



City Chambers
DUNDEE
DD1 3BY

6th February, 2026

Dear Colleague

You are requested to attend a MEETING of the **CITY GOVERNANCE COMMITTEE** to be held in the Council Chamber, City Chambers, City Square, Dundee and also to be held remotely on Monday, 16th February, 2026 following the meeting of the City Council and the meetings of the Climate, Net Zero and Environment and the City Growth and Infrastructure Committees called for 5.00pm.

The meeting will also be livestreamed to YouTube. Members of the Press or Public wishing to join the meeting as observers should follow this link www.dundee.gov.uk/live or alternatively they may attend in person.

Should you require any further information please contact Committee Services on telephone (01382) 434228 or by email at committee.services@dundee.gov.uk.

Yours faithfully

GREGORY COLGAN

Chief Executive

AGENDA OF BUSINESS

1 DECLARATION OF INTEREST

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

2 CAPITAL EXPENDITURE MONITORING 2025/2026 - Page 1

(Report No 19-2026 by the Executive Director of Corporate Services, copy attached).

3 REVENUE MONITORING 2025/2026 - Page 17

(Report No 20-2026 by the Executive Director of Corporate Services, copy attached).

4 CAPITAL PLAN 2026/2031 - Page 31

(Report No 24-2026 by the Executive Director of Corporate Services, copy attached).

**5 LOCAL GOVERNMENT FINANCE SETTLEMENT 2026/2027 AND FINANCIAL
IMPLICATIONS FOR THE COUNCIL - Page 59**

(Report No 36-2026 by the Executive Director of Corporate Services, copy attached).

6 COMMUNITY WISHES UPDATE - Page 67

(Report No 12-2026 by the Executive Director of Corporate Services, copy attached).

7 PROVISION OF OCCUPATIONAL HEALTH SERVICES - Page 79

(Report No 14-2026 by the Executive Director of Corporate Services, copy attached).

8 FLEXIBLE RETIREMENT POLICY - Page 83

(Report No 22-2026 by the Executive Director of Corporate Services, copy attached).

REPORT TO: CITY GOVERNANCE COMMITTEE – 16 FEBRUARY 2026
REPORT ON: CAPITAL EXPENDITURE MONITORING 2025/26
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 19-2026

1 PURPOSE OF REPORT

- 1.1 To appraise Elected Members of the latest position regarding the Council's Capital Plan 2025-30.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Plan 2025-30.

3 FINANCIAL IMPLICATIONS

- 3.1 This report shows the latest projections for 2025/26 expenditure and total cost as at 31st December 2025.

Appendix 1, which details the General Services position to the end of December 2025, shows a revised projected outturn for 2025/26 of £55.862m, a decrease of £2.361m since the previous Capital Monitoring report was approved at City Governance Committee on 19th January 2026 (Report 1-2026, Article IV refers). The movements that have contributed to this decrease are summarised in paragraph 5.2 of this report. The net movement of budget from 2025/26 into 2026/27 of £2.930m since the previous Capital Monitoring report was approved will be funded from a combination of grants and contributions and borrowing.

Appendix 3, which details the Housing HRA position to the end of December 2025, shows a revised projected outturn for 2025/26 of £20.536m, a decrease of £0.315m since the previous Capital Monitoring report was approved at City Governance Committee on 19th January 2026 (Report 1-2026, Article IV refers).

4 BACKGROUND

- 4.1 The Capital Plan 2025-30 was approved at City Governance Committee on 17 February 2025 (Report 44-2025, Article V refers).

In addition to monitoring the in-year budget (i.e. 2025/26) the total projected cost of each project will be monitored against the cost when the tender acceptance was approved at Committee. Furthermore, the projected completion date for each project will be monitored against the completion date as anticipated when the tender report was approved. The capital programme is being monitored in conjunction with the Council's asset managers.

The Housing HRA Capital Programme 2025/26 was approved as part of the Capital Plan 2025-30 at the City Governance Committee on 17 February 2025 (Report 44-2025, Article V refers).

- 4.2 Local Authorities from 1 April 2004 are required, by Regulation, to comply with the Prudential Code under Part 7 of the Local Government Act 2003. The Capital Budget for 2025/26 is being monitored within the framework of the updated Prudential Code 2021.
- 4.3 The Capital Monitoring report provides detailed information on major projects and programmes contained within the Capital Budget and the impact of expenditure movements on future financial years.

5 GENERAL SERVICES CURRENT POSITION

- 5.1 Appendix 2 details the latest projected outturn for major projects and programmes, both for 2025/26 and for the whole project lifespan. In addition, the Appendix monitors project timescales, with approved completion dates taken from tender approval reports.

