programme using prudential borrowing.
	A reduction in the Capital Grant provided to the Council by the Scottish Government.	
	Interest rate rises reduce the amount of borrowing that can be funded from the revenue provision.	

## **7 CONSULTATION**

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

## **9 BACKGROUND PAPERS**

9.1 None

**ROBERT EMMOTT**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**4 NOVEMBER 2022**

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**CAPITAL PLAN 2023-28**

**FOR**

**GENERAL SERVICES**

**&**

**HOUSING HRA**

**Nov-22**

**Executive Director of Corporate Services**

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**DUNDEE CITY COUNCIL**

**CAPITAL PLAN 2023-28**

**PROJECTED CAPITAL RESOURCES**

		<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
1 Capital expenditure funded from borrowing	General Services	27,426	64,159	60,603	23,197	7,235	
	Housing HRA	12,755	22,997	23,640	16,807	22,481	21,394
2 Capital Element of General Capital Grant less PSHQ	General Services	13,000	13,150	13,000	13,000	13,000	13,000
3 Capital grants & contributions - corporate	Housing HRA	450	450	450	450	450	450
4 Capital grants & Contributions - project specific	General Services	12,845	12,146	865	4,289	482	
	Housing HRA	1,350	4,265	1,241	250	250	2,788
5 Capital Receipts - Sale of Assets	General Services	3,447	3,000	2,000	2,000	2,000	1,000
	Housing HRA	4,068	1,573				
6 Capital Fund	General Services	564	2,436				
7 Capital Financed from Current Revenue	General Services	271	1,401				
	Housing HRA	450	450	450	450	450	450
8 Over Programming	General Services		7,000				
	Housing HRA						
<b>TOTAL PROJECTED GROSS CAPITAL RESOURCES</b>		<b>76,626</b>	<b>133,027</b>	<b>102,249</b>	<b>60,443</b>	<b>46,348</b>	<b>39,082</b>
<b>TOTAL PLANNED GROSS CAPITAL EXPENDITURE</b>		<b>76,626</b>	<b>133,027</b>	<b>102,249</b>	<b>60,443</b>	<b>46,348</b>	<b>39,082</b>

DUNDEE CITY COUNCIL

CAPITAL PLAN 2023-28

PRICE BASE : OUTTURN PRICES

SUMMARY

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Reduce Child Poverty and Inequalities in incomes, Education and Health</b>	164,596	47,147	7,353	37,962	44,528	20,371	7,235	-
<b>Delivery Inclusive Economic Growth (including Community Wealth Building)</b>	112,392	82,604	2,648	15,300	6,361	3,500	700	1,279
<b>Tackle Climate Change and reach Net Zero carbon emissions by 2045</b>	121,391	25,394	22,259	26,129	11,247	10,525	14,537	11,300
<b>Build Resilient and Empowered Communities</b>	189,523	54,174	28,156	29,528	24,605	16,412	16,055	20,593
<b>Design a Modern Council</b>	127,201	48,009	16,210	24,108	15,508	9,635	7,821	5,910
<b><i>Total Gross Expenditure</i></b>	<b>715,103</b>	<b>257,328</b>	<b>76,626</b>	<b>133,027</b>	<b>102,249</b>	<b>60,443</b>	<b>46,348</b>	<b>39,082</b>

**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**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-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Harris Academy Refurbishment (Less External Funding)	32,351 (20,363)	32,311 (20,363)	40					
Harris Academy Extension (Less External Funding)	5,459 (5,459)	3 (3)	1,100 (1,100)	4,356 (4,356)				
School Estate Investment - East End Community Campus	86,814	955	2,000	32,580	44,473	5,811	995	
School Estate Investment - Western Gateway (Less External Funding)	20,800 (3,662)					14,560 (3,180)	6,240 (482)	
Young Person House (Fairbairn Street Replacement)	3,397	240	3,106	51				
Young Persons Homes Refurbishments	500	473	27					
Early Learning & Childcare 1140 Expansion	12,919	12,747	172					
C02 Monitoring & Ventilation in Schools (Less External Funding)	186 (116)	116 (116)	70					
Social Care								
Prov of Accom for Adults with Learning Disabilities	682	302	250	130				
Learning Disability Accommodation - Whitfield	1,200		300	845	55			
Community Wellbeing Centre (Less External Funding)	250 (250)		250 (250)					
MacKinnon Centre – Conversion of Five Rooms for the NHS (Less External Funding)	38 (23)		38 (23)					
Net Expenditure	134,715	26,657	5,980	33,606	44,528	17,191	6,753	
Netted Off Receipts	(29,881)	(20,490)	(1,373)	(4,356)		(3,180)	(482)	
Gross Expenditure	164,596	47,147	7,353	37,962	44,528	20,371	7,235	

