

# PERTH AND KINROSS COUNCIL

## Strategic Policy and Resources Committee – 6 February 2019

### COMPOSITE CAPITAL BUDGET 2018/28 & HRA CAPITAL INVESTMENT PROGRAMME 2018/23 – MONITORING REPORT NUMBER 3

#### Report by the Head of Finance (Report No. 19/37)

#### PURPOSE OF REPORT

This report provides a summary position to date for the 10 year Composite Capital Programme for 2018/19 to 2027/28 and the 5 year HRA Capital Investment Programme 2018/19 to 2022/23, and seeks approval for adjustments to the programmes.

#### 1. BACKGROUND / MAIN ISSUES

- 1.1 At its meeting on 28 November 2018, the Committee approved a revised ten-year Gross Composite Capital Budget for 2018/19 to 2027/28 totalling £608,707,000 (report 18/385 refers). The Committee also approved a revised five year HRA Capital Investment Programme for 2018/19 to 2022/23 totalling £73,172,000.
- 1.2 This report advises on expenditure to 31 December 2018 and the latest estimate of the projected outturn for each of the years to 2027/28 for the Composite Programme and to 2022/23 for the HRA Capital Investment Programme.
- 1.3 The Capital Programme Exceptions Report (Appendix IV) 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 ten years 2018/19 to 2027/28 amount to £648,094,000. Movements from the revised Budget approved on 28 November 2018 are summarised in the table below, and the constituent elements for each year are shown at Appendix I.

	Total Composite Capital Resources		
	Approved 28 Nov 2018	Current Estimate	Movement
	£'000	£'000	£'000
2018/19	71,444	63,656	(7,788)
2019/20	72,062	73,701	1,639
2020/21	114,033	117,787	3,754
2021/22	127,148	128,678	1,530
2022/23	81,174	111,857	30,683
2023/24	38,269	47,008	8,739
2024/25	26,709	27,570	861
2025/26	26,827	26,827	0
2026/27	26,450	26,450	0
2027/28	24,591	24,591	0
Total	608,707	648,125	39,418

2.2 The movement in the Gross Resources at Section 2.1 above can be summarised as follows:

	£'000
Increase in Third Party Contributions (Section 2.3)	39,989
Increase in Revenue Contributions (Section 2.4)	102
Reduction in Capital Receipts (Section 2.5)	(25)
Reduction in Resources c/f to future years (Section 2.5)	94
Decrease in Borrowing Requirement (Section 2.6)	(742)
<b>Increase in Gross Capital Resources (Section 2.1)</b>	<b>39,418</b>

2.3 The Increase in **Third Party Contributions** relates to the following :-

- Inclusion of £40,000,000 in respect of the Cross Tay Link Road (CTLR) announced by the Scottish Government (Section 3.3.5 & 3.3.6).
- An increased contribution of £3,000 in the Road Safety Barriers programme (Section 3.3.3).
- These are offset by a reduction of £14,000 in Third Party Contributions in relation to Alyth Environmental Improvements (see Section 3.3.9).

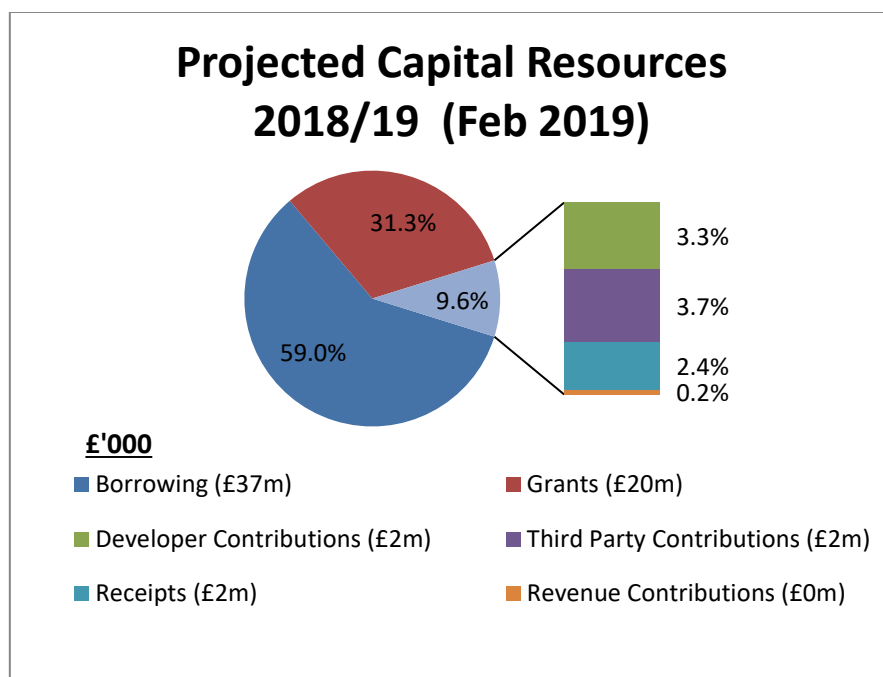
2.4 It is also proposed to include **Revenue Contributions** totalling £102,000 in 2018/19 and 2019/20 from the Car Park Reserve for works at Auchterarder and Kinross. (Section 3.3.2).

