

PERTH & KINROSS COUNCIL

Finance & Resources Committee

24 April 2024

COMPOSITE CAPITAL BUDGET 2023/28 & HOUSING INVESTMENT PROGRAMME 2023/28 – MONITORING REPORT No.4

Report by Strategic Lead – Finance & Business Support
(Report No. 24/131)

1. PURPOSE

- 1.1 This report provides a summary position to date for the 5-year Composite Capital Budget and the 5-year Housing Investment Programme for 2023/24 to 2027/28 and seeks approval for adjustments to the programmes.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee:

- (i) notes the contents of the report.
- (ii) approves the proposed adjustments to the five-year Composite Capital Budget 2023/24 to 2027/28 set out in Sections 5 and 6 of the report and summarised in **Appendices I and II**.
- (iii) approves the proposed adjustments to the Housing Investment Programme Budget 2023/24 to 2027/28 set out in Section 7 of the report and summarised in **Appendix III**.
- (iv) notes progress with the delivery of major Capital projects as summarised in **Appendix IV**.

3. STRUCTURE

- 3.1 The report is structured over the following sections:

- Section 4: Background / Main Issues
- Section 5: Composite Capital Programme – Gross Capital Resources
- Section 6: Composite Capital Programme – Expenditure
- Section 7: Housing Investment Programme
- Section 8: Summary

4. BACKGROUND / MAIN ISSUES

- 4.1 The Finance & Resources Committee approved an updated five-year gross Composite Capital Budget for 2023/24 to 2027/28 totalling **£623.916 million** and a five-year gross Housing Investment Programme for 2023/24 to 2027/28 totalling **£92.205 million** at its meeting on 31 January 2024 (Report 24/41 refers).

4.2 At its meeting on 28 February 2024, the Council approved a revised Composite Capital Budget for the 6 years 2024/25 to 2029/30 (Report 24/64 refers). In line with the previous reports for 2023/24, this report only refers to years 2023/24 to 2027/28 with the total gross budget approved for the 5 years, including 2023/24, totalling **£673.453 million**. This includes the adjustments approved by the Council for these years on 28 February 2024, whilst the budgets for 2028/29 and 2029/30 will be included in the monitoring reports for 2024/25.

4.2 This report advises on expenditure to 29 February 2024, and the latest estimate of the projected outturn for each of the years to 2027/28 for the Composite Programme and for the Housing Investment Programme.

5. COMPOSITE CAPITAL PROGRAMME – GROSS CAPITAL RESOURCES

5.1 On 28 February 2024 the Council approved a revised Composite Capital Budget totalling **£673.453 million** for the years 2023/24 to 2027/28, which reflected an increase in resources of **£49.537 million** from the Budget approved on 31 January 2024. All approved movements in resources and expenditure have been included in **Appendices I and II** of this report and are summarised in the table below:

Increase in Gross Expenditure:	£m
Bertha Park Link Road	13.200
Comrie Flood Scheme	11.577
South Kinross Flood Scheme	11.314
Milnathort Flood Scheme	(1.306)
Flood Mitigation – Dunkeld and Craigie Burn	1.000
IT Licensing & Infrastructure	6.330
Friarton Depot Waste Transfer Station	3.000
Economic Development	2.000
Other (Mosaic, Traffic Signals, CWSR, Community Planning)	2.422
Total Increase in Gross Expenditure	49.537
Funded By:	
Increase in General Capital Grant (Flood Schemes, CWSR, General Allocation)	(16.553)
Capital Receipt	(0.400)
Increase in Borrowing	32.584

5.2 As a result of ongoing monitoring of the programme, further adjustments to the budget are proposed. The current estimated total gross capital resources (which includes movements in Capital Receipts, Capital Grants, Contributions and borrowing) available over the five years 2023/24 to 2027/28 amount to **£678.939 million**.

- 5.3 Movements from the revised Composite Capital Budget approved on 28 February 2024 for the five years are summarised in the table below, and the constituent elements for each year are shown in **Appendix I**.

