

ITEM No ...3.....

REPORT TO: CITY GOVERNANCE COMMITTEE – 4 MARCH 2024
REPORT ON: CAPITAL EXPENDITURE MONITORING 2023/24
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 64–2024

1 PURPOSE OF REPORT

1.1 To appraise Elected Members of the latest position regarding the Council's Capital Plan 2024-29.

2 RECOMMENDATION

2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Plan 2024-29.

3 FINANCIAL IMPLICATIONS

3.1 This report shows the latest projections for 2023/24 expenditure and total cost as at 31 January 2024.

Appendix 1, which details the General Services position to the end of January 2024, shows a revised projected outturn for 2023/24 of £72.210m, a decrease of £1.431m since the Capital Plan 2024-29 report was approved at City Governance Committee on 19th February 2024 (Report 18-2024, Article VII refers). The net movements that have contributed to this movement are summarised in paragraph 5.1 of the report. The net figure of £1.431m will still be required in 2024/25 and funded from borrowing and grants and contributions in that year.

Appendix 3, which details the Housing HRA position to the end of January 2024, shows a revised projected outturn for 2023/24 of £18.341m, a decrease of £0.222m since the Capital Plan 2024-29 report was approved at City Governance Committee on 19th February 2024 (Report 18-2024, Article VII refers).

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

4 BACKGROUND

4.1 The Capital Plan 2024-29 was approved at City Governance Committee on 18 February 2024 (Report 18-2024, Article VII 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 2024-29 which was approved at City Governance Committee on 18 February 2024 (Report 18-2024, Article VII 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 31 January is 73% of the Revised Budget 2023/24 compared to 61% for the same period last year.

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

Reductions in planned expenditure include:

- Low Carbon Transport - Green Transport Hub & Spokes – Bell Street – (£0.355m)

5.2 2023/24 Expenditure Variations

Appendix 1, which details the General Services position to the end of January 2024, shows a revised projected outturn for 2023/24 of £72.210m, a decrease of £1.431m since the Capital Plan 2024-29 report was approved at City Governance Committee on 19th February 2024 (Report 18-2024, Article VII refers). The main reason for the movement is detailed in point 5.2.1 below:

5.2.1 Low Carbon Transport - Green Transport Hub & Spokes – Bell Street (Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045) – Reduction in projected expenditure of £0.355m in 2023/24. The budget has been rephased to reflect the latest programme of works from the contractor. The project is funded by a capital grant from UK Government Levelling Up Fund and borrowing. There will be a reduction in capital grants & contributions 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	35.552	(1.072)	34.480	34.480	-
General Capital Grant	14.983	-	14.983	14.983	-
Capital Grants & Contributions	18.932	(0.359)	18.573	18.573	-
Capital Receipts – Sale of Assets	1.048	-	1.048	1.048	-
Capital Financed from Current Revenue	1.131	-	1.131	1.131	-
Capital Fund	<u>1.995</u>	-	<u>1.995</u>	<u>1.995</u>	
	<u>73.641</u>	<u>(1.431)</u>	<u>72.210</u>	<u>72.210</u>	<u>-</u>

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

	£m
2019/20	50.172
2020/21	39.537
2021/22	45.038
2022/23	44.086
2023/24 (Projected)	72.210

5.5 Projected Total Cost Variations

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

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

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

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

6 **HOUSING HRA - CURRENT POSITION**

6.1 2023/24 Expenditure Variations

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

Appendix 3 summarises the total gross expenditure for 2023/24 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 31st December 2024 is 44% of the Revised Budget 2023/24 compared to 55% for the same period last year.

6.2 Appendix 3, which details the Housing HRA position to the end of January 2024, shows a revised projected outturn for 2023/24 of £18.341m, a decrease of £0.222m since the Capital Plan 2024-29 report was approved at City Governance Committee on 19th February 2024 (Report 18-2024, Article VII 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	15.351	(222)	15.129	15.129	-
Capital Grants & Contributions	1.873	-	1.873	1.873	-
CFCR	450	-	450	450	-
Capital Receipts – Sale of Assets	439	-	439	439	-
Receipts from Owners	<u>450</u>	<u>-</u>	<u>450</u>	<u>450</u>	<u>-</u>
	<u>18.563</u>	<u>(222)</u>	<u>18.341</u>	<u>18.341</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)	18.341

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

22 FEBRUARY 2024

2023/24 DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING TO 31st JANUARY 2024

