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Council Building
2 High Street
Perth
PH1 5PH

18/04/2024

A hybrid meeting of the **Finance and Resources Committee** will be held in the **Council Chamber** on **Wednesday, 24 April 2024** at **14:30**.

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

THOMAS GLEN
Chief Executive

Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.

Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.

Members:

Councillor Stewart Donaldson (Convener)
Councillor Grant Laing (Vice-Convener)
Bailie Chris Ahern
Bailie Alasdair Bailey
Councillor Peter Barrett
Councillor Andy Chan
Councillor Dave Cuthbert
Councillor Eric Drysdale
Councillor John Duff
Councillor David Illingworth
Provost Xander McDade
Councillor Tom McEwan
Depute Provost Andrew Parrott
Councillor John Rebbeck
Councillor Caroline Shiers
Councillor Colin Stewart

Finance and Resources Committee

Wednesday, 24 April 2024

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

- 1 WELCOME AND APOLOGIES/SUBSTITUTES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTE OF MEETING OF THE FINANCE AND RESOURCES COMMITTEE OF 31 JANUARY 2024 FOR APPROVAL** **5 - 8**
(copy herewith)
- 4 OUTSTANDING BUSINESS STATEMENT** **9 - 10**
(copy herewith 24/129)
- 5 REVENUE BUDGET 2023/24 - UPDATE NO. 4** **11 - 50**
Report by Strategic Lead - Finance and Business Support (copy herewith 24/130)
- 6 COMPOSITE CAPITAL BUDGET 2023-28 & HOUSING INVESTMENT PROGRAMME 2023-28 - MONITORING REPORT NO. 4** **51 - 86**
Report by Strategic Lead - Finance and Business Support (copy herewith 24/131)
- 7 TREASURY ACTIVITY AND COMPLIANCE REPORT 2023/24 - 6 MONTHS TO 31 MARCH 2024** **87 - 104**
Report by Strategic Lead - Finance and Business Support (copy herewith 24/132)

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FINANCE AND RESOURCES COMMITTEE

Minute of hybrid meeting of the Finance and Resources Committee held in the Council Chamber, 2 Hight Street, Perth on Wednesday 31 January 2024 at 2.00pm.

Present: Councillors S Donaldson and G Laing, Bailie C Ahern and Bailie A Bailey, Provost X McDade, Depute Provost Parrott, and P Barrett, A Chan, D Cuthbert, E Drysdale, J Duff, D Illingworth, T McEwan, J Rebbeck, C Shiers and C Stewart.

In Attendance: T Glen, Chief Executive; K Donaldson, Chief Operating Officer; C Mailer, Director (Strategy, People and Resources); S Devlin, Executive Director (Education and Children's Services); M Butterworth, F Crofts, C France, E Ritchie, S Coyle, J Ferguson and F Robertson (Communities); G Boland and C Palmer (Education and Children's Services); L Simpson, S MacKenzie, S Walker, P Johnstone, L Stewart, V Robertson, K Molley, A Brown and R Ramsay (all Corporate and Democratic Services); H Smout, Culture PK.

Councillor S Donaldson, Convener, Presiding.

1. WELCOME AND APOLOGIES

The Convener welcomed all those present to the meeting.

2. DECLARATIONS OF INTEREST

There were no declarations made in terms of the Councillors' Code of Conduct.

3. MINUTE OF PREVIOUS MEETING

The minute of meeting of the Finance and Resources Committee of 22 November 2023 was submitted and approved as a correct record.

4. OUTSTANDING BUSINESS STATEMENT

Resolved:

The status of action in the Outstanding Business Statement (24/38) be noted and completed actions removed accordingly.

IN TERMS OF STANDING ORDER 11, THE COMMITTEE AGREED TO VARY THE ORDER OF BUSINESS.

5. PROCUREMENT UPDATE

There was submitted a report by the Strategic Lead – Legal and Governance (24/39) setting out (1) the Annual Procurement Report for financial year 2022/23; and (2) the planned procurement activity for future years.

Resolved:

- (i) The publication of the Procurement Annual Report 2022/23 be approved.
- (ii) The record of tenders accepted during 2022/23 under the Council's scheme of delegation be noted.
- (iii) The planned procurement activity, as far as known for future years, be noted.

- (iv) The monies provided to third parties under the Code of Guidance for Following the Public Pound during 2022/23 be noted.

6. FLEXIBLE WORKING FRAMEWORK

There was submitted a report by the Corporate Human Resources Manager (24/42) (1) seeking approval of the Framework to formalise hybrid working as a workstyle and ensure a fair and consistent approach that is focussed on operational and customer need; and (2) asking the Committee to note that the Framework, and associated operation guidance, will continue to be updated to reflect new employee rights which are at different stages of the UK parliamentary approval process.

Resolved:

- (i) The core Flexible Working Framework, as set out in Appendix 1 to Report 24/42, which will be supported by operational guidance, be approved.
- (ii) It be noted that with effect from 1 April 2024 a revised Hybrid working approach will establish the requirement for a minimum level of attendance in a workplace of normally 2 days per week.

THE VICE-CONVENER LED ON THE FOLLOWING ITEM.

7. REVENUE BUDGET 2023/24 – UPDATE NO. 3

There was submitted a report by Strategic Lead – Finance & Business Support (24/40) providing an update on progress with the 2023/24 General Fund Revenue Budget based upon the October 2023 ledger, updated for any subsequent known material movements; and the projected financial position of the Housing Revenue Account.

Resolved:

- (i) The contents of the Report 24/40, be noted.
- (ii) The projected outturn for General Fund Services, set out in Section 5 and Appendix 1 and 2 of Report 24/40, be noted.
- (iii) The projected outturn for Corporate Budgets and Perth and Kinross Integration Joint Board, set out in Section 6 of Report 24/40, be noted.
- (iv) The funding update provided in Section 7 of Report 24/40, be noted.
- (v) The projected outturn for the Housing Revenue Account, which is summarised in Section 8 and Appendix 4 of Report 24/40, be noted.
- (vi) The adjustments to the 2023/24 Management Revenue Budget, detailed in Sections 8, 9, 10 & 11 and Appendices 1, 2, 4, 5, 6 and 7 of Report 24/40, be approved.
- (vii) The financial risks, set out in Section 12 and Appendix 8 of Report 24/40, be noted.

THE CONVENER LED ON THE FOLLOWING ITEM.

8. COMPOSITE CAPITAL BUDGET 2023/28 & HOUSING INVESTMENT PROGRAMME 2023/28 – MONITORING REPORT No.3

There was submitted a report by Head of Finance (24/41) (1) providing 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; (2) seeking approval for adjustments to the programmes.

Resolved:

- (i) The contents of Report 24/41, be noted.
- (ii) The proposed adjustments to the five-year Composite Capital Budget 2023/24 to 2027/28, as set out in Sections 5 and 6 of Report 24/41 and summarised in Appendices I and II to Report 24/41, be approved.
- (iii) The proposed adjustments to the Housing Investment Programme Budget 2023/24 to 2027/28, as set out in Section 7 of Report 24/41 and summarised in Appendix III to Report 24/41, be approved.

DRAFT

FINANCE AND RESOURCES COMMITTEE
OUTSTANDING BUSINESS STATEMENT (OBS)
(Report No. 24/129)

Please note that this statement sets out outstanding decisions of this committee along with an update and estimated completion date. Actions which are overdue are shaded for ease of reference. Where an update reflects that an action is complete then the Committee's agreement will be sought to its removal from the OBS.

No	Minute Reference	Subject Title	Outstanding Action	Update	Lead Officer/ Service	Action Due	Action Expected
21.	22 Nov 23	Revenue Budget 2023/24 – Update No. 2	To increase scrutiny and assurance, representatives from Tayside Contracts be invited to future meetings of Perth and Kinross Council's Scrutiny and Performance Committee.	An Elected Member Briefing Session on the structure of Tayside Contracts/Minute of Agreement/Governance Arrangements has been arranged for members on 23 April 2024. Representatives from Tayside Contracts have been invited to attend the Scrutiny and Performance Committee on 24 April 2024. COMPLETED	Legal and Governance	24 Apr 24	24 Apr 24
22.	23 Mar 23 Executive Sub-Committee	Revenue Budget 2022/23 – Tayside Contracts	Following the Executive Sub-Committee on 23 March 2023, the Convener was requested to write to Tayside Contracts suggesting that they set up a	The Convener has not received a response from Tayside Contracts. NOT COMPLETED	Thomas Glen	TBC	TBC

No	Minute Reference	Subject Title	Outstanding Action	Update	Lead Officer/ Service	Action Due	Action Expected
			<p>Performance/Scrutiny Sub-Committee to enable more regular in-depth monitoring of performance.</p> <p>The Convener wrote a letter to Tayside Contracts.</p>				
23.	31 Jan 24	Procurement Update	<p>Further information regarding the funding received by Scottish Police Authority contained within the Following the Public Pound report be shared with members.</p>	<p>Email response was issued to members.</p> <p>COMPLETED</p>	Legal and Governance	24 April 2024	24 April 2024
24.	31 Jan 24	Procurement Update	<p>To share a link to the Contracts Register on the Public Contracts Scotland website.</p>	<p>Email response was issued to members.</p> <p>COMPLETED</p>	Legal and Governance	24 April 2024	24 April 2024

PERTH & KINROSS COUNCIL

FINANCE & RESOURCES COMMITTEE

24 APRIL 2024

REVENUE BUDGET 2023/24 – UPDATE NO. 4

**Contact Officer: Scott Walker, Strategic Lead – Finance & Business Support
(Report No. 24/130)**

1. PURPOSE

- 1.1 This report provides an update on progress with the 2023/24 General Fund Revenue Budget based upon the January 2024 ledger, updated for any subsequent known material movements, and the projected financial position of the Housing Revenue Account.
- 1.2 The total net **projected under spend** on the 2023/24 General Fund Management Budget is **£1.373 million** (see **Appendix 1**).
- 1.3 The report also seeks approval for several adjustments to the 2024/25 Revenue Budget approved by Council on 28 February 2024.

2. RECOMMENDATIONS

The Committee is requested to:

- A. note the contents of the report.
- B. note the projected outturn for General Fund Services set out in **Section 5 and Appendix 1 and 2**.
- C. note the projected outturn for Corporate Budgets and Perth & Kinross Integration Joint Board set out in **Section 6**.
- D. note the funding update provided in **Section 7**.
- E. note the projected outturn for the Housing Revenue Account, which is summarised in **Section 8 and Appendix 4**.
- F. approve the adjustments to the 2023/24 Management Revenue Budget detailed in **Sections 8, 9, 10 & 11 and Appendices 1, 2, 4, 5, 6 & 7**.
- G. note the financial risks set out in **Section 12 and Appendix 8**.
- H. approve the adjustments to the 2024/25 Management Revenue Budget detailed in **Section 13 and Appendix 9**.

3. STRUCTURE

Section 4	Background
Section 5	Revenue Monitoring – Service Budgets
Section 6	Revenue Monitoring – Corporate Budgets
Section 7	Revenue Monitoring – Funding
Section 8	Revenue Monitoring – Other Updates
Section 9	2023/24 Additional Funding
Section 10	2023/24 Virements
Section 11	2023/24 Movements in Reserves
Section 12	Financial Risks
Section 13	Adjustments to 2024/25 Revenue Budget
Section 14	Conclusions

4. BACKGROUND

- 4.1 This report updates the Committee on progress with the 2023/24 Revenue Budget. **Appendix 1** to this report summarises the current projected year end (outturn) position for each Service based upon the January 2024 ledger, updated for any subsequent known material movements.
- 4.2 The budget total reflected in Column 1 of **Appendix 1** to this report is that approved by the Council in setting the 2023/24 Final Revenue Budget on 1 March 2023 (Report No. 23/72 refers). In addition, adjustments approved by the Council on 4 October 2023 (Report No. 26/268 refers), the Finance & Resources Committee on 26 April, 13 September and 22 November 2023 and 31 January 2024 (Report Nos. 23/120, 23/242, 23/315 and 24/40 refer) and Executive Sub-Committee of the Finance & Resources Committee on 24 July 2023 (Report No. 23/219 refers) are reflected in **Appendix 1** (Column 2).

5. REVENUE MONITORING – SERVICE BUDGETS

- 5.1 The Service Budget projections included within this section and Appendix 1 through to 8 have been prepared based on the Council's previous structure. Going forward, future reports will reflect the new structure.
- 5.2 The total net projected under spend on Service budgets, which is summarised in **Section 1** of **Appendix 1** to this report, is **£2.543 million** which represents **0.7%** of total net Service expenditure.
- 5.3 Details of variances against individual Service budgets are shown in **Appendix 2** to this report with the most significant variances summarised below.
- 5.4 The management of Service over and under spends are considered throughout the financial year and may also form part of the Revenue Budget strategy for future years.
- 5.5 All Council Services are over achieving on approved levels of slippage. Whilst there is a financial impact of this which is reflected in the projected outturns included in this report, there may be unintended consequences in

terms of performance, delivery of strategic objectives and impact on the remaining workforce.

- 5.6 There also remains a risk that the Council continues to experience increases in costs over the short to medium term that are higher than budgeted inflation levels. This is already being seen in the cost of the materials required by property and housing maintenance teams. Going forward, this may continue to have an impact on projected outturns and future years' budgets.

Education & Children's Services

- 5.7 The projected outturn for Education & Children's Services excluding Devolved School Management (DSM) and the Pupil Equity Fund (PEF) is currently anticipated to be **£2.761 million** or **1.1%** less than budget – a movement of **£1.725 million** on the position last reported to Committee. The individual elements contributing to this position are summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'m	%	£'m
Education Services	Under spend	(1.008)	(1.7)	(0.604)
Children, Young People & Families	Under spend	(0.337)	(1.4)	(0.236)
Business & Resource Services	Under spend	(0.205)	(2.8)	(0.130)
Catering Services	Under spend	(1.211)	(16.8)	(0.755)
TOTAL	Under spend	(2.761)	(1.1)	(1.725)

- 5.8 Within **non devolved Education Services** there is an increase in the net projected under spend of **£604,000**. This is primarily made up of movements in projected staff costs due to additional slippage (£565,000). Other projected net under spends (£39,000) include the impact of non-domestic rates revaluations.
- 5.9 In **Services for Children, Young People & Families** there is an increase in the projected under spend of **£236,000**. This is made up of increases in projected under spends on staff costs (£146,000) and non-staff related budgets (£90,000).
- 5.10 In **Business & Resource Services** there is an increase in the projected under spend of **£130,000** due, primarily to updated staff cost and income projections.
- 5.11 In **Catering Services**, there is an increase in the net projected under spend of **£755,000**. This updated projection is based upon the latest information provided by Tayside Contracts and on further increases in school meal uptake.
- 5.12 The updated projected under spend on Catering Services is based on the increased budget, which includes the additional contribution from Reserves of £2.1 million approved by the Finance & Resources Committee on 22 November 2023 (Report No. 23/315 refers).

- 5.13 The **Devolved School Management Scheme** (DSM) is currently projected to under spend by **£349,000** due to staff slippage and additional income, which represents **0.3%** of the overall DSM budget. However, individual schools are experiencing challenges in delivering approved staff slippage targets. The budgets for the Devolved School Management scheme are allocated by financial year (April – March), whereas expenditure is incurred by academic year (August – June).
- 5.14 At this stage of the academic year, expenditure met from the **Pupil Equity Fund** (PEF) is projected to be **£100,000** less than the allocation from the Scottish Government of £1.874 million. Schools are being instructed to use this year's PEF by 31 March 2024. It is anticipated that the projected under spend on teacher and support costs of £100,000 will be carried forward to 2024/25 to meet commitments. The budgets for the Pupil Equity Fund scheme are allocated by financial year, whereas expenditure is incurred by academic year.

Communities

- 5.15 The projected outturn for Communities is currently anticipated to be **£373,000** or **0.5%** more than budget - which represents a movement of **£250,000** on the position last reported to Committee. This position is summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'m	%	£'m
Environmental & Consumer Services	Over spend	1.143	3.0	0.205
Culture & Communities	Over spend	0.115	0.9	-
Planning & Development	Over spend	0.170	2.6	0.125
Housing	Over spend	0.050	0.6	0.005
Business & Resources	Under spend	(1.105)	(18.3)	(0.585)
TOTAL	Over spend	0.373	0.5	0.250

- 5.16 In **Environmental & Consumer Services** there is an increase in the projected net over spend of **£205,000**. This is due to projected over spends in Roads on winter maintenance and flooding and Operations on additional hires and supplies & services, partially offset by additional income.
- 5.17 The projected outturn for Environmental & Consumer Services now includes updated information on the financial consequences of the severe weather of October 2023. The gross cost has increased **£2.213 million**, and it is anticipated that **£1.415 million** will be recovered from the Scottish Government through the Bellwin Scheme with the balance of **£798,000** being funded from unearmarked Reserves.
- 5.18 In **Planning & Development** there is a net increase in the projected over spend of **£125,000** due, in the main, to updated projections in relation to Perth Harbour and events income.
- 5.19 Within **Housing** there is a net increase in the projected over spend of **£5,000**.

- 5.20 Within **Business & Resources** there is a net increase in the projected under spend of **£585,000**. This is a combination of additional staff slippage and income partially offset by an increase in non-staff cost budgets.

Corporate & Democratic Services

- 5.21 The projected outturn for Corporate & Democratic Services is currently anticipated to be **£228,000** or **0.6%** less than budget – a movement of **£288,000** from the position last reported to Committee. The main movements are summarised in the following table and narrative.

Function	Projected Outturn			Movement
		£'000	%	£'000
Legal & Governance Services	Under spend	(71)	(1.6)	47
Finance	Over spend	118	8.9	41
Human Resources	Under spend	(177)	(5.3)	(109)
IT & Revenues and Benefits	Over spend	260	2.7	91
Property	Under spend	(358)	(1.7)	(358)
TOTAL	Under spend	(228)	(0.6)	(288)

- 5.22 Within **Legal & Governance, Finance and Human Resources** and **IT & Revenues and Benefits** there has been a reduction in the net under spend of **£70,000**. This is made up of increase demand for community / crisis grants partially offset by a combination of updated staff cost projections and income assumptions as well as a reduction in non-staff related expenditure across the Service.
- 5.23 In **Property** there has been an increase in the net projected under spend of **£358,000**. This is a combination of additional fee income and reduced expenditure on maintenance and energy.

Chief Executive Service

- 5.24 The projected outturn for the Chief Executive's Service is currently anticipated to be **£73,000** more than budget. These projections include one-off costs of change associated with the Council's new leadership structure.

6. REVENUE MONITORING – CORPORATE BUDGETS

- 6.1 Included within **Section 2 of Appendix 1** is an update on the Council's Corporate budgets. More information on variances against individual budget headings are set out below.