In some instances, it is not possible to provide approved or projected total project costs and timescales due to the budget being a block programme containing various smaller projects within it. In these cases, the total cost is assumed to be the budgeted figure plus previous year actuals. The projected completion date is assumed to be the end of the financial year.

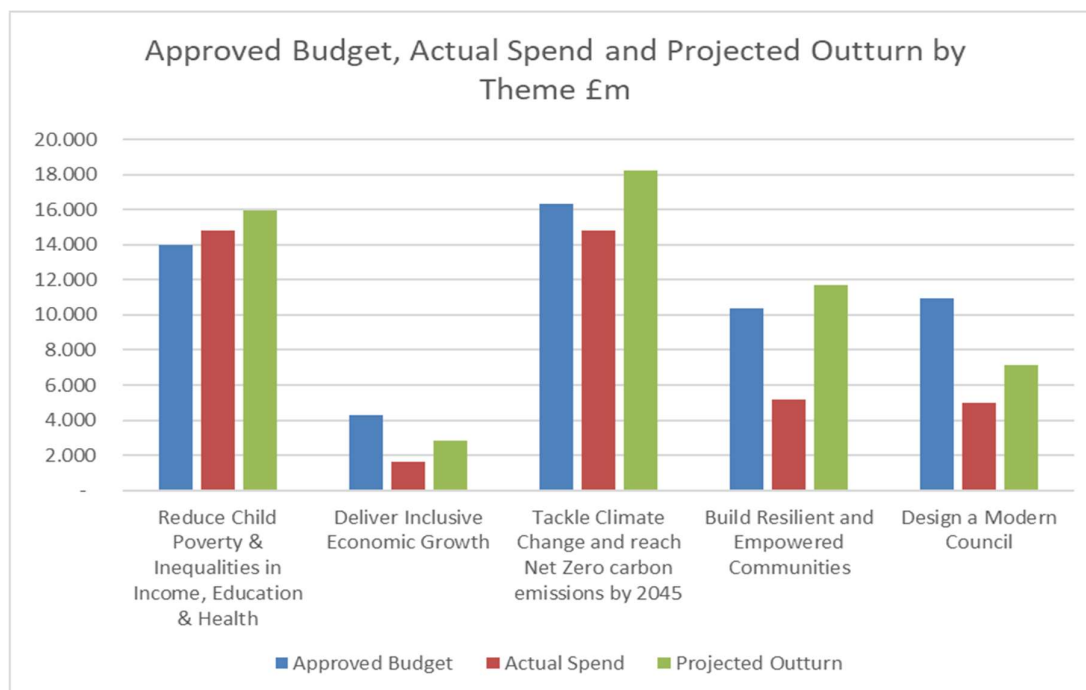
- 5.1.1 In respect to, the projects funded from the £20m Dundee Community Regeneration Partnership, shown in Appendix 4, progress continues to be made in the development and delivery of the named projects.

There are quarterly meetings between Dundee City Council and the UK Government (Ministry of Housing, Communities and Local Government) where the Council provide updates on each of the named projects in the programme. To date, there have been no concerns expressed about the delivery timescales of the projects.

Internally, progress is reviewed fortnightly by the appointed Community Regeneration Partnership Board, whose membership includes the Executive Directors of Corporate Services and City Development, who have delegated authority to deliver the Programme.

- 5.1.2 Appendix 1 summarises the total gross expenditure for 2025/26 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 31st December 2025 is £41.439m, 74% of the Revised Budget 2025/26 compared to 73% for the same period last year.

The table below shows a comparison of approved budget, actual spend and projected outturn for 2025/26, broken down by Council Theme.



The net decrease in the projected outturn for 2025/26 reflects additional grant income awarded to the Council that will be spent in year, and project/programme budgets being reprofiled from 2025/26 into 2026/27. Key variations are as follows and details are provided in subsequent paragraphs. The remainder of the variances, due to reprofiled project/programmes, are below the £0.250m reporting threshold.

Reduction in planned expenditure:

- Demolition Surplus Properties - (£0.476m)
- Parks & Open Spaces Improvements to Playparks and Equipment – (£0.364m)
- Contingency Capital Expenditure – (£0.703m)

5.2 2025/26 Expenditure Variations

Appendix 1, which details the General Services position to the end of December 2025, shows a revised projected outturn for 2025/26 of £55.862m, a decrease of £2.361m since the previous Capital Monitoring report was approved at City Governance Committee on 19th January 2026 (Report 1-2026, Article IV refers). The net movements that have contributed to this decrease are summarised in paragraphs 5.2.1 to 5.2.3 below.