Appendix 1

	<u>Approved Capital Budget 2023/24 £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2023/24 £000</u>	<u>Actual Spend 2023/24 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.01.2024 as a % of Revised Budget</u>
GENERAL SERVICES							
<u>Capital Expenditure</u>							
Reduce Child Poverty & Inequalities in Income, Education & Health	29,631	0	29,631	22,311	29,631	0	75%
Deliver Inclusive Economic Growth	6,131	(269)	5,862	3,102	5,862	0	53%
Tackle Climate Change and reach Net Zero carbon emissions by 2045	16,884	(429)	16,455	12,548	16,455	0	76%
Build Resilient and Empowered Communities	8,829	(364)	8,465	5,580	8,465	0	66%
Design a Modern Council	12,166	(369)	11,797	9,494	11,797	0	80%
Capital Expenditure 2023/24	73,641	(1,431)	72,210	53,035	72,210	0	73%
<u>Capital Resources</u>							
Expenditure Funded from Borrowing	35,552	(1,072)	34,480	26,333	34,480		
General Capital Grant	14,983		14,983	13,343	14,983		
Capital Grants & Contributions - corporate	337		337	337	337		
Capital Grants & Contributions - project specific	18,595	(359)	18,236	8,915	18,236		
Capital Receipts - Sale of Assets	1,048		1,048	1,048	1,048		
Capital Financed from Current Revenue	1,131		1,131	1,064	1,131		
Capital Fund	1,995		1,995	1,995	1,995		
Capital Resources 2023/24	73,641	(1,431)	72,210	53,035	72,210		
Capital Expenditure as % of Capital Resources	100%		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	31/01/2024 £'000	2023/24 £000	Actual Project Cost to 31/01/2024 £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	3,386		3,386	3,375	3,386	4,613	5,174	4,824	Dec-23	Aug-24
(Less External Funding)	(3,386)		(3,386)	(3,370)	(3,386)	(3,373)	(5,174)	(4,824)		
School Estate Investment-East End Community Campus	25,700		25,700	18,540	25,700	21,552	100,800	100,800	Jul-25	Jul-25
OTHER PROJECTS - Reduce Child Poverty and Inequalities	545		545	396	545	16,965	18,959	18,800		
Net Expenditure	26,245		26,245	18,941	26,245	39,757	119,759	119,600		
Receipts	(3,386)		(3,386)	(3,370)	(3,386)	(3,373)	(5,174)	(4,824)		
Gross Expenditure	29,631		29,631	22,311	29,631	43,130	124,933	124,424		

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 2024-29

DELIVER INCLUSIVE ECONOMIC GROWTH

Project/Nature of Expenditure	Approved Budget 2023/24	Total Adjusts	Revised Budget 2023/24	Expenditure to 31/01/2024	Projected Outturn 2023/24	Note 1				
	£000	£000	£000	£'000	£000	Actual Project Cost to 31/01/2024	Current Approved Project Cost	Projected Total Cost	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS - Deliver Inclusive Economic Growth										
Site 6 South Development - Offices	5,594		5,594	3,020	5,594	4,008	26,202	26,202	Feb-25	Mar-25
Demolition of Properties & Remediation Works	400	(249)	151	112	151	245	284	284	Mar-24	Mar-24
OTHER PROJECTS - Deliver Inclusive Economic Growth	137	(20)	117	(30)	117	49,609	47,594	50,087		
(Less External Funding)	(30)		(30)	(10)	(30)	(9,851)	(7,894)	(10,202)		
Net Expenditure	6,101	(269)	5,832	3,092	5,832	44,011	66,186	66,371		
Netted Off Receipts	(30)		(30)	(10)	(30)	(9,851)	(7,894)	(10,202)		
Gross Expenditure	6,131	(269)	5,862	3,102	5,862	53,862	74,080	76,573		

