

REPORT TO: CITY GOVERNANCE COMMITTEE – 17 FEBRUARY 2025

REPORT ON: CAPITAL PLAN 2025-30

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 44-2025

1 PURPOSE OF REPORT

- 1.1 To enable Members to consider proposed changes to the 2024-29 Capital Plan (as agreed by the Council on 18 February 2024 - Report 18-2024, Article VII refers) to prioritise projects within the available resources and to recommend the allocations for 2029-30.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Council:

- a) notes the impact of the current financial environment on the Capital Plan 2025-30
- b) agrees the revised Capital Plan for 2025-30, as detailed in Appendix A; and
- c) notes the risks outlined in Appendix C of the Report and that a further report on the Capital Plan will be presented to the Committee should there be any material change in circumstances
- d) note the additional general capital grant anticipated in relation to the Scottish Government Climate Emergency Fund (as outlined in paragraph 4.2) and that further details of this will be provided to members in a future capital monitoring report.

3 FINANCIAL IMPLICATIONS

- 3.1 The Capital Plan 2025-30 has been prepared in the context of decreasing resources. The level of borrowing from 2027/28 onwards is previously approved budgets that have been reprofiled, and £1m added in 2029/30, to fund the next phase of the Schools Connectivity programme – as agreed at City Governance Committee on 20th November 2023 (Report 334-2023, Article XII refers). The capital financing cost budget has been adjusted to reflect this investment.
- 3.2 The general capital grant allocation, from Scottish Government, for 2025/26 has been confirmed and is reflected in the Plan and includes ringfenced allocations for Renewal of Playparks (£0.609m), Coastal Change Management (£0.094m) and Tier One Active Travel Infrastructure Fund, formerly known as Cycling Walking & Safer Routes (£0.655m). Future years general capital grant allocations are estimates only and will be reviewed next year once 2026/27 figure is available.
- 3.3 The volatility in the housing market, due to high interest rates and inflated building costs, alongside the continued economic uncertainties, both domestically and worldwide, have led to less demand for development sites. In addition, higher levels of costs (associated with sites that are more difficult to develop), are reducing any potential capital receipts. The overall level of capital receipts in the plan has been reviewed, and the sums included reflect the best realistic estimates of what might be realised, taking account of both the demand for sites and the land and property the Council has available.
- 3.4 As a result of the above changes savings of £0.782m are required in order to deliver the General Services programme as planned. After a review of the Plan by Officers, it is recommended that this is achieved by reducing the budget for Social Care - Learning Disability Accommodation by £0.782m to £0.418m which will be retained in the programme for any future works.
- 3.5 Additional provision of £0.620m has been factored into the latest rent increase as agreed at City Governance Committee on 20th January 2025, Report 12-2025, Article VII refers) and will allow for additional capital expenditure of approx. £10.5m. This investment will continue to support the delivery of key housing investment priorities included in this plan such as maintaining Council houses at Scottish Housing Quality Standard and progressing towards meeting new Energy Efficiency Standards in Social Housing. It will also be targeted to areas identified from the results of the stock condition survey due to be carried out in 2025/26.

- 3.6 For 2029/30 block programmes have been added, and these are shown within the Capital Plan 2025-30. These will be funded by the general capital grant from Scottish Government. In addition, £1m of borrowing has been included to fund the next phase of the Schools Connectivity programme, and an allowance has been made to the capital financing costs budget to fund this.

4 COUNCIL PRIORITIES

- 4.1 The Capital Plan takes account of the Council priorities as set out in the Council Plan 2022-27, with the capital budgets aligned to the strategic themes.
- 4.2 Sustainability is a key focus for the Council with the investment of £74m in tackling climate change to help deliver the Councils Net Zero ambitions making up nearly a quarter of the Capital Plan. This includes:
- the Green Transport Hub & Spokes at Bell Street Multi Storey Car Park; and
 - energy efficiency measures in Council Housing

The Green Transport Hub at Bell Street is progressing through the main works construction phase of the project and is currently on programme and budget. When completed in the autumn of 2025 the facility will provide EV charging capacity for city centre residents, commuters, and visitors, generated from on-site renewable energy. In addition, the ground floor will feature a variety of active travel facilities including cycle storage, hire, and a bike reuse centre, enhancing the circular economy of cycling, and facilitating a modal shift to sustainable forms of transport.

It is expected that the Council will receive an allocation from the £40 million included in the Scottish Budget for a climate emergency fund led by local government to target local priorities. This allocation is estimated to be £0.9m and will be paid to the Council as additional General Capital Grant during 2025/26, details of the actual amount and how this will be spent will be reflected in a future capital monitoring report.

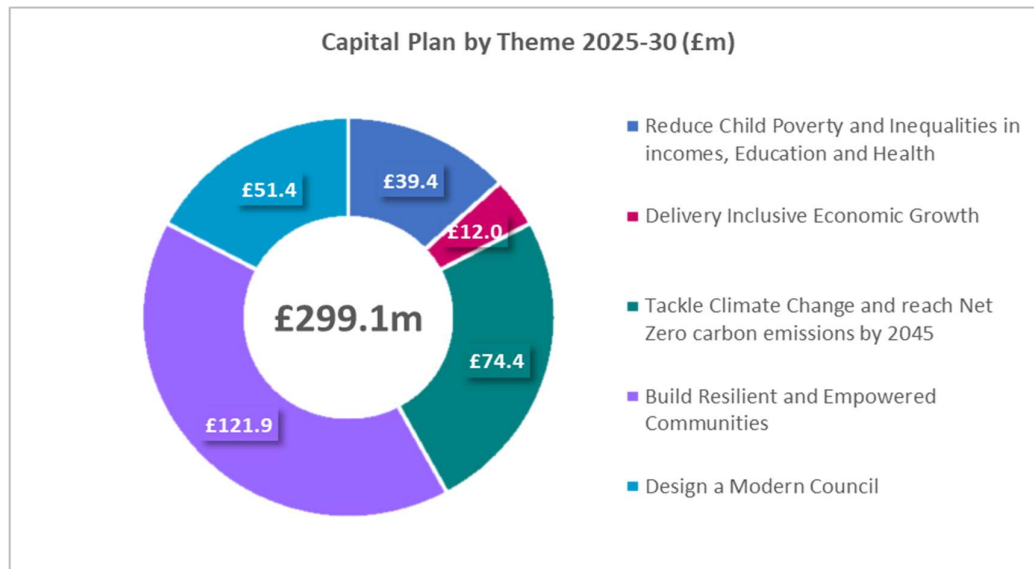
The HRA Capital Plan is committed to tackling climate change and reaching Net Zero carbon emissions by 2045. The plan aims to deliver larger area-based projects, improving multiple measures within the asset so that it improves energy efficiency and reduces fuel poverty for our tenants.