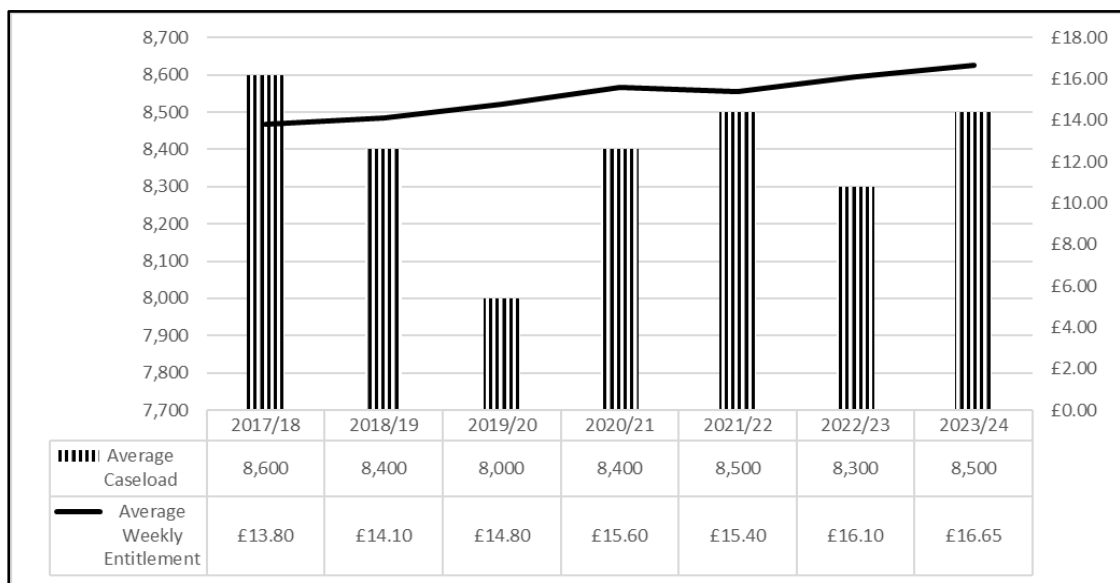
Perth & Kinross Integration Joint Board

- 6.2 In setting the 2023/24 final Revenue Budget, Perth & Kinross Integration Joint Board approved the use of Reserves to deliver a balanced position. However, the financial position of the IJB remains challenging due to health and social care continuing to face recruitment challenges, increasing client needs, uncertainty over funding and rising costs particularly within prescribing.

- 6.3 On 11 March 2024, the Audit & Performance Committee of the Perth & Kinross Integration Joint Board received a financial update for the Health & Social Care Partnership. At that time there was a projected over spend of **£660,000** which is set out in **Appendix 3**. Within the overall projected over spend, **£447,000** relates to social care.
- 6.4 In relation to non-devolved functions there is currently a projected under spend of **£330,000** which is reflected in **Appendix 1**.

Council Tax Reduction Scheme

- 6.5 The application of the Council Tax Reduction Scheme is a statutory function for the Council. The promotion and encouragement of take up is a key responsibility for the Council, particularly when households are facing significant pressures on the cost of living.
- 6.6 The level of expenditure incurred by the Council is dependent upon two main drivers, firstly, the average number of weekly caseload and, secondly, the average value of weekly entitlements. The following graph sets out both variables over the current and previous six financial years. The graph shows a clear increase in the average weekly entitlement whereas the average caseload has been more volatile but has returned to higher levels.



- 6.7 In the current financial year, the Council is supporting approximately **8,500** households across Perth and Kinross with the Council Tax Reduction Scheme with an average award of **£16.65** per week. This results in a projected over spend on the Council Tax Reduction Scheme of approximately **£1.150 million** which is reflected in **Appendix 1**.

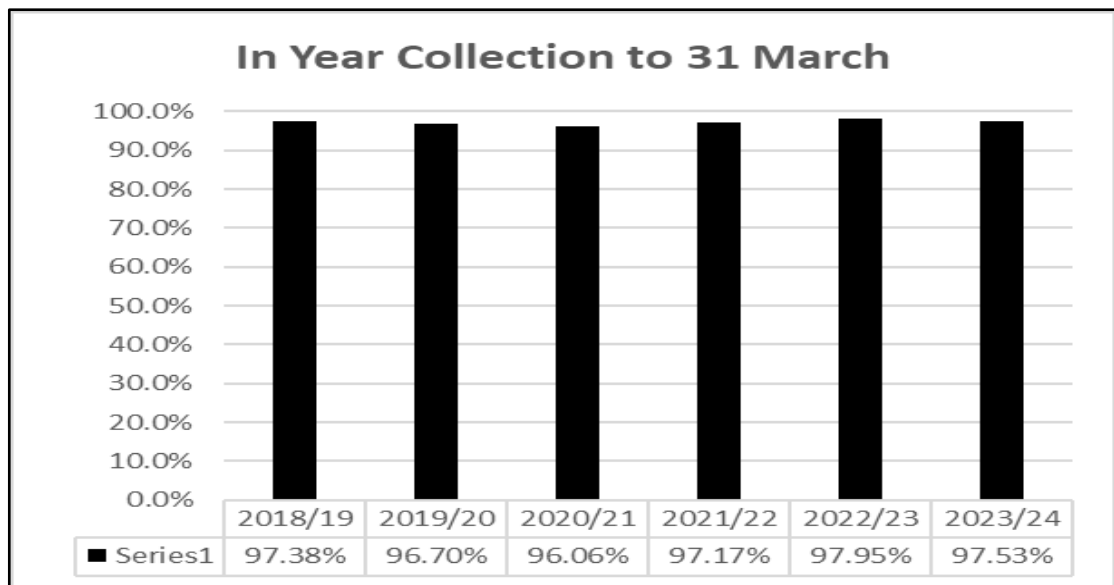
7. REVENUE MONITORING – FUNDING

7.1 Further information on the Council’s funding is set out within **Section 3 of Appendix 1**. More information on variances against individual budget headings are set out below.

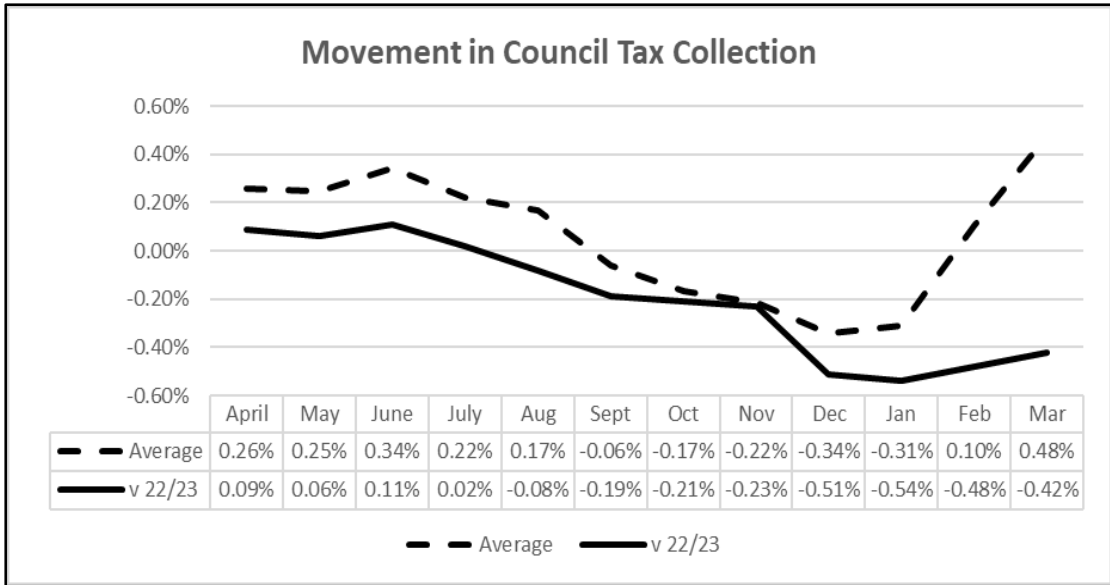
Council Tax Income

7.2 The amount of income the Council will generate from Council Tax is dependent on two main factors, firstly collection levels and secondly, the number of Band D properties on the Valuation Roll.

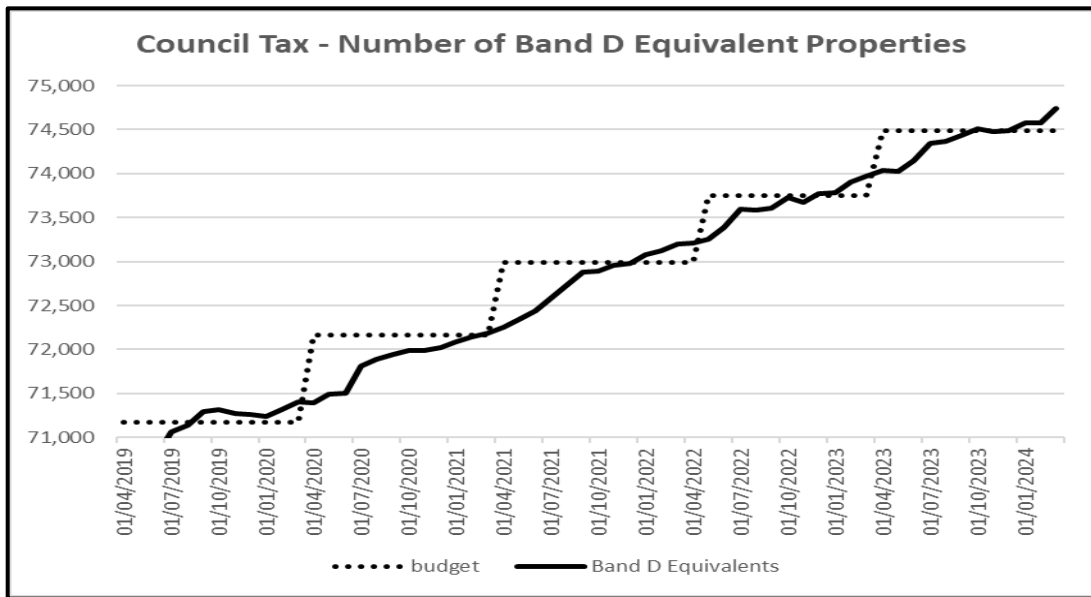
7.3 Monitoring of Council Tax collection levels is carried out monthly. The following graph sets out collection performance to 31 March 2024 together with prior year comparative figures for the previous five financial years.



7.4 Between 2018/19 and 2022/23, the average collection figure to 31 March was 97.05%. The actual collection figure to 31 March 2024 was **97.53%** which is an improvement of **0.48%** compared to the five-year average, but a **0.42%** reduction on the comparable position in 2023.



7.5 Secondly, in setting the Council’s Revenue Budget, assumptions are made on increases in the number of Band D equivalent properties. The graph set out below suggests that actual growth levels are in line with budget assumptions.



7.6 Using the information on both in year and previous years collection rates, along with the growth in the number of band D equivalent properties, the level of Council Tax income is now projected to be **£200,000** more than budget and this is reflected in **Appendix 1**.

Non-Domestic Rates

7.7 The actual collection rate to 31 March 2024 was **96.46%**, compared to 97.91% for the same period in 2022/23.

8. REVENUE MONITORING – OTHER UPDATES

Impact on Arm's Length External Organisations (ALEOs)

- 8.1 The Council continues to work closely with its three Arm's Length External Organisations (ALEOs) – Live Active Leisure (LAL), Perth Theatre & Concert Hall (PTCH) and Culture Perth & Kinross (CPK) who make an important contribution to the Corporate Plan through the current Culture, Physical Activity and Sport Strategies approved by Council in May 2023.
- 8.2 To date, no significant financial issues have been identified relating to Culture Perth and Kinross or Perth Theatre & Concert Hall.
- 8.3 Live Active Leisure finished 2022/23 with a revenue deficit of **£203,000**. For 2023/24, LAL initially budgeted for a deficit of £630,000. The latest projections, which have been considered by their own, Finance and Governance Committee indicate a deficit of approximately **£334,000**. For 2023/24, LAL are funding the budgeted deficit from their Reserves.
- 8.4 LAL's projected deficits in 2021/22 and 2022/23 did not materialise, which is positive. However, Council officers will work with LAL throughout the year on best/worst/mid-range projections to ensure that the Committee has more certainty about the likely year end position for 2023/24. This will be particularly important to support work on the ALEO budget positions and SLA awards for 2024/25 given the continuing financial challenges which face the Council.

Housing Revenue Account

- 8.5 The Housing Revenue Account is currently projected to **break even** in the current financial year. The main elements are summarised below and set out in **Appendix 4**.
- 8.6 Across the Housing Revenue Account there is an increase in the net projected under spend of **£170,000**. The main reasons for this movement are updated bad debt provisions and staff cost projections, partially offset by reduced income.
- 8.7 As a result of the variances identified above Capital Financed from Current Revenue will reduce by **£280,000**.

9. 2023/24 ADDITIONAL FUNDING

- 9.1 Since the 2023/24 Revenue Budget was updated on 31 January 2024 (Report No. 24/40 refers), the Council has been advised of additional funding for the current financial year from several sources. To ensure that the 2023/24 Management Budget continues to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 1** and **Appendix 5**.

Scottish Government – Revenue Support Grant:

- Support for School Staff Training – £23,000 (Education & Children’s Services) (ECS)
- Summer programmes - £2,000 (ECS)
- Storm Babet - £88,000 (Communities)
- Pay Uplifts - £1.411 million (Reserves)
- Self-Directed Support Transformational Funding - £6,000 (Health & Social Care)

9.2 The Scottish Government has advised that the increase in funding identified above of **£1.530 million** will be made through a redetermination of the Council’s Revenue Support Grant. It is therefore necessary to adjust budgets for Education & Children’s Services, Communities, Health & Social Care and Revenue Support Grant.

9.3 **ACTION:** The Committee is asked to approve the adjustments set out at paragraph 9.1 which is reflected in **Appendix 1** (Column 3) to this report.

Other Funding

9.4 Other funding amounting to **£1.071 million** will be paid outside the Revenue Support Grant mechanism as Other Grant income and is, therefore, cost neutral in terms of the budget summary. Details of this funding is set out in **Appendix 5**.

9.5 **ACTION:** The Committee is asked to note the receipt of **£1.071 million** of additional resources, with this funding being reflected within Education & Children’s Services and Communities as additional grant income. The current projected outturn assumes that all these additional resources will be fully expended in 2023/24 or carried forward under the terms of the grant award.

10. 2023/24 VIREMENTS

Contribution to/from Capital Fund

10.1 In line with the strategy for managing the Council’s Capital Programme over the medium term, it is recommended that the eventual over or under spend on Capital Financing Costs and Interest on Revenue Balances be transferred from or to the Capital Fund.

10.2 The latest monitoring indicates a projected reduction in capital financing costs (loan charges) of **£545,000** based on capital expenditure and the latest treasury management activity and a reduction in income of **£534,000** from interest on revenue balances due to updated interest rate projections. This will result in a net increase in the Contribution to the Capital Fund of **£11,000** in the current financial year.

10.3 **ACTION:** The Committee is requested to approve the virement of **£545,000** from the Capital Financing Costs (Loan Charges) Budget and **£534,000** from Interest on Revenue Balances with a corresponding increase in the projected

Contribution to the Capital Fund. These adjustments have been reflected in **Appendix 1** (Column 4) to this report.

- 10.4 At 31 March 2023, the audited 2022/23 Annual Accounts included a Capital Fund balance of **£26.343 million**. Following the Council approval of a 1% increase in Council Tax to be applied to the Loan Charges budget each year from 2025/26, with the existing approved Capital Budget, the Capital Fund is currently projected to peak in 2050/51, before gradually reducing until fully utilised in 2062/63.

11. 2023/24 MOVEMENTS IN RESERVES

- 11.1 Included at **Appendix 6** is an update on the Council's General Fund Reserves. The appendix includes the following:

- Earmarked and unearmarked Reserves at 31 March 2023 (per audited Annual Accounts).
- previously approved contributions to and from earmarked Reserves in 2023/24, 2024/25 and 2025/26.
- The impact of proposals within this report on earmarked Reserves.
- Known commitments against earmarked Reserves.
- The impact of the latest revenue monitoring on the level of unearmarked Reserves.

- 11.2 The earmarked Reserves are brigaded under three headings as follows:

- i. Balances held under statute / regulation – these earmarked Reserves are prescribed under legislation and the Council has limited discretion in how they are applied.
- ii. Balances held for specific (previously approved) purposes – the purpose of these earmarked Reserves has been previously approved by Council in either the Reserves Strategy or Annual Accounts
- iii. Balances held for other purposes – the creation of these earmarked Reserves has been approved by Council, but not specific proposals.

- 11.3 Proposals involving earmarked Reserves under i. and ii. above will be advised to Committee in summary as Council either has limited discretion or previously approved their application. Proposals to apply earmarked Reserves under iii. above will include more detail for elected member consideration.

Balances Held for Specific (Previously Approved) Purposes

- 11.4 These earmarked Reserves have previously been approved by elected members in their consideration of the Reserves Strategy or Annual Accounts. The proposals listed below transfer funding to earmarked Reserves to be applied in future years.

- Climate Change - £110,000

- Workforce Management (including Transformation) - £111,000
 - School Estate - £805,000 (Perth High School, Learning Estate Investment Programme & Bertha Park High School)
- 11.5 **ACTION:** the Committee is asked to approve the transfer of **£1.026 million** to the earmarked Reserves set out above. These adjustments are reflected in **Appendix 1** (column 5) to the report.
- 11.6 Approval is also sought to draw down **£236,000** for the Culture earmarked Reserve in respect of the Stone of Destiny and opening exhibition costs.
- 11.7 **ACTION:** the Committee is asked to approve the application of **£236,000** from the Culture earmarked Reserve to fund the upfront costs relating to the opening of the Perth Museum. The adjustment for 2023/24 is reflected in **Appendix 1**.
- 11.8 In addition, in setting the 2023/24 Revenue Budget in March 2023 the **Council Approved Expenditure** to fund several specific initiatives. For a variety of reasons including consultation and capacity issues, there has been slippage in the delivery of a few of these projects that may result in the expenditure not being incurred in the current financial year. Projects totalling **£524,000** are set out at **Appendix 7**.
- 11.9 Should the Committee confirm that that the projects remain a priority for the Council then the balances set out in **Appendix 7** will be transferred to an earmarked Reserve to ensure that the funding is in place to ensure delivery. The final outturn for individual projects may change before the end of the financial year. Therefore, by agreeing the projects within **Appendix 7**, the Committee is confirming that the initiative remains a priority and that the final under spend will be earmarked within Reserves.
- 11.10 Should any of the projects no longer be a priority, the projected under spend would be available to support the financial management of the Council in both current and future financial years.
- 11.11 **ACTION:** The Committee is asked to confirm that the projects listed in **Appendix 7** remain a priority and that the final under spends, currently projected at **£524,000** are transferred to an earmarked Reserve to ensure delivery. These adjustments are reflected in **Appendix 1** (column 5) to the report.
- 11.12 Furthermore, under the Framework for Managing Workforce Change, the authority to approve voluntary severance requests sits with the Executive Leadership Team, except for requests from Chief Officers. With that in mind, approval is sought to draw down **£217,000** from the Transformation and Workforce Management earmarked Reserve to fund voluntary severance requests. These voluntary severance requests will support the delivery of savings previously approved by Council and payback in less than two years.

11.13 **ACTION:** The Committee is asked to approve the transfer of **£217,000** from the Transformation & Earmarked Reserve with adjustments reflected in **Appendix 1** (Column 5) to the report.

11.14 Subject to approval of the proposals included within this report set out above, the level of unearmarked Reserves will increase to **£17.858 million** or **4%**.

Insurance Fund

11.15 In setting the 2025/26 Provisional Revenue Budget, Council has already acknowledged the pressure on the Insurance Fund with a recurring contribution of £800,000 from that year.

