

PERTH AND KINROSS COUNCIL**Strategic Policy and Resources Committee – 13 September 2017****COMPOSITE CAPITAL BUDGET 2017/23 & HOUSING INVESTMENT
PROGRAMME 2017/22 – MONITORING REPORT NUMBER No.1****Report by the Head of Finance****PURPOSE OF REPORT**

This report provides a summary position to date for the Composite Capital Programme for 2017/18 to 2022/23 and the Housing Investment Programme 2017/18 to 2021/22, and seeks approval for adjustments to the programmes.

1. BACKGROUND / MAIN ISSUES

- 1.1 At its meeting on 19 April 2017, this Committee approved a revised Gross Composite Capital Budget for 2016/17 to 2022/23 totalling £558,524,000 and a revised Housing Investment Programme for 2016/17 to 2020/21 totalling £76,164,000 (report 17/153 refers).
- 1.2 In addition, the then Housing & Health Committee on 25 January 2017 approved a five year Housing Investment Programme for the period from 2017/18 to 2021/22 (report 17/34 refers). This included £25,478,000 of expenditure for 2021/22, which has now been incorporated into the current monitoring report.
- 1.3 This report advises on the impact of the final outturn expenditure in 2016/17 on the programmes; expenditure to 31 July 2017, and the latest estimate of the projected outturn for each of the years to 2022/23 for the Composite Programme and to 2021/22 for the Housing Investment Programme.
- 1.4 The Capital Programme Exceptions Report (Appendix V) provides summary information on the latest position for individual projects reported within Sections 3 and 4 of this report.

2. COMPOSITE CAPITAL PROGRAMME – CAPITAL RESOURCES

- 2.1 The current estimated total gross capital resources available over the six years 2017/18 to 2022/23 amount to £492,011,000. Movements from the revised Composite Capital Budget approved on 19 April 2017 are summarised in the table below, and the constituent elements for each year are summarised at Appendix I.

Total Composite Capital Resources			
	Approved 19 April 2017	Current Estimate	Movement
	£'000	£'000	£'000
2017/18	88,903	101,246	12,343
2018/19	78,537	68,468	(10,069)
2019/20	98,139	62,088	(36,051)
2020/21	95,837	88,491	(7,346)
2021/22	88,102	103,524	15,422
2022/23	41,771	68,194	26,423
Total	491,289	492,011	722

- 2.2 The report on 19 April 2017 also included estimated net expenditure for 2016/17 of £59,052,000. The final outturn (subject to audit) was £59,780,000, and is included at Appendix II in order to determine the adjustment required to budgets between 2016/17 and 2017/18 on each project.
- 2.3 The only movement in the **General Capital Grant** for 2017/18 is in respect of Private Sector Housing Grants (PSHG) which is funded from the Capital Grant within the Revenue Budget. The assumed PSHG expenditure in 2016/17 was £164,000 more than anticipated, so reducing the amount of Grant applied to the Capital Programme. Consequently, it is proposed that this movement is adjusted in 2017/18, and that the General Capital Grant within the 2017/18 Capital Budget is increased by this amount. This adjustment is neutral over the 2 years, and is reflected in Appendices I and II. In addition, the Council has been allocated a **ring-fenced Capital Grant** of £887,000 in 2017/18 from the Scottish Government in respect of Early Learning & Childcare (Section 3.3.5), and this has been added to the Budget at Appendices I and II.
- 2.4 Actual **Third Party Contributions** in 2016/17 were £643,000 less than anticipated and it is therefore proposed to carry-forward this amount to the current year to reflect the difference in the timing of the receipts. Further, there is an additional £3,270,000 in anticipated Third Party Contributions over the 6-year programme. This increase is mainly due to a contribution of £1,479,000 from the Forestry Commission towards Strategic Timber Routes (see section 3.4.2), an anticipated £1,485,000 from the Cities Investment Fund and Tay City Deal bid towards the cost of the Creative Exchange (Section 3.4.6) and £129,000 from a landowner towards the cost of the A9/A85 Road Junction Improvements (Section 3.4.3). Other smaller contributions have also been included in Appendices I and II. Total **Revenue Contributions** in 2016/17 were £632,000 less than anticipated. Within this total, £57,000 related to a contribution for Perth Theatre, however, these costs were met from the Revenue Budget in 2016/17, and are therefore no longer required within the Capital Budget. It is proposed to carry forward the remaining contributions to 2017/18. There are also several small adjustments to the contributions in 2017/18 amounting to an increase of £58,000. All movements in Third Party and Revenue Contributions have been included in Appendices I and II.
- 2.5 Actual **General Fund Property Disposal** receipts in 2016/17 were £19,000 lower than anticipated and it is therefore proposed to increase the current year budget by this amount to reflect the difference in the timing of these receipts.