- 4.3 The new East End Community Campus commenced work on site April 2022 as planned. Steady progress has been maintained on site, with the superstructure complete and the building wind and watertight as progress continues through the winter months. Although a nominal amount of time was lost due to adverse weather, this is managed through the overall construction programme with the project maintaining the target for August 2025 opening. The building is being constructed to meet Passivhaus certification standard, creating a building that is highly insulated, air tight and well-ventilated providing a low energy building, ensuring the council have a sustainable low carbon energy efficient community campus.
- 4.4 Following the unsuccessful outcome of the bid for Learning Estate Improvement Programme (LEIP) funding, provision for the full cost of the proposed Western Gateway Primary School has been included in the plan at a revised overall cost of £25m reflecting the latest estimated cost and timescales for this project. It is assumed that circa £4m will be funded by developer contributions with the balance being met from borrowing. It should be noted that there remain external factors outwith the Council's control that will require to be resolved before this project can be progressed. These include the grant of planning permission for the next phase of development and the timing of the transfer of ownership of the proposed site, and site servicing.
- 4.5 Dundee City Council has been working with the Ministry of Housing, Communities and Local Government since January 2024 to identify a list of projects to be supported by the UK Government through the £20m Levelling Up Partnership Programme (recently renamed the Community Regeneration Partnership). The £20m programme includes projects that will be delivered by Dundee City Council and key partners, with the City Council acting as the Lead Authority/conduit for the funding.
- 4.6 St Fergus and Ardler Primary Schools continue to be inspected in accordance with IStructE guidelines. These currently show no concerns with the condition of the RAAC. Trial repairs of an area are planned for Summer 2025 to develop accurate costs for wider remediation of these two schools.

Tenanted and mixed tenure Council House properties are in the second cycle of inspections. The majority of properties are in a serviceable condition, and where any blocks of flats have communal area RAAC, this is made safe through propping. A series of trial repairs is planned to be undertaken

in quarter 2 of 2025 to several property types containing RAAC. This trial work aims to develop accurate costs for a buildable solution to RAAC remediation with minimum occupant disruption.

- 4.7 The table below provides a summary of the Capital plan broken down by the themes of the Council Plan over the period from April 2025 to March 2030.



5 CLIMATE CHANGE

- 5.1 The Council is committed to becoming a net zero organisation by 2038 through its Net Zero Transition Plan and is proactively working with partners across the city to achieve the ambitions set out in Dundee's Local Heat and Energy Efficiency Strategy and Local Area Energy Plan. The Council has an ambition to decarbonise, the cost (both capital and revenue) of moving towards Net Zero across all the Council's assets will be significant, both for the General Fund and the Housing Revenue Account. It is anticipated that the investment needed will exceed current resource levels and will require major investment to replace a significant percentage of the Council's vehicle fleet, to retrofit a range of energy efficiency measures, such as external wall insulation and to install decarbonised heating systems and solar panels. The Council is investigating the feasibility of district heating schemes which could offer an important solution for decarbonising Council and wider city buildings, whilst helping to tackle fuel poverty and drive economic growth, where these are commercially viable and sufficient external funding can be secured.
- 5.2 The investment required is not quantifiable at this time. Based on known costs from previous sustainability investments, - the school building programme and the condition of the Council's assets, the cost will require to be phased over a period of time. Routes to funding continue to be developed across multiple sources (Scottish Government and Department for Energy Security & Net Zero), and officers actively monitor for openings to apply to external sources which will assist progress with renewable energy solutions.
- 5.3 Whilst current financial limitations restrict projects to ensuring the Council's portfolio remains safe and secure, wherever new investment opportunities and external funding allow, new assets are being constructed to the highest energy performance standard possible (e.g. EECC being built to Passivhaus equivalent). Any projects that are undertaken are assessed to determine the opportunity and deliverability of sustainable methods of construction and renewable energy sources based on a balance of service requirement, economic and financial considerations.
- 5.4 It is anticipated that future advancements in low or zero carbon technologies and greater market maturity will lead to cost reductions and therefore lower levels of required investment over time. Developments in the market are proactively monitored by officers to ensure informed decision making which takes account of the financial and environmental impacts and resilience of supply. Officers will monitor such investment requirements as they are identified to provide a long-term assessment of need. As an example, it is estimated that replacement of the Council vehicle fleet will require around £40m to be invested as existing vehicles require replacement and technologies develop.

5.5 The Council has a long-term investment programme for our housing stock that will aim to ensure these properties are as energy efficient as possible delivering benefits for both tenants and the climate. This will be delivered by ensuring these homes meet government Energy Efficiency Standards and the target is to ensure all council housing meets Energy Performance Certificate (EPC) Band B (or where this is not possible) ensure it is as energy efficient as it practically can be. This programme will be tackled through a 'fabric first approach' that essentially means making changes to the design and construction of the key components e.g. roof, doors and windows and ensuring that any future investment to replace these items will improve the energy performance of the building. These changes will be part funded by the Council through further borrowing and any other grant funding available from Scottish Government or other sources.