11.16 However, based on the latest information, the level of unearmarked Reserves is now projected to be more favourable than previously advised. With this in mind, and subject to this position crystallising in the 2023/24 Annual Accounts, approval is sought for a non-recurring contribution of **£1 million** to the Insurance Fund to improve the financial position of the Fund.

11.17 **ACTION:** The Committee is asked to approve a contribution of **£1 million** to the Insurance Fund in 2023/24 with this adjustment being reflected in **Appendix 1** (Column 5) to the report.

11.18 Subject to approval of all the proposals included within this report and recognising the known commitments, the level of earmarked Reserves will reduce to **£24.133 million** and the level of unearmarked Reserves will be **£16.858 million** or **3.7%**.

11.19 The level of unearmarked Reserves at 31 March 2024 may increase on completion of the unaudited 2023/24 Annual Accounts are completed. If this does come to pass, it is proposed that the amount in excess of 4% is transferred to the earmarked Reserve for Transformation & Workforce Management. The Finance & Resources Committee on 18 September 2024 will receive an update on his proposal.

12. FINANCIAL RISKS

12.1 In preparing the Council's 2023/24 Revenue Monitoring, officers have considered the key strategic, operational and financial risks facing the Council over this period. Whilst the risks may be managed in the current financial year, there is the potential for there to be an impact in the future.

12.2 To alleviate the impact these risks may have if they occur, a number of general risk mitigation factors are utilised by the Council which include detailed budget monitoring carried out by Services and having general fund balances available to meet unforeseen expenditure.

12.3 Financial risks previously identified are summarised in **Appendix 8**.

13. ADJUSTMENTS TO 2024/25 REVENUE BUDGET

2024/25 Additional Funding

- 13.1 Since the 2024/25 Revenue Budget was approved on 28 February 2024 (Report No. 24/63 refers), the Council has been advised of additional funding in 2024/25 from the Scottish Government as follows. To ensure that the 2024/25 Management Budgets continue to reflect the operational requirements of the Council, several adjustments are required, which are summarised below and included in **Appendix 9**.

Revenue Support Grant

- Living Wage: £7.014 million (Health & Social Care - £6.764 million, Housing & Communities - £250,000)
- Discretionary Housing Payment: £958,000 (Customer & Digital)
- Scottish Disability Allowance - £117,000 (Finance & Business Support)
- Whole Family Wellbeing Fund - £5,000 (Children, Families & Justice)

Non-Domestic Rates

- Increase in allocation - £203,000.

- 13.2 The Scottish Government has advised that the adjustment in funding identified at paragraph 13.1 will be made through a redetermination of the Council's Revenue Support Grant. It is therefore necessary to adjust the budgets for Housing & Communities, Customer & Digital, Finance & Business Support, Health & Social Care, Revenue Support Grant and Non-Domestic Rates.

- 13.3 **ACTION:** The Committee is asked to approve the adjustments set out in paragraphs 13.1 and 13.2. These adjustments are reflected in **Appendix 9** (Column 3) to this report.

- 13.4 The Scottish Government has also withheld distribution of £145.5 million nationally for teachers, which the Council has not adjusted for and amounts to **£3.625 million**. The Council's 2024/25 Revenue Budget has been constructed on the basis that this funding is forthcoming during the financial year. This funding will no longer be paid through the Revenue Support Grant mechanism and as such the an other grant income budget has been created in Economy, Place and Learning.

2024/25 Service Virements

- 13.5 To ensure that the 2024/25 Management Revenue Budget continues to reflect current Service needs and operational requirements the following virements between budgets are required.

- Capital Grant to Communities (£139,000) to reflect a rephasing of expenditure on Tactran capital projects – this is brought forward from 2023/24.

2024/25 Movements in Reserves

Transformation Projects

- 13.6 Due to the rephrasing of expenditure, approval is sought to draw down funding to take forward the following approved projects in 2024/25:
- Anti-Poverty - **£74,000** to Strategic Planning, People & Performance
 - Transformation - **£702,000** to Strategic Planning, People & Performance
 - Procurement & Commissioning - **£142,000** to Legal & Governance
 - Finance - **£214,000** to Finance & Business Support
- 13.7 **ACTION:** The Committee is asked to approve the transfers from the Transformation and Workforce Management earmarked Reserve listed in 13.6 above. These adjustments are reflected in **Appendix 9** (Column 5) to this report.

Council Approved Expenditure

- 13.8 Approval is sought to apply funding to the Council approved projects identified at paragraph 11.9 and **Appendix 7** to 2024/25 to ensure that they are delivered.
- 13.9 **ACTION:** The Committee is asked to approve the adjustments set out at paragraph 11.9 above and **Appendix 7** in 2024/25. These adjustments are reflected in **Appendix 9** (Column 5) to this report.

Climate Change

- 13.10 Approval is sought to apply the 2023/24 projected under spend of **£110,000** on Climate Change identified in paragraph 10.22 to 2024/25.
- 13.11 **ACTION:** The Committee is asked to approve the transfer of £110,000 from the Climate Change earmarked Reserve to Environment & Infrastructure. This adjustment is reflected in **Appendix 9** (Column 5) to the report.

Modern Apprentices

- 13.12 Approval is sought to apply **£340,000** to support the modern apprentice programme.
- ACTION:** The Committee is asked to approve the transfer of **£340,000** from the Modern Apprentices earmarked Reserve to Strategic Planning, People and Resources. This adjustment is reflected in **Appendix 9** (Column 5) to the report.

Working Smarter

- 3.13 Approval is sought to apply **£115,000** on the working smarter project previously reported as requiring to be carried forward.

ACTION: The Committee is asked to approve the transfer of **£115,000** from the working smarter earmarked Reserve to Property Services. This adjustment is reflected in **Appendix 9** (Column 5) to the report.

14. CONCLUSION

- 14.1 Based on the October January 2024 ledger, a **projected under spend of £1.428 million** has been identified in the current financial year.
- 14.2 This level of projected over spend and contributions from unearmarked Reserves included within this and previous reports will result in a reduction in the level of unearmarked Reserves to **£16.858 million or 3.7%**.
- 14.3 The financial position of the Council and its partners and ALEOs remains challenging and regular updates will be provided to the Council and the Finance & Resources Committee as the position develops.

APPROVED

Name	Designation	Date
Clare Mailer	Director – Strategy, People & Resources	28 March 2024

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<p>You can also send us a text message on 07824 498145.</p>
<p>All Council Services can offer a telephone translation facility.</p>

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 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 must 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 Executive Leadership Team have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 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.

3. APPENDICES

- Appendix 1 – 2023/24 Management Budget
- Appendix 2 – General Fund 2023/24 Projected Outturn – Service Analysis
- Appendix 3 – Health & Social Care Partnership
- Appendix 4 – Housing Revenue Account 2023/24 Projected Outturn
- Appendix 5 – Other Fundings
- Appendix 6 – General Fund Balances
- Appendix 7 – Council Approved Expenditure
- Appendix 8 – Financial Risks
- Appendix 9 – 2024/25 Management Budget

PERTH & KINROSS COUNCIL GENERAL FUND
2023/24 REVENUE BUDGET - SUMMARY

APPENDIX 1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	2023/24 Council Approved Budget	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves	2023/24 Revised Mgt Budget	Projected Outturn	Variance to Revised Mgt Budget	Variance to Revised Mgt Budget %
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
SECTION 1									
Service Budgets									
Education & Children's Services	230,985	10,173	25		(644)	240,539	237,778	(2,761)	(1.1%)
Communities	70,439	11,268	88	(144)	(328)	81,323	81,696	373	0.5%
Corporate & Democratic Services	39,596	1,669		5	(292)	40,978	40,750	(228)	(0.6%)
Chief Executive Service	3,712	931			167	4,810	4,883	73	1.5%
Sub - Total: Service Budgets	344,732	24,041	113	(139)	(1,097)	367,650	365,107	(2,543)	(0.7%)
SECTION 2									
Corporate Budgets									
Health & Social Care	83,958	4,011	6			87,975	87,645	(330)	(0%)
Contribution to Valuation Joint Board	1,309					1,309	1,309	0	0.0%
Capital Financing Costs	15,137	(294)		(545)		14,298	14,298	0	0.0%
Interest on Revenue Balances	(5,054)	(761)		534		(5,281)	(5,281)	0	0.0%
Net Contribution to/(from) Capital Fund	3,099	1,055		11		4,165	4,165	0	0.0%
Contribution to/(from) Insurance Fund	200				1,000	1,200	1,200	0	0.0%
Trading Operations Surplus	(550)					(550)	0	550	100.0%
Support Service External Income	(2,153)					(2,153)	(2,153)	0	0.0%
Tayside Pension Fund	1,725	(70)				1,655	1,655	0	0.0%
Apprenticeship Levy	818	138				956	956	0	0.0%
Council Tax Reduction Scheme	6,200					6,200	7,350	1,150	18.5%
Discretionary Relief	1,104					1,104	1,104	0	0.0%
Net Expenditure (General Fund)	450,525	28,120	119	(139)	(97)	478,528	477,355	(1,173)	-0.2%
SECTION 3									
Funding									
Revenue Support Grant	(239,627)	(13,830)	(1,530)			(254,987)	(254,987)	0	0.0%
Ring Fenced Grant	(17,725)	0				(17,725)	(17,725)	0	0.0%
Non Domestic Rate Income	(60,754)					(60,754)	(60,754)	0	0.0%
Council Tax Income	(103,914)					(103,914)	(104,114)	(200)	(0%)
Capital Grant	(1,600)	(30)		139		(1,491)	(1,491)	0	0.0%
Total Financing	(423,620)	(13,860)	(1,530)	139	0	(438,871)	(439,071)	(200)	(0%)
Financed from/(returned to) Reserves	26,905	14,260	(1,411)	0	(97)	39,657	38,284	(1,373)	

PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2024)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Education & Children's Services			
Total	(2,761)	0	<p>DEVOLVED SCHOOL MANAGEMENT SCHEME (DSM)</p> <p>There are 66 primary schools, 7 secondary schools, 4 all through schools, 46 nurseries and early learning centres and 1 special school within the Council's DSM scheme. Each school has an individual budget, primarily based on pupil numbers. Headteachers are responsible for the annual budgets devolved to them in April each year. The total DSM budget for 2023/24 is £132.051 million including carry forwards.</p> <p>Within the scheme there is a facility allowing for DSM balances, whether surplus or deficit, to be brought forward from the previous financial year. In addition to the resources devolved, balances may also be available to headteachers of schools that have a carry forward. In 2022/23, £722,000 of DSM balances were brought forward</p> <p>(472) Projected under spend on staff costs due to delays in filling vacancies and release of remaining supply budgets. 162 Projected over spend on supplies and services. (39) Projected recovery of income from Scottish Qualifications Authority</p> <p>349 There is currently a projected net under spend of £349,000 based on current spending plans across all schools for the current academic year that runs to June 2024. The maximum carry forward under the DSM scheme is 2.5%, the current projection is 0.3%. The delivery of budgeted slippage targets remains challenging within individual schools.</p> <p>Pupil Equity Fund</p> <p>100 The majority of schools within Perth & Kinross Council have been allocated a share of £1.874 million of Pupil Equity Funding from the Scottish Government as a ring fenced grant. Schools are being instructed to use this year's PEF Grant by 31 March 2024 as per the revised Scottish Government guidance. At this time £100,000 is projected to be carried forward into 2024/25 for teacher and support staff costs to the end of the current academic year. (100) Projected carry forward of Pupil Equity Funding.</p> <p>NON DEVOLVED</p> <p>Education Services</p> <p>Nursery Sector</p> <p>(980) Additional slippage due to turnover of staff, appointments at the lower end of pay scales and impact of strikes that took place earlier this financial year. (34) Projected under spend on non domestic rates. 101 Projected under recovery of income due to reduced attendances at Kids Clubs</p> <p>Primary Sector</p> <p>854 Slippage target currently not being met within primary sector due to requirement to maintain teacher numbers partially offset by the impact of strikes that took place earlier this financial year. (75) (50) Projected under spend on home to school transport.</p> <p>Secondary Sector</p> <p>2 Staff slippage target not being met. (20) Projected under spend on period poverty activity. (37) Projected under spend due to non-domestic rates revaluations. (27) Projected under spend on home to school transport. 4 Increased loan charges due to interest rate rises. 82 Projected shortfall in income from Renewable Heat Incentive rebate.</p> <p>Special Sector</p> <p>(817) Additional slippage due to turnover of staff, appointments at the lower end of pay scales and impact of strikes that took place earlier this financial year. (20) Projected under spend on supplies and services. 34 Projected over spend on home to school transport. 14 Increased loan charges due to interest rate rises. (39) Projected under spend on residential placements.</p>

PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS

(Based on Expenditure to 31 January 2024)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
			<u>Services for Children, Young People & Families</u>
		(425)	Projected under spend taking account of non-recurring funding of £800,000 provided for 2023/24 and staff slippage due to delays in filling posts and proactive workforce management as part of the transformation
		(44)	Projected net under spend due to Acorn funding and criminal justice, partially offset by projected over spends on legal fees and translation / interpreter services.
		(41)	Projected under spend on property costs.
		50	Projected over spend on client travel.
		191	The budget for young people with complex behavioural issues, which includes a number of pupils placed within residential schools, is projected to over spend based on the latest placements. This includes the provision of £1.152 million of non-recurring funding.
		82	Projected over spends on Foster Care (£43,000) and Adoption (£82,000) partially offset by projected under spends on Kinship Care (£43,000).
		25	There is a projected over spend in relation to supporting care experienced young people (continuing care, supported accommodation) due to a doubling of the number of DWP clients.
		84	There is a projected over spend on self directed support (children & disability team - respite provision) due to the level of demand and an increase to the hourly rate paid to clients.
		(259)	Additional grant funding from Unaccompanied Asylum Seeking Children (£241,000) and Wellbank (£18,000) which offset some of the costs above.
			<u>Business and Resources Services</u>
		(160)	Additional slippage due to turnover of staff.
		(45)	Projected net under spend across several budget headings including transport, school uniform grants and breast buddies, partially offset by over spends on SEEMIS Licence costs, courier recharges, electrical testing & advertising.
			<u>Catering Services</u>
		(370)	Projected under spend within the Early Learning & Childcare 1140 grant for nursery meals based on latest uptake.
		(841)	Projected under spend on the provision of school meals due to increased uptake and updated projections from Tayside Contracts.

PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2024)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
Communities			
Total	373		
			ENVIRONMENTAL AND CONSUMER SERVICES
			Roads
		(125)	Projected additional income from statutory road network works
		165	Projected over spend on flood maintenance contracts
		(75)	Projected under spend on Street Lighting maintenance
		2,213	Projected additional costs relating to severe weather events in October 2023.
		(1,415)	Income recoverable from the Scottish Government under the terms of the Bellwin Scheme
		150	Additional costs in relation to maintenance around the River Ericht
		(150)	Contribution from Scottish Government to River Ericht works
		(125)	Projected saving on street lighting contract
		50	Projected over spend on winter maintenance response.
		90	Almondbank Flood Prevention Scheme Revenue Contribution
			Regulation
		25	Projected shortfall in Corporate Health and Safety income
			Operations
		200	Projected net shortfall in commercial waste income
		(250)	Projected additional income from sale of recyclates due to favourable market prices and introduction of twin-streaming collection
		100	Additional hire costs for refuse collection vehicles
		(100)	Projected saving on waste disposal contract following introduction of twin-streaming collection
		125	Projected over spend on supplies and services
			Fleet Management
		(115)	Saving on loan charges due to slippage on planned vehicle replacement programme
		250	Additional cost of vehicle materials and repairs
			Waste Strategy
		40	Additional consultancy costs to support the review of operational assets.
		130	Projected expenditure on education and awareness for introduction of twin-streaming collection service
			Bereavement Services
		(40)	Additional income from Bereavement Services
			CULTURE AND COMMUNITIES
		150	Savings delayed on Single Cultural Trust.
		(35)	Projected under spend on period dignity activity.
			PLANNING AND DEVELOPMENT
		90	Perth Harbour - projected increase in operating costs /shortfall in income. Some of these costs will continue beyond the current financial year.
		(100)	Projected additional Planning & Building Warrant Income based on income trend to date
		100	Projected over spend / under recovery of income within Events budgets
		60	Projected over spend within Estates Commercial Property account.
		(50)	Projected under spend of energy costs, net of maintenance costs for electric vehicle charging points.
		65	Projected over spend on legal costs associated with planning appeals.
		(20)	Projected under spend across Business & Place
		25	Projected over spend within Smart Investment
			HOUSING
		50	Projected increase in energy costs at Greyfriars Hostel
		30	Void rent loss for housing support properties
		10	Increased energy costs and rates within dispersed PKC accommodation
		(20)	Temporary accommodation - reduction in estimated bad debt provision
		(20)	PKC Lets Management Fee Income
			BUSINESS AND RESOURCES
			Service Wide
		(1,200)	Slippage in excess of budgeted target.
		30	Projected over spend on IT licensing and support costs.
		35	Overspend within non-staff budgets across the service

PERTH & KINROSS COUNCIL - GENERAL FUND 2023/24 PROJECTED OUTTURN - SERVICE ANALYSIS
(Based on Expenditure to 31 January 2024)

SERVICE	Variance £'000	Variance £'000	Summary of Service Variances
		25 60 (130) 35 40	Public Transport Unit / Car Parking Account Perth Bus Station - increased costs Projected net over spend on Tendered Services Projected additional income from park and ride departure charges. Additional IT licensing costs Delay in achieving Corporate Asset Management Savings
Corporate & Democratic Services			
Total	(228)		
		(84) 13	Legal & Governance Services Projected under spend on staff costs. Updated projections in relation to income and supplies and services.
		118	Finance Over spend on external audit fee following increase in charges and licensing costs.
		(177)	Human Resources Projected net under spend on staff costs, supplies & services and income.
		(74) 179	Information Technology and Revenues & Benefits Projected under spend on staff costs Projected net over spend on supplies and services, including postages, interpreter services and licensing costs and third party / transfer payments.
		155	Projected net over spend on crisis grants and community care grants
		425 (461) (229) (93)	Property Projected overspend on property maintenance across the Council estate Projected under spend on energy based on consumption to date. Projected under spend on Pullar House due to updated inflation assumptions Projected net under spend across the all other Property function budgets.
Chief Executive Service			
Total	73	73	Core Costs Projected over spends across the Service, including one off costs of change as the Council moves to the new leadership structure.
TOTAL	(2,543)		

Perth & Kinross Integration Joint Board (IJB)
 Projected outturn based on Revenue Monitoring to 31 December 2023

	Projected Out-turn Over / (Under) Spend		
	Social Care	Health	Health & Social Care Partnership
	£'000	£'000	£'000
DEVOLVED FUNCTIONS			
Older People Services	2,585	(44)	2,541
Adult Services	(642)	(448)	(1,090)
Other Community Services	(271)	0	(271)
Management/Commissioned/Other	(120)	(295)	(415)
Undelivered Savings	708	740	1,448
Sub Total - Hospital & Community Health	2,260	(47)	2,213
P&K IJB Lead Partner	0	(951)	(951)
Dundee & Angus Hosted Services Recharges In/Out	0	1,097	1,097
Sub Total - Lead Partner Arrangement	0	146	146
GP Prescribing / Other Family Health Services	0	3,040	3,040
General Medical Services / Family Health Services	0	44	44
Sub Total - PKHSCP	2,260	3,183	5,443
Approved Use of General Reserves in 2023/24	(1,813)	(2,970)	(4,783)
Total Projected Outturn PKHSCP	447	213	660
NON - DEVOLVED FUNCTIONS	(330)		(330)