	Total Gross Composite Capital Resources		
	Approved 28 February 2024	Current Estimate	Movement
	£m	£m	£m
2023/24	184.831	158.138	(26.693)
2024/25	207.568	201.068	(6.500)
2025/26	119.305	90.913	(28.392)
2026/27	90.371	106.406	16.035
2027/28	71.378	122.414	51.036
Total	673.453	678.939	5.486

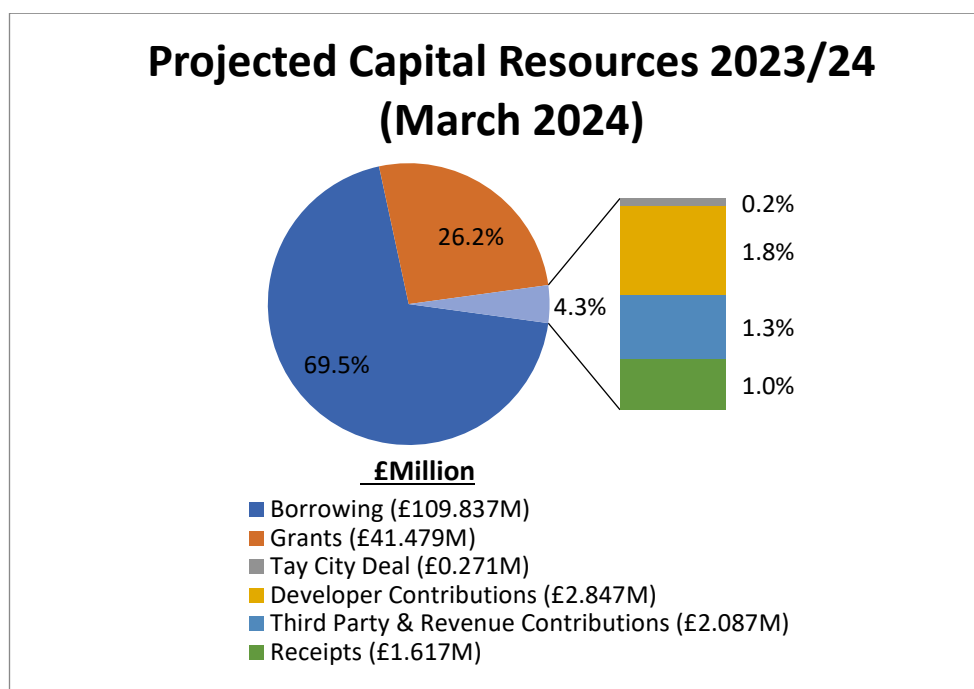
- 5.4 The overall movement in total Gross Resources for the 5 years 2023/24 to 2027/28 since 28 February 2024 shown at Section 5.2 above can be summarised as follows:

	£'m
Increase in Ring-Fenced Receipts (Section 5.5)	0.078
Decrease in Revenue Contributions (Section 5.6)	(0.023)
Increase in Third Party Contributions (Section 5.7)	0.231
Increase in Borrowing Requirement (Section 5.8 and 5.9)	5.200
Increase in Gross Capital Resources (Section 5.3)	5.486

- 5.5 There has been some rephasing of General Fund and Commercial Property receipts across the 5-year programme but with no change to the overall totals under each category. However, there is an increase in Ring-Fenced receipts of **£78,000** in the current year (disposal of vehicles).
- 5.6 Revenue Contributions have reduced by a total of **£23,000** over 2023/24 and 2024/25, relating to Mosaic (reduction of £74,000, Section 6.4.5 refers), Traffic and Road Safety (increase of £40,000, Section 6.3.2 refers) and Community Greenspace (increase of £11,000. Section 6.3.10 refers).
- 5.7 Third Party Contributions have increased by **£218,000** in 2023/24 and **£13,000** in 2024/25, relating to Structural Maintenance (£176,000, Section 6.3.3 refers), Community Greenspace (£51,000, Section 6.3.10 refers) and Other Planning Projects (£4,000).
- 5.8 The projected borrowing requirement in 2023/24, which is effectively the balancing item for resources, is **£109.837 million**. This is **£25.533 million** lower than the borrowing requirement approved by Council on 28 February 2024.
- 5.9 The total borrowing requirement in the subsequent years 2024/25 to 2027/28 has increased by **£30.733 million** to **£425.984 million**, resulting in an overall increase of **£5.2 million** in the total level of borrowing across the whole 5-year programme. The movement in borrowing is summarised as follows:

	2023/24	2024/25	2025/26	Later Years	Total
	£m	£m	£m	£m	£m
Increase in Prudential Borrowing – Communities (net of receipts) (Section 6.3.12)	(0.168)	5.228	0.050	0.090	5.200
Movements arising from re-phasing of expenditure and receipts (Appendix II)	(25.365)	(13.212)	(28.404)	66.981	0.000
Increase/(Decrease) in Borrowing Requirement	(25.533)	(7.984)	(28.354)	67.071	5.200

5.10 The chart below shows the Capital Resources required to fund the 2023/24 Composite Capital Programme following the proposed budget adjustments detailed in this report.



6. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

6.1 Total Expenditure and Proposed Budget Adjustments to the Current Programme

6.1.1 Total expenditure (net of grants and contributions) to 29 February 2024 on the Composite Capital Programme is detailed in Appendix II and summarised as follows:

	Projected Outturn (£m)	Net Expenditure to 29 February 2024 (£m)	% of Projected Outturn
Education & Children’s Services	53.443	39.656	74%
Communities	73.438	68.953	94%
Health & Social Care	1.053	0.557	53%
Corporate & Democratic Services	8.623	5.438	63%
Total Net Capital Expenditure	136.557	114.604	84%

6.1.2 The Service Budget projections included within this section and **Appendix II to Appendix IV** have been prepared based on the Council's previous structure. Going forward, future reports will reflect the new structure. A comprehensive monitoring exercise has been carried out, which is detailed in **Appendix II**. The most significant features are discussed below.

6.1.3 In common with all Scottish local authorities and public and private sector bodies, the Council has experienced significant inflationary pressures on the delivery of its Capital investment programme over the past few years.

6.1.4 The Building Cost Information Service (BCIS) publish well established cost indices for the construction industry. The BCIS All-in Tender Price Index, which shows the general movement on construction pricing, currently forecasts a 2.9% increase in construction costs in the current year compared to 8.6% for the same period last year, indicating a continuing slowdown in construction inflation. BCIS expects annual growth in tender prices to continue to fall, reaching 1.6% by the end of 2024, however, global issues may significantly impact both haulage costs for raw materials and fuel costs and the situation will be kept under review.

6.2 Education & Children's Services

6.2.1 The Executive Director (Education & Children's Services) reviewed the programme for their Service and proposed the following budget adjustments which reflect the rephasing of existing budgets:

Project	2023/24 £m	2024/25 £m	Later Years £m	Description
Investment in Learning Estate	0.243	(0.243)	0.000	Acceleration of budget to align with works completed in 2023/24.
Methven Primary School Refurbishment	0.119	(0.119)	0.000	Acceleration to cover fees that were incurred earlier than previously anticipated.
New Primary School at Bertha Park site	0.159	0.000	(0.159)	Programme previously revised in line with current/anticipated housebuilding in the catchment area. Rephasing of some funding to cover the fees incurred in 2023/24.
Perth Academy Refurbishment	0.755	(0.755)	0.000	Rephasing of budget to align with latest estimated cashflow and year end projection from the contractor.
Perth Grammar School	0.263	(0.263)	0.000	Planned works were previously rephased by one year to reflect diversion of resources towards replacement of Reinforced Autoclaved Aerated Concrete (RAAC) roof during 2023. Acceleration reflects cost of works that were actioned during 2023/24.

Perth High School – New School	(4.840)	4.840	0.000	Rephasing of budget to align with latest estimated cashflow from the contractor. There is no change to the planned completion date.
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6.2.2 All of the above proposed adjustments have been reflected in **Appendix II**.

6.3 Communities

6.3.1 The Executive Director (Communities) reviewed the programme for their Service and proposed various budget adjustments, the most significant of which are described below.

6.3.2 Within Traffic & Road Safety, it is proposed to transfer **£66,000** from Pedestrian Crossings in future years to Cycling, Walking and Safer Streets (CWSS) in the current year. Consequently, it is also proposed to reallocate **£66,000** of CWSS grant to this programme. In addition, due to increased costs on the extension of car parking within Auchterarder, an additional Revenue Contribution from the Car Parking Reserve of **£40,000** is proposed.