2.5 For **Commercial Property Receipts**, there has been a reduction of £25,000 in the estimated value of receipts, as well as an increase in proposed Commercial Property expenditure of £69,000 at North Muirton Industrial Estate (Section 3.3.11). Together, this reduces the level of resources carried forward to future years on the Commercial Property Investment Programme by £94,000.

2.6 The projected **Borrowing Requirement** in 2018/19, which is effectively the balancing item for resources, is £37,566,000, which is £7,273,000 lower than the Borrowing Requirement approved on 28 November 2018. The total Borrowing Requirement in the subsequent years 2019/20 to 2027/28 has increased by £6,531,000 to £342,155,000, resulting in an overall decrease of £742,000 across the whole ten year programme. All movements in the Borrowing Requirement are shown in the Proposed Budget Adjustment column within Appendix II, and summarised in the table below:

	2018/19	2019/20	2020/21	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Increase/(Reduction) in Borrowing on The Housing & Environment Services Prudential Borrowing Programme (Section 3.3.12)	(476)	(226)	(228)	188	<b>(742)</b>
Net Movements arising from re-phasing of other expenditure and receipts (Appendix II)	(6,797)	1,008	(7,014)	12,803	<b>0</b>
<b>Increase/(Decrease) in Borrowing Requirement</b>	<b>(7,273)</b>	<b>782</b>	<b>(7,242)</b>	<b>12,991</b>	<b>(742)</b>

- 2.7 The chart below shows the projected Capital Resources required to fund the 2018/19 Composite Capital Programme following the proposed budget adjustments detailed throughout this report.



### 3. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

#### 3.1 Total Expenditure and Proposed Budget Adjustments to the Current Programme

- 3.1.1 Total expenditure (net of grants and contributions) to 31 December 2018 on the Composite Capital Programme amounts to £28,716,000, which is detailed at Appendix II and can be summarised as follows:

	Gross Expenditure to 31 Dec 2018	Ring Fenced Grants & Contributions to 31 Dec 2018	Net Expenditure to 31 Dec 2018
	£'000	£'000	£'000
Education and Children's Services	4,577	(4,881)	(304)
Housing & Environment	27,359	(672)	26,687
Health and Social Care	232	0	232
Corporate & Democratic Services	2,101	0	2,101
<b>Total</b>	<b>34,269</b>	<b>(5,553)</b>	<b>28,716</b>

- 3.1.2 Net Expenditure to date for Education and Children's Services in the current year is distorted by the inclusion of £4,800,000 of grant funding received in August 2018 from the Scottish Government for Early Learning & Childcare expansion.
- 3.1.3 General Capital Grant received to 31 December 2018 amounts to £12,623,000 and capital receipts amount to £2,101,000. Therefore, the borrowing requirement to 31 December 2018, after allowing for the movement in receipts brought forward of £776,000 and carried forward of £2,227,000 (Appendix II), totals £15,443,000.

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

## **3.2 Education and Children's Services**

- 3.2.1 The Executive Director (Education & Children's Services) has reviewed the programme for their Service and proposes the following budget adjustments.
- 3.2.2 Within the Early Learning & Childcare expansion programme, it is proposed to draw down a further £200,000 in 2019/20 for the Rattray Primary School expansion project, in line with the latest projected expenditure. However, as detailed in the report to the committee on 28 November 2018, this project is still at the planning stage and full project costs have yet to be finalised and approved.
- 3.2.3 Whilst the planning phase of the Blairgowrie Recreation Centre project progresses, it is proposed to move £233,000 from 2018/19 to 2019/20 in line with current decision making processes and timelines.
- 3.2.4 As resources are currently prioritised towards delivering the Early Learning and Childcare expansion programme to meet the Scottish Government implementation date of August 2020, it is proposed to rephase £120,000 from the Technology Upgrades programme in 2018/19 to 2020/21 and £81,000 from the Investment in the School Estate programme in 2018/19 to 2021/22.
- 3.2.5 In addition, it is proposed to rephase various other projects to match the current anticipated expenditure, and all of these adjustments have been included at Appendix II.