There has also been an increase in sales expenses of £3,000, which reduces the total estimated net receipts available. In addition, a receipt budgeted in 2017/18 is not now being concluded and the property disposal concerned is being renegotiated and re-phased into later years. Actual receipts on the **Commercial Property Investment Programme** in 2016/17 were exactly in line with the budget. However, estimated receipts in the current programme have increased by £105,000. With an increase of £255,000 in expenditure on the Commercial Investment Programme (see Section 3.4.8), the estimated **receipts carried forward to future years** have reduced by £150,000 by the end of the 6-year Programme. These movements are summarised at Appendix I.

- 2.6 The projected **Borrowing Requirement** in 2017/18, which is effectively the balancing item for resources, is £67,812,000, which is £7,801,000 higher than the previous Borrowing Requirement approved by this Committee on 19 April 2017. This includes a £969,000 reduction in borrowing in 2017/18 relating to the various amounts carried forward from 2016/17. The total Borrowing Requirement in the subsequent years 2018/19 to 2022/23 has decreased by £13,008,000 to £276,247,000, resulting in an overall decrease of **£5,207,000** across the whole six year programme.
- 2.7 After allowing for the borrowing brought-forward from 2016/17, this equates to a reduction of £4,238,000 in **new borrowing** in the six year programme. This comprises reduced Prudential Borrowing within The Environment Service of £4,226,000 (see Section 3.4.9 and 3.4.10) and a £15,000 reduction in borrowing on the EDRMS Project (see Section 3.6.1) within the core programme, offset by reduced receipts of £3,000 (see Section 2.5).
- 2.8 All movements in the Borrowing Requirement are shown in the Proposed Budget Adjustment column within Appendix II, and summarised in the table below:

	2017/18	2018/19	2019/20	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Reduced Borrowing Requirement brought forward from 2016/17 (Section 3.1.2)	(969)	0	0	0	(969)
Reduced Capital Receipts (Section 2.5)	3	0	0	0	3
Reduction in Borrowing on the EDRMS Project (Section 3.6.1)	(15)	0	0		(15)
Increase/(Reduction) in Borrowing on The Environment Services Prudential Borrowing Programme (Section 3.4.9 and 3.4.10)	274	(3,500)	(1,000)	0	(4,226)
Movements arising from re-phasing of other expenditure and receipts (Appendix II)	8,508	(7,663)	(35,311)	34,466	0
Increase/(Decrease) in Borrowing Requirement	7,801	(11,163)	(36,311)	34,466	(5,207)

3. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

3.1 Total Expenditure for the Year Ended 31 March 2017

- 3.1.1 Total unaudited expenditure (net of grants and contributions) for the year ended 31 March 2017 on the Composite Capital Programme amounted to £59,780,000, as detailed at Appendix II. This expenditure, as compared to the original 2016/17 budget approved by the Council on 22 June 2016, can be summarised as follows:

	2016/17 Approved Budget 22 June 2016	Actual Expenditure to 31 March 2017	Percentage of original Budget
	£'000	£'000	
Education and Children's Services	14,662	19,978	136%
The Environment Service	39,737	37,428	94%
Housing and Community Safety	1,852	630	34%
Corporate & Democratic Services	2,936	1,744	59%
Total	59,187	59,780	101%

- 3.1.2 An analysis of the whole programme has been undertaken to compare the actual final capital expenditure for 2016/17 included in the unaudited final accounts against the Revised Budget in Monitoring Report No. 4 approved by this Committee on 19 April 2017. This has highlighted that £728,000 of net expenditure and £210,000 of receipts has moved between financial years. After allowing for movement in receipts carried forward of £451,000, this gives a movement of £969,000 in borrowing between the years. The effect of this type of slippage on the six-year Capital Budget is neutral, and accordingly it is proposed that the budget in these circumstances is adjusted in 2017/18. These movements are detailed at Appendix II.