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 2024-29

TACKLE CLIMATE CHANGE AND REACH NET ZERO CARBON EMISSIONS BY 2045

Appendix 2

Project/Nature of Expenditure	Approved Budget	Total Adjusts	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2023/24		2023/24	31/01/2024	2023/24	Actual Project Cost to	Current Approved Project Cost	Projected Total Cost	Approved Completion Date	Projected/ Actual Completion Date
	£000	£000	£000	£'000	£000	31/01/2024	£000	£000		
MAJOR PROJECTS - Tackle Climate Change and Reach Net Zero Emissions by 2045										
Broughty Ferry to Monifieth Active Travel Improvements	9,913		9,913	8,616	9,913	14,045	9,067	18,031	Aug-24	Mar-25
(Less External Funding)	(9,913)		(9,913)	(4,880)	(9,913)	(10,309)	(9,067)	(17,281)	Mar-24	Mar-25
Cycling, Walking & Safer Routes	1,235		1,235	685	1,235	1,374	1,924	1,924	Mar-24	Mar-24
(Less External Funding)	(1,235)		(1,235)	(627)	(1,235)	(1,316)	(1,924)	(1,924)	Mar-24	Mar-24
DCA Lifecycle plant replacement programme	100		100	30	100	38	4,550	4,550	Tender not yet approved	
Low Carbon Transport (Green Transport Hub & Spokes - Bell Street)	1,330	(355)	975	525	975	545	16,000	16,000	Main Tender not yet approved	
(Less External Funding)	(1,330)	355	(975)	20	(975)	20	(14,400)	(14,400)		
Vehicle Fleet & Infrastructure	1,305	16	1,321	1,198	1,321	2,375	2,499	2,499	Mar-24	Mar-24
(Less Sale of Vehicles & Equipment)	(69)	(16)	(85)	(60)	(85)	(60)	(85)	(85)	Mar-24	Mar-24
OTHER PROJECTS - Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045	3,001	(90)	2,911	1,494	2,911	24,344	27,556	27,515		
(Less External Funding)	(1,402)	(5)	(1,407)	501	(1,407)	(1,879)	(2,937)	(2,937)		
Net Expenditure	2,935	(95)	2,840	7,502	2,840	29,177	33,183	33,892		
Receipts	(13,949)	334	(13,615)	(5,046)	(13,615)	(13,544)	(28,413)	(36,627)		
Gross Expenditure	16,884	(429)	16,455	12,548	16,455	42,721	61,596	70,519		

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 2024-29

BUILD RESILIENT AND EMPOWERED COMMUNITIES

Appendix 2

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 31/01/2024 £'000	Projected Outturn 2023/24 £000
MAJOR PROJECTS - Build Resilient and Empowered Communities					
Road Maintenance Partnership	3,460		3,460	2,848	3,460
Street Lighting Renewal	1,100		1,100	819	1,100
City Improvement/Investment Fund	523		523	344	523
(Less External Funding)	(523)		(523)	(344)	(523)
Parks & Open Spaces	1,404	(100)	1,304	491	1,304
(Less External Funding)	(175)		(175)	(116)	(175)
OTHER PROJECTS/PROGRAMMES - Build Resilient and Empowered Communities	2,342	(264)	2,078	1,078	2,078
(Less External Funding)	(531)	25	(506)	(29)	(506)
Net Expenditure	7,600	(339)	7,261	5,091	7,261
Receipts	(1,229)	25	(1,204)	(489)	(1,204)
Gross Expenditure	8,829	(364)	8,465	5,580	8,465

Note 1				
Actual Project Cost to 31/01/2024 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,848	3,460	3,460	Mar-24	Mar-24
819	1,100	1,100	Mar-24	Mar-24
423	1,217	1,217	Mar-24	Mar-24
(423)	(717)	(717)	Mar-24	Mar-24
3,306	4,119	4,119	Mar-24	Mar-24
(1,839)	(1,696)	(1,677)	Mar-24	Mar-24
18,899	21,615	20,268		
(1,687)	(2,860)	(2,860)		
22,346	26,238	24,910		
(3,949)	(5,273)	(5,254)		
26,295	31,511	30,164		

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 2024-29

DESIGN A MODERN COUNCIL

Appendix 2

Project/Nature of Expenditure	Approved Budget	Total Adjusts	Revised Budget	Expenditure to	Projected Outturn	Note 1				
	2023/24 £000		2023/24 £000	31/01/2024 £'000	2023/24 £000	Actual Project Cost to 31/01/2024 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS/PROGRAMMES - Design a Modern Council										
Baldovie Depot Redevelopment	31		31	11	31	200	5,200	5,200	Tender not yet approved	
Depot Rationalisation Programme	250		250	155	250	326	3,063	3,063	Tender not yet approved	
Dundee Ice Arena Plant & Upgrade	900		900	874	900	1,017	9,100	9,100	Main Tender not yet approved	
Olympia Refurbishment Works	2,992	(157)	2,835	2,784	2,835	6,056	6,163	6,264	Oct-23	Oct-23
Property Lifecycle Development Programme	4,624		4,624	3,492	4,624	6,542	7,674	7,674	Mar-24	Mar-24
Purchase Computer Equipment	1,437	(100)	1,337	1,120	1,337	2,470	2,897	2,897	Mar-24	Mar-24
(Less External Funding)	(1)		(1)		(1)	(648)	(650)	(649)	Mar-23	Mar-23
Schools Connectivity	290		290	10	290	20	2,600	2,600		
OTHER PROJECTS/PROGRAMMES - Design a Modern Council	1,642	(112)	1,530	1,048	1,530	41,373	41,408	45,108		
Net Expenditure	12,165	(369)	11,796	9,494	11,796	57,356	77,455	81,257		
Netted Off Receipts	(1)		(1)		(1)	(648)	(650)	(649)		
Gross Expenditure	12,166	(369)	11,797	9,494	11,797	58,004	78,105	81,906		