## **3.3 Housing & Environment**

- 3.3.1 The Executive Director (Housing & Environment) has reviewed the programme for their Service and proposes various budget adjustments, the most significant of which are described below.
- 3.3.2 It is proposed to increase the budgeted expenditure on Car Parking Investment by £48,000 in 2018/19 and £354,000 in 2019/20. These adjustments relate to the creation of additional car park spaces at Auchterarder and Kinross, and it is proposed to transfer £300,000 from the Auchterarder Place-making budget, with the balance of £102,000 being funded by a proposed Revenue Contribution from the Car Park Reserve.
- 3.3.3 Within Structural Maintenance, there are significant utilities works at Welton Road to be undertaken by Scottish Water, including the movement of a sewer, before the planned Welton Road realignment and retaining wall works can commence. Scottish Water have initially scheduled these works for 2020/21. As a result of this delay, it is proposed to move a total of £1,029,000 from 2018/19, with £745,000 moving into 2019/20 for the rescheduled realignment works and the remaining £284,000 to 2022/23 for the retaining wall works. There is also an increase of £3,000 in Third Party Contributions for Road Safety Barriers, and it is

proposed to increase the budget expenditure accordingly together with some rephasing of the works between 2018/19 and 2019/20.

- 3.3.4 It is proposed to draw-down £529,000 from the Bridge Refurbishment Programme in 2019/20 to specific schemes at Dalhenzean Culvert (£298,000) and Dunkeld Golf Course (£231,000) over the years 2018/19 and 2019/20. It is also proposed to accelerate £100,000 of the Perth Transport Futures budget to 2018/19 from 2020/21 to meet projected consultancy costs in the current year, as well as rephase £161,000 of the A977 Upgrades project from 2018/19 into 2019/20 in line with the revised schedule of works proposed for junction improvements and signalling works at Drum.
- 3.3.5 On 7 January 2019, the Scottish Government announced that a further £50,000,000 is to be made available for specific projects across Tayside, of which £40,000,000 is for the Cross Tay Link Road (CTLR). The remaining £10,000,000 is to support industrial developments across the whole Tay area and is, therefore, still to be allocated to specific projects across Tayside. Any such projects which fall within the Perth & Kinross area will be included in future reports to this Committee.
- 3.3.6 As a result of this Scottish Government announcement, both the budget for the CTLR and the assumed Third Party Contributions towards the project have been increased by £40,000,000 as shown in Appendix II. The phasing of Scottish Government funding is currently unknown and has, therefore, been assumed to be in line with planned expenditure on the project pending confirmation from the Scottish Government.
- 3.3.7 Within the Rural Flood Mitigation programme, it is proposed to rephase the four approved schemes at Comrie, Milnathort, South Kinross and Scone. Accordingly, revised phasings have been included at Appendix II. In particular, the scheme at Comrie has been progressing and it is anticipated that the works will commence earlier than previously anticipated.
- 3.3.8 The works at Aberfeldy within the Conservation of Built Heritage programme, which include improving the layout and infrastructure of Aberfeldy Square for greater use by markets and events, are proposed to be combined with £400,000 of funding from the Place-making programme, with the works anticipated to be undertaken in 2019/20. In addition, there are some re-alignment of budgets proposed within the remaining Place-making programme and the Lighting Action Plan to match the current profile of expenditure estimates. This includes the proposed £300,000 for Auchterarder Car Parking as detailed at Section 3.3.2 above. The budget for the Creative Exchange project has been rephased in line with the revised programme of works. Consequently, it is proposed to reprofile £2,219,000 of the expenditure, together with £230,000 of Third Party Contributions (ERDF grant), from the current year to 2019/20.
- 3.3.9 Within the Community Greenspace programme, there is a reduction of £14,000 in Third Party Contributions available towards the Alyth Environmental Improvements project. Accordingly, it is proposed to reduce the expenditure budget by a corresponding amount. It is also proposed to rephase the 2018/19 Cemetery Extensions budget by moving £50,000 to 2019/20.

3.3.10 Under the Property Services programme, it is proposed to accelerate the budgets in 2018/19 for Capital Improvement Works (£378,000), Property Compliance Works (£40,000) and DDA Adaptation Works (£30,000) to meet the current programme of works by bringing forward these amounts from their respective budgets in 2019/20. In addition, it is proposed to reprofile future years budgets for Property Compliance and Capital Improvements across all years to 2022/23 in order to give smoother expenditure profiles in these years. Further, following a revised schedule of works proposed for Pitlochry High School, it is proposed to move £134,000 from 2018/19 into 2019/20 for the mechanical, electrical and roofing works.