PERTH & KINROSS COUNCIL - HOUSING REVENUE ACCOUNT 2023/24 PROJECTED OUTTURN
(Based on expenditure to 31 January 2024)

£'000	Summary of Service Variances
(163)	<p>Housing Repairs Projected under spend on staff costs (£161,000), service & maintenance contracts (£110,000), planned maintenance (£70,000) and supplies & services (£9,000). This is partially offset by projected savings on energy costs (£63,000), EICRs (£44,000), external voids (£30,000), transport hire (£29,000) and internet of things (£21,000).</p>
(30)	<p>Improvements Additional Renewable Heat Incentive income (£61,000) and projected under spends on staff costs (£39,000) and other costs (£8,000), partially offset by additional costs in relation to retrofit strategy (£78,000) partially offset by projected under spend on staff costs (£10,000).</p>
279	<p>Letham, North & South Projected over spends on IT costs (£90,000); staff costs (£76,000), decant costs in relation to burst pipes (£44,000); garden maintenance (£31,000); costs of uplifts, cleans & grass cuts (£64,000); cleaning (£5,000) and other non-staff related budgets (£5,000). These are partially offset by a projected under spend on sheriff officer fees (and related income) (£20,000), transport costs (£13,000) and additional income (£3,000).</p>
0	<p>Perth City and Specialist Projected over spends on decant costs / disturbance payments relating to burst pipes (£69,000), non-staff budgets (£17,000) and energy (£7,000), partially offset by projected under spends on additional income from the Common Housing Register (£11,000) and recharges (£19,000) and additional staff slippage (£63,000).</p>
58	<p>Housing Management Projected over spend on staff costs (£26,000) and costs for the valuation of Council stock (£32,000).</p>
(520)	<p>Administration Projected under spend on bad debt provision based on latest assessment of arrears (£683,000), an increased net income from recharges to and from the Housing Revenue Account (£39,000) and under spends on property costs (£24,000). These are partially offset by additional void rent loss (£180,000) and increased sales ledger bad debt provision (£46,000).</p>
96	<p>Income Projected shortfall in mainstream rental income due to less properties than anticipated when budget was set (£334,000) and reduced income for commercial rent (£30,000). These are partly offset by projected increased income for Interest on Revenue Balances (£250,000) and additional income for garages and lock-ups (£18,000).</p>
280	<p>Capital Financed from Current Revenue As a result of the projected net under spends highlighted above, this is the increase in the amount available to invest in the HRA capital programme from the Revenue Budget.</p>
0	

Other Grant Funding

Education & Children's Services	
Creative Scotland – Youth Music Initiative	£245,208
Scottish Government – CJS Caledonian Funding	£155,040
Communities	
UK Government – Homes for Ukraine Q2	£279,800
UK Government – Homes for Ukraine Q3	£252,800
Scottish Government – Ukraine Long Term Settlement Fund	£84,213
TOTAL	£1,017,061

General Fund Reserves Update

	31/3/23 £m	Contributions from / (to) Reserves			Proposals Included in Report	Proposals Included in Report	Commit- ments	Balance £m
		23/24 £m	24/25 £m	25/26 £m	23/24 £m	24/25 £m	£m	
General Fund Balance	70.046							
Balances Held Under Statute / Regulation								
- Revenue Grants	(15.947)	9.755						(6.192)
- Council Tax Income for affordable housing	(4.353)	0.112	0.157	(0.283)				(4.367)
- Developers Contributions: Affordable Housing	(4.298)							(4.298)
- Car Parking	(1.512)		0.120				0.250	(1.142)
- Developers Contributions: Commuted Sums	(1.242)							(1.242)
- Devolved School Management	(0.722)	0.722						0.000
Sub total	(28.074)	10.589	0.277	(0.283)	0.000	0.000	0.250	(17.241)
Balances Held for Specific (Previously Approved) Purposes								
- Services for Children, Young People & Families	(2.139)	1.858	0.281					0.000
- Contribution to 2023/24 Revenue Budget	(1.699)	1.699						0.000
- School Estate	(2.063)	0.724	1.589		(0.805)			(0.555)
- Learning Estate Decants	(0.700)	0.700						0.000
- Culture	(1.172)	0.091	0.370		0.236		0.204	(0.271)
- Financial Insecurity	(0.680)	0.680						0.000
- School Counsellors	(0.556)	0.227	0.227	0.102				0.000
- Works Maintenance	(0.400)	0.200						(0.200)
- Modern Apprentice Scheme	(0.340)	0.000				0.340		0.000
- Project Feasibility Fund (Covid-19)	(0.279)	0.211					0.040	(0.028)
- Cemetery Walls	(0.271)	0.009	0.126	0.119				(0.017)
- Perth and Kinross Offer	(0.252)	0.252						0.000
- PH20	(0.212)	0.150						(0.062)
- Working Smarter (Covid-19)	(0.194)	0.079				0.115		0.000
- UCI Cycling World Championships	(0.180)	0.180						0.000

General Fund Reserves Update

	31/3/23 £m	Contributions from / (to) Reserves			Proposals Included in Report	Proposals Included in Report	Commit- ments £m	Balance £m
		23/24 £m	24/25 £m	25/26 £m	23/24 £m	24/25 £m		
- Community Resilience	0.000	(0.175)						(0.175)
- Climate Change	(0.153)	0.153			(0.110)	0.110		0.000
- Ventilation Measures	(0.114)	0.090						(0.024)
- Salix	(0.113)	0.025					0.088	0.000
- Local Area Partnerships	(0.090)	0.030						(0.060)
- Community Investment Fund	(0.089)	0.051						(0.038)
- Grounds Maintenance (A9/A85)	(0.060)	0.060						0.000
- Local Government Elections	0.000	(0.053)	(0.053)	(0.053)			0.159	0.000
- Financial Assistance (Mod)	0.000	(0.020)	(0.020)	(0.020)				(0.060)
- Council Approved Expenditure	0.000	(0.653)	0.653		(0.474)	0.474		0.000
Sub total	(11.756)	6.568	3.173	0.148	(1.153)	1.039	0.491	(1.490)
Balances Held for Other Purposes								0.000
- Transformation & Workforce Management	(9.530)	2.528	0.356	0.060	0.056	1.182	1.000	(4.348)
- Anti - Poverty	(2.193)	0.529	0.575	0.035				(1.054)
Sub total	(11.723)	3.057	0.931	0.095	0.056	1.182	1.000	(5.402)
Earmarked Reserves	(51.553)	20.214	4.381	(0.040)	(1.097)	2.221	1.741	(24.133)
Uncommitted General Fund Balance	18.493							
Impact of Current Year Projected Outturn	1.373							
Commitments from unearmarked Reserves	(3.008)							
Updated Uncommitted General Fund Balance	16.858							
Percentage of Net Revenue Budget	3.7%							

Council Approved Projects - 1 March 2023

Education & Children's Services	
Food and Fun activities - School Holidays	£20,000
Communities	
Rural Events	£30,000
Green Capital Recovery Fund	£424,000
Chief Executive's Service	
Child Poverty Small Grants	£50,000
Total	£524,000

FINANCIAL RISKS

Risk to Revenue Budget	Mitigation
1 Achievement of staff slippage targets, particularly relating to teacher numbers and impact on pupil / teacher ratio	<ul style="list-style-type: none"> - Proactive workforce management - Revenue monitoring - Future budget submissions
2 Increasing demand / need / complexity for services for children, young people and families and reducing budgets.	<ul style="list-style-type: none"> - Proactive management - Revenue monitoring - Future budget submissions
3 Ceasing of additional Financial Insecurity Funding on 31 March 2024.	<ul style="list-style-type: none"> - Proactive management - Revenue monitoring - Future budget submissions
4 Current year non-teaching pay awards	<ul style="list-style-type: none"> - Revenue monitoring - Future budget submissions
5 Support for Tayside Contracts	<ul style="list-style-type: none"> - Tayside Contracts Governance & Strategy Group - Revenue monitoring - Future budget submissions
6 Inflation	<ul style="list-style-type: none"> - Revenue monitoring - Future budget submissions

**PERTH & KINROSS COUNCIL GENERAL FUND
2024/25 REVENUE BUDGET - SUMMARY**

APPENDIX 9

	(1)	(2)	(3)	(4)	(5)	(6)
	2024/25 Council Approved Budget	Previously Approved Adjustments (Net)	Movements in Funding	Virements	Movements in Reserves	2024/25 Revised Mgt Budget
	£'000	£'000	£'000	£'000	£'000	£'000
SECTION 1						
Service Budgets						
Economy, Place & Learning	262,153		(3,370)	139	584	259,506
Strategy, People & Resources	91,813		1,075		1,637	94,525
Sub - Total: Service Budgets	353,966	0	(2295)	139	2,221	354,031
SECTION 2						
Corporate Budgets						
Health & Social Care	87,498		6,764			94,262
Contribution to Valuation Joint Board	1,328					1,328
Capital Financing Costs	16,628					16,628
Interest on Revenue Balances	(5,411)					(5,411)
Net Contribution to/(from) Capital Fund	6,710					6,710
Contribution to/(from) Insurance Fund	200					200
Trading Operations Surplus	(550)					(550)
Support Service External Income	(2,238)					(2,238)
Tayside Pension Fund	1,655					1,655
Apprenticeship Levy	956					956
Leadership and procurement targets	(1,505)					(1,505)
Council Tax Reduction Scheme	7,400					7,400
Discretionary Relief	1,104					1,104
Net Expenditure (General Fund)	467,741	0	4,469	139	2,221	474,570
SECTION 3						
Funding						
Revenue Support Grant	(275,847)		(4,266)			(280,113)
Ring Fenced Grant	(3,806)					(3,806)
Non Domestic Rate Income	(65,152)		(203)			(65,355)
Council Tax Income	(107,517)					(107,517)
Capital Grant	(1,600)			(139)		(1,739)
Total Financing	(453,922)	0	(4,469)	(139)	0	(458,530)
Financed from/(returned to) Reserves	13,819	0	0	0	2,221	16,040

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

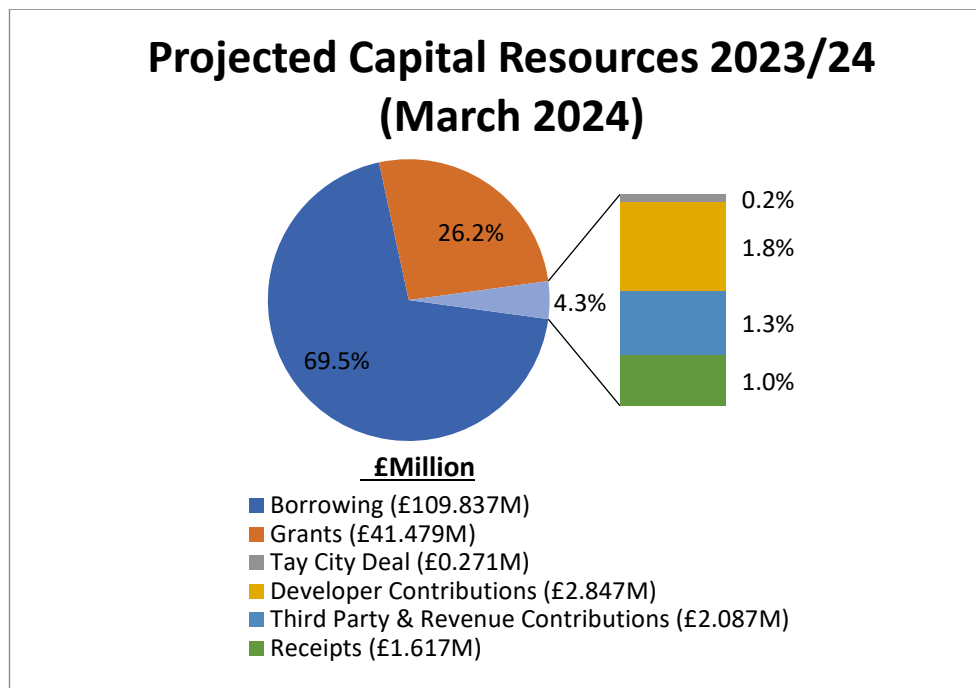
- 5.4 The overall movement in total Gross Resources for the 5 years 2023/24 to 2027/28 since 28 February 2024 shown at Section 5.2 above can be summarised as follows:

	£'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.

Author(s)

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Approved

Name	Designation	Date
Scott Walker	Strategic Lead – Finance & Business Support	17 April 2024
Clare Mailer	Director (Strategy, People & Resources)	

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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

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2023/24 to 2027/28

APPENDIX I

	Capital Resources 2023/24 (£'000) Revised Budget	Capital Resources 2024/25 (£'000) Revised Budget	Capital Resources 2025/26 (£'000) Revised Budget	Capital Resources 2026/27 (£'000) Revised Budget	Capital Resources 2027/28 (£'000) Revised Budget	Capital Resources TOTAL (£'000) Revised Budget
Capital Grants						
Cycling, Walking & Safer Routes (CWSR)	1,312	664	200	200	200	2,576
Recycling Improvement Fund	2,363	0	0	0	0	2,363
Cross Tay Link Road - Transport Scotland	15,000	0	0	0	0	15,000
Inspiring School Age Childcare Spaces	105	0	0	0	0	105
General Capital Grant	22,699	24,078	12,639	18,008	12,150	89,574
Total Capital Grants	41,479	24,742	12,839	18,208	12,350	109,618
General Capital Receipts						
General Fund - Capital Receipts	801	419	656	250	250	2,376
General Fund - Ring Fenced Receipts	443	500	352	902	1,047	3,244
Total General Capital Receipts	1,244	919	1,008	1,152	1,297	5,620
Commercial Property Receipts						
Capital Receipts brought-forward	2,245	1,872	1,120	1,550	1,550	2,245
Commercial Property Capital Receipts	0	712	430	0	1,088	2,230
Capital Receipts carried-forward	(1,872)	(1,120)	(1,550)	(1,550)	(2,638)	(2,638)
Total Commercial Property Receipts Applied	373	1,464	0	0	0	1,837
Contributions						
Tay Cities Deal	271	999	550	505	2,946	5,271
Third Party Contributions	1,944	671	0	2,000	3,000	7,615
Developer Contributions	2,847	2,300	2,367	2,600	2,600	12,714
Revenue Budget Contributions	143	50	125	125	0	443
Total Contributions	5,205	4,020	3,042	5,230	8,546	26,043
Capital Borrowing Requirement	109,837	169,923	74,024	81,816	100,221	535,821
TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE	158,138	201,068	90,913	106,406	122,414	678,939

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
Estimated Capital Resources 2023/24 to 2027/28

APPENDIX I

Movements in Resources from Approved Budget - 31 January 2024

	Revised Budget 2023/24 £'000	Revised Budget 2024/25 £'000	Revised Budget 2025/26 £'000	Revised Budget 2026/27 £'000	Revised Budget 2027/28 £'000	Revised Budget TOTAL £'000
New Resources approved 28 February 2024	(6,351)	8,473	22,053	17,562	7,800	49,537
<u>Increase/(Decrease) in:</u>						
Capital Receipts - General Fund	(103)	141	(38)	0	0	0
Capital Receipts - Commercial Property	0	0	0	0	0	0
Capital Receipts - Ring Fenced	(70)	148	0	0	0	78
<u>Capital Grants:</u>						
Cycling, Walking & Safer Routes (CWSR)	0	0	0	0	0	0
Road Safety Improvement Fund	0	0	0	0	0	0
Regeneration Fund	0	0	0	0	0	0
Recycling Improvement Fund	0	0	0	0	0	0
Cross Tay Link Road - Transport Scotland	0	0	0	0	0	0
Inspiring School Age Childcare Spaces	0	0	0	0	0	0
General Capital Grant	0	0	0	0	0	0
Tay Cities Deal	4	0	0	0	0	4
Third Party Contributions	214	13	0	0	0	227
Revenue Contributions	51	(74)	0	0	0	(23)
Developer Contributions	0	0	0	0	0	0
Resources b/f	0	1,256	0	0	0	1,256
Resources c/f to future years	(1,256)	0	0	0	0	(1,256)
Borrowing Requirement	(25,533)	(7,984)	(28,354)	16,035	51,036	5,200
Total Increase/(Decrease) in Resources	(33,044)	1,973	(6,339)	33,597	58,836	55,023
Approved Resources 31 January 2024	191,182	199,095	97,252	72,809	63,578	623,916
Revised Resources	158,138	201,068	90,913	106,406	122,414	678,939

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

	Approved Budget Report 3 2023/24 (£'000)	Approved Budget Adjustment 28-Feb-24 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)	Actuals to 29-Feb-24 2023/24 (£'000)	Projected Outturn 2023/24 (£'000)	Revised Budget Report 4 2024/25 (£'000)	Revised Budget Report 4 2025/26 (£'000)	Revised Budget Report 4 2026/27 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 (£'000)
EDUCATION AND CHILDREN'S SERVICES	56,744	0	(3,301)	53,443	39,656	53,443	66,456	26,894	21,904	22,223	190,920
COMMUNITIES	102,371	(6,351)	(22,582)	73,438	68,953	73,438	112,513	52,793	71,752	79,436	389,932
HEALTH AND SOCIAL CARE	1,303	0	(250)	1,053	557	1,053	2,186	1,391	1,390	1,306	7,326
CORPORATE AND DEMOCRATIC SERVICES	9,382	0	(759)	8,623	5,438	8,623	17,029	8,608	7,628	12,256	54,144
TOTAL NET EXPENDITURE (NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)	169,800	(6,351)	(26,892)	136,557	114,604	136,557	198,184	89,686	102,674	115,221	642,322
GENERAL CAPITAL GRANT	(22,699)	0	0	(22,699)	(20,179)	(22,699)	(24,078)	(12,639)	(18,008)	(12,150)	(89,574)
DEVELOPER CONTRIBUTIONS	(2,847)	0	0	(2,847)	0	(2,847)	(2,300)	(2,367)	(2,600)	(2,600)	(12,714)
CAPITAL RECEIPTS	(504)	(400)	103	(801)	(291)	(801)	(1,131)	(1,086)	(250)	(1,338)	(4,606)
ANNUAL BORROWING REQUIREMENT	143,750	(6,751)	(26,789)	110,210	94,134	110,210	170,675	73,594	81,816	99,133	535,428
CAPITAL RECEIPTS BROUGHT FORWARD	(2,245)	0	0	(2,245)	(2,245)	(2,245)	(1,872)	(1,120)	(1,550)	(1,550)	(2,245)
CAPITAL RECEIPTS CARRIED FORWARD	616	0	1,256	1,872	1,494	1,872	1,120	1,550	2,638	2,638	2,638
TOTAL NET BORROWING REQUIREMENT	142,121	(6,751)	(25,533)	109,837	93,383	109,837	169,923	74,024	81,816	100,221	535,821

