

PERTH & KINROSS COUNCIL

Finance & Resources Committee

7 September 2022

COMPOSITE CAPITAL BUDGET 2022/28 & HOUSING INVESTMENT PROGRAMME 2022/27 – MONITORING REPORT No.1

Report by Head of Finance
(Report 22/209)

1. PURPOSE

- 1.1 This report provides a summary position to date for the 6-year Composite Capital Budget for 2022/23 to 2027/28 and the 5-year Housing Investment Programme 2022/23 to 2026/27 and seeks approval for adjustments to the programmes.

2. BACKGROUND

- 2.1 The Strategic Policy & Resources Committee approved an updated six-year gross Composite Capital Budget for 2022/23 to 2027/28 totalling **£646,040,000** and a five-year gross Housing Investment Programme for 2022/23 to 2027/28 totalling **£83,856,000** at its meeting on 20 April 2022 (report 22/88 refers).
- 2.2 This report advises on the impact of the final outturn expenditure in 2021/22 on the programmes; expenditure to 31 July 2022, and the latest estimate of the projected outturn for each of the years to 2027/28 for the Composite Programme and to 2026/27 for the Housing Investment Programme.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- (i) notes the contents of this report.
 - (ii) approves the proposed adjustments to the six-year Composite Capital Budget 2022/23 to 2027/28 set out in Sections 5 and 6 of this report and summarised in Appendices I and II.
 - (iii) notes the implications for the Council's approved Capital funding strategy as set out in section 5.2.8 and 5.2.9 of the report.
 - (iv) approves the proposed adjustments to the Housing Investment Programme Budget 2022/23 to 2026/27 set out in Section 6 of this report and summarised in Appendix IV.

4. COMPOSITE CAPITAL PROGRAMME – GROSS CAPITAL RESOURCES

- 4.1 The current estimated total gross capital resources (which includes movements in Capital Receipts, Capital Grants, Contributions and borrowing) available over the six years 2022/23 to 2027/28 amount to **£683,102,000**. Movements from the revised Composite Capital Budget approved on 20 April

2022 are summarised in the table below, and the constituent elements for each year are shown in Appendix I.

	Total Gross Composite Capital Resources		
	Approved 20 April 2022	Current Estimate	Movement
	£'000	£'000	£'000
2022/23	162,452	176,488	14,036
2023/24	187,177	176,322	(10,855)
2024/25	137,954	148,027	10,073
2025/26	61,769	81,489	19,720
2026/27	52,830	56,639	3,809
2027/28	43,858	44,137	279
Total	646,040	683,102	37,062

4.2 The report on 20 April 2022 did not include estimates for amounts carried forward from 2021/22. To determine the carry-forward adjustment required for each project in 2022/23, the 2021/22 actual position (subject to audit) has been compared to the projected outturn. These adjustments, are, however, cost neutral over the 2 financial years as they simply reflect changes in the timing of expenditure or the application of income. It is, therefore, proposed to adjust the budget in 2022/23 by the carry forward amounts detailed within Appendix II.

4.3 The overall movement in the total Gross Resources for the 6 years 2022/23 to 2027/28 shown at Section 4.1 above can be summarised as follows:

	£'000
Increase in General Fund Property, Commercial Property and Ring-Fenced Receipts (Section 4.4)	107
Increase in Capital Grants (Section 4.5)	802
Increase in Third Party, Revenue and Developer Contributions (Section 4.6)	1,356
Reduction in Receipts c/f to future years (Section 4.4)	213
Increase in new Borrowing Requirement (Section 4.8)	34,584
Increase in Gross Capital Resources (Section 4.1)	37,062

4.4 Estimated receipts have increased by £107,000, however £103,000 of this relates to timing differences between 2021/22 and 2022/23, with a £4,000 increase in Ring-Fenced receipts relating to Waste Operations in 2022/23 (Section 5.3.12). Similarly, the reduction in Receipts Carried-Forward to future years includes a £68,000 adjustment from last year together with £145,000 relating to the proposed increased expenditure on the Commercial Investment Programme (Section 5.3.11).