3.2 Total Expenditure and Proposed Budget Adjustments to the Current Programme

- 3.2.1 Total expenditure (net of grants and contributions) in the current year to 31 July 2017 on the Composite Capital Programme amounts to £23,991,000, which is detailed at Appendix II and can be summarised as follows:

	Net Expenditure to 31 July 2017
	£'000
Education and Children's Services	5,405
The Environment Service	18,013
Health and Social Care	12
Housing and Community Safety	122
Corporate & Democratic Services	439
Total	23,991

- 3.2.2 In addition, General Capital Grant received to 31 July 2017 amounts to £6,158,000 and capital receipts amount to £689,000. Therefore, the borrowing

requirement to 31 July 2017, after allowing for the movement in receipts brought forward and carried forward of £444,000, totals £17,588,000.

- 3.2.3 A comprehensive monitoring exercise has been carried out, which is detailed at Appendix II. The most significant features are discussed below.

3.3 Education and Children's Services

- 3.3.1 The Executive Director (Education & Children's Services) has reviewed the current programme and proposes various budget adjustments, the most significant of which are described below.

- 3.3.2 In conjunction with the Head of Property Services, it is proposed to transfer some of the school compliance and infrastructure budgets from Property Services to Education & Children's Services. These relate to:

- Perth High School Internal Services & Refurbishment (£3,912,000),
- Perth Academy Infrastructure Upgrade Phase 3 (£1,750,000),
- The Fire Audit Works at Perth Academy and Perth High School (£1,000,000), and
- The Life Expired Building Replacement Programme budget uncommitted balance (£1,048,000).

The total amount proposed to be transferred over the six years amounts to £7,710,000.

- 3.3.3 It is proposed that the Life Expired Building Replacement Programme is combined with the Modernising Primaries Programme, and allocated to individual projects in line with the Service's School Estate priorities
- 3.3.4 For Perth High School, it is proposed that the Upgrade Project and the Fire Audit Works are combined with the existing Internal Services & Refurbishment project at the school, with the proposed works being undertaken as a single programme.
- 3.3.5 For Perth Academy it is also proposed to combine the Infrastructure Upgrade project and Fire Audit Works with the existing Refurbishment programme. It is further proposed to allocate £1,673,000 from the Modernising Secondaries Programme to the Perth Academy Refurbishments project in 2021/22. In addition, it is also proposed to allocate £777,000 from Modernising Secondaries to the Perth Academy New Sports Facilities in 2018/19 (£627,000) and 2019/20 (£150,000). It is further proposed to rephase £298,000 of the New Sports Facilities budget from 2017/18 to 2018/19.
- 3.3.6 There is also rephasing of expenditure in later years proposed for Perth Grammar Upgrade Programme Phase 3 and the Blairgowrie Recreation Centre Replacement, to better reflect the anticipated delivery of the projects.
- 3.3.7 The Scottish Government has now allocated its 2017/18 Early Learning & Childcare – 1140 Hours Expansion budget. Consequently, the Council has

been allocated £887,000 of funding for 2017/18 as a ring-fenced Capital Grant, which is to be used to provide infrastructure improvements to expand capacity for Early Learning and Childcare. It is proposed that this will be used for expanding the early learning provision in Kinross, Tulloch and Alyth as part of the current Capital projects. This has been included in Appendix I and II, along with the associated expenditure in 2017/18.

- 3.3.8 All of the above adjustments, including some smaller adjustments to reflect the closing position in 2016/17 and rephasing of future years expenditure, are reflected in Appendices I and II.