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

	Revised Budget Report 3 2023/24 (£'000)	Approved Budget Adjustment 28-Feb-24 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)	Actual to 29-Feb-24 2023/24 (£'000)	Projected Outturn 2023/24 (£'000)	Revised Budget Report 4 2024/25 (£'000)	Revised Budget Report 4 2025/26 (£'000)	Revised Budget Report 4 2026/27 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)	
EDUCATION AND CHILDREN'S SERVICES												
MIS - SEEMIS Licensing	745			745	147	745	0	0	0	0	745	
Blairgowrie Recreation Centre - Replacement	16,374			16,374	12,180	16,374	13,150	4,003	0	0	33,527	
<u>Schools Modernisation Programme</u>												
Investment in the Learning Estate	1,491		243	1,734	1,345	1,734	10,145	8,550	8,650	6,823	35,902	
Scottish Govt. Grant (Inspiring School Age Childcare Spaces)	(105)			(105)		(105)	0	0	0	0	(105)	
Free School Meal Expansion Programme	1,348			1,348		1,348	2,000	0	0	0	3,348	
Methven Primary School Refurbishment	124		119	243	45	243	21	0	0	0	264	
Breadalbane Academy, Aberfeldy - 3G Pitch	29			29	18	29	0	0	0	0	29	
Third Party Contribution (The Scottish Football Association)	(29)			(29)	(14)	(29)	0	0	0	0	(29)	
Kirkmichael Primary School Upgrades	0			0	6	0	32	0	0	0	32	
Capital Receipt (ring-fenced)	(128)			(128)	(127)	(128)	0	0	0	0	(128)	
Early Learning & Childcare	0			0		0	0	0	0	0	0	
- Oakbank Primary School Upgrade Project	12			12	12	12	0	0	0	0	12	
- Rattray Primary School Upgrade Project	155			155	91	155	0	0	0	0	155	
New Primary School at Bertha Park Site	559		159	718	473	718	0	341	7,500	15,400	23,959	
Riverside Primary New School	3,410			3,410	2,767	3,410	0	0	0	0	3,410	
Technology Upgrades	128			128	23	128	1,016	250	0	0	1,394	
Perth Academy - Refurbishment	2,311		755	3,066	2,525	3,066	1,745	1,650	1,650	0	8,111	
Perth Grammar School - Upgrade Programme Phase 3	849		263	1,112	603	1,112	1,857	1,500	504	0	4,973	
Perth High School - Internal Services & Refurbishment	16			16	4	16	0	0	0	0	16	
Perth High School - New School Investment	25,244		(4,840)	20,404	15,788	20,404	36,340	10,600	3,600	0	70,944	
Harris Academy/Invergowrie - Extension	4,211			4,211	3,770	4,211	150	0	0	0	4,361	
TOTAL: EDUCATION AND CHILDREN'S SERVICES	56,744	0	(3,301)	53,443	39,656	53,443	66,456	26,894	21,904	22,223	190,920	
COMMUNITIES												
Traffic & Road Safety												
Road Safety Initiatives (20mph Zones etc..)	0		34	34	1	34	328	362	362	361	1,447	
Road Safety Initiatives - A94 Safety Improvements	0			0		0	84	0	0	0	84	
Additional Road Safety - Pedestrian Crossings	0			0		0	153	153	153	0	459	
Schools Road Safety Measures	488			488	433	488	0	0	0	0	488	
Scottish Government Grant - CWSS	(66)		66	0		0	0	0	0	0	0	
20mph Signage Programme - Schools	10			10	1	10	119	0	0	0	129	
20mph Signage Programme	76			76	35	76	0	0	0	0	76	
Cycling Walking & Safer Routes (CWSR)	1,396		66	1,462	811	1,462	664	200	200	200	2,726	
Scottish Government Grant - CWSR	(1,246)		(66)	(1,312)	(646)	(1,312)	(664)	(200)	(200)	(200)	(2,576)	
Third Party Contribution (TACTRAN)	(150)			(150)		(150)	0	0	0	0	(150)	
Car Parking Investment	356		40	396	255	396	0	0	0	0	396	
Revenue Contribution	(65)		(40)	(105)	(65)	(105)	0	0	0	0	(105)	
Car Parking Investment - Pitlochry	0			0		0	150	0	0	0	150	
Sub-Total	799	0	100	899	825	899	834	515	515	361	0	3,124
Asset Management - Roads & Lighting												
Structural Maintenance	12,114		(746)	11,368	10,100	11,368	10,420	9,498	9,706	7,500	48,492	
Third Party Contribution (Forestry Commission Timber Route)	(299)		(91)	(390)	(299)	(390)	0	0	0	0	(390)	
Third Party Contribution	(14)		(85)	(99)	(14)	(99)	0	0	0	0	(99)	
Traffic Signal Renewals - Upgrading	73		(69)	4		4	169	100	100	100	473	
Footways	578		77	655	602	655	390	390	390	393	2,218	
Investment in Local Footpaths	0			0		0	0	60	100	0	160	
Road Safety Barriers	22		(22)	0		0	22	0	0	0	22	
Sub-Total	12,474	0	(936)	11,538	10,389	11,538	11,001	10,048	10,296	7,993	0	50,876

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

APPENDIX II

	Revised Budget Report 3 2023/24 (£'000)	Approved Budget Adjustment 28-Feb-24 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)	Actual to 29-Feb-24 2023/24 (£'000)	Projected Outturn 2023/24 (£'000)	Revised Budget Report 4 2024/25 (£'000)	Revised Budget Report 4 2025/26 (£'000)	Revised Budget Report 4 2026/27 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)
Asset Management - Bridges											
Bridge Refurbishment Programme	1,536		(264)	1,272	758	1,272	1,736	2,221	2,520	3,201	10,950
Vehicular Bridge Parapets Programme - Assess & Upgrade	0			0	1	0	35	0	0	0	35
Old Perth Bridge - Strengthening	190		(140)	50		50	50	2,469	0	0	2,569
Perth Queens Bridge - Strengthening	335		(83)	252	4	252	143	70	2,153	0	2,618
Garry Viaduct	110		(72)	38		38	372	300	1,900	1,790	4,400
Culteuchar Culvert	391		42	433	293	433	20	0	0	0	453
Sub-Total	2,562	0	(517)	2,045	1,056	2,045	2,356	5,060	6,573	4,991	21,025
Improvement Schemes											
A9/A85 Road Junction Improvements	270		(213)	57	52	57	213	0	0	0	270
Cross Tay Link Road (CTLR)	72,842		(15,057)	57,785	46,970	57,785	41,270	0	0	0	99,055
Scottish Government Grant	(15,000)			(15,000)		(15,000)	0	0	0	0	(15,000)
Bertha Park Link Road	0		324	324		324	668	400	10,000	1,808	13,200
A977 Upgrades	350		17	367	323	367	173	0	0	0	540
Brioch Road, Crieff - Road Realignment & Safety Measures	31			31	13	31	0	0	0	0	31
Sub-Total	58,493	0	(14,929)	43,564	47,358	43,564	42,324	400	10,000	1,808	98,096
Public Transport											
Community Transport Initiatives	199		(199)	0		0	199	0	0	0	199
Sub-Total	199	0	(199)	0	0	0	199	0	0	0	199
Rural Flood Protection Schemes											
Almondbank Flood Protection Scheme	17			17	16	17	0	0	0	0	17
Perth Flood Protection Scheme (South Inch Culvert Reinstatement)	354		(262)	92	84	92	262	0	0	0	354
Comrie Flood Protection Scheme	7,385	(6,233)	121	1,273	480	1,273	10,310	15,420	8,800	0	35,803
Milnathort Flood Protection Scheme	79	(28)		51	9	51	229	83	0	0	363
South Kinross Flood Protection Scheme	225		26	251	189	251	412	1,783	8,823	3,225	14,494
Scone Flood Protection Scheme	90	(90)		0		0	50	69	68	580	767
Flood Mitigation Measures - Dunkeld and Craigie Burn	0			0		0	1,000	0	0	0	1,000
Coastal Change Adaptation	100		(100)	0		0	100	0	0	0	100
Sub-Total	8,250	(6,351)	(215)	1,684	778	1,684	12,363	17,355	17,691	3,805	52,898
Perth & Kinross Place-making											
Mill Street Environmental Improvements	127		(78)	49	50	49	0	0	0	0	49
Perth, Place, People	3,598		(3,598)	0		0	3,598	0	0	0	3,598
Perth City Centre Golden Route (Rail Station)	11		40	51	13	51	38	0	0	0	89
City Greening	31		(31)	0		0	31	0	0	0	31
Perth & Kinross Lighting Action Plan	1,071		(433)	638	322	638	1,110	0	0	0	1,748
Sub-Total	4,838	0	(4,100)	738	385	738	4,777	0	0	0	5,515
Other Planning Projects											
Creative Exchange (former St. John's Primary School)	53			53		53	0	0	0	0	53
Local Full Fibre Network	22		4	26	5	26	0	0	0	0	26
Third Party Contribution - Tay Cities Deal	0		(4)	(4)	(58)	(4)	0	0	0	0	(4)
Low Carbon Transport & Active Travel Hub - Broxden EV Charge	429			429	436	429	0	0	0	0	429
Third Party Contribution - ERDF	(162)			(162)	(160)	(162)	0	0	0	0	(162)
Third Party Contribution - Tay Cities Deal	(267)			(267)	(253)	(267)	0	0	0	0	(267)
Perth Eco-Innovation Park at Perth West	0			0		0	23,800	9,017	0	0	32,817
Third Party Contributions - Tay Cities Deal	0			0		0	(999)	(550)	(505)	(2,946)	(5,000)
Other Third Party Contributions	0			0		0	0	0	(2,000)	(3,000)	(5,000)
Capital Receipts - Ring Fenced Land Disposals	0			0		0	0	0	(550)	(725)	(1,275)
Economic Development Investment - Land & Serviced Units	0			0		0	1,000	1,000	0	0	2,000
Nature Restoration	386			386	49	386	0	0	0	0	386
Sub-Total	461	0	0	461	19	461	23,801	9,467	(3,055)	(6,671)	24,003

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

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City Centre Developments - Cultural Attractions											
Perth Museum	2,368			2,368	1,456	2,368	0	0	0	0	2,368
Perth Art Gallery	3,272			3,272	245	3,272	0	0	0	0	3,272
PH2O	0			0		0	500	2,000	25,000	62,500	90,000
Sub-Total	5,640	0	0	5,640	1,701	5,640	500	2,000	25,000	62,500	95,640
Community Planning											
Letham Community Wellbeing Hub	1,571			1,571	1,158	1,571	0	0	0	0	1,571
Third Party Contribution (Letham4All)	(519)			(519)	(482)	(519)	0	0	0	0	(519)
Adapt Your Property - Vacant Town & City Centre Space	0			0		0	300	0	0	0	300
Community-Led Asset Transfers	0			0		0	75	0	0	0	75
Sub-Total	1,052	0	0	1,052	676	1,052	375	0	0	0	1,427
Community Greenspace											
Play Areas - Improvements Implementation Strategy	383		40	423	77	423	973	561	150	150	2,257
Third Party Contribution	(10)			(10)	(6)	(10)	0	0	0	0	(10)
3G Pitch, Blairgowrie	3			3	3	3	117	0	0	0	120
Settlement/Neighbourhood Parks	25		1	26		26	429	0	0	0	455
Countryside Sites	0			0		0	139	0	0	0	139
Community Greenspace Sites	0			0	1	0	306	450	898	894	2,548
Community Greenspace Bridges	27		11	38	9	38	100	0	0	0	138
Third Party Contribution	0			0		0	(13)	0	0	0	(13)
Revenue Contribution	0		(11)	(11)		(11)	0	0	0	0	(11)
Core Path Implementation	9		36	45	3	45	0	0	0	0	45
Third Party Contribution	(21)		(24)	(45)		(45)	0	0	0	0	(45)
Premier Parks	8		20	28		28	0	0	0	0	28
Third Party Contribution	0		(14)	(14)		(14)	0	0	0	0	(14)
Auchterarder Public Park	30		(4)	26	19	26	0	0	0	0	26
The Knock	0			0		0	0	0	0	0	0
Third Party Contribution	(3)			(3)		(3)	0	0	0	0	(3)
Kinnoull Hill	8		(8)	0		0	8	0	0	0	8
Third Party Contribution	(4)			(4)	(7)	(4)	0	0	0	0	(4)
Cemetery Extensions	20			20	16	20	60	229	225	375	909
Sub-Total	475	0	47	522	115	522	2,119	1,240	1,273	1,419	6,573
Waste Strategy											
Recycling Improvement Fund	2,363			2,363	2,104	2,363	0	0	0	0	2,363
Scottish Government Grant	(2,363)			(2,363)	0	(2,363)	0	0	0	0	(2,363)
Sub-Total	0	0	0	0	2,104	0	0	0	0	0	0
Support Services											
PC Replacement & IT Upgrades											
Hardware	16			16	7	16	15	15	14	14	74
Licenses	152			152	83	152	112	95	71	71	501
Sub-Total	168	0	0	168	90	168	127	110	85	85	575
Commercial Property Investment Programme											
North Muirton Industrial Estate - Site Servicing & Provision of Uni	57			57		57	0	0	0	0	57
Broxden Business Park - Additional Infrastructure	10			10		10	0	0	0	0	10
Western Edge, Kinross - Site Servicing	5			5		5	0	0	0	0	5
Broxden Drainage Mitigation Works	638			638	742	638	866	0	0	0	1,504
Third Party Contribution (Scottish Water)	(470)			(470)		(470)	(658)	0	0	0	(1,128)
Ruthvenfield Business Centre	1,372		(1,256)	116	9	116	1,256	0	0	0	1,372
North Muirton Drainage	17			17		17	0	0	0	0	17
Sub-Total	1,629	0	(1,256)	373	751	373	1,464	0	0	0	1,837

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

APPENDIX II

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Prudential Borrowing Projects												
Wheeled Bin Replacement Programme - Domestic Bins	203		(58)	145	125	145	258	200	200	200	1,003	
Wheeled Bin Replacement Programme - Commercial Bins	208		(37)	171		171	57	20	20	20	288	
Recycling Containers, Oil Banks & Battery Banks Replacement	205			205	102	205	120	105	105	105	640	
Capital Receipts - Disposals	(9)			(9)	(7)	(9)	0	0	0	0	(9)	
Litter Bins	25			25	25	25	50	50	50	50	225	
Smart Cities - Smart Waste	45			45	46	45	0	0	0	0	45	
Third Party Contribution (ERDF)	(24)			(24)		(24)	0	0	0	0	(24)	
Vehicle Replacement Programme	3,813		(113)	3,700	2,084	3,700	8,031	2,800	2,800	2,500	19,831	
Capital Receipts - Vehicle Disposals	(376)		70	(306)	(188)	(306)	(500)	(352)	(352)	(322)	(1,832)	
Street Lighting Renewal - LED & Column Replacement	804		(30)	774	505	774	898	835	551	592	3,650	
LED Traffic Signal Replacement	4			4	4	4	0	0	0	0	4	
Almondbank Flood Protection Scheme	3			3		3	0	0	0	0	3	
Land Purchase & Development (Hotel Development)	0			0		0	950	950	0	0	1,900	
Sub Total	4,901	0	(168)	4,733	2,696	4,733	9,864	4,608	3,374	3,145	25,724	
Housing Projects												
Gypsy Travellers Site Improvement Works	195		(184)	11	10	11	184	0	0	0	195	
Additional Gypsy Traveller Site Improvement Works	225		(225)	0		0	225	0	0	0	225	
New Gypsy Traveller Site	10			10		10	0	1,990	0	0	2,000	
Sub Total	430	0	(409)	21	10	21	409	1,990	0	0	2,420	
TOTAL: COMMUNITIES	102,371	(6,351)	(22,582)	73,438	68,953	73,438	112,513	52,793	71,752	79,436	0	389,932
Health & Social Care												
Occupational Therapy Equipment	250		100	350		350	250	250	250	150	1,250	
Technology Enabled Telecare	1,000		(350)	650	503	650	1,625	1,088	1,087	1,087	5,537	
Moving & Handling Office Refurbishment	0			0		0	29	0	0	0	29	
Software Licences	53			53	54	53	53	53	53	69	281	
Developing Supported Tenancies	0			0		0	229	0	0	0	229	
TOTAL: HEALTH & SOCIAL CARE	1,303	0	(250)	1,053	557	1,053	2,186	1,391	1,390	1,306	0	7,326
CORPORATE AND DEMOCRATIC SERVICES												
<u>Property Services</u>												
DDA Adaptation & Alteration Works Programme	410		(10)	400	278	400	210	200	200	200	1,210	
Property Compliance Works Programme	902		(327)	575	398	575	727	650	650	650	3,252	
Third Party Contribution (LAL)	(25)			(25)	(25)	(25)	0	0	0	0	(25)	
Capital Improvement Projects Programme	2,275		(238)	2,037	1,342	2,037	2,038	1,800	1,800	894	8,569	
Pitlochry High School - Upgrade Programme	316		(136)	180	119	180	136	0	0	0	316	
Friarton Depot - Waste Transfer Station	0			0		0	2,250	750	0	0	3,000	
Community Campus Access Adaptations	0			0		0	25	0	0	0	25	
Energy Efficiency Works - Various Properties	27			27	27	27	0	0	0	0	27	
Revenue Contribution (Salix Reserve)	(27)			(27)		(27)	0	0	0	0	(27)	
Decarbonisation - Prudential Borrowing Programme (PB)	700		(150)	550	281	550	1,450	0	0	0	2,000	
Energy Conservation & Carbon Reduction Programme (PB)	138			138	67	138	150	150	150	150	738	
<u>Information Systems & Technology</u>												
ICT Infrastructure Replacement and Upgrade Programme	2,416			2,416	1,879	2,416	6,745	3,077	3,076	7,757	23,071	
Data & Analytics	600			600	205	600	806	946	720	708	3,780	
Supporting Digital	750		(50)	700	99	700	963	927	928	1,185	4,703	
Software Licences (Revenues & Benefits)	50		2	52	52	52	51	51	51	49	254	
School Audio-Visual (AV) Equipment Replacement Programme	50			50	26	50	173	35	35	35	328	
Mosaic - Swift Social Work System Replacement	800		150	950	690	950	1,355	147	143	628	3,223	
Revenue Contribution	0			0		0	(50)	(125)	(125)	0	(300)	
TOTAL: CORPORATE AND DEMOCRATIC SERVICES	9,382	0	(759)	8,623	5,438	8,623	17,029	8,608	7,628	12,256	0	54,144