6.3.3 Within the Structural Maintenance budget, it is proposed to move **£922,000** to 2024/25 due to the team focussing on works as part of the Bellwin Scheme. This movement encompasses an underspend of £746,000 in the current year, combined with additional Third-Party Contributions of £91,000 from Scottish Forestry, £80,000 from Scottish Gas towards reinstatement works and £5,000 for Road Adoptions. In addition, within Roads and Lighting the following smaller adjustments are proposed:

Project	2023/24 £m	2024/25 £m	Later Years £m	Description
Traffic Signal Renewals	(0.069)	0.069	0.000	During 2023/24 some works to traffic signals were funded in Revenue with an impact on capital signal works. These are now scheduled for 2024/25.
Footways	0.077	(0.020)	(0.057)	Funding to be accelerated from future years towards additional works on Tay Street.

6.3.4 Within Asset Management – Bridges, it is proposed to draw down **£42,000** from the Bridge Refurbishment Programme to Culteuchar Culvert in 2023/24, with a further amount of **£20,000** in 2024/25. In addition, the following rephasings are proposed:

Project	2023/24 £m	2024/25 £m	Later Years £m	Description
Bridge Refurbishment Programme	(0.222)	(0.696)	0.918	Ongoing assessment of the works to be completed during 2023/24 and 2024/25 has concluded there will be underspend in both years. It is proposed this underspend is rephased equally into future years.
Old Perth Bridge	(0.140)	0.040	0.100	All works that can be completed prior to major works in 2025/26 have concluded. The remaining budget is rephased in line with planned works on Old Perth Bridge and Queen's Bridge following the opening of Destiny Bridge.
Perth Queen's Bridge	(0.083)	0.083	0.000	
Garry Viaduct	(0.072)	0.072	0.000	There are delays on consultancy work for Garry Viaduct and it is proposed £72,000 is moved by one year to 2024/25.

6.3.5 Within Improvement Schemes, **£213,000** of the contingency budget within the A9/A85 Road Junction Improvements budget is not required in 2023/24, and it is therefore proposed that this is moved to 2024/25. The Cross Tay Link Road (Destiny Bridge) project is progressing as planned and is currently on schedule, however it is proposed that **£15.057 million** is rephased from 2023/24 to 2024/24 following a review of the value of works completed by the 31 March 2024. In addition, design and consultancy works have progressed in 2023/24 for the Bertha Park Link Road, with ground investigations and further consultancy due to take place in 2024/25. Accordingly, it is proposed **£324,000** and **£368,000** are accelerated from 2027/28 to cover these respectively.

6.3.6 Within Public Transport it is proposed the budget of **£199,000** for Community Transport Initiatives is moved to 2024/25 as a result of the 26 week lead time to purchase vehicles.

6.3.7 Within Flood Schemes, works at Comrie are expected to commence in August 2024 by the works contractor. The works on the scheme were previously expected to last for 18 months but has been revised to 24 months. The flood scheme at South Kinross is facing potential land acquisition difficulties and as such is also likely to be delayed, whilst the flood scheme at Scone has been paused by the Scottish Government with major works unlikely to take place prior to 2027/28. It has therefore been necessary to revise the spend profile of these schemes as outlined below:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Comrie	0.000	0.121	(7.298)	(1.623)	8.800
South Kinross	0.026	(1.496)	(3.719)	1.964	3.225
Scone	0.000	0.004	(0.188)	(0.348)	0.532

In addition to the above, within Flood Protection Measures the following rephasing's are also proposed:

Project	2023/24 £m	2024/25 £m	Later Years £m	Description
South Inch Culvert Reinstatement	(0.262)	0.262	0.000	Further engineering assessment is necessary resulting in a delay to work in 2023/24.
Coastal Change Adaptation	(0.100)	0.100	0.000	Flood team focussing on severe weather in latter part of 2023/24, this project has therefore not progressed as planned.