3.4 The Environment Service

- 3.4.1 The Director (Environment) has reviewed the current programme and proposes various budget adjustments. Many of the proposed adjustments relate to minor movements to match the carry forward of budgets between 2016/17 and 2017/18. The most significant of the remaining proposed adjustments are described below.
- 3.4.2 The Council has been awarded a grant of £1,479,000 from the Forestry Commission under the Strategic Timber Transport Scheme. This is for the Council to provide additional passing places and road strengthening on parts of the rural road network which are strategic timber routes. This work has been included within the 2017/18 Structural Maintenance budget, together with a further contribution of £22,000 towards the Beaulieu to Denny power line. As a result of the additional strategic timber route works and associated temporary road closures, it is proposed to defer other planned work in the area of £130,000 to 2018/19 to minimise travel disruption. The Council has also been awarded £16,000 from Sustrans in 2017/18 towards the Cycling Walking & Safer Streets programme, and it is proposed to increase the expenditure by this amount. A contribution of £26,000 has also been allocated by Network Rail in 2017/18 for proposed works within the Road Safety Barriers programme. It is proposed to increase the expenditure accordingly to match the additional funding from Network Rail.
- 3.4.3 The works being undertaken on the A9/A85 Road junctions Improvement are progressing well, and are ahead of the original timetable. Accordingly, the contractor has issued a revised expenditure profile in line with the revised anticipated programme of works. This reflects an increase in expenditure of £9,372,000 in 2017/18 which it is proposed to accelerate from 2018/19. In addition, there is a contribution of £129,000 towards the works as a result of selling part of the land purchased which was required to allow access for the works, and it is also proposed to increase the budget by this amount. It is also proposed to rephase the Perth Transport Futures budget to reflect the incurrence of fees, design costs and survey works only in the initial years, with the works now anticipated to commence in 2020/21 and be completed in 2022/23.
- 3.4.4 The works on Contract 2 of the Almondbank Flood Protection Scheme are progressing well with nearly 50% of the project complete on site. In accordance with the contract terms a series of compensation events have

been submitted by the main contractor estimated at £1,100,000 for issues and items not included within the original scope of works. In addition, statutory utility works (Scottish Water) have increased by £1,000,000 due to issues around the original work programming assumptions, timescales for delivery and subsequent cost estimates being higher than anticipated. Further cost increases of £600,000 have also been incurred in respect of private land owner compensation for loss of business during the period of works, contaminated land remediation, private utility diversion works and road closure bus diversion costs. With approximately 50% of the project still to deliver, predominantly over the winter period, there is still the potential for construction risk due to inclement weather over the next 8 months. Accordingly, it is proposed to include a contingency of £300,000 (approximately 1.3% of the total scheme cost). Therefore, this gives an estimated shortfall of £3,000,000 in the Project budget to enable the works to be completed.

- 3.4.5 It is proposed that the additional estimated cost of £3,000,000 is funded from the existing 6 year Structural Maintenance programme, with £1,000,000 from each of the years 2020/21, 2021/22 and 2022/23. The total Structural Maintenance budget between 2017/18 and 2022/23 now totals £42,876,000.
- 3.4.6 Following the development of the full specification and scope of work required for the Creative Exchange project, the anticipated cost has increased by £1,485,000. There is also an increase in Third Party Contributions of £485,000 from the Cities Investment Fund, and the balance of the funding amounting to £1,000,000 is subject to the Tay City Deal bid. It is proposed that the budget for the Creative Exchange is increased by £1,485,000, and that the Third Party Contributions are increased by a corresponding amount, in lieu of the outcome of the bid being known.
- 3.4.7 Within the 2017/18 Community Greenspace works programmes, a Third Party Contribution of £76,000 has been allocated to the Play Area Improvement Strategy from the Blackford Improvement Group. It is proposed that the expenditure budget is increased by £68,000, reflecting that the balance of the proposed works being funded from the contribution has already been budgeted. In addition, £18,000 of other works in the Play Area Improvements programme is proposed to be re-profiled to 2018/19.
- 3.4.8 Within Property Services, it is proposed that various school improvements works are transferred to the Education & Children's Services budget as outlined in Section 3.3.2 above. An additional Third Party Contribution of £25,000 has been awarded by Salix Finance towards Energy Conservation works which is required to be match-funded by a Revenue Contribution from the Council's Central Energy Efficiency Fund (CEEF). There is also some proposed re-profiling of expenditure between years within the Property Services programme. In addition, it is proposed to increase the scope of work being undertaken at the North Muirton Food & Drink by £252,000, in order to sub-divide 2 of the new units and install solar panels. This expenditure will be funded from the use of receipts within the Commercial Property Investment Programme which have been brought forward from previous years.