PERTH AND KINROSS COUNCIL
COMPOSITE CAPITAL PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28

	Revised Budget Report 3 2023/24 (£'000)	Approved Budget Adjustment 28-Feb-24 2023/24 (£'000)	Proposed Budget Adjustment Report 4 2023/24 (£'000)	Revised Budget Report 4 2023/24 (£'000)	Actual to 29-Feb-24 2023/24 (£'000)	Projected Outturn 2023/24 (£'000)	Revised Budget Report 4 2024/25 (£'000)	Revised Budget Report 4 2025/26 (£'000)	Revised Budget Report 4 2026/27 (£'000)	Revised Budget Report 4 2027/28 (£'000)	Revised Budget Report 4 TOTAL (£'000)
TOTAL COMPOSITE NET EXPENDITURE (NET OF GRANTS, REVENUE AND 3RD PARTY CONTRIBUTIONS, AND RING FENCED RECEIPTS)	169,800	(6,351)	(26,892)	136,557	114,604	136,557	198,184	89,686	102,674	115,221	642,322
CAPITAL RECEIPTS											
General Capital Grant - Scottish Government	(22,699)			(22,699)	(20,179)	(22,699)	(24,078)	(12,639)	(18,008)	(12,150)	(89,574)
Developer Contributions	(2,847)			(2,847)		(2,847)	(2,300)	(2,367)	(2,600)	(2,600)	(12,714)
General Fund - Capital Receipts/Disposal	(504)	(400)	103	(801)	(291)	(801)	(419)	(656)	(250)	(250)	(2,376)
Commercial Property - Capital Receipts/Disposal	0		0	0	0	0	(712)	(430)	0	(1,088)	(2,230)
Total: Capital Receipts	(26,050)	(400)	103	(26,347)	(20,470)	(26,347)	(27,509)	(16,092)	(20,858)	(16,088)	(106,894)
Annual Composite Borrowing Requirement	143,750	(6,751)	(26,789)	110,210	94,134	110,210	170,675	73,594	81,816	99,133	535,428
CAPITAL RECEIPTS BROUGHT FORWARD	(2,245)		0	(2,245)	(2,245)	(2,245)	(1,872)	(1,120)	(1,550)	(1,550)	(2,245)
CAPITAL RECEIPTS CARRIED FORWARD	616		1,256	1,872	1,494	1,872	1,120	1,550	1,550	2,638	2,638
TOTAL NET COMPOSITE BORROWING REQUIREMENT	142,121	(6,751)	(25,533)	109,837	93,383	109,837	169,923	74,024	81,816	100,221	535,821

EDUCATION AND CHILDREN'S SERVICES

Project	Project Description
MIS - SEEMIS Licensing	Licensing of Schools Management Information System
Blairgowrie Recreation Centre - Replacement	Replacement of the Recreation Centre in Blairgowrie
Investment in the Learning Estate	Investment to upgrade the infrastructure and environment of our existing school estate
Free School Meal Expansion Programme	Upgrading kitchen and dining facilities to provide the enhanced Free School Meals programme
Methven Primary School Refurbishment	Upgrade of Methven Primary School facilities
Breadalbane Academy, Aberfeldy - 3G Pitch	Additional investment required to upgrade 2G to 3G
Kirkmichael Primary School Upgrades	Upgrade of Kirkmichael Primary School facilities
Early Learning & Childcare	
- Letham Primary School Upgrade Project	1140 hrs project plus upgrade of primary school infrastructure - Completed
- Oakbank Primary School Upgrade Project	1140 hrs project - Completed
- Rattray Primary School Upgrade Project	1140 hrs project plus upgrade of primary school infrastructure - Completed
New Primary School at Bertha Park Site	New primary school located at Bertha Park
Riverside Primary New School	Replacement of North Muirton and Balhousie primary schools
Technology Upgrades	Upgrade to practical teaching environment within the existing school estate
Perth Academy - Refurbishment	Investment to upgrade the infrastructure and environment of the Perth Academy including structural work to sports block, lighting upgrades, classroom upgrades and science block cladding
Perth Grammar School - Upgrade Programme Phase 3	Investment to upgrade the infrastructure and environment of the Perth Grammar School including structural work to assembly hall, AV and WiFi upgrades, classroom refurbishment and door upgrades
Perth High School - Internal Services & Refurbishment	Necessary works to the infrastructure and environment of the current Perth High School
Perth High School - New School Investment	Replacement of the existing Perth High School
Harris Academy/Invergowrie - Extension	Extension and reconfiguration of existing space at Harris Academy in Dundee for continuation of access for pupils based in Invergowrie

COMMUNITIES

Project	Project Description
Traffic & Road Safety	
Road Safety Initiatives (20mph Zones etc.)	A programme of works to improve road safety
Additional Road Safety - Pedestrian Crossings	A programme of works to provide pedestrian crossing facilities
Road Safety Improvement Fund works	Provision of safety barriers on routes where motor cycling is common
Schools Road Safety Measures	A programme of works to improve road safety in the vicinity of schools
20mph Signage Programme - Schools	A programme of works to improve road safety in the vicinity of schools
20mph Signage Programme	A programme of works to introduce 20mph speed limits.
Cycling Walking & Safer Routes (CWSR)	A programme of works providing infrastructure for cycling, walking and safer routes
Car Parking Investment	Construction of new car park in Auchterarder
Car Parking Investment - Pitlochry	Purchase of land and construction of a public car park
Strathmore Cycle Network	Contribution towards a shared use path between Coupar Angus and Blairgowrie
Asset Management - Roads & Lighting	

Structural Maintenance	Road maintenance to extend the life of roads, including predominately road resurfacing, surface dressings, installing new drainage infrastructure and repairs to and replacement of defective embankments and retaining walls
Traffic Signal Renewals - Upgrading	A programme of works to upgrade existing traffic signal infrastructure
Footways	Replacement of existing deteriorated footway surfaces
Investment in Local Footpaths	A programme of works to improve and provide local footpaths
Road Safety Barriers	Renewal of existing barriers where unrecoverable damage has occurred and renewal of barriers where timber posts have been used in construction
Asset Management - Bridges	
Bridge Refurbishment Programme	Used to appoint specialist external inspection teams and consultants to carry out specialist access bridge inspections and assessments
Dalhenzean Culvert	Culvert replacement project (later years)
Dunkeld Golf Course	Culvert replacement project (later years)
Vehicular Bridge Parapets Programme - Assess & Upgrade	Assessment and Upgrading of Vehicle Parapets Programme
Old Perth Bridge - Strengthening	Carry out works recommended by the 2018 Bridge Assessment study, including a range of assessment, investigation, strengthening and improvement works
Perth Queens Bridge - Strengthening	Carry out works recommended by the 2018 Bridge Assessment study, including a range of assessment, investigation, strengthening and improvement works
Garry Viaduct	Replacement of Bearings and Parapets; including strengthening of deck for bearing replacement jacking up, and to cater for increased parapet vehicular deterrent capacity
Culteuchar Culvert	Replace existing temporary steel bridge (on hire) with culvert
Glendevon Bridge	Major bridge repair works required due to severe river scour damage (now complete)
Tullyfergus Bridge	Installation of scour protection to protect existing bridge abutments (later years)
Improvement Schemes	
A9/A85 Road Junction Improvements	New infrastructure including a new A9 overbridge, a bridge over the River Almond and road linking the A85 to Inveralmond and Bertha Park (Phase 1 of Perth Transport Futures Project) - complete
Cross Tay Link Road (CTLR)	New road and major structure over the River Tay, linking the A9 north of Inveralmond and the A94 north of Scone (Phase 2 of Perth Transport Futures Project).
A977 Upgrades	A programme of works to improve road safety along the A977.
Broich Road, Crieff - Road Realignment & Safety Measures	Complete
Public Transport	
Community Transport Initiatives	Funded by the Community Bus Fund - expenditure to improve connectivity and integrate transport modes, or to support innovative transport solutions in areas of rural deprivation
Rural Flood Protection Schemes	
Almondbank Flood Protection Scheme	Substantially complete
Perth Flood Protection Scheme (Pump Replacement)	Complete
Perth Flood Protection Scheme (South Inch Culvert Reinstatement)	Ground investigation and monitoring then design project to refurbish existing culvert
Comrie Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in Comrie
Milnathort Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in Milnathort

South Kinross Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in South Kinross
Scone Flood Protection Scheme	Design and construction of a scheme to reduce the risk of flooding in Scone
Coastal Change Adaptation	Design and construct projects to deal with incidents of coastal erosion
Perth & Kinross Place-making	
Mill Street Environmental Improvements	Potential compensation payments associated with claims against compulsory land acquisition to enable delivery of environmental improvements to stimulate and support development and investment
Perth, Place, People	Design and development of sustainable transport corridors to improve access to and from Perth and enable additional development and improvement within Perth city centre
Perth City Centre Golden Route (Rail Station)	Design and development of improvements to access, signage and animation from rail and bus station to Perth city centre to complement improvements to integration of transport
City Greening	Improvements to support enhancement of retail trading environment and residential areas and enhanced use of space for markets, events and alfresco use
Perth & Kinross Lighting Action Plan	Architectural and creative lighting to enhance city and towns appearance, reduce energy cost and increase safety at nighttime to increase dwell time, support the hospitality sector, events and grow the evening economy
Other Planning Projects	
Creative Exchange (former St. John's Primary School)	Repurposing old school to offer space to creative industry businesses and create the Famous Grouse Idea Centre, a space to support business innovation. Complete
Town Centre - Regeneration & Economic Improvements	Complete
Local Full Fibre Network	Provision of gigabit fibre connectivity to Council's buildings to unlock gigabit connectivity for surrounding communities. Completed
Low Carbon Transport & Active Travel Hub - Broxden EV Chargers	Provision of fast EV chargers combined with solar power generation and battery storage at Broxden Park & Ride - Near completion
Perth Eco-Innovation Park at Perth West	Provision of enabling infrastructure (access road, A9 underpass and unit platforms) to develop 25ha of employment land supporting clean growth, business innovation and jobs - Phase 1 (11ha) - In development
Coupar Angus - Strathmore Community Hub	Complete
Nature Restoration	Protection and restoration of biodiversity focusing on over-exploitation of the natural environment and addressing its consequences; habitat loss and fragmentation; and invasive non-native species - 22/23 completed - 23/24 started
City Centre Developments - Cultural Attractions	
Perth Museum	Refurbishment of Perth City Hall to create new museum spaces and cafe. Main construction phase complete and install/fit out on schedule for planned opening spring 2024
Perth Art Gallery	Refurbishment of temporary galleries - scheduled for completion November 2023
Collections Centre	Project removed from programme
PH2O	Replacement of Perth Leisure Pool and Dewars Ice Rink. On hold pending outcome of Leisure and Culture Assets Review
Community Planning	
Letham Community Wellbeing Hub	Refurbishment of Letham Wellbeing Hub to offer a range of services to the local community managed by Letham4All - scheduled for completion end 2023

Community Greenspace	
Play Areas - Improvements Implementation Strategy	Regular refurbishment of 146 play areas based on approx. 6-8 per year. Involves community engagement and often co-funding and design of the sites
3G Pitch, Blairgowrie	Two phase community led project to provide a new full sized 3G football pitch and pavilion
Settlement/Neighbourhood Parks	Refurbishment of neighbourhood parks working in partnership with communities to improve, update and renew worn out or obsolete infrastructure
Countryside Sites	Refurbishment of more natural parks and open spaces
Community Greenspace Sites	Main fund for all Community Greenspace Sites which is drawn down to support the overall capital programme of refurbishments and upgrades
Community Greenspace Bridges	Refurbishment programme for all bridges on Community Greenspace sites
Core Path Implementation	Holding budget for Crieff Comrie Core path development mainly funded through Sustrans
Alyth Environmental Improvements	Town centre upgrade including community led refurbishment of the burnside - complete
Premier Parks	Small budget to facilitate refurbishment of former Premier Park upgrades
Auchterarder Public Park	Major play area upgrade co-funded and designed with the community
The Knock	Complete
Kinnoull Hill	Complete
Cemetery Extensions	Funding to allow the extension of existing or development of new cemeteries to address the pressure for burial space
Waste Strategy	
Recycling Improvement Fund	External Scottish Government funding (Recycling Improvement Fund) to roll out 4th bin to householders for recycling
Support Services - PC Replacement & IT Upgrades	
Hardware	Funding of additional or bespoke IT Hardware for Communities Staff
Licenses	Funding of software contracts
Commercial Property Investment Programme	
North Muirton Industrial Estate - Site Servicing & Provision of Units	Only road adoption works remaining
Broxden Business Park - Additional Infrastructure	Only road adoption works remaining
Western Edge, Kinross - Site Servicing	Only road adoption works remaining
Additional Infrastructure Investment - Broxden	Complete
Broxden Drainage Mitigation Works	Drainage/pumping station works underway and subject to agreement/contribution from Scottish Water
Ruthvenfield Business Centre	Works on redevelopment in progress
North Muirton Drainage	Drainage/pumping station underway
North Muirton Industrial Estate Expansion Land - Servicing	Complete
Prudential Borrowing Projects	
Wheeled Bin Replacement Programme - Domestic Bins	Replacement of damaged and end of life wheeled bins for households. Also supplying bins for new properties
Wheeled Bin Replacement Programme - Commercial Bins	Replacement of damaged and end of life wheeled bins for commercial customers. Also supplying bins for new customers and changes to collection contracts
Recycling Containers, Oil Banks & Battery Banks Replacement Programme	Replacement of damaged and end of life oil and battery banks
Litter Bins	Replacement of damaged and end of life litter bins and/or for general supply of litter bins where required.

Smart Cities - Smart Waste	Programme now complete - included introduction of In Cab system for refuse vehicles, fill level sensors on city centre litter bins
Vehicle Replacement Programme	Fleet vehicle replacement programme
Crematorium - Abatement Works	Complete
Street Lighting Renewal - LED & Column Replacement	Street Lighting LED conversion and column replacement programme
Smart Cities - Intelligent Street Lighting	Complete
LED Traffic Signal Replacement	Complete
Almondbank Flood Protection Scheme	Under Rural Flood
Land Purchase & Development (Hotel Development)	Development agreement secured and release of grant for heritage subject to progression through planning and cost evidence
Technology & Innovation Incubator Units	Complete
Housing Projects	
Gypsy Travellers Site Improvement Works	Programme of works for improvements on Gypsy Traveller sites at Bobbin Mill and Double Dykes
Additional Gypsy Traveller Site Improvement Works	Additional funding to support improvements works programme on Gypsy Traveller sites
Gypsy Traveller Site Community Improvement Works	Funding from Gypsy Traveller Scottish Government Funding Bid for replacement of chalets at Double Dykes
New Gypsy Traveller Site	Feasibility Study for Gypsy Traveller Transient Site

HEALTH & SOCIAL CARE

Project	Project Description
Occupational Therapy Equipment	Supply and install of occupational therapy equipment
Technology Enabled Telecare	Replacement of existing Community Alarm devices from analogue to digital units prior to UK switch-off of analogue, as well as ongoing rolling replacement programme.
Moving & Handling Office Refurbishment	Refurbishment of space following relocation of the moving and handling office
Software Licences	Licences for various social care systems
Developing Supported Tenancies	Contribution towards health resettlement of Community Care clients to be supported in the community

CORPORATE AND DEMOCRATIC SERVICES

Project	Project Description
Property Services	
DDA Adaptation & Alteration Works Programme	To provide unhindered accessibility to all Council Buildings - e.g. Ramps/Lifts/Door Access/Accessible Toilets and Changing Areas
Property Compliance Works Programme	To ensure compliance with current and changing legislation including - New Fire Alarms; Lighting; Wiring; Fire Protection Works; Gas pipework within buildings and Roof Restraint safety systems
Capital Improvement Projects Programme	Roof Upgrades; Full internal refurbishment works; New Heating Systems; Boilers and pipework; Structural Upgrades; Small extensions; New Windows/Doors; New Fencing; New Cladding
Pitlochry High School - Upgrade Programme	Upgrades to Mechanical and Electrical Infrastructure, including rewiring, heating and controls systems, replacement lighting and consequential building works such as new ceilings, painting and flooring
Friarton Depot - Waste Transfer Station	
Energy Efficiency Works - Various Properties	Focusing on a spend to save with projects aiming to reduce energy cost across the property estate

Decarbonisation - Prudential Borrowing Programme (PB)	This budget will support PKCs path to NetZero and focus primarily on the de-carbonisation of heat and replacing inefficient direct emissions heat sources
Energy Conservation & Carbon Reduction Programme (PB)	This budget is focused on works to reduce PKC energy consumption and help achieve annual KPI energy reduction of 3%
Information Systems & Technology	
ICT Infrastructure & Replacement and Upgrade Programme	This Programme delivers the IT / digital environment, digital resources and systems required by staff and young people. The programme maintains, supports and develops computers; networks; telephony; Microsoft systems; connectivity and equipment; datacentres; servers; file storage and back up; security systems and video conferencing
Data & Analytics	Delivers the governance, tools, technologies and organisation-wide skills required for optimising value from Council data, driving informed decision making around resources, priorities and service delivery targets
Supporting Digital	Develops the capabilities we need to be an innovative digital organisation. Including developing the Council's corporate employee (mobile working) and customer (online services) platforms, to create new digital products and services; investment in tools such as Microsoft; resourcing innovation and building digital skills, insight and expertise
Software Licences (Revenues & Benefits)	NAC Live system licensing for Revenues & Benefits team
School Audio-Visual (AV) Equipment Replacement Programme	Ensures all Perth and Kinross classrooms have equitable access to audio visual panels and the digital skills to exploit these resources for learning and teaching
Mosaic - Swift Social Work System Replacement	Purchase and Development of a new Social Work system to replace SWIFT

**PERTH AND KINROSS COUNCIL
HRA CAPITAL INVESTMENT PROGRAMME
SUMMARY OF CAPITAL RESOURCES AND EXPENDITURE 2023/24 to 2027/28**

	Approved Budget Report 3 2023/24 £'000	Proposed Budget Adjustment Report 4 2023/24 £'000	Revised Budget Report 4 2023/24 £'000	Actual to 29-Feb-24 2023/24 £'000	Projected Outturn Report 4 2023/24 £'000	Revised Budget Report 4 2024/25 £'000	Revised Budget Report 4 2025/26 £'000	Revised Budget Report 4 2026/27 £'000	Revised Budget Report 4 2027/28 £'000	Revised Budget Report 4 TOTAL £'000
Council House New Build Programme										
Glebe, Scone - 65 Units	17		17	1	17	0	0	0	0	17
Council Tax (Second Income)	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0		0		0	0	0	0	0	0
	17	0	17	1	17	0	0	0	0	17
Huntingtower, Perth - 70 Units	1		1		1	0	0	0	0	1
Council Tax (Second Income)	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0		0		0	0	0	0	0	0
	1	0	1	0	1	0	0	0	0	1
Fairfield, Perth	251		251	195	251	0	0	0	0	251
Council Tax (Second Income)	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0		0		0	0	0	0	0	0
	251	0	251	195	251	0	0	0	0	251
Lynedoch Road, Methven - Phase 1	735		735	670	735	0	0	0	0	735
Council Tax (Second Income)	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0		0		0	0	0	0	0	0
	735	0	735	670	735	0	0	0	0	735
Lynedoch Road, Methven - Phase 2	0	1,334	1,334	1,106	1,334	1,172	0	0	0	2,506
Council Tax (Second Income)	0		0		0	(240)	0	0	0	(240)
Scottish Government Subsidy	0	(1,243)	(1,243)		(1,243)	0	0	0	0	(1,243)
	0	91	91	1,106	91	932	0	0	0	1,023
Future Developments	0		0		0	5,091	6,014	6,014	10,292	27,411
Council Tax (Second Income)	0		0		0	0	0	0	0	0
Scottish Government Subsidy	0		0		0	0	0	0	0	0
	0	0	0	0	0	5,091	6,014	6,014	10,292	27,411
Total Council House New Build	1,004	91	1,095	1,972	1,095	6,023	6,014	6,014	10,292	29,438
Increase in Council House Stock										
Council House Buy-Backs	5,067	1,867	6,934	6,772	6,934	4,000	4,000	4,000	4,000	22,934
Scottish Government Subsidy	(1,050)	(630)	(1,680)		(1,680)	0	0	0	0	(1,680)
	4,017	1,237	5,254	6,772	5,254	4,000	4,000	4,000	4,000	21,254
Lock-ups and Garage Sites	0		0		0	50	0	0	0	50
Standard Delivery Plan										
Heating Upgrade Contract Works	818	215	1,033	375	1,033	1,105	1,320	811	0	4,269
Rewiring, Infrastructure & Property Refurbishment	1,515	(850)	665	627	665	1,686	850	0	0	3,201
Triple Glazing - less Third Party Contribution	3,866	1,200	5,066	4,479	5,066	300	0	0	0	5,366
	0		0	(1)	0	0	0	0	0	0
Controlled Door Entry	0	17	17		17	11	0	0	0	28
Kitchen Modernisation Programme	374		374	270	374	1,504	2,025	0	0	3,903
Bathroom Modernisation Programme	1,436		1,436	1,292	1,436	0	0	0	0	1,436
External Fabric - less Third Party Contribution	958	35	993	759	993	0	259	0	0	1,252
	0	(35)	(35)	(35)	(35)	0	0	0	0	(35)
Energy Efficiency	940		940	788	940	388	0	0	0	1,328
Multi Storey Flats	428		428	300	428	1,815	0	0	0	2,243
Environmental Improvements	899	150	1,049	775	1,049	0	0	0	0	1,049
Fire Precaution Measures	399	(224)	175	153	175	224	0	0	0	399
Sound Insulation	289	(289)	0		0	389	42	0	0	431
Structural	478	(463)	15		15	250	985	0	0	1,250
SHQS Future Developments	0		0		0	0	4,066	4,808	5,553	14,427
Total Standard Delivery Plan	12,400	(244)	12,156	9,782	12,156	7,672	9,547	5,619	5,553	40,547