- 5.2.1 Demolition of Surplus Properties (Deliver Economic Growth) – Reduction in projected expenditure of £0.476m in 2025/26. It was anticipated that most of the demolition costs for the Craigie High School and Braeview Academy would be incurred in 2025/26. However, due to a delay in these two school team demobilisations, the start of the demolition works were delayed. The budget will be required in 2026/27. There will be a reduction in borrowing in 2025/26 and a corresponding increase in 2026/27.
- 5.2.2 Parks & Open Spaces (Build Resilient & Empowered Communities) – Reduction in projected expenditure of £0.364m in 2025/26 on Improvements to Playparks and Equipment. The next phase of the programme of works are currently being designed and the works will be carried out spring/summer 2026. The budget will be required in 2026/27. There will be a reduction in borrowing in 2025/26 and a corresponding increase in 2026/27.
- 5.2.3 Contingency Capital Expenditure (Design a Modern Council -Other Projects/Programmes) – Reduction in projected expenditure of £0.703m in 2025/26. The budget is being carried forward to offset the reduction in General Capital Grant 2026/27 figure compared to the allowance made for 2026/27 as per the Capital Plan 2025-30. It is also being used to reduce the over programming allowance in 2026/27 as per the Capital Plan.
- 5.3 The table below shows the latest position regarding the capital resources for funding of the 2025/26 programme: -

	Approved Budget £m	Adjustments £m	Revised Budget £m	Projected Outturn £m	Variance £m
Borrowing	27.230	(3.610)	23.620	23.620	-
General Capital Grant	13.187	0.994	14.181	14.181	-
Capital Grants & Contributions	8.859	6.823	15.682	15.682	-
Capital Receipts – Sale of Assets	2.000		2.000	2.000	
Capital Financed from Current Revenue		<u>0.379</u>	<u>0.379</u>	<u>0.379</u>	-
	<u>51.276</u>	<u>4.586</u>	<u>55.862</u>	<u>55.862</u>	<u>-</u>

- 5.3.1 Over the last 5 years the actual outturns achieved have been: -

	£m
2021/22	45.038
2022/23	44.086
2023/24	73.454
2024/25	105.619
2025/26 (Projected)	55.862

5.4 Projected Total Cost Variations

There are no total cost variations to report since the previous capital monitoring report went to committee.

5.5 Completion Date Variations (this compares the estimated completion date as per the tender acceptance report to the actual completion date)

There are no completion date variations to report since the previous capital monitoring report went to committee.

Officers are constantly reviewing the capital programme to ascertain the impact of global supply chain issues on the timescales for delivering projects. Officers will report any further revisions to estimated completion dates in future capital monitoring reports.