3.4.9 Within the Prudential Borrowing programme, it is proposed to reprofile budgets from 2018/19 into 2017/18 to reflect progress being made on various projects. This relates to £48,000 of work under the Smart Cities Waste programme, together with £19,000 of related Third Party Contributions. It is further proposed to re-profile £330,000 of Vehicle Replacements, including £26,000 estimated vehicle disposals. In addition, there has been an overall increase of £274,000 in the final costs on various Prudential Borrowing projects which were completed in 2016/17, and consequently the Borrowing Requirement within the overall programme has increased by this amount.

3.4.10 It is proposed to remove the Tay Heat Pump & District Heat Network from the Prudential Borrowing programme at this time, which reduces the current Borrowing Requirement in 2018/19 by £3,500,000 and a further £1,000,000 in 2019/20. As part of the Tay Cities Deal a revised approach to renewable energy promotion is currently being developed and will be brought forward in due course.

3.4.11 All the above proposed adjustments have been reflected in Appendices I and II.

3.5 Housing and Community Safety

3.5.1 The Director (Housing & Community Safety) has reviewed the current programme. The only proposal at this stage is to transfer £624,000 from the Letham Wellbeing Hub from 2017/18 to 2018/19. This reflects the main works contract starting in February 2018, with only minor works being undertaken in advance of the main contract starting.

3.5.2 The above proposed adjustment, together with the tidying up of carry forward balances from 2016/17 within the Health & Social Care and Housing & Community Safety programmes, has been reflected in Appendices I and II.

3.6 Corporate & Democratic Services

3.6.1 The Corporate IT Manager has reviewed the current programme. The hardware costs for the Electronic Data Record Management System (EDRMS) project were incurred in 2016/17, with no further capital expenditure anticipated. Therefore, it is proposed that the balance of £15,000 is removed from the programme, which accordingly reduces the borrowing requirement. Within the Prudential Borrowing projects, there has been some rephasing of expenditure to reflect the current status of the programme.

3.6.2 The above proposed adjustments have been reflected in Appendices I and II.

4. **HOUSING INVESTMENT PROGRAMME**

4.1 An analysis of the whole programme has been undertaken to compare the actual final expenditure for 2016/17 included in the unaudited final accounts against the revised budgets in Monitoring Report No.4 (report No. 17/153 refers). This has highlighted that net expenditure for the year ended 31 March

2017 was £21,334,000, which is £1,736,000 less than anticipated. Capital Receipts arising from the sale of property and other sales were £42,000 less than anticipated and the Capital Funded from Current Revenue (CFCR) contribution was £253,000 more than forecast. The combined effect of reduced net expenditure and increased income has therefore reduced the 2016/17 Housing Investment programme borrowing requirement by £1,947,000.

- 4.2 The majority of the reduction in the 2016/17 net expenditure is attributed to the Council House New Build Future Developments programme, which was still to be allocated to specific projects. All the carry forward budget movements are detailed within Appendix III and the Director (Housing and Community Safety) proposes that the budgets for these movements are adjusted in 2017/18.
- 4.3 Net expenditure for 2017/18 to 31 July 2017 amounts to £6,672,000 and receipts amount to £240,000, giving a borrowing requirement of £6,432,000 for the year to date. The current estimated net expenditure over the six years 2017/18 to 2021/22 amounts to £80,308,000. This includes the £1,736,000 brought forward from 2016/17. The Director (Housing & Community Safety) proposes to make several adjustments to the programme approved on 19 April 2017, and these have been included at Appendix III. The most significant adjustments are described below.
- 4.4 It is proposed to transfer a total of £879,000 from the New Build Future Development budget in 2017/18 to individual schemes. This includes a new development at Lynn Road, Stanley with an estimated cost of £1,376,000. It is proposed that £200,000 will be funded from Council Tax Second Home Income and £570,000 by Scottish Government grant, leaving £606,000 to be funded from the Future Developments budget. The remaining proposed allocations from the Future Developments budget relate to smaller movements to align the budgets with updated cost estimates for additional Greenspace works at Balbeggie (£10,000), demolition costs at Crieff Road (£94,000), soil remediation works and other costs at Glenearn Road (£151,000) and additional car parking facilities at Cairns Crescent (£18,000).
- 4.5 The Scottish Government has awarded the Council £840,000 in 2017/18 towards the Increase in Council House Stock programme to support buying-back former Council houses. Accordingly, it is also proposed to increase the expenditure budget by this amount.
- 4.6 Following good progress made on the Central Heating & Rewiring Works, Triple Glazing and Energy Efficiency works last year, it is proposed to further accelerate the programme of works on these schemes in 2017/18. Therefore, it is proposed to accelerate £750,000 from 2018/19 and £1,000,000 from 2019/20 to the 2017/18 Central Heating & Rewiring programme. Similarly, it is proposed to accelerate £100,000 from 2018/19 and £300,000 from 2019/20 into the 2017/18 Triple Glazing programme. It is further proposed that £800,000 is accelerated from the 2018/19 Energy Efficiency programme to 2017/18, of which £550,000 is to be transferred to the Triple Glazing budget reflecting the nature of the energy efficiency works being undertaken.