	Approved Budget Report 3 2023/24 £'000	Proposed Budget Adjustment Report 4 2023/24 £'000	Revised Budget Report 4 2023/24 £'000	Actual to 29-Feb-24 2023/24 £'000	Projected Outturn Report 4 2023/24 £'000	Revised Budget Report 4 2024/25 £'000	Revised Budget Report 4 2025/26 £'000	Revised Budget Report 4 2026/27 £'000	Revised Budget Report 4 2027/28 £'000	Revised Budget Report 4 TOTAL £'000
Other Investment in Council House Stock										
Total Major Adaptations to Council House Stock	82		82	60	82	22	0	0	0	104
Anchor House, Rannoch Road, Perth - Conversion (5 Ur	87	(60)	27	16	27	60	0	0	0	87
149-151 Dunkeld Road, Perth	277		277	107	277	0	0	0	0	277
111 Rannoch Road, Perth (Former Driving Test Centre)	8		8		8	0	0	0	0	8
St.Catherine's Square Redevelopment	16	(16)	0		0	3,393	0	0	0	3,393
Shops & Offices	239	(239)	0		0	50	239	0	0	289
Greyfriars and Satellite Sites	34	(32)	2	2	2	50	32	0	0	84
Sheltered Housing	11		11	12	11	0	0	0	0	11
Double Dykes Chalet Replacement - Scottish Government Grant	0 0	71 (71)	71 (71)	20	71 (71)	0 0	0 0	0 0	0 0	71 (71)
General Capital Works	120		120	112	120	0	0	0	0	120
Upgrade and Replacements to Lifts Programme	137	(116)	21		21	116	0	0	0	137
ICT Expenditure	131	(110)	21	8	21	50	110	0	0	181
Mortgage to Rent	175		175		175	50	0	0	0	225
Total Other Investment in Council House Stock	1,317	(573)	744	337	744	3,791	381	0	0	4,916
Total Net Expenditure	18,738	511	19,249	18,863	19,249	21,536	19,942	15,633	19,845	96,205
Income										
CAPITAL RECEIPTS	(8)	(3)	(11)	(11)	(11)	0	0	0	0	(11)
CFCR	(2,055)	(280)	(2,335)		(2,335)	(1,833)	(2,078)	(2,004)	(2,125)	(10,375)
TOTAL BORROWING REQUIREMENT	16,675	228	16,903	18,852	16,903	19,703	17,864	13,629	17,720	85,819

**SIGNIFICANT CAPITAL PROJECTS
PROGRESS UPDATE**

Project Title	Total Gross Budget	Third Party Funding (£'000)	Total Net Budget (£'000)	Projected Outturn (£'000)	Completion Date	Contract Awarded	On Site	Status	Change Since Last Report	Additional Commentary
Blairgowrie Recreation Centre - Replacement	36,000	0	36,000	36,000	Phase 1 completion date December 2024, phase 2 Easter 2025.	Yes	Yes	On track	No	Works are progressing well on-site.
New Primary School at Bertha Park Site	24,000	0	24,000	24,000	Summer 2028	No	No	Rephased pending review	No	Rephasing of the project to take account of the projections for the number of catchment pupils.
Riverside Primary New School	19,899	0	19,899	19,899	June 2023	Yes	Yes	Complete	Yes.	Complete. Official opening 26 March 2024.
Perth High School - New School Investment	80,200	0	80,200	80,200	Summer 2026 - school building currently scheduled to open summer 2025	Yes	Yes	On track	No	Works are progressing on-site.
Harris Academy/Invergowrie Extension	5,200	0	5,200	5,200	Late 2023	Yes	Yes	On track	No	Main extension complete, reconfiguration works still to be undertaken.
Cross Tay Link Road (CTRL)	150,500	40,000	110,500	110,500	Spring 2025	Yes	Yes	On programme	No	Works progressing and remain on target for completion in Spring 2025 as per the current programme. Bridge deck works commenced in March 2024 with the first deck segment concrete pours. Now that this is underway, progress will be closely monitored to inform a detailed analysis of available contingency and compensation events which will give more certainty over the cost forecasts (which are currently within budget).
Comrie Flood Protection Scheme	39,544	0	39,544	39,544	Summer 2026	No	No	Advance works complete; Main works to be re-tendered April 2024	Yes	Main works tender received in June 2023 but cost significantly higher than anticipated; Finance have since received confirmation from Scottish Government that the capital grant will be increased to match the revised value (equal to 80% of the project cost at tender stage) and the Council's capital plan (for the remaining 20%) was approved at Council Committee on 28/2/24. However, the June 2023 tender has timed out. Therefore, the main works will be re-tendered in April 2024 with a tentative start date of August 2024, subject to tender value remaining within budget. The works programme is currently being reviewed with a duration of up to 2 years
Perth Eco Innovation Park*	32,817	11,275	21,542	21,542	Not currently programmed	No	No	Preliminary design works completed	Yes	Procurement of the design consultant has progressed as far as possible, but is put on hold pending full funding package being in place. Discussions between PKC and the developers on the required private sector contribution levels are on-going to secure an indicative £13m. An Outline Business Case has been submitted to secure £5m from the Tay Cities Deal which would then be subject to approval of Full Business Case. Further evidence is being gathered to ensure that the identified £5m from sale receipts are in line with market trends. The above £23m contributions would complement the £10m approved by the Council to meet the project total estimated costs of £33m
Perth Museum	27,232	10,300	16,932	16,932	Spring 2024	Yes	Yes	On track	No	Project complete and opened to public 30 March
PH20	90,000	0	90,000	90,000	Not currently programmed	No	No	Outline Business Case reported to Council 23 February 2023, and project on hold pending review.	Yes	Leisure assets review recommendations considered by Council 22 Jan 2024 with instruction to re-scope PH20 and revert to Council Aug '24 with re-costed option.

* Third Party Funding excludes Developer Contributions and receipts to be received in future years beyond the current 5-year programme.

PERTH & KINROSS COUNCIL

**Finance & Resources Committee
24 April 2024**

**TREASURY ACTIVITY AND COMPLIANCE REPORT
2023/24 – 6 Months to 31 March 2024**

**Report by Strategic Lead, Finance & Business Support
(Report No. 24/132)**

1. PURPOSE

- 1.1 The purpose of this report is to update the Committee on Treasury Activity for the period 1 October 2023 to 31 March 2024 and to report on compliance with the Council's Treasury Management Policy Statement (TMPS), Investment Strategy and Prudential Indicators.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee:
- (i) note the content of this report.

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:
- Section 4: Economic Background
 - Section 5: Treasury Activity
 - Section 6: Compliance
 - Section 7: Investment Strategy Compliance and Performance
 - Section 8: Prudential Indicators
 - Section 9: Conclusion

4. ECONOMIC BACKGROUND

- 4.1 The Bank of England's Monetary Policy Committee (MPC) maintained the UK Bank Base Rate at 5.25% over the period despite a steady reduction in CPI Inflation. Economic forecasts are that there will be reductions in the Base Rate later in the year. UK inflation fell from 6.7% in September 2023 to 3.2% in March 2024, which was the lowest rate since September 2021, primarily due to a slowdown in food inflation and energy costs. Additionally, the core inflation rate, which excludes volatile items such as energy and food costs, also dropped.
- 4.2 UK GDP (Gross Domestic Product) reduced by 0.3% at the end of 2023, resulting in the UK entering a mild recession, the first time since the Covid-19 outbreak in 2020. More recent economic data suggests the UK has returned to growth since the start of 2024.

- 4.3 Internationally, the Eurozone experienced a contraction in growth of 0.1% in the 3 months to 30 September 2023 and with no GDP growth in the quarter to 31 December. CPI Inflation continued to fall whilst interest rates were maintained over the period at 4.5%. In the US, GDP fluctuated over the period but increased overall, whilst inflation decreased over the period. The US interest rate remained in the range of 5.25% to 5.50% in March 2024.
- 4.4 The Public Works Loan Board's (PWLB) certainty fixed interest rates for the 6 months to 31 March 2024, which are based on yields on UK gilts, are shown in the graph at **Appendix I**. As a result of mixed economic data, borrowing rates showed continuing volatility over the period, however the rates were lower by the end of the period in all duration as inflation continued to ease.

5. TREASURY ACTIVITY

- 5.1 A summary of the Council's treasury position and transactions is shown at **Appendix II**. The main activities are detailed below.
- 5.2 During the period there were two new PWLB fixed maturity loans borrowed. These were borrowed for medium term durations due to their relatively lower rates, and with the expectation that longer term rates will fall over this period. Details of the loans borrowed are as follows:
- In December 2023, £20 million was borrowed for 6.5 years at 4.34%. This was borrowed under the PWLB's discounted HRA rate.
 - In March 2024, £10 million was borrowed for 4 years at 4.84%.
- 5.3 There was no repayment of maturing PWLB loans, however the balance of £140,000 on the Empty Homes Loan from the Scottish Government was repaid in March. Therefore, the Council's total long-term debt increased from £598.34 million at an average interest rate of 2.55% to £628.2 million at an average interest rate of 2.64% as at 31 March 2024. There was one short-term market loan borrowed in the period to manage cashflow, with £10 million borrowed for 7 days at 5.35% in November 2023. There were no such loans outstanding as at 31 March 2024.
- 5.4 Common Good and Charitable Fund balances held on fixed deposit with the Loans Fund increased from £2.294 million, with an average interest rate at 3.95%, at 30 September 2023 to £2.415 million at an average rate of 4.81% at the end of the current period. Funds held from associated bodies and organisations decreased from £3.130 million to £2.248 million over the period, in line with their own cash flow requirements, whilst the average rate paid on these funds decreased from 4.69% to 4.58% in line with the rates applicable on individual loans depending on the balance held.
- 5.5 Short term cashflow surpluses are invested in a mixture of fixed term deposits, instant access accounts and money market funds. All investments were made in accordance with the approved Investment Strategy and Permitted Investments.

Fixed Term Deposits

- 5.6 Cashflow surpluses which arise during the year, and which are not immediately required, are generally invested in fixed term deposits for periods of up to 12 months, or up to 3 years where forecast cashflow requirements allow.
- 5.7 There were 12 fixed rate deposits made in the 6 months to 31 March 2024 (totalling £62.5 million) at an average amount of £5.2 million and an average interest rate of 6.53% for an average term of 27 days. In comparison to the previous quarter to the end of September, fixed deposit activity in the current period increased, however due to increased expenditure on the Capital programme and cash requirements, the lending duration of investments was shorter. The deposits were mainly to other Local Authorities and for very short durations covering the financial year end when borrowing demand was high. The average rate on investments in the current period also increased from 5.73% to 6.53%. The fixed deposits undertaken in the period will generate £278,696 in interest at their maturity.

Investments for Daily Cashflow Requirements

- 5.8 Cashflow surpluses which are required for more immediate needs were invested in the Council's instant access and Money Market Funds. The investment transactions in the period can be summarised as follows:
- The daily average amount of such funds increased from £6.47 million in the previous quarter to £6.95 million at the end of the current period.
 - The average interest rate achieved on these accounts over the period increased from 5.14% to 5.32%.
 - Money Market Funds, which operate on instant access terms, were used extensively over the period. The average amount invested increased from £8.1 million in the previous quarter to £9.4 million in the current period, whilst the average interest rate increased from 5.16% to 5.34%.
 - The increase in activity on these accounts reflected the need to keep an increased level of funds for more immediate cashflow purposes over the period.
 - Interest generated on these investments over the 6 month period amounted to £391,776.
- 5.9 The total amount of investments outstanding as at 31 March 2024 was £65.533 million compared to £133.133 million at the end of September 2024. The overall average rate of interest on the investments outstanding increased from 5.34% to 6.48% over this period. This reflects increases in the available rates over the period.
- 5.10 Total income generated on investments undertaken during the period will total £670,472 at maturity (£1,361,425 in the quarter ended 30 September 2023). This measure reflects the total return on the investment activity undertaken in the period and is lower in comparison to the previous quarter as fixed term investments undertaken were for shorter durations, despite being at higher

interest rates and the current period being longer (6 months) in comparison to the previous quarter (3 months).

- 5.11 All of the above investment activities are consistent with the Council's current investment strategy and cashflow requirements.

6. COMPLIANCE

- 6.1 For the period ending 31 March 2024, there were no breaches in compliance with the Council's approved Treasury Management Policy Statement, Treasury Management Practices (TMP's) or lending limits as detailed in TMP 4 (Approved Instruments, Methods & Techniques).
- 6.2 **Appendix III** shows the list of approved counterparties, based on the Council's current lending policy, as at March 2024.
- 6.3 For the period ending 31 March 2024 the average closing cleared bank balance was £19,274.59 in credit. This reflects the application of the Council's "sweep facility" operated by the bank, with any credit balance in excess of £35,000 being "swept up" overnight to the Council's instant access account.

7. INVESTMENT STRATEGY COMPLIANCE AND PERFORMANCE

- 7.1 The Treasury Investment Strategy for 2023/24 was approved by the Council at its meeting on 10 May 2023 (report 23/135 refers).
- 7.2 In the current period, the level of the Council's investments peaked at £151.575 million on 18 October 2023 and reduced to £65.533 million by the end of March 2024. The average daily investment balance over the period was £102.743 million, which decreased from an average of £155.355 million in the previous quarter and from £221.754 million in the same period of last year. This highlights the steady reduction in investment balances over the last year as funds are applied in financing the approved Capital programme.
- 7.3 The Investment Strategy was applied in full over the period, with liquidity being maintained using instant access accounts and Money Market Funds as detailed in paragraph 5.8 above. There were no other risks identified in the period.
- 7.4 The Investment Strategy also incorporates investments held by the Common Good Funds. All such investments during the period were with the Council's Loans Fund. The only Council funds held by external fund managers relate to Council administered Charitable Trusts and are, therefore, not covered by this Investment Strategy.
- 7.5 The budgeted income in 2023/24 for Commercial Property investments is £1,826,501 whilst the latest projection is £1,821,000. There were no new property investments entered into during the current period.

8. PRUDENTIAL INDICATORS

- 8.1 Prudential Indicators for 2023/24 to 2027/28 were approved by the Council at its meeting on 10 May 2023 (report 23/135 refers) as part of the Annual Treasury & Investment Strategy report.
- 8.2 The latest estimates of the Prudential Indicators are shown in **Appendix IV** and are based on the Council's revised Capital Budget being considered at today's Committee meeting. These show that the Council adhered to all Prudential Limits in the period. However, the annual Loan Charges relative to the Net Revenue stream and the Capital Financing (Borrowing) Requirement show an increasing trend, which reflects the latest estimates for the Capital Programme and interest rate forecasts over the period.

9. CONCLUSION

- 9.1 The Bank of England's MPC left Bank Base Rate at 5.25% over the period to 31 March 2024. With inflation continuing to fall it is expected that the MPC will reduce the Base rate in the coming months.
- 9.2 Public Works Loans Board (PWLB) borrowing rates continued to be volatile over the period due to inflationary expectations and economic growth prospects, however the rates did decrease in all durations. There were two new PWLB fixed maturity loans borrowed in the period totalling £30 million.
- 9.3 Investment activity in the period consisted of an increased level of fixed term deposits but for shorter durations, whilst instant access and Money Market Funds were used to meet day-to-day cashflow requirement. Investment rates increased over the period, however, the total level of investments outstanding reduced.
- 9.4 The Council adhered to its Investment Strategy and policies throughout the period, with no breaches in compliance. The Council's Prudential Indicators were also adhered to throughout the period.

Author(s)

Name	Designation	Contact Details
John Jennings	Senior Accountant	CHXFinance@pkc.gov.uk

Approved

Name	Designation	Date
Scott Walker	Chief Finance Officer & Strategic Lead – Finance & Business Support	4 April 2024

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You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
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.

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

- 4.1 The Chief Executive and the Council's Treasury advisors, Link Asset Services, have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 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.