3.3.11 Within the Commercial Property Investment Programme there has been an increase of £69,000 in the estimated costs of servicing the units at the North Muirton Food & Drink Park as a result of reconfiguring existing units at the request of prospective tenants. Therefore, it is proposed to increase the budget by £24,000 in 2018/19 and £45,000 in 2019/20 to meet these costs. All costs of the programme are funded by capital receipts generated within the Commercial Property programme. The Creative Industries budget of £250,000 is also proposed to be rephased to 2019/20, as the works are related to the Creative Exchange project (see Section 3.3.8 above).

3.3.12 Within the Prudential Borrowing programme, it is proposed to reduce the overall Prudential Borrowing by £742,000, together with some proposed rephasing, of which the most significant movements are listed below :-

- It is proposed to reduce the Energy Conservation and Carbon Reduction Programme by £150,000 in 2018/19, based on the revised programme of works which achieve the required pay-back and energy reductions. It is also proposed to reprofile future year budgets by increasing the existing budget in 2019/20 to 2022/23 by £5,000 per annum. Overall, this results in a reduction of £130,000 in the Energy Conservation programme.
- As a result of savings in the cost of purchasing the LED lanterns within the Street Lighting Renewals (LED & Column Replacements), there is an overall reduction of £612,000 in the projected costs phased over the years to 2024/25.
- It is also proposed to re-profile £15,000 of the Crematorium Memorial Gardens project from 2018/19 to 2019/20 following recent storm damage to the remaining trees, as well as soft landscaping works still to be completed.

3.3.13 All the above proposed adjustments, together with other smaller movements between financial years, have been reflected in Appendices I and II.

### **3.4 Corporate & Democratic Services**

3.4.1 The Depute Chief Executive (Chief Operating Officer) has reviewed the programme for their projects and proposes the budget adjustments described below.

## **Cultural Attractions**

- 3.4.2 The proposed works for the Collection Store and Perth Museum & Art Gallery had been put on hold pending the outcome of the Tay Cities Deal (TCD). Following the publication of the TCD Heads of Terms on 22 November 2018, and with the caveat that all projects are subject to approval of a final business case, the UK Government has undertaken to invest up to £10 million to transform the cultural offer in Perth, specifically in relation to the redevelopment of Perth City Hall. As a result, this funding has created capacity within the current programme to proceed with the Perth Museum and Art Gallery and Collection Store projects. Therefore, the budgets have been revised and it is proposed to rephase the programme of works accordingly, resulting in a total project budget for the Collections Store of £6,600,000 and £3,400,000 for Perth Museum and Art Gallery. These movements are detailed in Appendix II and are based on the Collections Store becoming operational from 2021 and Perth Museum & Art Gallery works being completed by 2022.
- 3.4.3 Within the City Hall Redevelopment project, there is a small movement in budget between financial years due to the work preparing tendering packages for various elements of the project continuing into 2019/20. Therefore, it is proposed to move £299,000 from 2018/19 to 2019/20 to reflect these ongoing works, with construction due to commence in 2019/20.

## **Information Systems & Technology**

- 3.4.4 A new programme of improvement and development works for the Customer Service Centre had been agreed with IT officers. However, a project commissioned to install self-service payment kiosks at Pullar House has been affected by a number of delays, therefore, it is proposed to rephase £120,000 from 2018/19 to 2019/20 in line with the latest schedule for implementation.
- 3.4.5 Within IT Infrastructure, it is proposed to accelerate a total of £1,043,000 to 2018/19 from future years in order to fund the scheduled renewals of licences within the current financial year.
- 3.4.6 All the above proposed adjustments have been reflected in Appendices I and II.

## **4. HRA CAPITAL INVESTMENT PROGRAMME**

- 4.1 Subsequent to the approval of the revised HRA Capital Investment Programme by this committee on 28 November 2018 (report 18/385 refers), the Housing and Communities Committee, on 23 January 2019 (report 19/12 refers), have approved a new HRA Capital Investment Programme to 2023/24. The revised budgets for 2018/19 to 2022/23 have been incorporated into Appendix III of this report.
- 4.2 The current estimated expenditure, net of contributions, for the HRA Capital Investment Programme over the 5 years 2018/19 to 2022/23 amounts to £58,672,000. Movements from the previous estimates approved by the committee on 28 November 2018 are as follows, and detailed in Appendix III:

	<b>Approved 28 Nov 2018</b>	<b>Current Estimate</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2018/19</b>	19,423	19,096	(327)
<b>2019/20</b>	10,228	12,555	2,327
<b>2020/21</b>	7,552	9,552	2,000
<b>2021/22</b>	8,481	7,148	(1,333)
<b>2022/23</b>	27,488	10,321	(17,167)
<b>Total</b>	<b>73,172</b>	<b>58,672</b>	<b>(14,500)</b>

4.3 In addition, a further £28,256,000 of net expenditure has been approved in 2023/24. This includes £18,500,000 which has been moved from earlier years to 2023/24 as follows:

- £15,000,000 from the 2022/23 New Build Future Developments programme,
- £2,167,000 from the 2022/23 Kitchen Modernisation programme,
- £1,333,000 from the Kitchen Modernisation programme over the years 2021/22 to 2023/24.