- 4.7 As a result of the ongoing work on the Bathroom Modernisation Programme it is proposed to increase the budget by £287,000 in 2017/18 to be funded from savings in the Lock Ups and Garage Sites work programme (£150,000) and by allocating the balance on the General Capital works budget (£137,000) in 2017/18. It also proposed to accelerate £79,000 of the Kitchen Modernisation budget from 2020/21 into 2017/18.
- 4.8 The current scope and specification of the work programme on Multi Storey flats is being reviewed. Accordingly, it is proposed to transfer £2,000,000 from 2017/18 into 2018/19 pending the outcome of this review. In addition, it is proposed to accelerate £300,000 of the Fire Precaution Measures budget from 2018/19 to the current year in order to undertake planned fire safety works.
- 4.9 Capital Receipts have also been revised in line with current estimates. The Right to Buy programme ended on 31 July 2016, with only applications received by that date being able to be considered. However, there remain some applications still being processed in the current year. It is therefore proposed to increase the estimated Receipts by £199,000 in line with actual sales anticipated to conclude. In addition, the current estimated contribution from the Revenue Budget (CFCR) is £2,970,000, which represents an increase of £366,000 from the last estimate, and accordingly reduces the amount of borrowing. There is also a reduction of £1,000 relating to Other Income carried forward from 2016/17.
- 4.10 As a result of all the proposed adjustments, including amounts carried forward from 2016/17, the total Housing Investment Programme borrowing requirement over the five year period to 31 March 2022 has reduced by £564,000, which relates to the additional receipts and CFCR identified in Section 4.9 above.

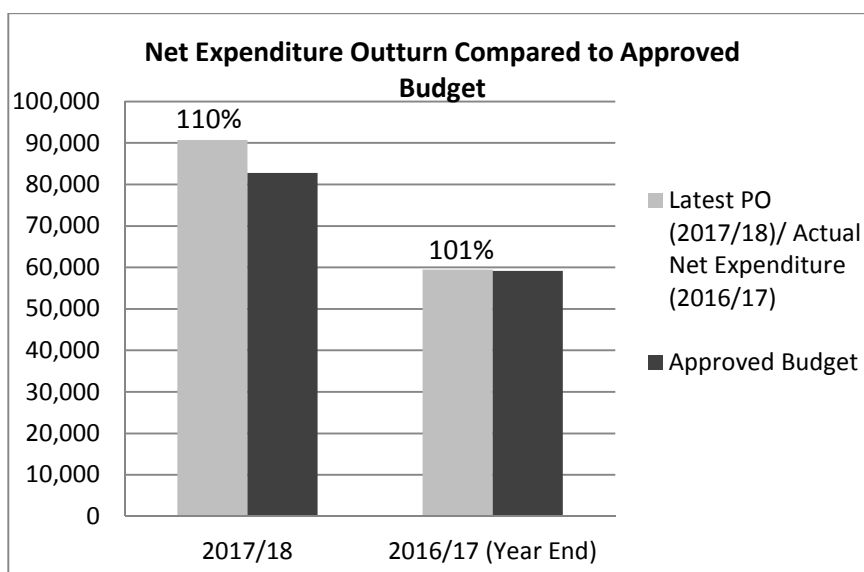
5. RENEWAL & REPAIR FUND

- 5.1 Detailed at Appendix IV is the 2017/18 proposed budget and the projected outturn for the Renewal & Repair Fund.
- 5.2 The Council's revenue budget includes a contribution from the Renewal & Repair Fund of £258,000. The projected outturn for this has been increased by £5,000 to reflect the increased opening balance with a view to reducing the balance on the Renewal & Repair Fund to nil by the end of the financial year.