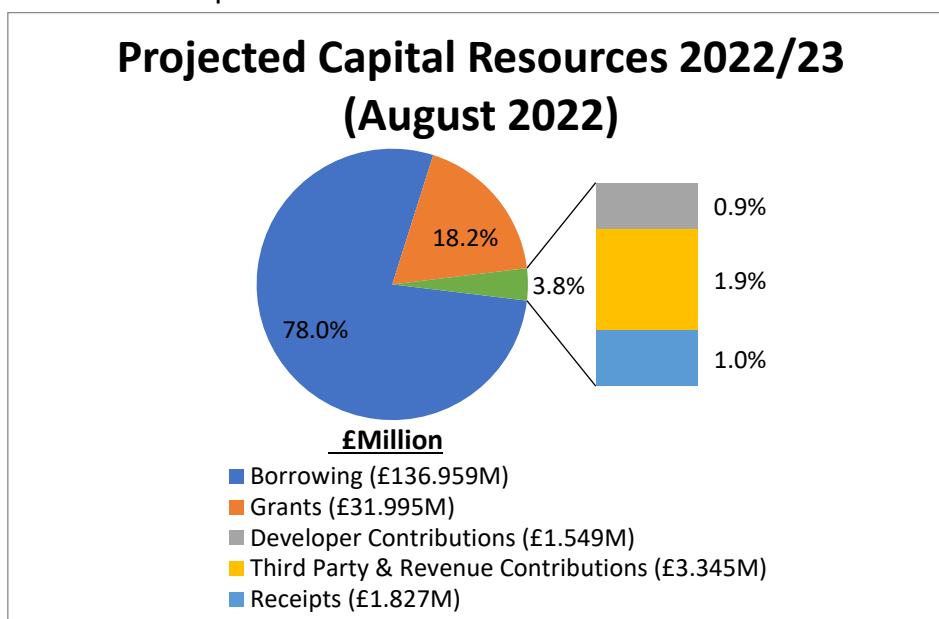
4.5 There is an adjustment of £318,000 in capital grants carried forward from last year. In addition, the Scottish Government has made additional grant allocations in 2022/23 for the programmes listed below. These have been reflected in the proposed expenditure budgets for these programmes, and are included in Appendix II, as follows:

- £308,000 additional allocation for Cycling Walking & Safer Streets
- £176,000 Nature Restoration Fund

- 4.6 Third Party Contributions have increased by £1,356,000, of which £221,000 relates to the adjustments to the programme and amounts carried forward from last year, and £1,135,000 are new Contributions to the programme in 2022/23. These relate to £75,000 from TACTRAN for the Cycling Walking & Safer Streets programme (Section 5.3.2), £945,000 from the Forestry Commission for Timber Routes (Section 5.3.4) and £115,000 on the Commercial Property Investment Programme (Section 5.3.11). All movements in Developer Contributions and Revenue Contributions relate to carry forward adjustments between 2021/22 and 2022/23.
- 4.7 The projected borrowing requirement in 2022/23, which is effectively the balancing item for resources, is **£136,959,000**. This is £11,315,000 higher than the borrowing requirement approved on 20 April 2022.
- 4.8 The total borrowing requirement in the subsequent years 2023/24 to 2027/28 has increased by **£23,269,000 to £399,628,000**, resulting in an overall increase of **£34,584,000** across the whole 6-year programme. After allowing for the amount brought forward from 2021/22 of £1,384,000, this leaves an increase of **£33,200,000** relating to new borrowing. The movement in borrowing is summarised as follows:

	2022/23	2023/24	2024/25	Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Increased Borrowing Requirement brought forward from 2021/22 (Appendix II)	1,384	0	0	0	1,384
Increase in Borrowing due to inflationary pressures (Section 5.1)	16,597	5,045	11,558	0	33,200
Movements arising from re-phasing of other expenditure and receipts (Appendix II)	(6,666)	(15,657)	(1,485)	23,808	0
Increase/(Decrease) in Borrowing Requirement	11,315	(10,612)	10,073	23,808	34,584

- 4.9 The chart below shows the Capital Resources required to fund the 2022/23 Composite Capital Programme following the proposed budget adjustments detailed in this report.