5.6 In respect of other planned investments, the Council will ensure these take cognisance of our net zero ambitions by ensuring that these works are completed using sustainable materials and low or zero carbon heating solutions wherever possible. Whilst recognising the longer-term benefits this can offer this will need to be balanced with affordability. In respect of Housing, the forthcoming stock condition survey will be used to inform this and details of specific works to be undertaken will be provided to elected members in due course.

6 PRUDENTIAL FRAMEWORK

6.1 The Prudential Framework has been developed as a professional code of practice to support local authorities in taking decisions on capital investment. Local authorities are required by Regulation to comply with the Prudential Code under Part 7 of the Local Government in Scotland Act 2003. The Capital Plan 2025-30 has been prepared in compliance with the Prudential Code.

6.2 Under the Prudential Code Local Authorities are obliged to introduce a system of option appraisal for capital projects and to develop asset management plans to assist in determining capital expenditure priorities.

6.3 Option appraisal guidelines have been developed which allow services to consider systematically whether individual capital projects provide value for money. An option appraisal report will be completed for all projects of £1m or above being considered for inclusion in the Council's Capital Plan. All Option Appraisals must be presented to the Capital Governance Group in the first instance.

6.4 The Prudential Code requires the Executive Director of Corporate Services to prepare a set of indicators that demonstrate that the Council's Capital Plan 2025-30 is affordable, prudent and sustainable, via the level of Council's borrowing for General services and Housing HRA. The Prudential Indicators are shown in Appendix B of this report.

7 RISK ASSESSMENT

7.1 Appendix C sets out the principal risks to the delivery of the Capital Plan. These will be kept under review by the Capital Governance Group and any material change in circumstances that affect the delivery of the plan will be reported to Committee.

8 CONSULTATION

8.1 The Council Leadership Team has been consulted in the preparation of the report.

9 POLICY IMPLICATIONS

9.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of/ mitigating factors for them is included as an Appendix D to this report.

10 BACKGROUND PAPERS

10.1 None

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES
06 FEBRUARY 2025



CAPITAL PLAN 2025-30

FOR

GENERAL SERVICES

&

HOUSING HRA

Feb-25

Executive Director of Corporate Services

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DUNDEE CITY COUNCIL**CAPITAL PLAN 2025-30****PROJECTED CAPITAL RESOURCES**

		<u>2024/25</u> <u>£000</u>	<u>2025/26</u> <u>£000</u>	<u>2026/27</u> <u>£000</u>	<u>2027/28</u> <u>£000</u>	<u>2028/29</u> <u>£000</u>	<u>2029/30</u> <u>£000</u>
1 Capital expenditure funded from borrowing	General Services	82,109	27,230	20,635	24,511	250	1,280
	Housing HRA	14,142	32,301	28,635	20,182	25,140	25,000
2 Capital Element of General Capital Grant less PSHQ	General Services	11,830	13,187	13,000	13,000	12,578	11,551
3 Capital grants & contributions - corporate	General Services						
	Housing HRA	165	165	165	165	165	165
4 Capital grants & Contributions - project specific	General Services	14,590	8,859	3,180	482		
	Housing HRA	695	1,130	1,396		867	1,140
5 Capital Receipts - Sale of Assets	General Services	2,000	2,000	2,000	1,000		
	Housing HRA	262	460	288	103		
6 Capital Fund	General Services	426					
7 Capital Financed from Current Revenue	General Services						
	Housing HRA	450	450	450	450	450	450
8 Over Programming	General Services		4,700				
	Housing HRA						
TOTAL PROJECTED GROSS CAPITAL RESOURCES		126,669	90,482	69,749	59,893	39,450	39,586
TOTAL PLANNED GROSS CAPITAL EXPENDITURE		126,669	90,482	69,749	59,893	39,450	39,586

DUNDEE CITY COUNCIL

CAPITAL PLAN 2025-30

PRICE BASE : OUTTURN PRICES

SUMMARY

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-23						
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Reduce Child Poverty and Inequalities in incomes, Education and Health	136,925	39,250	58,275	13,982	7,918	17,500	-	-
Delivery Inclusive Economic Growth	37,861	8,337	17,497	4,298	2,712	4,317	400	300
Tackle Climate Change and reach Net Zero carbon emissions by 2045	133,865	42,343	17,125	25,783	14,634	10,035	12,418	11,527
Build Resilient and Empowered Communities	170,921	26,394	22,593	35,451	25,945	18,406	20,879	21,253
Design a Modern Council	78,042	15,461	11,179	10,968	18,540	9,635	5,753	6,506
<i>Total Gross Expenditure</i>	557,614	131,785	126,669	90,482	69,749	59,893	39,450	39,586

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2025-30

REDUCE CHILD POVERTY AND INEQUALITIES IN INCOMES, EDUCATION AND HEALTH

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Harris Academy Extension (Less External Funding)	4,779 (4,779)	4,629 (4,629)	150 (150)					
School Estate Investment - East End Community Campus (Less External Funding)	100,900 (100)	30,118	57,790	12,992 (100)				
School Estate Investment - Western Gateway (Less External Funding)	25,000 (3,662)				7,500 (3,180)	17,500 (482)		
Young Person House (Fairbairn Street Replacement)	3,291	3,280	11					
Young Persons Homes Refurbishments	500	500						
Children & Families Hub (Less External Funding)	675 (260)	4	50 (50)	621 (210)				
Free School Meals Expansion - Primary Schools	668	275	150	243				
Social Care - Learning Disability Accommodation	1,112	444	124	126	418			
Net Expenditure	128,124	34,621	58,075	13,672	4,738	17,018		
Netted Off Receipts	(8,801)	(4,629)	(200)	(310)	(3,180)	(482)		
Gross Expenditure	136,925	39,250	58,275	13,982	7,918	17,500		