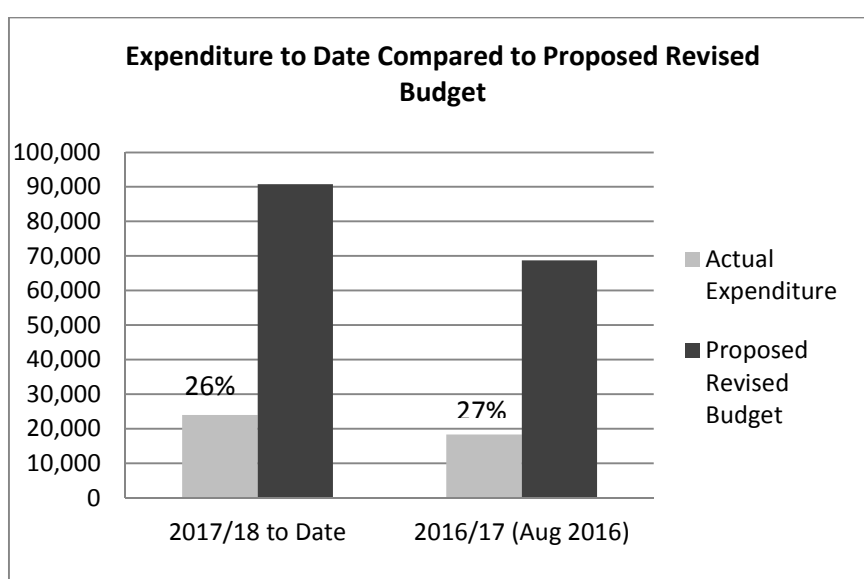
6. BUDGET OVERVIEW

- 6.1 The Composite Capital Budget approved by this Committee on 19 April 2017 has been reviewed and updated to reflect the latest monitoring.

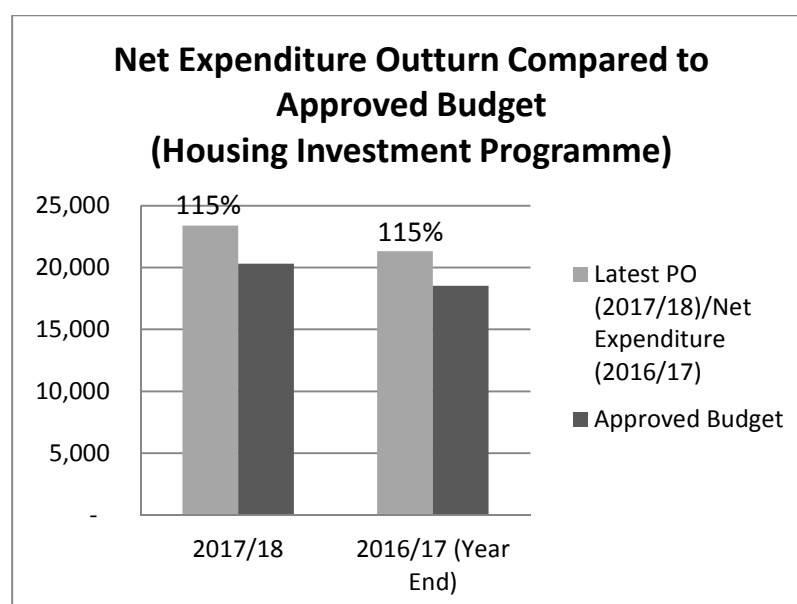
- 6.2 The latest projected 2017/18 net expenditure outturn for the Composite Capital Programme represents 110% of the 2017/18 budget approved on 19 April 2017:



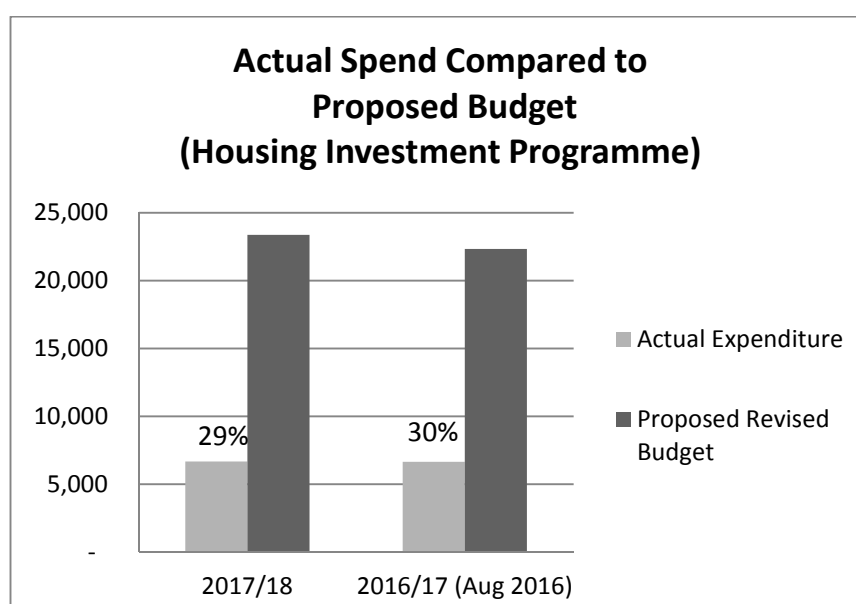
- 6.3 This difference is a result of the proposed budget adjustments included within this report (an increase of £8,729,000, less a £728,000 reduction brought forward from 2016/17). The most significant adjustments relate to the rephasing of the A9/A85 Road Junction Improvement project (see Section 3.4.3) and increased expenditure on the Almondbank Flood Prevention Scheme (see Section 3.4.4).
- 6.4 Movements in proposed net expenditure on the Composite Capital Programme and the subsequent impact upon the Council's Borrowing Requirement will continue to be managed through the Council's Treasury function. Actual net expenditure to 31 July 2017 on the programme represents 26% of the proposed revised 2017/18 budget:



- 6.5 The latest projected gross expenditure outturn for the Housing Investment Programme represents 115% of the 2017/18 budget approved by this Committee on 19 April 2017:



- 6.6 Actual net expenditure at 31 July 2017 on the Housing Investment Programme represents 29% of the proposed revised 2017/18 budget:



- 6.7 This report identifies revised projected expenditure and proposed budget movements on a number of Capital projects and Programmes. As detailed in Section 2.6 to 2.8, the proposed borrowing requirement on the 6-year Composite Programme has decreased by £5,207,000. Proposed movements on the Housing Investment Programme are detailed at Section 4, and show a reduction in the borrowing requirement of £564,000 over the 5-year budget.

7. RECOMMENDATIONS

7.1 It is recommended that the Committee:

- (i) Notes the contents of this report.
- (ii) Approves the proposed budget adjustments to the six year Composite Capital Budget 2017/18 to 2022/23 set out in Sections 2 and 3 of this report and summarised at Appendices I and II.
- (iii) Approves the proposed budget and monitoring adjustments to the Housing Investment Programme Budget 2017/18 to 2021/22 set out in Section 4 of this report and summarised at Appendix III.
- (iv) Approves the proposed Budget and notes the revised outturn for the Renewal & Repair Fund as detailed in Section 5 and Appendix IV of this report.

Author(s)

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive and Chief Operating Officer	30 August 2017

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

1.1. Corporate Plan

- 1.1.1. The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.1.2 This report relates to all of these objectives.

2. Resource Implications

2.1. Financial

- 2.1.1. There are no direct financial implications arising from this report other than those reported within the body of the main report.

2.2. Workforce

- 2.2.1. There are no direct workforce implications arising from this report other than those reported within the body of the main report.

2.3. Asset Management (land, property, IT)

- 2.3.1. There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3. **Assessments**

3.1. Equality Impact Assessment

- 3.1.1. Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.1.2. The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

3.2 Strategic Environmental Assessment

- 3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

3.3 Sustainability

- 3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. **Consultation**

4.1 Internal

- 4.1.1 The Chief Executive and all Directors have been consulted in the preparation of this report.

5. BACKGROUND PAPERS

- 5.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

6. APPENDICES

Appendix I – Composite Capital Programme - Estimated Capital Resources 2017/18 to 2022/23

Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2017/18 to 2022/23

Appendix III – Housing Investment Programme – Summary of Capital Resources and Expenditure 2017/18 to 2021/22

Appendix IV – Renewal & Repair Fund Budget 2017/18

Appendix V – Capital Programme Exceptions Report 2017/18