4.4 The remaining net expenditure of £9,756,000 approved in the 2023/24 HRA Capital Investment Programme relates to the redevelopment of St Catherines Square (£3,000,000) and the continuation of the Standard Delivery Plan which includes Bathroom Modernisation, Kitchen Modernisation and Rewiring & Infrastructure. This is partly funded by Capital Funded from the Revenue Budget (CFCR) of £3,517,000, resulting in total borrowing of £24,739,000 in 2023/24. Monitoring of the 2023/24 budget will be incorporated into monitoring reports for 2019/20 later in the year as part of the overall monitoring of the Capital Investment Programme for 2019/20 to 2023/24.

4.5 In addition, £4,000,000 was added to the current Council House Buy-Backs programme, with £2,000,000 budgeted in each of years 2019/20 and 2020/21. This has now been included in Appendix III.

4.6 Total Expenditure to 31 December 2018 (HRA Capital Investment Programme)

Net expenditure for 2018/19 to 31 December 2018 amounts to £12,192,000 and receipts amount to £1,697,000, giving a borrowing requirement of £10,495,000 for the year to date.

	<b>Gross Expenditure to 31 Dec 2018</b>	<b>Ring Fenced Grants &amp; Contributions to 31 Dec 2018</b>	<b>Net Expenditure to 31 Dec 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing Investment Programme	14,887	(2,695)	12,192

4.7 The Executive Director (Housing & Environment) has reviewed the HRA Capital Investment Programme and proposes the following budget adjustments which are included at Appendix III.