5. COMPOSITE CAPITAL PROGRAMME – EXPENDITURE

5.1 Total Expenditure and Proposed Budget Adjustments to the Current Programme

5.1.1 Total expenditure (net of grants and contributions) to 31 July 2022 on the Composite Capital Programme amounts to **£20,846,000**, which is detailed in Appendix II and summarised as follows:

	Net Expenditure to 31 July 2022
	£'000
Education & Children's Services	4,016
Communities	15,047
Health and Social Care	43
Corporate & Democratic Services	1,740
Total	20,846

5.1.2 A comprehensive monitoring exercise has been carried out, which is detailed in Appendix II. The most significant features are discussed below under the respective service headings .

5.1.3 In setting the 6-year Capital Budget in February 2022 (report 22/36 refers), the Council approved a Capital funding strategy based upon a £450,000 annual increase in the Council's debt servicing or "loan charges" budget each and every year. This funding strategy provided for the estimated cost of delivering the Capital programme at that time, together with some further capacity for future investment needs. There were no specific commitments against this capacity but, as examples, it was recognised that the Council would likely require future Capital investment to support the delivery of the Climate Change Strategy and Economic Wellbeing Plan amongst others.

5.1.4 Since the Capital Budget was set, the cost uncertainty caused by construction inflation and supply chain difficulties has been exacerbated by the impact of the conflict in Ukraine on global energy prices and the consequential impact on the supply and cost of construction materials. As a consequence project costs have escalated beyond anything reasonably anticipated back in February.

5.2 Communities

5.2.1 The Executive Director (Communities) has reviewed the programme for their Service and proposes various budget adjustments, which are described below. The two most significant are CTLR and Perth City Hall.

5.2.2 The estimated cost of delivering these has been revised upwards as follows:

- Cross Tay Link Road (CTLR) - up to £32,500,000
- Perth City Hall - £700,000

Both projects are on site with considerable expenditure already incurred in their delivery to date.

5.2.2 With regard to the Cross Tay Link Road (CTLR) project, Appendix III to the report provides the committee with background to the development of the project; its role in the delivery of the approved Local Development Plan 2 and the factors giving rise to a potential increase in forecast cost of up to £32.5 million.

5.2.3 The contractor has provided a range of forecast cost estimates for the construction element of the contract. Separately, the Council has engaged Turner & Townsend to review the adequacy of the contingency provision through an assessment of potential risks to the project using industry standard methodology. The table below summarises the main elements of the forecast increase in cost:

	Approved Budget £ million	Revised Estimate £ million	Variance £ million
Construction	94.5	108.9 to 111.7	14.4 to 17.2
Risk Assessment (contingency)	2.4	16.9	14.5
Land and compensation	5.6	5.6	0
Professional Fees	6.8	6.6	(0.2)
Licenses and Public Utilities	3.6	4.0	0.4
Insurance	2.0	2.2	0.2
Consultancy, Surveys & Investigations	1.9	1.9	0
Engineering Administration	1.2	1.6	0.4
Total	118	147.7 to 150.5	29.7 to 32.5
Transport Scotland Funding	(40)	(40)	0
Revised Net Cost	78	107.7 to 110.5	29.7 to 32.5

5.2.4 The range of potential cost estimates for the CTLR reflect the scale and complexity of the project which is the largest civil engineering works ever undertaken by the Council. The revised forecast for construction costs includes £5 million of cost mitigation measures achieved through value engineering in relation to the design. The risk assessment, in particular, has been revised to reflect the impact of a range of scenarios as outlined in Appendix III and the estimated costs of contingency works are, by definition, uncertain. Given the uncertainties and challenges being experienced across a range of Capital projects, it is, therefore, proposed that the committee make provision for the current “worst-case” scenario with the potential that the eventual cost of the project may not be as high as this forecast.