6.3.8 Within Place-making, the Mill Street Environmental Improvements have been completed and it is proposed that the remaining budget in 2023/24 of **£78,000** is transferred to Perth City Centre Golden Route with £40,000 allocated to 2023/24 and the remaining £38,000 to 2024/25. In addition to this the following rephasing's are proposed:

Project	2023/24 £m	2024/25 £m	Later Years £m	Description
Perth, Place, People	(3.598)	3.598	0.000	Discussions are ongoing around potential schemes and the possibility of match funding. No scheme to progress in 2023/24.
Perth & Kinross Lighting Action Plan	(0.433)	0.433	0.000	The level of works to be completed in 2023/24 is lower than previously anticipated. It is proposed that £433,000 of the budget is moved into 2024/25.

6.3.9 In line with the Council decision on 28 February 2024, the budget for PH2O is to be reviewed as part of the Review of Leisure Assets. In the meantime, it is proposed that the existing budgets of the project in 2024/25 to 2027/28 be rephased over this period, as reflected in **Appendix II**. This will be reviewed further in light of the findings of the Review of Leisure Assets.

6.3.10 Within Community Greenspace, a Revenue Contribution of **£11,000** and Third-Party Contribution of **£13,000** have been provided towards Community

Greenspace Bridges in 2023/24 and 2024/25 respectively, with a proposed subsequent increase in the expenditure budget. Additional Third-Party Contributions have also been received towards Core Path Implementation (**£24,000**) and Premier Parks (**£14,000**) with the expenditure budgets for each programme increased accordingly. On Community Greenspace Sites it is proposed that the budget in 2024/25 is reduced by **£321,000** with a further reduction of **£232,000** in 2025/26. Of this **£432,000** is rephased to future years with the remaining **£121,000** vired between other Community Greenspace projects as follows:

Project	2023/24 £m	2024/25 £m
Settlement / Neighbourhood Parks	0.001	0.050
Community Greenspace Bridges	0.000	0.056
Core Path Implementation	0.012	0.000
Premier Parks	0.006	0.000
Auchterarder Public Park	(0.004)	0.000
	0.015	0.106

6.3.11 Within Commercial Property Investment Programme, works on the Ruthvenfield Business Centre have been paused while other potential uses for the site are identified. It is therefore proposed that **£1.256 million** of the budget is moved into 2024/25.

6.3.12 Within the Prudential Borrowing Projects, on Recycling Containers, it is proposed to borrow an additional **£160,000** over the next 4 years to cover increased costs of replacement. Additionally, on the Vehicle Replacement Programme, Fleet are continuing the catch-up exercise of vehicle purchases following worldwide supply issues which has also resulted in the significant increase in cost of new vehicles over the past couple of years. Deliveries are expected in 2024/25 for vehicles purchased in 2023/24 and it is therefore proposed to reduce the budget in 2023/24 by **£113,000** and increase the budget in 2024/25 by **£5.231 million**. There are corresponding adjustments to capital receipts for vehicle disposals resulting in a net increase in borrowing of **£5.040 million** for vehicles. The total increase in Prudential Borrowing Projects is **£5.2 million**.

6.3.13 Within Housing Projects, following a vacancy on the team and with a focus on the chalet replacement project at Double Dykes, Gypsy Traveller Site Improvement works have not been progressed in 2023/24 and it is proposed that a total of **£409,000** is moved into 2024/25.

6.3.14 All the above proposed adjustments, together with other small movements, have been reflected in **Appendices I & II**.

6.4 Corporate & Democratic Services

6.4.1 The Chief Operating Officer reviewed the programme for their Service and proposed the budget adjustments described below.