**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**DELIVER INCLUSIVE ECONOMIC GROWTH (INCLUDING COMMUNITY WEALTH BUILDING)**

**ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Central Waterfront (Less External Funding)	46,155 (1,053)	26,086 (1,053)	1,579	14,000	4,490			
Economic Development Fit out (Less External Funding)	1,000 (312)	584 (312)	416					
Dundee Railway Station (Less External Funding)	40,595 (8,316)	40,595 (8,316)						
City Quay	42	5	37					
Lochee Regeneration	25		25					
Vacant & Derelict Land Fund (Less External Funding)	15,304 (14,913)	14,963 (14,572)	341 (341)					
Tay Cities	4,050				1,050	3,000		
Demolition of Properties & Remediation Works	5,221	371	250	1,300	821	500	700	1,279
Net Expenditure	87,798	58,351	2,307	15,300	6,361	3,500	700	1,279
Netted Off Receipts	(24,594)	(24,253)	(341)					
Gross Expenditure	112,392	82,604	2,648	15,300	6,361	3,500	700	1,279

**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**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-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Coastal Protection Works (Less External Funding)	18,119 (562)	16,336 (562)	1333	450				
Broughty Ferry to Monifieth Active Travel Improvements (Less External Funding)	11,081 (10,831)	1,121 (1,121)	5913 (5,663)	4047 (4,047)				
Flood Risk Management	888		488	150	150	100		
St Marys Drainage	200		50	150				
Active Travel Infrastructure	750		750					
Low Emission Zone (Less External Funding)	1,624 (1,624)	637 (637)	987 (987)					
Cycling, Walking & Safer Streets (Less External Funding)	1,031 (1,031)		1,031 (1,031)					
Parks & Open Space (Less External Funding)	629 (378)	110 (109)	369 (269)	150				
DCA Lifecycle plant replacement programme	4,550		195	4,355				

**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**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-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Low Carbon Transport	850			850				
Recycling Initiatives	743	120		623				
Riverside Recycling Site	628		108	520				
Low Carbon Projects	4,078	1,730	2,108	50	140	50		
Transport & Infrastructure (Less External Funding)	2,359 (153)	24	385 (153)	800	950	200		
Low Carbon Transport Initiative - Hydrogen (Less External Funding)	3,053 (3,000)	53		3,000 (3,000)				
Vehicle Fleet & Infrastructure (Less External Funding)	10,090 (479)	537 (57)	1,955 (422)	2,398	1,300	1,300	1,300	1,300
Smart Cities - Mobility Innovation Living Laboratory Ph 2 (Less External Funding)	2,903 (1,390)	1,242 (883)	1661 (507)					
<b>HOUSING HRA ELEMENT</b>								
Energy Efficient	57,815	3,484	4,926	8,586	8,707	8,875	13,237	10,000
Net Expenditure	101,943	22,025	13,227	19,082	11,247	10,525	14,537	11,300
Netted Off Receipts	(19,448)	(3,369)	(9,032)	(7,047)				
Gross Expenditure	121,391	25,394	22,259	26,129	11,247	10,525	14,537	11,300