5.2.5 There are a number of significant legal, financial and reputational risks in relation to the CTLR should the Council not progress with the project. These are detailed in Appendix III and include significant risk around the strategic

housing land allocations set out within the Local Development Plan 2 which cannot be delivered without the CTRLR

5.2.6 In terms of the financial risks, these are significant and are outlined below:

- The Council has incurred a total of £23.5 million to 31 July 2022 on the delivery of the project since its inception, including expenditure in prior financial years.
- In the current financial year, the Council has spent £6.7 million on the delivery of the project up to the end of July with a further £3.8m million forecast to be spent in August, bringing total expenditure in year on the project to £10.5 million. Should the project not be progressed, any expenditure in year would require to be accounted for as Revenue pressure rather than Capital expenditure as there is no resultant Capital asset. As this expenditure has not been budgeted for, it would add to the Council's existing structural deficit.
- The Council would forfeit the £40 million of Transport Scotland funding for the CTRLR and be required to pay back the £5 million received to date as the conditions of the grant funding will not have been met.
- In addition, the cost of reinstating the site would require to be met together with any resultant costs from the early termination of contracts or through any successful claims against the Council.

5.2.7 The Perth City Hall project is on track to open in early 2024 and the majority of the works are contained within the budget. However, unanticipated additional works surrounding archaeology and repairs to the building fabric mean that the contingency provision is now fully committed. It is anticipated that further expenditure will be required on internal repairs and some aspects of the exhibition fit-out. It is proposed that a further £700,000 is allocated in 2023/24 to replenish the contingency fund, with Culture Perth and Kinross committing to fundraise a further £300,000 to support the project's exhibition and display requirements.

5.2.8 In respect of these two key committed projects, based on the latest assessment under the approved funding Strategy which was approved in February 2022, there is approximately £70 million of forecast uncommitted capacity available to support the delivery of the approved Capital Budget . The Committee is therefore requested to approve the application of £33,200,000 of that uncommitted capacity to support the delivery of these projects as reflected in Appendix II to the report.

5.2.9 Subject to the approval of these adjustments, the remaining forecast capacity available to absorb the anticipated construction inflation and increasing costs in relation to other approved projects and programmes or indeed, for any for new investment will be approximately £37 million.

5.2.10 Given the challenging financial position, officers will continue to monitor and review the capital programme in line with the Financial Strategy and Investment Blueprint .

In addition;

5.2.11 Within Traffic & Road Safety, further funding has been allocated to Cycling Walking and Safer Streets (CWSS) by the Scottish Government and TACTRAN of £308,000 and £75,000 respectively. Resources have been prioritised towards these grant funded schemes and this has impacted upon the staff resources available for other projects within this programme with proposed adjustments as follows:

- Road Safety Initiatives – £298,000 from the current year with £237,000 rephased to next year and £61,000 in 2024/25;
- Pedestrian Crossings - £175,000 from the current year to 2025/26; and
- Schools Road Safety Measures - £106,000 from the current year to next year.

5.2.12 Also, within Traffic & Road Safety it is proposed to rephase £177,000 for Car Parking Investment from the current year to next year due to unexpected delays surrounding drainage issues and to minimise disruption to parking over the festive period. In addition, Car Parking Investment at Pitlochry is currently being reviewed whilst a suitable site is identified and so it is proposed that the budget of £150,000 is moved to next year.

5.2.13 Within Asset Management – Roads & Lighting, it is proposed to increase the budget for Structural Maintenance by a net £1,358,000. This follows allocation of third-party funding totalling £945,000, combined with a proposed acceleration of £433,000 from 2023/24 to the current year. These budget adjustments in the current year are offset by a proposed transfer of £20,000 from the Welton Road Retaining Wall underspend within Structural Maintenance to the Bridge Refurbishment Programme. Also, within Roads & Lighting, due to staff resources being focused on grant funded projects, it is proposed that £100,000 for Investment in Local Footpaths is moved to 2024/25 from the current year.

5.2.14 Within Asset Management – Bridges, works within the Bridge Refurbishment Programme are currently at the planning stage and as such, anticipated spend in the current year is less than previously budgeted. It is therefore proposed that £1,080,000 is rephased with £125,000 next year and £955,000 in 2024/25. In addition, there is expected to be an £80,000 underspend on Glendevon Bridge and it is proposed that this is combined with the underspend of £20,000 from section 5.3.4 above, and that the £100,000 total is allocated to the Bridge Refurbishment Programme in 2026/27. Due to current engineering staff resource constraints, reduced works on Perth Queens Bridge and Culteuchar Culvert are expected to take place in the current year and therefore it is proposed that their budgets of £70,000 and £278,000 respectively, be moved from the current year to next year.