DUNDEE CITY COUNCIL

CAPITAL PLAN 2025-30

DELIVER INCLUSIVE ECONOMIC GROWTH

PRICE BASE: OUTTURN PRICES

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Central Waterfront	1,284	1,219	25	40				
Site 6 South Development - Offices	26,202	6,424	17,163	2,615				
Economic Development Fit Out	661	609	52					
Vacant & Derelict Land Fund (Less External Funding)	341 (341)		10 (10)	331 (331)				
Tay Cities	4,050				1,012	3,038		
Tay Cities - 5G Testbeds (Less External Funding)	134 (134)	64 (64)	70 (70)					
Demolition of Properties & Remediation Works	5,189	21	177	1,312	1,700	1,279	400	300
Net Expenditure	37,386	8,273	17,417	3,967	2,712	4,317	400	300
Netted Off Receipts	(475)	(64)	(80)	(331)				
Gross Expenditure	37,861	8,337	17,497	4,298	2,712	4,317	400	300

DUNDEE CITY COUNCIL

CAPITAL PLAN 2025-30

PRICE BASE: OUTTURN PRICES

TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	
Coastal Protection Works (Less External Funding)	16,979 (562)	16,597 (562)	172	210				
Water Resilient Dundee	616		60	556				
Broughty Ferry to Monifieth Active Travel Improvements (Less External Funding)	17,978 (17,228)	15,459 (15,459)	1,029 (500)	1,490 (1,269)				
Flood Risk Management	849		150	699				
St Marys Drainage	200	1	25	174				
Active Travel Infrastructure (Less External Funding)	971 (271)	665 (208)	306 (63)					
Low Emission Zone (Less External Funding)	1,703 (1,664)	1,337 (1,337)	242 (203)	124 (124)				
Tier 1 Active Travel (formerly known as Cycling Walking & Safer Routes) (Less External Funding)	3,664 (3,664)	2,004 (2,004)	1,005 (1,005)	655 (655)				
Parks & Open Space (Less External Funding)	191 (627)	45 (627)	63	83				
DCA Lifecycle plant replacement programme	4,550	66	210	1,110	2,684	480		

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2025-30

TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Low Carbon Transport - Green Transport Hub & Spokes - Bell Street (Less External Funding)	17,940 (16,045)	868 (868)	10,658 (10,658)	6,414 (4,519)				
Recycling Initiatives	160		5	155				
Riverside Recycling Site (Less External Funding)	1,317 (693)		201 (151)	1,116 (542)				
Low Carbon Projects	3,655	3,649	6					
Transport & Infrastructure (Less External Funding)	632 (158)	88 (47)	171 (111)	373				
Vehicle Fleet & Infrastructure (Less External Funding)	11,009 (393)	1,564 (311)	1,073 (82)	3,172	1,300	1,300	1,300	1,300
HOUSING HRA ELEMENT								
Energy Efficient	51,451		1,749	9,452	10,650	8,255	11,118	10,227
Net Expenditure	92,560	20,920	4,352	18,674	14,634	10,035	12,418	11,527
Netted Off Receipts	(41,305)	(21,423)	(12,773)	(7,109)				
Gross Expenditure	133,865	42,343	17,125	25,783	14,634	10,035	12,418	11,527

DUNDEE CITY COUNCIL

CAPITAL PLAN 2025-30

PRICE BASE: OUTTURN PRICES

BUILD RESILIENT AND EMPOWERED COMMUNITIES

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
NON HOUSING HRA ELEMENT								
Neighbourhood Capital Fund (Community Regeneration Fund)	2,070	29	243	742	308	308	240	200
Community Choices - Participatory Budget	371	233	138					
Bridge Assessment Work Programme (Less External Funding)	3,344 (443)	926 (114)	552 (329)	516	400	400	300	250
Council Roads and Footpaths - Other	1,731		181	400	300	300	300	250
Footway Upgrades	2,695		685	560	400	400	350	300
Road Reconstructions/Recycling	15,000		2,500	2,500	2,500	2,500	2,500	2,500
Road Safety (Less External Funding)	1,010 (347)		480 (347)	90	150	150	90	50
Traffic signal upgrades	129		69	60				
Dundee Side Road Crossings (Less External Funding)	9 (9)	5 (5)	4 (4)					
LED Street Lighting Installations	3,838	3,769	69					
Street Lighting Renewal	5,946		1,100	1,016	1,000	1,000	980	850
District Shopping (Less External Funding)	412 (157)	181 (157)	156	75				

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2025-30

BUILD RESILIENT AND EMPOWERED COMMUNITIES

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	
City Improvement Fund	500			500				
City Investment Fund	1,096	72	182	842				
Levelling Up - UK Shared Prosperity Fund	409		409					
(Less External Funding)	(981)	(72)	(409)	(500)				
Parks & Open Space	6,160	1,323	1,601	2,140	203	353	290	250
(Less External Funding)	(1,249)	(275)	(365)	(609)				
Sports Facilities	1,502	134	257	711	150	100	75	75
Less External Funding	(166)	(84)	(82)					
LACD Projects	1,000	3	2	245	250	250	250	
HOUSING HRA ELEMENT								
Free from Serious Disrepair	43,757		5,805	11,658	8,225	4,275	7,323	6,471
Modern Facilities and Services	10,820		565	876	1,752	2,753	2,374	2,500
Healthy, Safe and Secure	17,506		2,603	5,383	2,490	2,260	2,510	2,260
Miscellaneous	9,193		1,798	2,497	1,637	1,087	1,087	1,087
Increased Supply of Council Housing	40,106	19,719	1,927	4,430	5,970	2,060	2,000	4,000
(Less External Funding)	(14,224)	(8,996)	(695)	(1,130)	(1,396)		(867)	(1,140)
Demolitions	217		167	10	10	10	10	10
Sheltered Lounge Upgrades	1,200		200	200	200	200	200	200
Improvement Plan	900		900					
Net Expenditure	153,345	16,691	20,362	33,212	24,549	18,406	20,012	20,113
Netted Off Receipts	(17,576)	(9,703)	(2,231)	(2,239)	(1,396)		(867)	(1,140)
Gross Expenditure	170,921	26,394	22,593	35,451	25,945	18,406	20,879	21,253