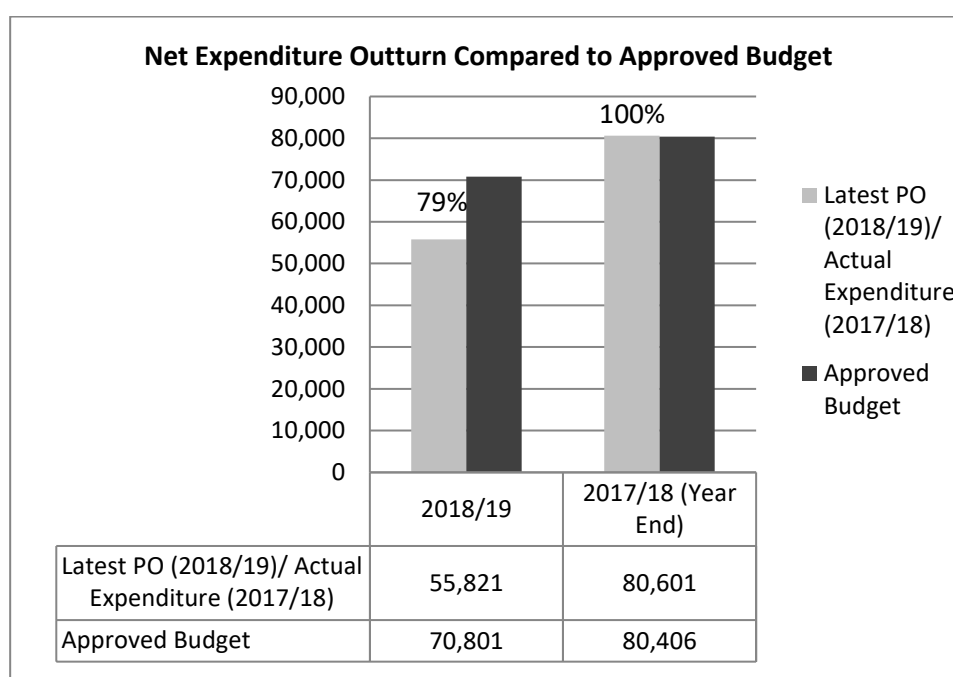


- 4.8 Within the New Build Developments programme, additional adaptation works in 2018/19 at Blackthorn Place, Blairgowrie have been scheduled at a total cost of £216,000. It is, therefore, proposed to transfer £114,000 from the New Build Future Developments budget in 2018/19 in order to fund these proposed works, with the remaining £102,000 funded by an additional Scottish Government Grant to be received in 2018/19. In addition, within Other Income, the projected receipts for Blackthorn Place have increased by £272,000 following the agreement of terms on the final plots to be sold, of which it is anticipated that £174,000 will conclude this year and £98,000 will conclude early in 2019/20.
- 4.9 Following the completion of tenant consultation regarding the transfer of sites at Milne Street, Perth, Dunkeld Road, Perth and Balmoral Road, Blairgowrie to the Housing Investment Programme, the following adjustments are proposed to reflect the revised programmes for acquisition and construction works :-
- Milne Street, Perth. It is proposed to move £185,000 from 2018/19 to 2019/20.
  - Dunkeld Road, Perth. It is proposed to move £40,000 from 2018/19 to 2019/20.
  - Balmoral Road, Blairgowrie. It is proposed to move £125,000 from 2018/19 to 2019/20.
- 4.10 It is proposed to move £420,000 from the Energy Efficiency programme in 2018/19 to the Triple Glazing programme to reflect the latest programme of works and the inclusion of specific window replacements at Causeway Court, Kinross. In addition, the Controlled Door Entry budget has been grossed-up to reflect the full cost of the works, along with the amount of Third Party Contributions.
- 4.11 A revised schedule of works has been proposed within the Multi Storey Flats programme in 2018/19. It is, therefore, proposed to move £500,000 from 2018/19 to 2019/20 in order to reflect this revised phasing of improvement works.
- 4.12 Additional roofing works at James Court, Pitlochry and Cumberland Barracks, Coupar Angus have been included within the External Fabrics programme for 2018/19. It is, therefore, proposed to accelerate £350,000 from 2019/20 within External Fabrics to 2018/19 to reflect the inclusion of these works within the programme.
- 4.13 Further Bathroom Modernisation works totalling £243,000 have been scheduled for 2018/19 in order to meet demand, following additional Occupational Therapy referrals in regards to the changing circumstances of tenants. Therefore, it is proposed to accelerate £143,000 from the Bathroom Modernisation programme in 2019/20 with the remaining £100,000 from savings within the Garages and Lockup programme in 2018/19.
- 4.14 It is also proposed to accelerate £30,000 from 2019/20 into 2018/19 within the General Capital Works programme to reflect the planned installation of Positive Air Humidifiers in 2018/19.

- 4.15 In setting the new HRA Capital Investment Programme on 23 January 2019, the amount of Capital Expenditure funded from the Revenue Budget (CFCR) was also revised. This included an increase in the CFCR in the current year by £703,000, however the total amount over the years to 2022/23 has reduced by £4,995,000. In addition, Capital Receipts received in the current year have increased by £98,000, and the Budget has been revised accordingly.
- 4.16 As a result of all the proposed adjustments, the total HRA Capital Investment Programme borrowing requirement over the five year period to 31 March 2023 has decreased by £9,875,000. This consists of expenditure movements of £18,500,000 to 2023/24 (Section 4.3 refers) and additional receipts of £370,000 (Section 4.8 and 4.15), offset by an increase in Council House Buy Backs of £4,000,000 (Section 4.5), and the reduction in CFCR of £4,995,000 (Section 4.15).

## 5. BUDGET OVERVIEW

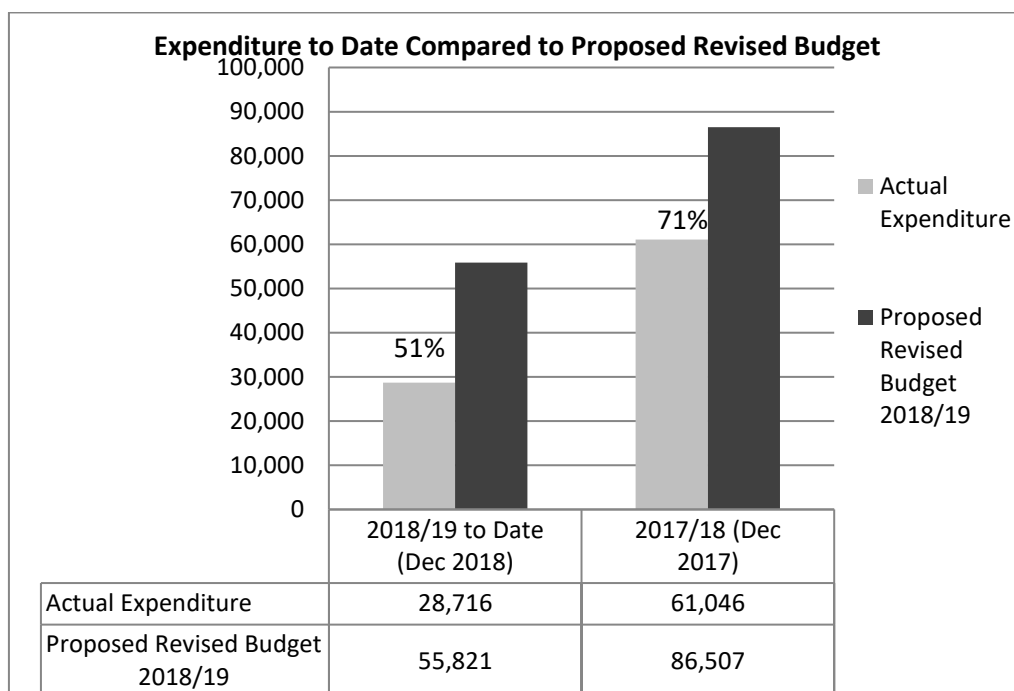
- 5.1 The Composite Capital Budget approved by this committee on 28 November 2018 has been reviewed and updated to reflect the latest monitoring.
- 5.2 The latest projected 2018/19 net expenditure outturn for the Composite Capital Programme represents 79% of the 2018/19 budget approved on 20 June 2018:



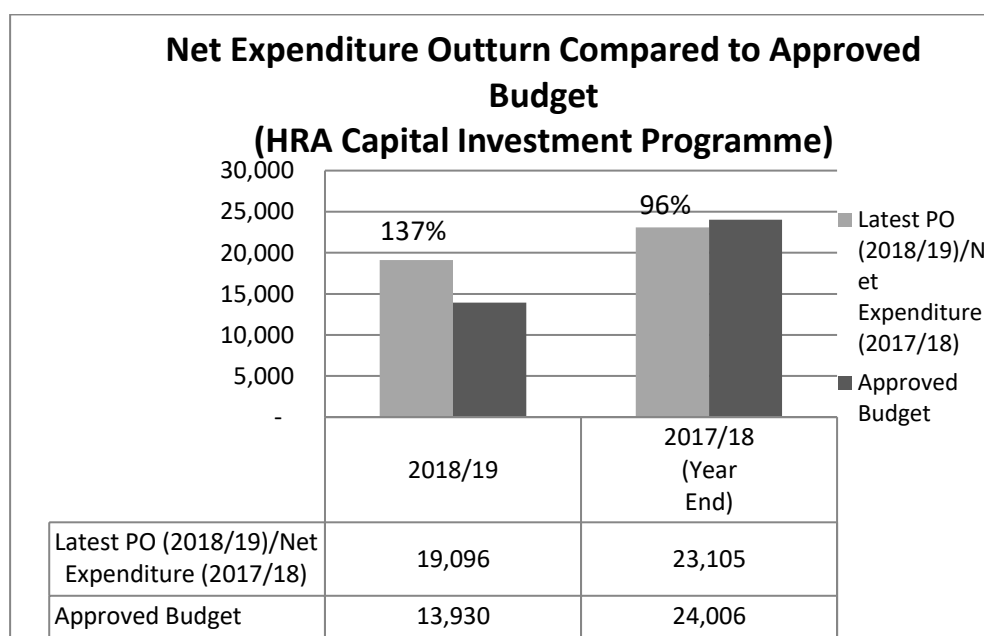
- 5.3 This difference is a result of the proposed budget adjustments included within this report, together with the movements previously approved by this committee since 20 June 2018. The most significant adjustments within this report relate to the re-phasing of budgets between financial years and are listed below :

- Welton Road Realignment, £1,029,000 (Section 3.3.3)
- The Conservation of Built Heritage, Creative Exchange, Place-making and Lighting Action Plans, £2,219,000 (Section 3.3.8)
- The Cultural Attraction projects, £3,038,000 (Section 3.4.2)

- 5.4 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 December 2018 on the programme represents 51% of the proposed revised 2018/19 budget:



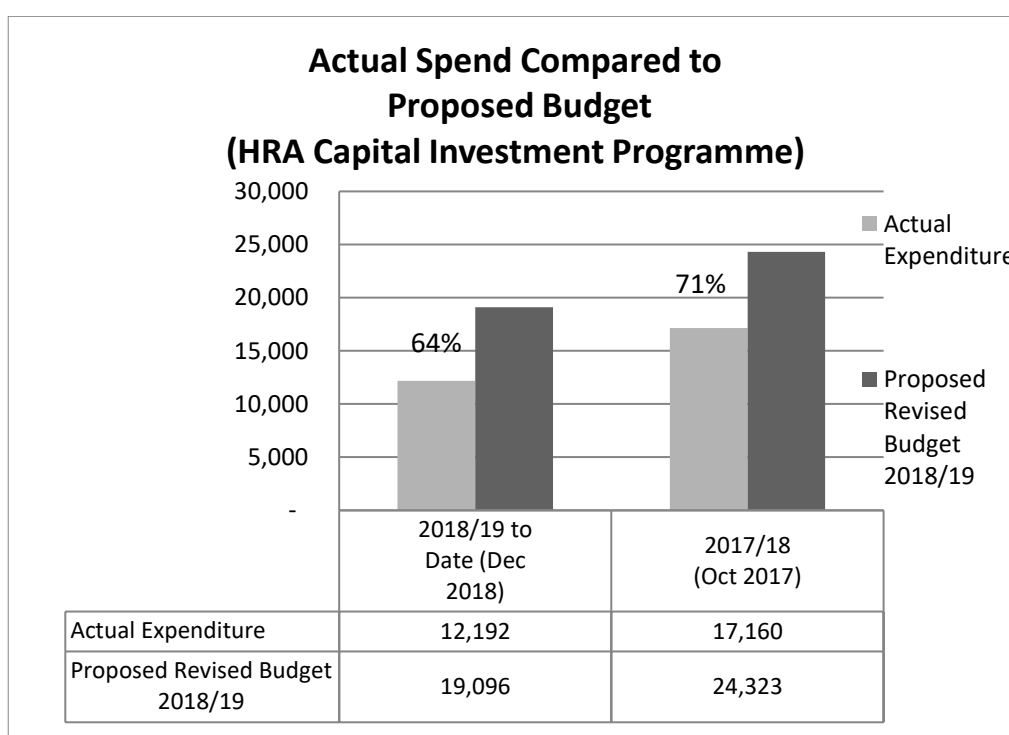
- 5.5 Expenditure to date in the current year is distorted by the inclusion of £4,800,000 of grant funding received from the Scottish Government for Early Learning & Childcare in August 2018. Excluding this, net expenditure to date would be 60% of the net budget.
- 5.6 The latest projected net expenditure outturn for the HRA Capital Investment Programme represents 137% of the 2018/19 budget approved this Committee on 18 April 2018 (Report 18/134 refers).



5.7 This difference is a result of the proposed budget adjustments included within this report, together with the movements previously approved by this committee since 12 September 2018 (Report 18/285), the most significant being the acceleration of budget from future years into 2018/19 for the Council House Buy Back Scheme, with approved movements to date totalling £3,318,000 .The most significant adjustments within this report relate to the re-phasing of budgets between financial years and are listed below :

- Bathroom Modernisation Programme, £143,000 from 2019/20 into 2018/19 (Section 4.13)
- External Fabric, £350,000 from 2019/20 into 2018/19 (Section 4.12)

5.8 Actual net expenditure at 31 December 2018 on the HRA Capital Investment Programme represents 64% of the proposed revised 2018/19 budget:



5.9 This report identifies revised projected expenditure and proposed budget movements on a number of Capital projects and programmes. As detailed in Section 2.6, the proposed borrowing requirement on the 10 year Composite Programme has reduced by £742,000. Proposed movements on the HRA Capital Investment Programme are detailed at Section 4. As detailed in Section 4.16, the borrowing requirement over the 5 year budget has decreased by £9,875,000 from the position approved by this committee on 28 November 2018.

## 6. RECOMMENDATIONS

6.1 It is recommended that the Committee:

- Notes the contents of this report.

- (ii) Approves the proposed budget adjustments to the ten year Composite Capital Budget 2018/19 to 2027/28 set out in Sections 2 and 3 of this report and summarised at Appendices I and II.
- (iii) Approves the proposed budget adjustments to the HRA Capital Investment Programme Budget 2018/19 to 2022/23 set out in Section 4 of this report and summarised at Appendix III.
- (iv) Notes the position for individual projects reported within Sections 3 and 4 of this report, as summarised at Appendix IV.

#### **Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
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#### **Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	22 January 2019
Stewart MacKenzie	Head of Finance	22 January 2019

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Corporate Plan

- 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.

- 1.2 This report relates to all of these objectives.

### 2. Resource Implications

#### Financial

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

#### Workforce

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

### Asset Management (land, property, IT)

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

## **3 Assessments**

### Equality Impact Assessment

- 3.1 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.
- 3.2 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.

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 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.

### Sustainability

- 3.5 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.
- 3.6 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**

### Internal

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

## **2. BACKGROUND PAPERS**

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.

### **3. APPENDICES**

- Appendix I – Composite Capital Programme - Estimated Capital Resources 2018/19 to 2027/28
- Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2018/19 to 2027/28
- Appendix III – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2018/19 to 2022/23
- Appendix IV – Capital Programme Exceptions Report 2018/19