5.2.15 Within the Perth & Kinross Place-making programme it is proposed that the budgets for Perth City Centre Golden Route, Green Network Routes, Tay Street, Mill Street and South Street be consolidated into one budget heading for Perth, Place, People where funding can be drawn down towards various projects as they commence.

- 5.2.16 Within Other Planning Projects, following a reduction of £120,000 funding from the Department of Digital, Culture, Media & Sport, the budget for Local Full Fibre Network has been adjusted accordingly. The Council has been allocated £176,000 in 2022/23 from the Nature Restoration Fund by the Scottish Government, and this has been included in the budget.
- 5.2.17 The community in Auchterarder have raised £140,000 towards Auchterarder Public Park, and the budget for the works has been increased to reflect the additional funding towards this project. Within the Commercial Property Investment Programme, it is proposed that the budget of £1,398,000 for the Eco-Hub Manufacturing Facility is removed from the current programme of works, and that industrial units be created with a budget of £1,655,000 over this year and next year. These units are part funded by a £115,000 third party contribution. These proposed adjustments, together with a £3,000 adjustment carried forward from last year, result in a net increase in expenditure of £145,000.
- 5.2.18 Within the Prudential Borrowing programme the Street Lighting Renewal for the current year has been reviewed. As a result of additional works completed last year it is proposed that the budget for the programme in relation to column replacements is rephased over the remaining years of the project. In addition, following the disposal of skips and containers as part of the replacement programme, it is proposed to increase the budget for new skips by the £4,000 net proceeds received to date.
- 5.2.19 All the above proposed adjustments have been reflected in Appendices I & II.

5.3 Education and Children's Services

- 5.3.1 The Executive Director (Education & Children's Services) has reviewed the programme for their Service and proposes the following budget adjustments.
- 5.3.2 Works on the new Riverside Primary School are progressing well and it is proposed to accelerate £3,008,000 from next year into the current year to reflect the level of work due for completion this year.
- 5.3.3 The following adjustments reflect the movement in the overall programme following the effects of Covid-19 on the timescales across the projects.
- 5.3.4 There have been several small adjustments to various Education & Children's Services projects relating to amounts carried forward from 2021/22 which are included in Appendix II. These mostly relate to projects that have been completed.
- 5.3.5 Within the Investment in the Learning Estate, it is proposed to move £2,000,000 from the current year, and £5,000,000 from next year, with £4,000,000 being allocated to 2024/25 and £1,000,000 into each of the subsequent three years of the programme. Further details for the use of this funding will be provided following a review of the programme.
- 5.3.6 In line with a proposed opening date of August 2026, the budget for a new primary school at Bertha Park requires rephasing. It is proposed to transfer

£7,500,000 from both 2023/24 and 2024/25 into 2025/26; and to reduce the current year by £400,000 with a corresponding increase in 2026/27.

5.3.7 Within the budget for Technology Upgrades, planned works indicate that £400,000 of the budget will not be utilised in the current year and it is proposed that this budget be moved to 2023/24.

5.3.8 The expected payment profile for the extension of Harris Academy has also been updated, and it is proposed that £1,100,000 of the budget is moved from 2022/23 to 2023/24. In addition, works are continuing on-site upgrading facilities at Perth Grammar and Perth Academy. Following an update to the actual value of the current phases, it is proposed that both budgets be rephased as follows:

- A reduction at Perth Academy of £1,300,000 in the current year and £3,000,000 next year with a budget of £2,150,000 being allocated to both 2025/26 and 2026/27;
- A reduction at Perth Grammar of £2,000,000 in the current year and £815,000 next year, with £811,000 allocated to 2024/25, £1,500,000 to 2025/26 and the remainder of £504,000 to 2026/27.