DUNDEE CITY COUNCIL

PRICE BASE: OUTTURN PRICES

CAPITAL PLAN 2025-30

DESIGN A MODERN COUNCIL

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	
Cemeteries	649	54	70	150	100	100	100	75
Contaminated Land	325		55	120	50		50	50
Recycling & Waste Management - Purchase of Bins	901		151	150	150	150	150	150
Baldovie Depot Redevelopment	5,200	175	100	200	4,725			
Purchase Computer Equipment (Less External Funding)	7,150 (649)	1,268 (648)	1,272 (1)	1,251	1,108	835	758	658
Purchase Desktop Collaboration Platform	4,623		714	734	700	850	800	825
Smart Cities Digital/ICT Investment	403	271		132				
Desktop Management Software	258		258					
Schools Connectivity	2,636	26	1,610					1,000
Asset Management System Replacement	350			175	175			

DUNDEE CITY COUNCIL**PRICE BASE: OUTTURN PRICES****CAPITAL PLAN 2025-30****DESIGN A MODERN COUNCIL****ALL FIGURES £'000**

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-24						
			2024/25	2025/26	2026/27	2027/28	2028/29	
Property Lifecycle Development Programme (Less External Funding)	30,614 (157)	2,908 (157)	5,903	5,232	5,793	3,695	3,615	3,468
Property Rationalisation Programme	3,956	3,280	46	630				
Depot Rationalisation Programme	3,063	361	100	867	1,735			
Capitalisation of Borrowing Costs	1,400			280	280	280	280	280
Contingency Capital Expenditure	703		156	547				
Dundee Ice Arena Plant & Upgrade	9,100	1,051	100	500	3,724	3,725		
Olympia Refurbishment Works	6,711	6,067	644					
Net Expenditure	77,236	14,656	11,178	10,968	18,540	9,635	5,753	6,506
Netted Off Receipts	(806)	(805)	(1)					
Gross Expenditure	78,042	15,461	11,179	10,968	18,540	9,635	5,753	6,506

THE PURPOSE OF PRUDENTIAL INDICATORS

The framework established by the Prudential Code should support local strategic planning, local asset management planning. The objectives of the Prudential Code are to ensure, within a clear reporting framework, that:

- All external borrowing and other long-term liabilities are within **prudent** and sustainable levels
- The Council's capital expenditure plans are **affordable** and proportionate
- Treasury management decisions are taken in accordance with good professional practice

The Annual Treasury Management Activity for 2023/24 including Prudential Indicators covering period 2023/24 to 2028/29 were reported to City Governance Committee on 18th November 2024 (Report No 289-2024, Article XIII refers). These have now been updated to reflect projected expenditure included in the 2025-30 Capital Plan.

PRUDENTIAL CODE INDICATORS - TREASURY MANAGEMENT INDICATORS

Adoption of Revised CIPFA Treasury Management Code of Practice

Yes

Upper limit for variable and fixed rate exposure

	Net principal re variable rate borrowing / investments	Net principal re fixed rate borrowing / investments
2024/25	30%	100%
2025/26	30%	100%
2026/27	30%	100%
2027/28	30%	100%
2028/29	30%	100%
2029/30	30%	100%

Maturity structure of fixed rate borrowing 2024/25

Period	Lower %	Upper %
Under 12 months	0	10
12 months & within 24 months	0	15
24 months & within 5 years	0	25
5 years & within 10 years	0	25
10 years +	50	95
Upper limit for total principal sums invested for over 364 days	n/a	No sums will be invested longer than 364 days

PRUDENCE INDICATORS**CAPITAL EXPENDITURE****Prudential Indicator: Level of Capital Expenditure**

This indicator measures affordability and gives a basic control of the Council's capital expenditure. To provide an accurate indicator of capital expenditure all receipts are excluded from the calculation, so figures are based on gross expenditure.

	Capital Expenditure		
	Non-HRA £m	HRA £m	Total £m
2024/25	110.955	15.714	126.669
2025/26	55.976	34.506	90.482
2026/27	38.815	30.934	69.749
2027/28	38.993	20.900	59.893
2028/29	12.828	26.622	39.450
2029/30	12.831	26.755	39.586

Prudential Indicator: Capital Financing Requirement

The calculation of the capital financing requirement reflects the Council's underlying need to borrow for a capital purpose. Capital expenditure can be funded from capital receipts from the sale of land and buildings, grants and contributions, or from revenue. The remaining expenditure not funded from the aforementioned, will require to be funded from borrowing, and will increase the capital financing requirement of the Council.

	Net Borrowing Requirement (NBR)		
	1 April £m	31 March £m	Movement £m
2024/25	577.677	683.000	105.323
2025/26	683.000	719.000	36.000
2026/27	719.000	745.000	26.000
2027/28	745.000	766.000	21.000
2028/29	766.000	767.000	1.000
2029/30	767.000	769.000	2.000

	Capital Financing Requirement (CFR)			
	Non-HRA £m	HRA £m	Total £m	Movement £m
2024/25	544.000	178.000	722.000	78.114
2025/26	561.000	198.000	759.000	37.000
2026/27	571.000	214.000	785.000	26.000
2027/28	585.000	221.000	806.000	21.000
2028/29	575.000	232.000	807.000	1.000
2029/30	566.000	243.000	809.000	2.000

	NBR v CFR Difference
	Total £m
2024/25	39.000
2025/26	40.000
2026/27	40.000
2027/28	40.000
2028/29	40.000
2029/30	40.000

EXTERNAL DEBT

Prudential Indicator: Authorised Limit

The authorised limit represents a maximum value beyond which the Councils external debt must not exceed. Total external debt needs to be expressed as gross of investments and split between borrowing and other long term liabilities. The Council has a £30m headroom between its authorised limit and its operational boundary.