3. APPENDICES

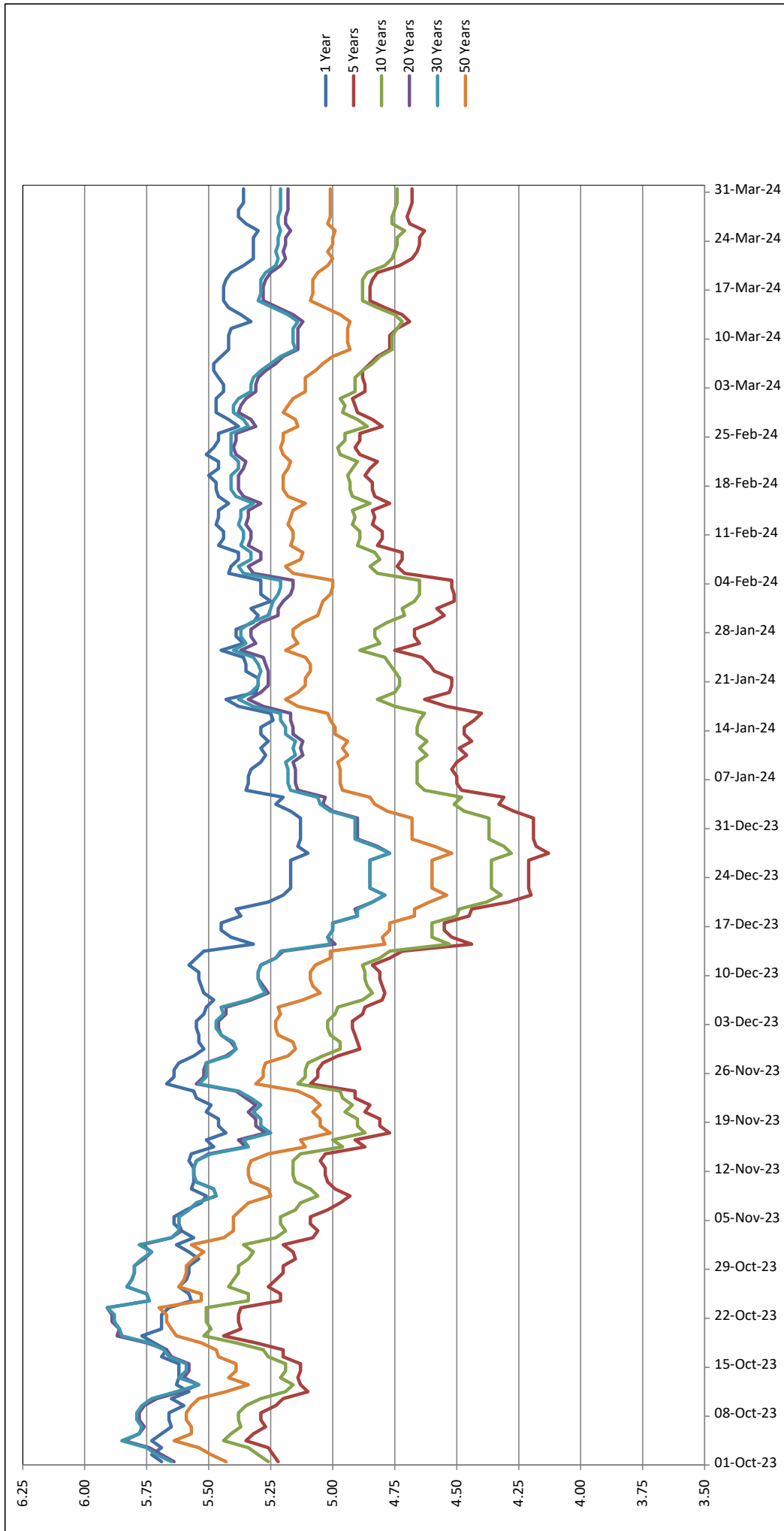
Appendix I – PWLB Fixed Maturity Interest Rates from 1 October 2023 to 31 March 2024.

Appendix II – Summary of the Treasury Position and Transactions from 1 October 2023 to 31 March 2024.

Appendix III – Approved Investment Counterparty List.

Appendix IV – Monitoring of Prudential Indicators – Period ending 31 March 2024.

**PWLB Fixed Maturity Interest Rates
From 1st October 2023 to 31st March 2024
(Certainty Rate)**



SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS
1 OCTOBER 2023 TO 31 MARCH 2024

1 LONG TERM BORROWING

(a) Long Term Borrowing 1 October 2023 to 31 March 2024

	<u>No.</u>	<u>Average Rate (%)</u>	<u>Average Life (years)</u>	<u>Amount (£)</u>
PWLB - Maturity Loans	2	4.51%	5.7	30,000,000
	<u>2</u>	<u>4.51%</u>	<u>5.7</u>	<u>30,000,000</u>

(b) Long Term Debt Repayments 1 October 2023 to 31 March 2024

	<u>No.</u>	<u>Average Rate (%)</u>	<u>Amount (£)</u>
Scottish Government - Empty Homes Loan	1	0.00%	140,000
	<u>0</u>	<u>0.00%</u>	<u>140,000</u>

(c) Long Term Debt Outstanding

	<u>Outstanding 30-Sep-23 £</u>	<u>Average Rate</u>	<u>Outstanding 31-Mar-24 £</u>	<u>Average Rate</u>
Public Works Loan Board	555,000,000	2.39%	585,000,000	2.50%
Money Market Loans (LOBO's)	43,200,000	4.59%	43,200,000	4.59%
Other Long Term Debt	140,000	0.00%	0	0.00%
TOTAL	<u>598,340,000</u>	<u>2.55%</u>	<u>628,200,000</u>	<u>2.64%</u>

2 SHORT TERM BORROWING

(a) Short Term Market Borrowing - 1 October 2023 to 31 March 2024

	<u>No.</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Average Term (Days)</u>	<u>Interest (£)</u>
Temporary borrowing	1	10,000,000	5.35%	7	10,260.27
	<u>1</u>	<u>10,000,000</u>	<u>5.35%</u>	<u>7</u>	<u>10,260.27</u>

(b) Short Term Borrowing Outstanding

	<u>Outstanding 30-Sep-23 £</u>	<u>Average Rate</u>	<u>Outstanding 31-Mar-24 £</u>	<u>Average Rate</u>
Market Borrowing	0	0.00%	0	0.00%
Common Good and Charitable Funds	2,293,508	3.95%	2,414,508	4.81%
Local Trusts & Investors	3,129,650	4.69%	2,247,591	4.58%

SUMMARY OF THE TREASURY POSITION AND TRANSACTIONS
1 OCTOBER 2023 TO 31 MARCH 2024

APPENDIX II

TOTAL	<u>5,423,158</u>	<u>4.38%</u>	<u>4,662,099</u>	<u>4.69%</u>
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3 INVESTMENTS

(a) Investment Transactions - 1 October 2023 to 31 March 2024

<u>Fixed Deposits & Investments</u>	<u>No.</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Average Term (Days)</u>	<u>Total Interest (£)</u>
Banks	1	5,000,000	5.38%	56	41,271.23
Foreign Banks and Institutions	1	5,000,000	5.44%	85	63,342.47
Other Local Authorities	10	5,250,000	6.74%	18	174,082.19
	<u>12</u>	<u>5,208,333</u>	<u>6.53%</u>	<u>27</u>	<u>278,695.89</u>

<u>Instant/Notice Accounts & Money Market Funds</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Total Interest (£)</u>
Instant Access/Notice accounts	498,335	4.58%	7,426.26
Money Market Funds	9,433,125	5.34%	384,349.84
	<u>6,949,447</u>	<u>5.32%</u>	<u>391,776.11</u>

(b) Investments Outstanding

	<u>Outstanding 30-Sep-23 £</u>	<u>Average Rate</u>	<u>Outstanding 31-Mar-24 £</u>	<u>Average Rate</u>
UK Banks	60,107,877	5.59%	25,008,505	5.91%
Foreign Banks and Institutions	43,000,000	5.45%	10,000,000	5.94%
Other Local Authorities	25,000,000	4.54%	29,500,000	7.18%
Money Market Funds	5,025,000	5.35%	1,025,000	5.29%

	<u>Country</u>	<u>Fitch Credit Rating</u>	<u>CDS Range</u>	<u>Maximum Lending</u>	<u>Note (2)</u>
Category 1 - Principal UK Clearing Banks - 40% Investment total (or £20M per Counterparty if higher)					
(Minimum rating required Fitch A, F1)					
Bank of Scotland (RFB) (5)	UK	A+, F1	In range	6 months	£80million Group limit
Barclays Bank plc (NRFB) (5)	UK	A+, F1	No data	6 months	
Barclays Bank plc (RFB) (5)	UK	A+, F1	In range	6 months	
Goldman Sachs International Bank	UK	A+, F1	In range	6 months	
Handelsbanken plc	UK	AA, F1+	No data	12 months	
HSBC Bank plc (NRFB)	UK	AA-, F1+	In range	12 months	
HSBC Bank plc (RFB)	UK	AA-, F1+	No data	12 months	
Lloyds Bank Corporate Markets Plc (NRFB)	UK	A+, F1	No data	6 months	£80million Group limit
Lloyds Banking Group plc (RFB)	UK	A+, F1	In range	6 months	£80million Group limit
NatWest Markets Plc (NRFB)	UK	A+, F1	In range	12 months	
Royal Bank of Scotland plc (RFB) (inc Nat West) (3) (4)	UK	A+, F1	Nationalised	12 months	Sovereign Rating AA
Santander UK plc (inc Cater Allen)	UK	A+, F1	No data	12 months	
Standard Chartered Bank	UK	A+, F1	In range	6 months	
Sumitomo Mitsui Banking Corporation Europe Ltd	UK	A, F1	In range	6 months	

Category 2 - Foreign Banks & Institutions - 25% Investment total (or £10M per Counterparty if higher)

(Minimum rating required Fitch A, F1)

Australia and New Zealand (ANZ) Banking Group Ltd	Aus	A+, F1+	In range	12 months	
Commonwealth Bank of Australia	Aus	A+, F1+	In range	12 months	
Macquarie Bank Ltd	Aus	A, F1	No data	12 months	
National Australia Bank Ltd	Aus	A+, F1+	In range	12 months	
Westpac Banking Corporation	Aus	A+, F1+	In range	12 months	
BNP Paribas Fortis Bank	Belgium	A+, F1	No data	1 month	Sovereign Rating AA-
KBC Bank	Belgium	A+, F1	No data	1 month	Sovereign Rating AA-
Bank of Montreal	Can	AA-, F1+	No data	12 months	
Bank of Nova Scotia	Can	AA-, F1+	No data	12 months	
Canadian Imperial Bank of Commerce	Can	AA-, F1+	No data	12 months	
National Bank of Canada	Can	A+, F1	No data	6 months	
Royal Bank of Canada	Can	AA, F1+	No data	12 months	
Toronto Dominion Bank	Can	AA-, F1+	No data	12 months	
Danske Bank	Denmark	A, F1	In range	6 months	
Nordea Bank Finland plc	Finland	AA-, F1+	No data	1 month	Sovereign Rating AA+
BNP Paribas	France	A+, F1	In range	1 month	Sovereign Rating AA
Credit Agricole Corporate and Investment Bank	France	A+, F1	In range	1 month	Sovereign Rating AA
Credit Agricole SA	France	A+, F1	In range	1 month	Sovereign Rating AA
Credit Industriel et Commercial	France	A+, F1	No data	1 month	Sovereign Rating AA
DZ Bank AG	Germany	AA-, F1+	No data	12 months	
Landesbank Hessen-Thuringen Girozentral (Helaba)	Germany	A+, F1+	In range	12 months	
Landwirtschaftliche Rentenbank	Germany	AAA, F1+	No data	24 months	
NRW Bank	Germany	AAA, F1+	No data	24 months	
ABN AMRO Bank	Netherlands	A, F1	No data	6 months	
Bank Nederlandse Gemeenten	Netherlands	AAA, F1+	No data	24 months	
Cooperatieve Rabobank	Netherlands	A+, F1+	In range	12 Months	
ING Bank	Netherlands	AA-, F1+	In range	12 Months	
DBS Bank Limited	Singapore	AA-, F1+	No data	12 months	
United Overseas Bank Ltd	Singapore	AA-, F1+	No data	12 months	
Skandinaviska Enskilda Banken AB	Sweden	AA-, F1+	No data	12 months	
Svenska Handelsbanken AB	Sweden	AA, F1+	No data	12 months	
Swedbank AB	Sweden	A+, F1	No data	12 months	
UBS AG	Switzerland	AA-, F1+	In range	12 months	
Bank of America, NA	USA	AA-, F1+	No data	12 months	
Bank of New York Mellon	USA	AA, F1+	No data	24 months	
Citibank, NA	USA	A+, F1	In range	12 months	
JP Morgan Chase Bank, NA	USA	AA, F1+	No data	12 months	
Wells Fargo Bank, NA	USA	AA-, F1+	In range	12 months	

Category 3 - Subsidiary Banks & Building Societies - 15% of Investment total (or £10M per Counterparty if higher)

(Minimum rating required Fitch A, F1)

(parent bank shown in brackets)

Subsidiary Banks

None

Building Societies

Nationwide Building Society	UK	A, F1	No data	6 months
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Category 4 - Other Local Authorities - 20% of Investment total (or £20M per Counterparty if higher)

As arranged

Category 5 Money Market Funds - 10% of Investment Total (or £10M per Counterparty if higher)

(Minimum rating required Fitch AAA)

Aberdeen Standard Investments	UK	AAA
Aviva Investors Liquidity Fund	UK	AAA
Federated Sterling Liquidity Fund (Class 3)	UK	AAA
Insight Sterling Liquidity Fund (Class 5)	UK	AAA
Deutsche Bank Sterling Fund	UK	AAA

Note:

(1) - Standard & Poor's credit ratings shown, as no Fitch credit rating available

(2) - All Sovereign credit ratings for above Countries are AAA, unless stated otherwise.

(3) - Banks are part/majority owned by the UK government

(4) - UK Sovereign Rating is AA (Fitch and Standard & Poor's)

(5) - NRFB = Non Ring Fenced Bank, RFB = Ring Fenced B

Last Updated: 04-Apr-24

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - 6 MONTHS ENDING 31 MARCH 2024

1 Financing Costs: Net Revenue Stream

The ratio of Capital Financing Costs (Loan Charges) to the Council's net revenue stream shall not exceed the following limits, which are based on historic levels, and allow some headroom for movement in interest rates. The estimated Financing Costs below are based on the latest monitoring figures.

	2023/24	2024/25	2025/26	2026/27	2027/28
Prudential Limit - General Fund	15.00%	15.00%	15.00%	15.00%	15.00%
Estimated Ratio of Financing Costs to Revenue	6.49%	7.40%	8.90%	9.13%	9.29%
Prudential Limit - HRA	30.00%	30.00%	30.00%	30.00%	30.00%
Estimated Ratio of Financing Costs to Revenue	21.93%	20.94%	23.11%	23.22%	24.57%

2 Gross & Net Borrowing and Capital Financing Requirements

For prudence, net external borrowing must not exceed the total capital financing requirement, thus ensuring that over the medium term, borrowing is only undertaken for capital purposes. The estimated total net borrowing and Capital Financing Requirement at the end of each of the years are as follows:

	Actual as at 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Net External Borrowing*	682,369,000	899,737,000	999,620,000	1,089,403,000	1,159,285,000
Gross External Borrowing*	747,902,000	939,737,000	1,024,620,000	1,114,403,000	1,184,285,000
Capital Financing Requirement	791,035,000	959,316,000	1,044,110,000	1,134,132,000	1,204,043,000

*For the purpose of this indicator, Borrowing includes the outstanding liability under PPP/PFI contracts.

3 Estimates of Gross Capital Expenditure

The total estimated Capital Expenditure contained within the Council's Budgets for each year is as follows, based on updated monitoring figures.

Composite Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	160,138,000	232,568,000	115,913,000	103,406,000	76,914,000
Original Budget Estimate (including Budget Motion)	194,880,000	184,661,000	113,465,000	69,816,000	48,219,000
Movement in Estimated Capital Expenditure	(34,742,000)	47,907,000	2,448,000	33,590,000	28,695,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Composite Capital Budget Report on 1 March 2023
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current estimate	19,249,000	21,536,000	19,942,000	15,633,000	19,845,000
Original Budget Estimate	18,457,000	13,858,000	18,669,000	19,044,000	19,044,000
Movement in Estimated Capital Expenditure	792,000	7,678,000	1,273,000	(3,411,000)	801,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Housing & Social Wellbeing Budget Report on 25 January 2023.
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - 6 MONTHS ENDING 31 MARCH 2024

APPENDIX IV

4 Estimate of Capital Financing Requirement

The estimate (as at April 2024) of the Capital Financing Requirement (ie new borrowing requirement for Capital Expenditure) for each year based on these plans is as follows:

Composite Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	109,837,000	199,423,000	97,024,000	76,816,000	52,721,000
Original Budget Estimate (including Budget Motion)	146,850,000	164,688,000	95,082,000	49,184,000	24,991,000
Movement in Estimated Capital Financing Requirement	(37,013,000)	34,735,000	1,942,000	27,632,000	27,730,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Composite Capital Budget Report on 1 March 2023
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

HRA Programme	2023/24	2024/25	2025/26	2026/27	2027/28
Current Estimated Capital Financing Requirement	17,183,000	19,703,000	17,864,000	13,629,000	17,720,000
Original Budget Estimate	16,402,000	11,940,000	16,421,000	16,524,000	16,292,000
Movement in Estimated Capital Financing Requirement	781,000	7,763,000	1,443,000	(2,895,000)	1,428,000

The Original Budget Estimates are those per the 2023/24 to 2027/28 Housing & Social Wellbeing Budget Report on 25 January 2023.
The latest estimates for Capital Expenditure are based on the F&R Capital Monitoring Report No 4 on 24 April 2024.

5 External Debt (Gross and Net)

External Borrowing	As at 31-Mar-24	Projected 31-Mar-25	Projected 31-Mar-26	Projected 31-Mar-27	Projected 31-Mar-28
Public Works Loan Board	585,000,000	782,000,000	872,000,000	967,000,000	1,042,000,000
Market Bonds (LOBOs)	43,200,000	43,200,000	43,200,000	43,200,000	43,200,000
Project Borrowing	0	0	0	0	0
Special Loans	2,414,508	2,414,508	2,414,508	2,414,508	2,414,508
Temporary Loans/Other Borrowing	2,247,591	2,000,000	1,800,000	1,500,000	1,300,000
Other Long Term Liabilities (PPP/PFI)	115,039,977	110,122,727	105,205,477	100,288,227	95,370,977
Total Gross External Debt	747,902,076	939,737,235	1,024,619,985	1,114,402,735	1,184,285,485
Short Term Investments	(65,533,505)	(40,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Long Term Investments	0	0	0	0	0
Total Net External Debt	682,368,571	899,737,235	999,619,985	1,089,402,735	1,159,285,485
Note:					
Operational Boundary	748,000,000	940,000,000	1,025,000,000	1,115,000,000	1,185,000,000
Authorised Limit	1,200,000,000	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000

The Operational Boundary and Authorised Limit are based on Gross External Debt.

PERTH AND KINROSS COUNCIL
PRUDENTIAL INDICATORS - 6 MONTHS ENDING 31 MARCH 2024

6 Principal Sums Invested Longer Than 365 Days

The Upper Limit for sums invested for over 1 year up to 3 years is £45 million. There were no amounts invested within this period as at 31 March 2024.

7 MATURITY STRUCTURE

The lower and upper limit for the proportion of the Council's total-long term debt which matures in each of the time bandings below, and is therefore subject to refinancing at the prevailing market rates, is as follows:

Borrowing Maturity Structure	Lower Limit	Upper Limit	Estimated
Under 12 months	0%	35%	2.41%
over 12 months and < 24 months	0%	35%	1.33%
over 2 years and < 5 years	0%	50%	7.73%
over 5 years and < 10 years	0%	75%	6.38%
over 10 years	10%	95%	82.14%

The maturity profile for the Council's current long-term portfolio as at 31st March 2024, measured from the start of the financial year, is as follows:

	Less 1 Year	1 - 2 Years	2 - 5 Years	5 - 10 Years	10 - 20 Years	20 - 30 Years	30 - 40 Years	40 - 50 Years	Over 50 Years	Total
PWLB	13,000,000	5,000,000	42,500,000	20,000,000	5,000,000	0	60,500,000	439,000,000	0	585,000,000
LOBOs	0	0	0	0	0	13,000,000	25,200,000	5,000,000	0	43,200,000
Other	0	0	0	0	0	0	0	0	0	0
PPP/PFI	4,917,250	4,917,250	14,948,700	27,426,400	62,830,377	0	0	0	0	115,039,977
Total	17,917,250	9,917,250	57,448,700	47,426,400	67,830,377	13,000,000	85,700,000	444,000,000	0	743,239,977
Percentage	2.41%	1.33%	7.73%	6.38%	9.13%	1.75%	11.53%	59.74%	0.00%	100.00%