Property Services

- 6.4.2 Within the Property Compliance Works Programme the preliminary work on the Friarton Depot Transfer Shed structural remedials are to take place following the 2023/24 year-end, and as such it is proposed that **£327,000** is moved into 2024/25. Similarly, on the Capital Improvement Projects Programme with work scheduled to take place in 2024/25, it is also proposed that **£238,000** of this budget is moved into 2024/25.
- 6.4.3 The Upgrade Programme at Pitlochry High School requires further infrastructure works which are likely to be disruptive. With the need to protect the learning environment these works could not take place in 2023/24 and will instead be undertaken during the summer holidays and require the moving of **£136,000** to 2024/25.
- 6.4.4 Within Decarbonisation there is a delay to delivery of Phase II following delays in the completion of contract documentation with works now due to take place in 2024/25, with **£150,000** of the budget moved accordingly.
- 6.4.5 Implementation of the Mosaic Social Work system is progressing and is anticipated to “go-live” in the summer 2024. Accordingly, an increased amount has been spent for Consultancy and Data Migration in 2023/24 with a corresponding reduction in 2024/25. It is therefore proposed to rephase the budget as shown in **Appendix II**.
- 6.4.6 All the above proposed adjustments, together with other small movements, have been reflected in **Appendix II**.

6.5 Health & Social Care

- 6.5.1 Within Occupational Therapy Equipment, the service is seeing an increase in demand from the growing elderly population combined with an increase in the number of items of equipment individuals require, as well as inflationary cost increases for the equipment. It is therefore proposed that **£100,000** is accelerated from 2027/28 to 2023/24.
- 6.5.2 The Technology Enabled Telecare project to upgrade the community alarm system has faced supply difficulties during the year and issues with some equipment requiring further testing prior to installation. These issues have now been resolved and it is expected the project will now continue as planned. It is therefore proposed that **£350,000** of the budget in 2023/24 is rephased equally across future years.

7. HOUSING INVESTMENT PROGRAMME

- 7.1 The total current estimated expenditure, net of contributions, for the Housing Investment Programme over the 5 years 2023/24 to 2027/28 amounts to **£96.205 million**. This has increased by **£4 million** following the approval of the revised Housing Investment Programme by the Housing & Social Wellbeing Committee on 24 January 2024 (Report 24/24 refers) which allocated further resources to the Council House Buy-Back Programme from

2024/25 to 2027/28. Movements from the previous estimates approved by this Committee on 31 January 2024 are summarised in the table below and detailed in Appendix III.

	Approved 31 January 2024	Current Estimate	Movement
	£m	£m	£m
2023/24	18.738	19.249	0.511
2024/25	18.831	21.536	2.705
2025/26	17.248	19.942	2.694
2026/27	16.283	15.633	(0.650)
2027/28	21.105	19.845	(1.260)
Total	92.205	96.205	4.000

Total Expenditure to 29 February 2024 (Housing Investment Programme)

- 7.2 Net expenditure for 2023/24 to 29 February 2024 amounts to **£18.863 million** and receipts amount to **£11,000**. Therefore, the borrowing requirement for the year to date is **£18.852 million**.
- 7.3 The Executive Director (Communities) reviewed the Housing Investment Programme and proposed the budget adjustments outlined below.
- 7.4 Phase 2 of the Council House New Build Programme at Lynedoch Road, Methven has commenced with **£1.243 million** provided by the Scottish Government in 2023/24 and an allocation from Council Tax Second Home income of **£240,000** in 2024/25. These amounts are complemented by proposed transfers of **£91,000** into 2023/24 and **£932,000** into 2024/25 from Future Developments budget in 2027/28.
- 7.5 It is proposed to transfer a further **£1.237 million** from the New Build Future Developments Budget in 2027/28 to the Council House Buy-Back programme in 2023/24. This is supplemented by additional grant of **£630,000** from the Scottish Government and reflects the additional properties being purchased in the current year. A total of 48 properties have been purchased this year, which exceeds the target of 30 properties.
- 7.6 On the Triple Glazing Programme, additional addresses have been identified that require an upgrade to their windows. It is proposed that **£1.5 million** is transferred from SHQS Future Developments in 2026/27 with **£1.2 million** allocated to 2023/24 and **£300,000** in 2024/25. These movements also take account of some properties which were previously identified for triple glazing but not actioned due to access difficulties. Following considerable work by tenant liaison officers, access has now been achieved and the installations have commenced.