Prudential Indicator: Operational Boundary

This indicator focuses on the day-to-day treasury management activity within the Council. It is a means by which the Council ensures that it remains within its authorised limits. It is based on the what the Council expects its maximum level of debt based on the Councils level of borrowing as contained in the Capital Plan.

	Authorised Limit				Operational Boundary		
	Borrowing £m	Other £m	Total £m		Borrowing £m	Other £m	Total £m
2024/25	717.000	154.000	871.000		687.000	154.000	841.000
2025/26	753.000	148.000	901.000		723.000	148.000	871.000
2026/27	779.000	142.000	921.000		749.000	142.000	891.000
2027/28	800.000	135.000	935.000		770.000	135.000	905.000
2028/29	801.000	129.000	930.000		771.000	129.000	900.000
2029/30	803.000	123.000	926.000		773.000	123.000	896.000

Prudential Indicator: Actual External Debt

A record of the Council's actual external debt is kept as part of the Treasury Management Activities. Actual external debt reflects the position at a particular point in time and is therefore not directly comparable to the authorised limit and operational boundary.

	31/03/2023	31/03/2024
	£m	£m
Actual borrowing	516.161	592.019
Actual other long term liabilities	164.096	159.104
Actual external debt	680.257	751.123

AFFORDABILITY INDICATORS

Prudential Indicator: Ratio of Commercial & Service Income to Net Revenue Stream

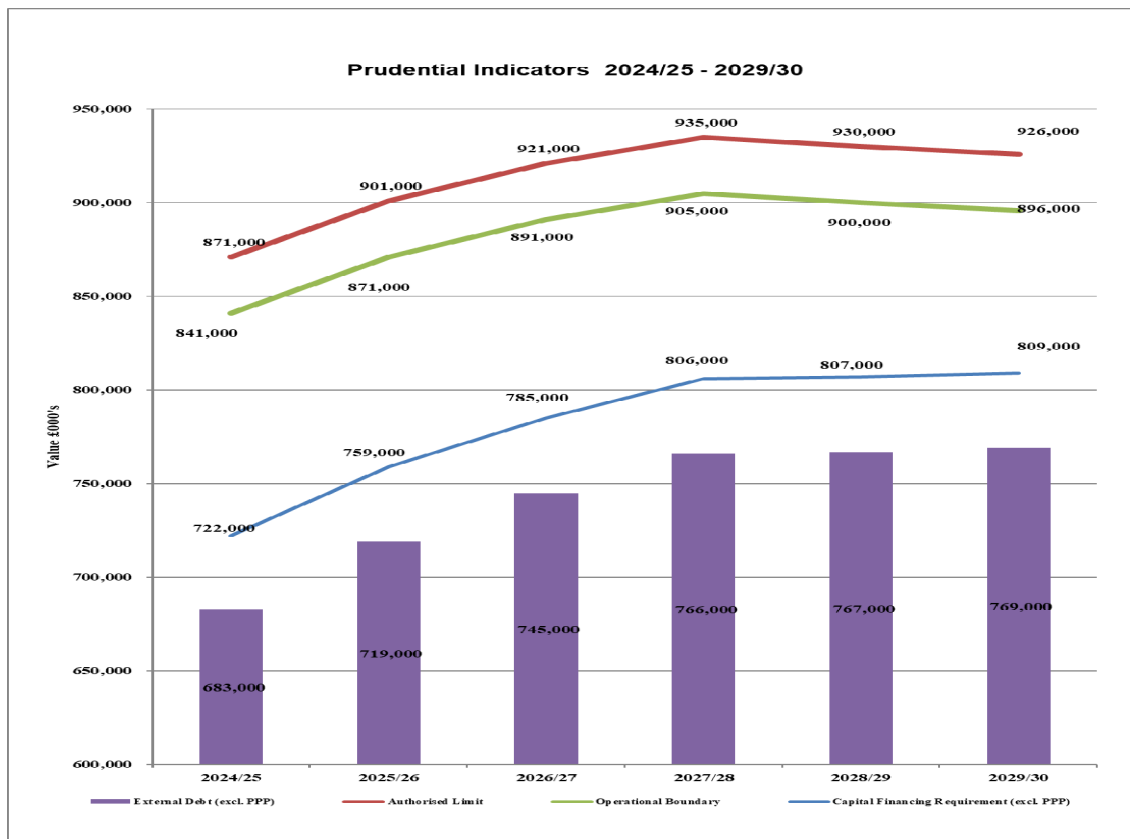
The ratio of commercial and service income to net revenue stream measures both current and future income streams from service and commercial assets as a percentage of the Council's total income that it is estimated over the period of the Capital Plan.

Prudential Indicator: Ratio of Financing Costs to Net Revenue Stream

The ratio of financing costs to net revenue stream also measures affordability. The measure includes both current and future commitments based on the Capital Plan and shows the revenue budget used to fund the capital financing costs associated with the capital expenditure programme.

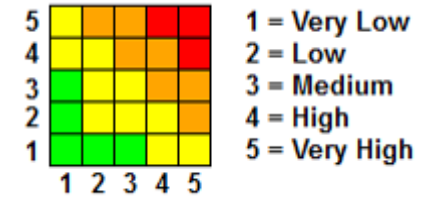
Variations to the ratio imply that the proportion of loan charges has either increased or decreased in relation to the total funded from Government Grants and local taxpayers.