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 2024-29

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 2023/24 £000	Expenditure to 31/01/2024	Projected Outturn 2023/24 £000
Energy Efficient	1,456	(26)	1,430	589	1,430
Net Expenditure	1,456	(26)	1,430	589	1,430
Receipts					
Gross Expenditure	1,456	(26)	1,430	589	1,430

Note 1				
Actual Project Cost to 31/01/2024 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,172	10,432	10,342	Mar-25	Mar-25
2,172	10,432	10,342		
2,172	10,432	10,342		

BUILD RESILIENT AND EMPOWERED COMMUNITIES - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2023/24 £000	Total Adjusts £000	Revised Budget 2023/24 £000	Expenditure to 31/01/2024	Projected Outturn 2023/24 £000
Free from Serious Disrepair	5,138	(125)	5,013	2,652	5,013
Modern Facilities & Services	250		250		250
Healthy, Safe and Secure	2,941	(88)	2,853	1,774	2,853
Miscellaneous	1,415	17	1,432	828	1,432
Increased Supply of Council Housing	7,130		7,130	1,978	7,130
(Less External Funding)	(1,873)		(1,873)		(1,873)
Demolitions	33		33	25	33
Sheltered Lounge Upgrades	200		200	141	200
Net Expenditure	15,234	(196)	15,038	7,398	15,038
Receipts	(1,873)		(1,873)		(1,873)
Gross Expenditure	17,107	(196)	16,911	7,398	16,911

Note 1				
Actual Project Cost to 31/01/2024 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
3,972	6,499	6,366	May-24	Jul-24
	490	250	Mar-24	Mar-24
6,247	7,639	7,639	Mar-24	Mar-24
2,141	2,750	2,750	Mar-24	Mar-24
18,978	24,130	24,130	Mar-24	Mar-24
(7,867)	(7,098)	(7,867)		
25	33	33	Mar-24	Mar-24
141	200	200	Mar-24	Mar-24
23,637	34,644	33,502		
(7,867)	(7,098)	(7,867)		
31,504	41,742	41,369		

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

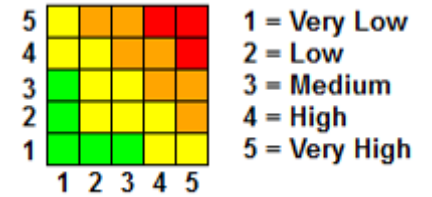
DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING 31 JANUARY 2024

Appendix 3

	<u>Approved Capital Budget 2023/24 £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2023/24 £000</u>	<u>Actual Spend to 31 Jan 2024 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.1.2024 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	1,456	(26)	1,430	589	1,430	-	41%
<u>Build Resilient and Empowered Communities</u>							
Free from Serious Disrepair	5,138	(125)	5,013	2652	5,013	-	53%
Modern Facilities and Services	250		250		250	-	0%
Healthy, Safe & Secure	2,941	(88)	2,853	1,774	2,853	-	62%
Miscellaneous	1,415	17	1,432	828	1,432	-	58%
Increase Supply of Council Housing	7,130		7,130	1,978	7,130	-	28%
Demolitions	33		33	25	33	-	76%
Community Care - Sheltered Lounge Upgrades	200		200	141	200	-	71%
Capital Expenditure 2023/24	18,563	(222)	18,341	7,987	18,341	-	44%
<u>Capital Resources 2023/24</u>							
Expenditure Funded from Borrowing	15,351	(222)	15,129	7,703	15,129	-	
Capital Receipts, Grants & Contributions - project specific							
Scottish Government Grants	1,873		1,873	234	1,873	-	
Capital Funded from Current Revenue							
Council Tax discount reductions used to fund affordable housing	450		450		450	-	
Capital Receipts, Grants & Contributions							
Receipts from Owners	450		450	(5)	450	-	
Capital Receipts:-							
Sale of Assets - Land	439		439	55	439	-	
	18,563	(222)	18,341	7,987	18,341		
Capital Expenditure as % of Capital Resources	100%		100%		100%		


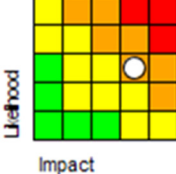
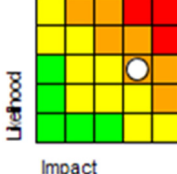
APPENDIX 4

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.		