**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**BUILD RESILIENT AND EMPOWERED COMMUNITIES**

**ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>NON HOUSING HRA ELEMENT</b>								
Community Regeneration Fund	2,467	51	876	308	308	308	308	308
Participatory Budget	500		300	100	100			
Menzieshill - Community Provision (Less External Funding)	12,912 (1,320)	12,881 (1,320)	31					
Gypsy Traveller Site, Balmuir Wood (Less External Funding)	239 (91)	136 (84)	103 (7)					
Mill O Mains	3,440	3,363	77					
Bridge Assessment Work Programme (Less External Funding)	4,524 (235)	1,891 (133)	633 (102)	400	400	400	400	400
Council Roads and Footpaths - Other	2,555		755	400	400	400	300	300
Road Reconstructions/Recycling	15,397		2,897	2,500	2,500	2,500	2,500	2,500
Road Safety	684		98	98	98	90	150	150
Traffic signal upgrades	267		73	67	67	60		
Footway Upgrades	3,401		921	560	560	560	400	400
LED Street Lighting Installations	3,838	3,766	72					
Street Lighting Renewal	6,467		1,467	1,000	1,000	1,000	1,000	1,000
District Shopping	706	148	358	100	100			

**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**BUILD RESILIENT AND EMPOWERED COMMUNITIES**

**ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Acquisition of Land & Buildings	84		84					
City Improvement Fund -	500		500					
City Investment Fund	2,217		717	500	500	500		
(Less External Funding)	(2,217)		(717)	(500)	(500)	(500)		
Parks & Open Space	10,456	2,680	3,024	1,966	1,118	1,112	203	353
(Less External Funding)	(3,053)	(566)	(1,270)	(243)	(365)	(609)		
Sports Facilities	1,638	207	771	130	130	150	150	100
LACD Projects	1,350	98	252	250	250	250	250	
<b>HOUSING HRA ELEMENT</b>								
Free from Serious Disrepair	29,959	3,185	3,712	4,550	4,550	4,550	4,862	4,550
Modern Facilities and Services	6,000		500	500	1,000	1,000	1,500	1,500
Healthy, Safe and Secure	16,453	3,019	4,017	2,550	2,437	1,310	1,310	1,810
Miscellaneous	9,275	1,736	1,289	1,777	1,437	1,012	1,012	1,012
Increased Supply of Council Housing	52,412	20,660	4,250	11,562	7,440	1,000	1,500	6,000
(Less External Funding)	(19,954)	(9,810)	(1,350)	(4,265)	(1,241)	(250)	(250)	(2,788)
Demolitions	201	112	39	10	10	10	10	10
Sheltered Lounge Upgrades	1,581	241	340	200	200	200	200	200
Net Expenditure	162,653	42,261	24,710	24,520	22,499	15,053	15,805	17,805
Netted Off Receipts	(26,870)	(11,913)	(3,446)	(5,008)	(2,106)	(1,359)	(250)	(2,788)
Gross Expenditure	189,523	54,174	28,156	29,528	24,605	16,412	16,055	20,593



**DUNDEE CITY COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**CAPITAL PLAN 2023-28**

**DESIGN A MODERN COUNCIL**

**ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cemeteries	870	95	131	100	100	244	100	100
Contaminated Land	342		82	70	70	70	50	
Recycling & Waste Management (Less External Funding)	1,050 (88)	86 (86)	193 (2)	171	150	150	150	150
Baldovie Depot Redevelopment	5,200		148	5,052				
Construction of Salt Barn	670	639	31					
Purchase Computer Equipment (Less External Funding)	9,767 (649)	648 (648)	2,902 (1)	1,758	1,258	1,258	1,108	835
Replacement of Major Departmental Systems	645	515	130					
Purchase of Computer Software (CITRIX)	2,036	1,998	38					
Purchase Desktop Collaboration Platform	5,664	1,312	702	700	700	700	700	850
Smart Cities Digital/ICT Investment	474	294	180					
Data Centre	386	283	103					
Desktop Management Software	1,500				1,500			
Schools Connectivity	1,200			1,200				
Asset Management System Replacement	150		150					