	Ratio Commercial & Service Income to Net Revenue Stream	Ratio of financing costs to Net Revenue Stream	
	Non HRA %	Non-HRA %	HRA %
2024/25	1.3	6.2	35.1
2025/26	1.3	7.1	34.9
2026/27	1.3	7.1	36.4
2027/28	1.3	7.2	37.7
2028/29	1.3	7.0	37.7
2029/30	1.3	6.9	37.7



APPENDIX C

Pentana Risk Matrix

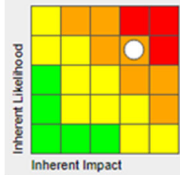
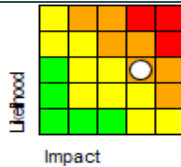


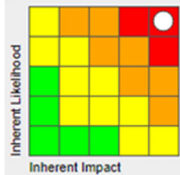
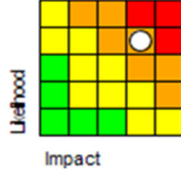
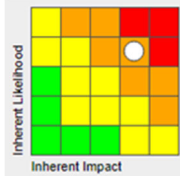
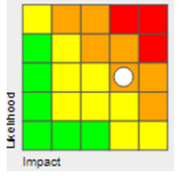
Risk Report

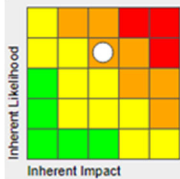
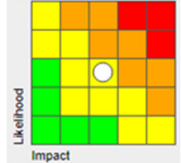
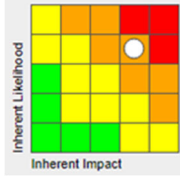
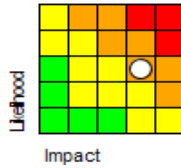
Report Type: Capital Plan 2025-30

Report Author: Executive Director of Corporate Services

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
1.General Price inflation may be greater than contingencies already built into capital plan.	<ul style="list-style-type: none"> The war in Ukraine and uncertainties in the Middle East Labour shortages pushing up labour costs. Economic Uncertainty due to political factors. 	<ul style="list-style-type: none"> Increased financial cost of projects. Potential Overspends as allowance in Capital Plan is insufficient to cover increased cost. 	<ul style="list-style-type: none"> Changes to the scope of projects to accommodate additional costs. Delays to project progressing due to rescoping of project. Changes to Capital Plan to accommodate the additional costs by reallocation of resources from other projects 		<ul style="list-style-type: none"> Robust Capital Monitoring processes in place to enable any potential issues to be highlighted as soon as they arise, and the Capital Plan is adjusted to account for any remedial action required. 	
2.Additional Costs once Project has started and works on-going	<ul style="list-style-type: none"> Unforeseen circumstances such as ground conditions leading to delay and /or additional cost. Under performance in the materials supply chain. 	<ul style="list-style-type: none"> Increased financial cost of projects. Potential Overspends as allowance in Capital Plan is insufficient to cover increased cost. 	<ul style="list-style-type: none"> The estimated completion of the project is delayed Changes to the scope of the ongoing project, if possible, to accommodate the increased costs. Changes to Capital Plan to accommodate the 		<ul style="list-style-type: none"> Robust monitoring of the project by professional Project Managers means potential issues are highlighted and remedial action taken to resolve as soon as possible. Specific Risk registers exist for major capital 	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
			updated cost projections costs by reallocation of resources from other projects or make savings to Plan		<p>projects contained within the capital monitoring, and they are continually reviewed as the project progresses, and corrective action taken where necessary.</p> <ul style="list-style-type: none"> In year Capital monitoring processes ensure overspenders are highlighted as soon as known and corrective action taken. 	
3.Estimated Completion date for the Project	<ul style="list-style-type: none"> Extreme weather conditions can delay progress Unforeseen issues can arise once project starts e.g. ground conditions Under performance in the materials supply chain. 	<ul style="list-style-type: none"> Delay in the asset becoming operational. Negative press coverage for Council Service delivery impacted due to delays in completing works. 	<ul style="list-style-type: none"> Potential additional revenue costs as asset not operational and ready to be used, Delay In achieving revenue savings from the project. Knock on effect of not being able to progress subsequent projects, as staff engaged on delivery of current project. Potential additional capital costs where equipment has been hired. 		<ul style="list-style-type: none"> Robust monitoring of the project by professional Project Managers means when potential delays to the project are highlighted and remedial action taken to resolve as soon as possible to minimise any delays to the completion date. 	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
			<ul style="list-style-type: none"> Potential claim from contractors for extension of time. 			
4.Capital Receipts from Sale of Assets not achieved	<ul style="list-style-type: none"> Uncertain market conditions, e.g. level of interest rates and inflation, means housing developers are not purchasing sites for development. Abnormals can reduce the value of the site being marketed. Brownfield sites have higher level of abnormals due to contamination etc. Uncertain economic/world means businesses are not expanding 	<ul style="list-style-type: none"> Less funding available to fund current capital programme 	<ul style="list-style-type: none"> Alternate capital resources identified to compensate for the shortfall, if possible. Capital programme is reprioritised/savings identified to cover funding shortfall 		<ul style="list-style-type: none"> Robust monitoring of the projected level of capital receipts, over the period covered in the Capital plan, by officers from City Development and Support services, means any shortfalls are identified and remedial action taken. 	
5.Delays in Capital Receipts being Received	<ul style="list-style-type: none"> Uncertain market conditions, e.g. level of interest rates and inflation, cost of raw materials, means housing developers are delaying purchasing sites for development, in anticipation that economic outlook 	<ul style="list-style-type: none"> Less funding available to fund current capital programme in the short term 	<ul style="list-style-type: none"> Capital Plan expenditure programme is re profiled to take account of the delays in receiving the capital receipts 		<ul style="list-style-type: none"> Projected capital receipts projected over period of Capital Plan reviewed, and adjustments made for any short-term delays and remedial action taken. The capital expenditure programme naturally slips due to external factors, so 	