5.3.9 All of the above proposed adjustments have been reflected in Appendices I & II.

5.4 Corporate & Democratic Services

5.4.1 The Chief Operating Officer has reviewed the programme for their Service and proposes the budget adjustments described below.

Property Services

5.4.2 Within Capital Improvement Projects it is proposed that £600,000 is accelerated from 2027/28 to the current year to fund energy efficiency measures.

Information Systems & Technology

5.4.3 The works within Data & Analytics for the year have been assessed and it is proposed to rephase £135,000 from the current year to next year in line with planned activity.

5.4.4 Within Information Systems and Technology there are separate budgets for Supporting Digital, Online/Mobile Working and Customer Service Blueprint. As there are strong links and crossovers between these areas of IT work it is proposed that the budgets for these areas are consolidated into one budget under the overarching Supporting Digital programme. This will enable a streamlined approach to prioritising works and for testing and deploying digital improvements. In addition, it is proposed that within the Supporting Digital programme £477,000 is moved from the current year to next year to reflect the level of anticipated spend.

- 5.4.5 The roll out of School Audio Visual Equipment Replacement is progressing well and it is proposed that the budget is accelerated in the current year with an increase of £848,000 to be funded from future year budgets within the programme.
- 5.4.6 Following the appointment of the preferred supplier for the Swift Social Work System Replacement last year, it is proposed to adjust the budget in line with the terms of the agreed contract. In particular, the licence costs are due in 2023/24 when the system goes live, with only staff costs for the ongoing development and implementation being incurred in the current year. It is also proposed to move the unallocated budget of £292,000 to 2024/25 to allow for further development works to be undertaken post-implementation. The proposed budget adjustments have been included in Appendix II.
- 5.4.7 All the above proposed adjustments, together with other small movements, have been reflected in Appendix II.

5.5 Health & Social Care

- 5.5.1 The Developing Supported Tenancies project is a contribution towards works within the Housing Revenue Account. It has been confirmed that the budget of £229,000 will not be drawn down in the current year and it is proposed that the budget is moved to next year will options continue to be evaluated.
- 5.5.2 The above proposed adjustment has been reflected in Appendix II.

6. HOUSING INVESTMENT PROGRAMME

Final Outturn 2021-22

- 6.1 The final position for 2021/22 on the Housing Investment Programme (subject to audit) was as follows:

	2021/22 Budget	Actual to 31 March 2022	Variance to Budget
	£'000	£'000	£000
Total Net Expenditure	12,018	11,856	(162)
Total Receipts & CFCR	(2,259)	(2,328)	(69)
Borrowing Requirement	9,759	9,528	(231)

- 6.2 In order to determine the carry-forward adjustments required for each project in 2022/23, the 2021/22 actual outturns have been compared to the previous projections. The difference between the actuals and previous projections are then adjusted against the 2022/23 budgets, which are shown in Appendix IV. These adjustments are neutral over the 2 years and has resulted in a movement of £231,000 of borrowing from 2021/22 to 2022/23.

Current Programme: 2022/23 to 2026/27

- 6.3 The current estimated expenditure, net of contributions, for the Housing Investment Programme over the 5 years 2022/23 to 2026/27 amounts to

£84,018,000. Movements from the previous estimates approved by the Strategic Policy & Resources Committee on 20 April 2022 are summarised in the table below and detailed in Appendix IV. The overall increase of **£162,000** represents the amount of expenditure carried forward from last year.

	Approved 20 April 2021	Current Estimate	Movement
	£'000	£'000	£'000
2022/23	17,963	18,131	168
2023/24	15,983	17,022	1,039
2024/25	13,871	13,867	(4)
2025/26	19,995	18,954	(1,041)
2026/27	16,044	16,044	0
Total	83,856	84,018	162

6.4 Total Expenditure to 31 July 2022 (Housing Investment Programme)

Net expenditure for 2022/23 to 31 July 2022 amounts to £3,186,000 and receipts amount to £4,000. This therefore means that the borrowing requirement for the year to date is £3,182,000.