**DUNDEE CITY COUNCIL**

**CAPITAL PLAN 2023-28**

**DESIGN A MODERN COUNCIL**

**PRICE BASE: OUTTURN PRICES**

**ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-22						
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Property Lifecycle Development Programme	36,930	4,862	6,177	7,745	4,865	4,793	4,793	3,695
Property Rationalisation	6,012	4,734	1,278					
Depot Rationalisation Programme	3,063	63	500	2,500				
Capitalisation of Borrowing Costs	1,680		280	280	280	280	280	280
Contingency/COVID 19 Capital Expenditure	2,029		164		585	640	640	
Dundee Ice Arena Plant & Upgrade	9,100		400	1,200	6,000	1,500		
Olympia Refurbishment Works	6,163	331	2,500	3,332				
Regional Performance Centre for Sport (Less External Funding)	32,270 (9,428)	32,149 (9,428)	121					
Net Expenditure	117,036	37,847	16,207	24,108	15,508	9,635	7,821	5,910
Netted Off Receipts	(10,165)	(10,162)	(3)					
Gross Expenditure	127,201	48,009	16,210	24,108	15,508	9,635	7,821	5,910

**APPENDIX B**

**DUNDEE CITY COUNCIL**

**CAPITAL PLAN 2023-28**

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Proposed inflationary increases to projects</b>						
Plot 6 - Southside - Offices		8	4,490			4,498
Less additional rental income to fund additional costs		(8)	(4,490)			(4,498)
Harris Academy Extension		1,259				1,259
Less funded 100% by P&K		(1,259)				(1,259)
School Estate Investment - East End Community Campus		7,085	10,951	1,341	437	19,814
Less increase in Cont from SG to fund additional cost			(8,129)	(1,341)	(437)	(9,907)
School Estate Investment - Western Gateway				3,360	1,440	4,800
Less increase in Cont from SG to fund additional cost				(1,680)	(720)	(2,400)
Ice Arena Plant & Upgrade			600	1,500		2,100
Riverside Recycling Site	78	67				145
Baldovie Redevelopment		1,200				1,200
DCA Lifecycle plant replacement programme	45	1,005				1,050
Depot Rationalisation Programme		1,301				1,301
Property Development & Improvement Programme	30	239	1,100	1,100	1,100	3,569
Capital Project Contingency	(50)	72	640	640	640	1,942
<b>Total</b>	<b>103</b>	<b>10,969</b>	<b>5,162</b>	<b>4,920</b>	<b>2,460</b>	<b>23,614</b>

**APPENDIX C**

**DUNDEE CITY COUNCIL**

**CAPITAL PLAN 2023-28**

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Proposed Budget Reductions</b>						
City Improvement Fund	(250)	(250)				(500)
City Investment Fund	(827)					(827)
Parks & Open Spaces		(330)	(300)	(300)	(350)	(1,280)
Sports Facilities		(178)	(178)	(300)	(150)	(806)
LACD Projects		250	(750)	(750)	(750)	(2,000)
Social Care - Provision Accommodation Adults Learning Disabilities	(130)	(120)	(250)	(250)	(200)	(950)
Social Care Strategic Funding Older People & Adults			(198)	(220)	(220)	(638)
Sustainable Transport & Infrastructure	(11)	(700)	(610)	(1,000)		(2,321)
Low Carbon Transport - Hydrogen		(2,947)				(2,947)
Coastal Protection Works	(183)	(2,353)	(1,568)			(4,104)
Depot Rationalisation Programme	(911)	(1,727)				(2,638)
Sustainability and Low Carbon Projects		(1,524)	(515)	(1,464)		(3,503)
Community Regeneration Funding		(100)	(100)	(100)	(100)	(400)
Participatory Budgeting				(200)		(200)
Unadopted Footpaths	(100)	(100)	(100)	(100)	(100)	(500)
<b>Total</b>	<b>(2,412)</b>	<b>(10,079)</b>	<b>(4,569)</b>	<b>(4,684)</b>	<b>(1,870)</b>	<b>(23,614)</b>

## 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 2021/2022 including Prudential Indicators covering period 2021/2022 to 2026/2027 was reported to Policy & Resources Committee on 26 September 2022 (Report No 250-2022 Article VIII refers). These have now been updated to reflect projected expenditure included in the 2023-2028 Capital Plan.