Risk Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Current)
	<p>will improve in future.</p> <ul style="list-style-type: none"> Businesses are delaying applying for business loans for expanding etc in anticipation that interest rates will come down 				any delays in receiving receipts can be matched against the expenditure slippage.	
6.Capital Financing Costs	<ul style="list-style-type: none"> External economic factors out with control of council pushing up interest rates. 	<ul style="list-style-type: none"> Potential overspend of the Capital Financing costs budget. 	<ul style="list-style-type: none"> Level of borrowing used to finance the capital programme reduces. Capital expenditure programme reduced to take account for the reduction in borrowing resources 		<ul style="list-style-type: none"> Treasury Management Strategy. Limited exposure to variable rate funding 	
7.Uncertainty over future levels of Capital Grants from Scottish Government. – only 2025/26 confirmed	<ul style="list-style-type: none"> Scottish Government overall funding shortfalls Funding diverted from Local Authorities into other areas e.g. NHS Funding diverted from Capital to fund Pay awards Funding priorities of Scottish Government changing 	<ul style="list-style-type: none"> Money diverted into specific grants away from General Capital Grants Overall level of Capital Grant received reduces 	<ul style="list-style-type: none"> Capital grant ringfenced on areas not necessarily priority of Council, away from General Capital Grant (where Council controls the spend on local priorities) Shortfall in resources available to fund the capital programme Capital plan reviewed and expenditure plans reduced to account for reduction in capital grant 		<ul style="list-style-type: none"> Rolling five-year capital plan approved each year Realistic assumptions on future levels of Capital grants included in Capital Plan, taking account of Scottish Government forward planning 	

Integrated Impact Assessment

Committee Report Number: 44-2025

Document Title: Capital Plan 2025-30

Document Type: Other

Description:

This report sets out the Capital Plan for General Services and Housing HRA for the period 2025/26 to 2029/30

Intended Outcome:

The delivery of the Capital Plan will support the aims and objectives of the Council Plan

Period Covered: 01/04/2025 to 31/03/2030

Monitoring:

Regular capital monitoring reports to City Governance Committee will monitor the in year budgets, total cost of projects and timescales for delivering projects

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Director Responsible:

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Equality, Diversity and Human Rights

Impacts & Implications

Age: Positive

The Plan includes investment in a range of projects to support the delivery of a range of services that benefit specific groups

Disability: Positive

The investments delivered in the capital plan will improve accessibility of services

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	Positive
Lochee:	Positive
Coldside:	Positive
Maryfield:	Positive
North East:	Positive
East End:	Positive
The Ferry:	Positive
West End:	Positive

Positive Implications:	The Capital Plan will bring improvements in infrastructure citywide with some providing benefits to all residents of Dundee, whilst other improvements will benefit a specific locality
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Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Household Group Impacts and Implications

Carers: No Impact

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: Positive

Investment in New Council Housing stock and Relets will provide more homes for the people of Dundee

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: Positive

The Investment in the Capital Plan will create employment opportunities for the people of Dundee

Education & Skills: Positive

Investment in educational facilities will help to provide the best environment for pupils to study and provide a foundation to future career prospects.

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: Positive

Investment in energy efficiency measures HRA Council houses, will have a positive impact on fuel poverty

Cost of Living / Poverty Premium: Positive

Investment in energy efficiency measures HRA Council houses, will have a positive impact on energy bills

Connectivity / Internet Access: Positive

Investment in Schools Connectivity will have a positive impact on the learning experience provided to Dundee pupils, by providing access to online resources

Income / Benefit Advice / Income MaximisationNo Impact

Employment Opportunities: Positive

The investment in the Plan will provide opportunities for both direct and indirect employment

Education: Positive

Investment in the Councils Educational facilities will provide the best environment to support the learning experience and achieve the most favourable for pupils

Health: Positive

Investment in the Councils Housing Stock will provide a healthier living environment for tenants

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: Positive

Investment in Council assets and infrastructure will improve services within Neighbourhoods

Transport: Positive

Investment in the Citys road network, footpaths and cycleways, along with cycle storage facilities, will make City more accessible

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: Positive

The implementation of the Low Emission Zone, within the City Centre, and the refurbishment of Bell St Multi Storey Car Park into a Green Transport Hub & Spokes, will make a positive contribution to meeting Net zero targets

Adapting to the effects of climate change: Positive

Investment in building improvements to make more energy efficient will offset the impact of climate change

Resource Use Impacts

Energy efficiency & consumption: Positive

Investment in energy saving measures will have a positive impact on energy usage

Prevention, reduction, re-use, recovery or recycling of waste: Positive

Investment in measures to improve waste management will have a positive impact on the recycling of waste in the city

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: Positive

The Plan includes a number of sustainable transport initiatives

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: Positive

The Capital Plan includes investment in Parks and Open Spaces

Built Environment Impacts

Built Heritage: Positive

The investment in both existing and new property will help support a sustainable built environment

Housing: Positive

The investment in the HRA council houses and new builds will help support a sustainable build environment

Is the proposal subject to a Strategic
Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the
Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Positive

The Council Plan sets out a 5 year programme of investment in Council Services to deliver the objectives in the Council Plan

Economic/Financial Sustainability / Security & Equipment: Positive

The investment in property and infrastructure, as detailed in the Capital Plan, will support the Dundee economy. The Capital Plan has been checked to ensure it is affordable

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: Positive

Investment planned for properties will reduce the risk of service disruption due to unforeseen maintenance

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

There are considerable risks associated with the subject matter of this report. This is due either to a significant departure from the previous norm of Council activity, the nature of the proposals or the potential for substantial financial or other impact to be sustained. The report incorporates the potential for losses in excess of £250,000 should the downside risk materialise and / or there is potential for the Council's decision to be challenged and for significant reputational damage.

The delivery of the Capital Plan will be reported through regular reports to City Governance Committee, and monitored by the Capital Governance Group