- 6.5 After making adjustments relating to small carry-forward amounts from last year, the Executive Director (Communities) has reviewed the Housing Investment Programme and proposes the budget adjustments outlined below and which are included in Appendix IV.
- 6.6 It is proposed to transfer a net total of £1,746,000 from the New Build Future Development budget in 2022/23 for the scheme at Lymedoch Road, Methven in 2022/23 (£707,000) and 2023/24 (£1,039,000). These amounts are after applying £480,000 from the Council Tax Reserve and £1,643,000 of Scottish Government Grant. It is also proposed to transfer a further £90,000 from the Glebe, Scone budget which is now effectively completed.
- 6.7 The New Build scheme at Newburgh Road, Abernethy is also nearing completion. It is proposed to adjust the expenditure budget by £1,200,000 in 2022/23 in relation to the share equity properties, of which £492,000 is being funded from Scottish Government grant and £708,000 from sales to the shared equity owners.
- 6.8 In order to support the Council House Buy-Back programme, Scottish Government Grant of £1,050,000 has been sought in 2022/23, based on £35,000 per property (30 properties). It is, therefore, proposed to increase the expenditure budget in 2022/23 by this amount.
- 6.9 With various work programmes ongoing, it is also proposed to allocate funding from the Scottish Housing Quality Standard Future Developments budget in 2025/26 to various schemes in the current year, and these are summarised as follows:-
- Central Heating & Rewiring - £938,000, with a reduction of £98,000 in Third party Contributions from last year.
 - Triple Glazing - £60,000.

- Fire Precaution Measures - £250,000.
- 111 Rannoch Road, Perth (Conversion) - £211,000.

6.10 With no works currently planned within the Structural Programme, it is proposed to move £418,000 from 2022/23 to 2025/26, in order to maintain a rolling programme of works in future years.

6.11 The estimate for Capital Financed by Current Revenue (CFCR) in 2022/23 has reduced by £156,000 to £2,458,000, which is offset by an adjustment of £73,000 relating to Receipts. These result in an overall increase in borrowing of £83,000 in the current year. After including the reduction in borrowing brought forward from last year of £231,000, the overall increase in the Borrowing Requirement for the current 5 years to 2026/27 is £320,000.

7. BUDGET OVERVIEW

7.1 The projected net expenditure outturn in 2022/23 for the Composite Capital Budget is **£150,335,000** and represents **109%** of the 2022/23 budget as approved on 20 April 2022 (£138,276,000). The revised budget is based on the latest projection of expenditure and all budget adjustments outlined within this report.

7.2 Net expenditure to 31 July 2022 on the Composite Capital Budget is **£20,846,000** and represents **14%** of the proposed revised budget for 2022/23 of **£150,335,000**.

7.3 The projected net expenditure outturn in 2022/23 for the Housing Investment Programme is **£18,131,000** and represents **101%** of the 2022/23 budget approved on 20 April 2022 (£17,963,000).

7.4 Net expenditure to 31 July 2021 on the Housing Investment Programme is **£3,186,000** which represents **18%** of the proposed revised budget for 2022/23 of £18,131,000.

7.5 While the projections have been based on a comprehensive monitoring exercise, they continue to remain subject to uncertainty as a result of ongoing inflationary pressures, particularly in the construction industry, in the current economic environment.

Author(s)

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

Approved

Name	Designation	Date
Karen Donaldson	Chief Operating Officer	24 August 2022
Stewart MacKenzie	Head of Finance	24 August 2022

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

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	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 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

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

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

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

Workforce

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

Asset Management (land, property, IT)

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

3. Assessments

Equality Impact Assessment

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

Strategic Environmental Assessment

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

Sustainability

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

4. Consultation

Internal

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

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt

information) were relied on to any material extent in preparing the above report.

3. APPENDICES

- Appendix I – Composite Capital Programme - Estimated Capital Resources 2022/23 to 2027/28
- Appendix II – Composite Capital Programme - Summary of Capital Resources and Expenditure 2022/23 to 2027/28
- Appendix III – Cross Tay Link Road – Revised Cost Analysis Report July 2022
- Appendix IV – HRA Capital Investment Programme – Summary of Capital Resources and Expenditure 2022/23 to 2026/27