### **PRUDENTIAL CODE INDICATORS - TREASURY MANAGEMENT INDICATORS**

Adoption of Revised CIPFA Treasury Management Code of Practice

Yes
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#### **Upper limit for variable and fixed rate exposure**

	Net principal re variable rate borrowing / investments	Net principal re fixed rate borrowing / investments
2022/23	30%	100%
2023/24	30%	100%
2024/25	30%	100%
2025/26	30%	100%
2026/27	30%	100%
2027/28	30%	100%

#### **Actual External Debt**

	31/03/2021	31/03/2022
	£'000	£'000
Actual borrowing	535,842	542,657
Actual other long term liabilities	156,055	168,748
<b>Actual external debt</b>	<b>691,897</b>	<b>711,405</b>

**Maturity structure of fixed rate borrowing 2022/23**

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
2022/23	600,000	165,000	765,000	570,000	165,000	735,000
2023/24	670,000	160,000	830,000	640,000	160,000	800,000
2024/25	734,000	154,000	888,000	704,000	154,000	858,000
2025/26	751,000	148,000	899,000	721,000	148,000	869,000
2026/27	758,000	142,000	900,000	728,000	142,000	870,000
2027/28	755,000	135,000	890,000	725,000	135,000	860,000

**PRUDENTIAL CODE INDICATORS - PRUDENTIAL INDICATORS**

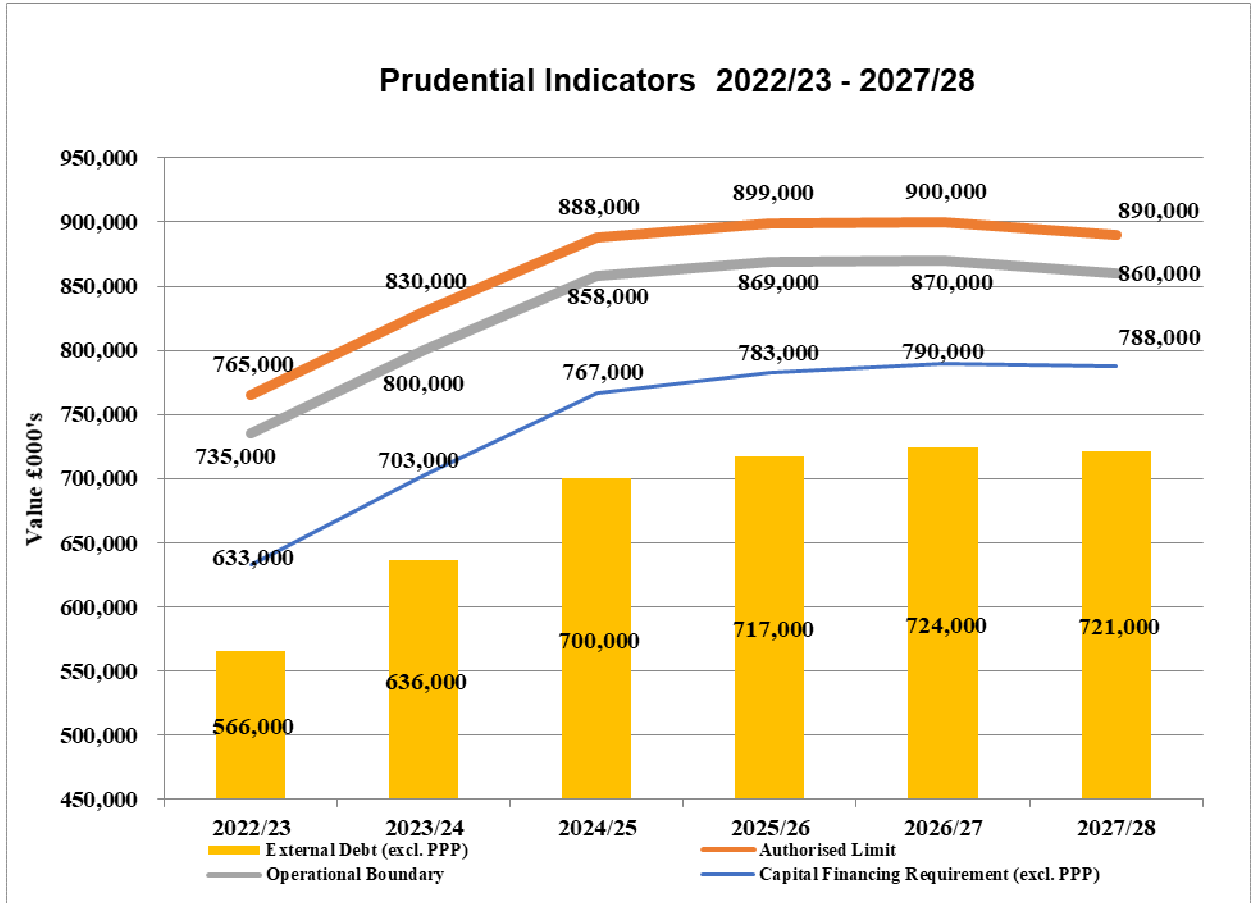
	Capital Expenditure		
	Non-HRA £000	HRA £000	Total £000
2022/23	57,553	19,073	76,626
2023/24	103,292	29,735	133,027
2024/25	76,468	25,781	102,249
2025/26	42,486	17,957	60,443
2026/27	22,717	23,631	46,348
2027/28	14,000	25,082	39,082