7.7 The following rephasings/virements are also proposed:

Project	2023/24 £m	2024/25 £m	Later Years £m	Description
Heating Upgrade Contract Works	0.215	(0.215)	0.000	Accelerate due to improved access rates and addresses now certified that were previously missing completion certificates.
Rewiring, Infrastructure & Property Refurbishment	(0.850)	0.000	0.850	Based on current level of work completed in year.
Environmental Improvements	0.150	0.000	0.000	Fund anticipated costs at Pullar Terrace and additional works to drainage work at Firbank Road.
SHQS Future Developments	0.000	0.000	(0.150)	
Fire Precaution Measures	(0.224)	0.224	0.000	Delay to completing contract due to access issues requiring forced access and delays to additional smoke detector fittings.
Sound insulation	(0.289)	0.289	0.000	No works were identified in 2023/24.
Structural	(0.463)	0.000	0.463	Minimal works undertaken in 2023/24, moved to future years.
Anchor House, Rannoch Road	(0.060)	0.060	0.000	No further works to be carried out in 2023/24.
Shops & Offices	(0.239)	0.000	0.239	No works identified for 2023/24.
Upgrade and Replacement to Lift Programme	(0.116)	0.116	0.000	No works identified for 2023/24.
ICT Expenditure	(0.110)	0.000	0.110	Moved to 2025/26 based on latest projections.

7.8 Third party contributions of **£35,000** have been received towards External Fabric works in 2023/24 and the expenditure budget has therefore been increased accordingly. Similarly, the Scottish Government have provided a grant of **£71,000** towards Double Dykes Chalet Replacement resulting in an increase to the expenditure budget by the same amount in 2023/24.

7.9 The above proposed adjustments, together with other smaller adjustments within **Appendix III**, do not impact the borrowing requirement over the 5-year programme. However, there is an increase in Capital Funded from Current Revenue (CFCR) of **£0.28 million** in 2023/24, as reported in the Revenue Monitoring Report at this Committee meeting.

7.10 The Housing & Social Wellbeing Committee also approved a reduction in CFCR of **£1.398 million** over the years 2024/25 to 2027/28 in January 2024, together with the additional **£4 million** allocated to Council House Buy-Backs. This increased the borrowing requirement for the overall programme by **£5.398 million**, which is offset by the increased CFCR above and an increase in capital receipts of **£3,000** in the current year, resulting in a net total borrowing requirement of **£85.819 million** over the 5-year programme.

8. BUDGET OVERVIEW

8.1 The projected net expenditure outturn in 2023/24 for the Composite Capital Budget is **£136.557 million** and represents **77%** of the original 2023/24 budget approved on 26 April 2023 (£178.033 million). The revised budget is based on the latest projections of expenditure and all budget adjustments outlined within this report.

8.2 Net expenditure to 29 February 2024 on the Composite Capital Budget is **£114.604 million** and represents **84%** of the proposed revised budget for 2023/24 of **£136.557 million**. The actual expenditure does not include accrued expenditure or provision for works certified as completed. All such expenditure is accounted for when preparing the final outturn as at 31 March 2024.

8.3 The projected net expenditure outturn in 2023/24 for the Housing Investment Programme is **£19.249 million** and represents **94%** of the original 2023/24 budget approved on 26 April 2023 (£20.422 million).

8.4 Net expenditure to 29 February 2024 on the Housing Investment Programme is **£18.863 million** which represents **98%** of the proposed revised budget for 2023/24 of £19.249 million.

8.5 The Council's total Borrowing Requirement to 29 February 2024, based on the Composite and Housing Investment Programmes, is **£112.235 million**. The estimated overall Council Borrowing Requirement for 2023/24 as a whole has reduced by **£32.056 million** to **£126.74 million** as a result of the monitoring adjustments reflected within this report. This mostly reflects updated cashflow estimates on larger contracts as the year-end approaches. Over the whole 5-year programme, there is an increase of **£5.2 million** in the overall level of borrowing on the Composite Programme relating to Communities Prudential Borrowing projects, and an increase in borrowing of **£5.115 million** on the Housing Investment Programme relating to Council House Buy-Backs and adjustments to CFCR.

8.6 While the projections have been based on a comprehensive monitoring exercise, they continue to remain subject to uncertainty due to ongoing inflationary pressures in the current economic environment.

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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

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven 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:

- Tackling Poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

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 2023/24 to 2027/28

Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2023/24 to 2027/28

Appendix III – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2023/24 to 2027/28

Appendix IV – Significant Capital Projects Progress Update