	Ratio Commercial & Service Income to Net Revenue Stream	Ratio of financing costs to Net Revenue Stream	
	Non HRA %	Non-HRA %	HRA %
2022/23	1.5	4.9	36.8
2023/24	1.5	5.5	36.0
2024/25	1.5	6.6	36.6
2025/26	1.5	7.8	37.2
2026/27	1.5	7.8	34.6
2027/28	1.5	7.9	35.1

	Net Borrowing Requirement (NBR)		
	1 April £000	31 March £000	Movement £000
2022/23	503,486	566,000	62,514
2023/24	566,000	636,000	70,000
2024/25	636,000	700,000	64,000
2025/26	700,000	717,000	17,000
2026/27	717,000	724,000	7,000
2027/28	724,000	721,000	(3,000)

	Capital Financing Requirement (CFR)			
	Non-HRA £000	HRA £000	Total £000	Movement £000
2022/23	449,000	184,000	633,000	25,053
2023/24	508,000	195,000	703,000	70,000
2024/25	561,000	206,000	767,000	64,000
2025/26	574,000	209,000	783,000	16,000
2026/27	571,000	219,000	790,000	7,000
2027/28	561,000	227,000	788,000	(2,000)

	NBR v CFR Difference
	Total £000
2022/23	67,000
2023/24	67,000
2024/25	67,000
2025/26	66,000
2026/27	66,000
2027/28	67,000







# Integrated Impact Assessment

**Committee Report Number: 309-2022**

**Document Title: Capital Plan 2023-28**

**Document Type: Strategy**

**Description:**

**This Report sets out the Capital Plan for both General Fund and HRA for 2023-28.**

**Intended Outcome:**

**The Plan will support the delivery of the Council Plan.**

**Period Covered: 21/11/2022 to 31/03/2028**

**Monitoring:**

**Capital monitoring reports to the Policy and Resources Committee**

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**DH**

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**DH**

# 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**

**Pregenancy & 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 (Strathmartine):** 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.

**Positive Implications (Lochee):** 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.

**Positive Implications (Coldside):** 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.

<b>Positive Implications (Maryfield):</b>	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.
<b>Positive Implications (North East / Whitfield):</b>	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.
<b>Positive Implications (East End / MidCraigie):</b>	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.
<b>Positive Implications (The Ferry):</b>	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.
<b>Positive Implications (West End):</b>	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**

**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**

# **Socio Economic Disadvantage Impacts & Implications**

**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: Positive**

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

**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.

**Adapting to the effects of climate change: Positive**

The Plan includes measures to offset the impact of 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 Built environment.

Housing: Positive

The investment in the HRA and new build will help support a sustainable Built 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 A£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.