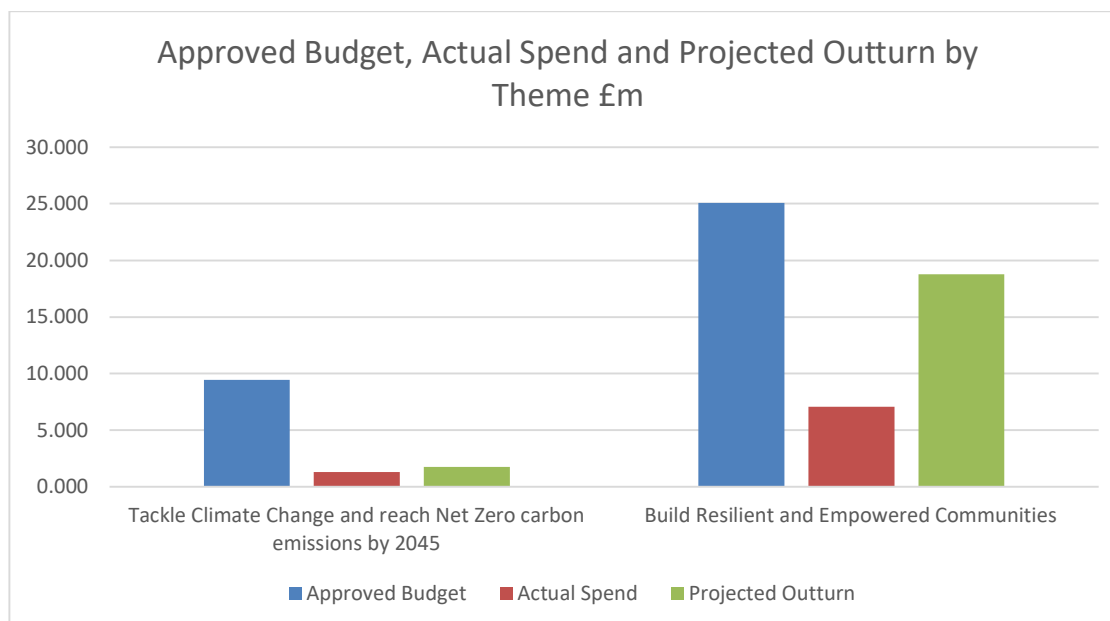
6 **HOUSING HRA - CURRENT POSITION**

6.1 2025/26 Expenditure Variations

Appendix 2 details the latest projected outturn for each project, both for 2025/26 and for the whole project lifespan. In addition, the Appendix monitors project timescales. In some instances, it is not possible to provide approved or projected total project costs and timescales due to the project being a block programme containing various smaller projects within it. In these cases, the total cost is assumed to be the budgeted figure plus previous year actuals.

Appendix 3 summarises the total gross expenditure for 2025/26 and how this expenditure is funded. The projected budgeted capital expenditure is 100% of the projected capital resources. Project cashflows, for phasing of budgets, are constantly being reviewed. Actual expenditure to 31st December 2025 is £8.405m, 41% of the Revised Budget 2025/26 compared to 53% for the same period last year.

The table below shows a comparison of approved budget, actual spend and projected outturn for 2025/26, broken down by Council Theme.



- 6.2 Appendix 3, which details the Housing HRA position to the end of December 2025, shows a revised projected outturn for 2025/26 of £20.536m, a decrease of £0.315 since the previous Capital Monitoring report was approved at City Governance Committee on 19th January 2026 (Report 1-2021, Article IV refers).

6.3 The table below shows the latest position regarding the funding of the 2025/26 programme: -

	Approved Budget £m	Adjustments £m	Revised Budget £m	Projected Outturn £m	Variance £m
Borrowing	32.301	(13.792)	18.509	18.509	-
Capital Grants & Contributions	1.130	(150)	980	980	-
CFCR	450	-	450	450	-
Capital Receipts – Sale of Assets	460	(28)	432	432	-
Receipts from Owners	<u>165</u>	<u>-</u>	<u>165</u>	<u>165</u>	<u>-</u>
	<u>34.506</u>	<u>(13.970)</u>	<u>20,536</u>	<u>20.536</u>	<u>-</u>

6.3.1 Over the last 5 years the actual outturns achieved have been: -

	£m
2021/22	12.338
2022/23	9.232
2023/24	12.175
2024/25	16.530
2025/26 (Projected)	20,536

6.4 Projected Total Cost Variations

There are no total cost variations to report since the previous capital monitoring report went to committee.

6.5 Completion Date Variations (this compares the estimated completion date as per the tender acceptance report to the actual completion date)

There are no completion date variations to report since the previous capital monitoring report went to committee.

7 **POLICY IMPLICATIONS**

7.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

8 **CONSULTATION**

8.1 The Council Leadership Team have been consulted with the content of this report.

9 **BACKGROUND PAPERS**

9.1 None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

04 FEBRUARY 2026

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2025/26 DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING TO 31st DECEMBER 2025**Appendix 1**

	<u>Approved Capital Budget 2025/26 £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2025/26 £000</u>	<u>Actual Spend 2025/26 £000</u>	<u>Projected Outturn 2025/26 £000</u>	<u>Variance £000</u>	<u>Actual Spend to 31.12.25 as a % of Revised Budget</u>
GENERAL SERVICES							
<u>Capital Expenditure</u>							
Reduce Child Poverty & Inequalities in Income, Education & Health	13,982	1,962	15,944	14,810	15,944	0	93%
Deliver Inclusive Economic Growth	4,298	(1,460)	2,838	1,622	2,838	0	57%
Tackle Climate Change and reach Net Zero carbon emissions by 2045	16,331	1,910	18,241	14,830	18,241	0	81%
Build Resilient and Empowered Communities	10,397	1,289	11,686	5,202	11,686	0	45%
Design a Modern Council	10,968	(3,815)	7,153	4,975	7,153	0	70%
Capital Expenditure 2025/26	55,976	(114)	55,862	41,439	55,862	0	74%
<u>Capital Resources</u>							
Expenditure Funded from Borrowing	27,230	(3,610)	23,620	20,818	23,620		
General Capital Grant	13,187	994	14,181	10,977	14,181		
Capital Grants & Contributions - project specific	8,859	6,823	15,682	9,356	15,682		
Capital Receipts - Sale of Assets	2,000		2,000	288	2,000		
Capital Financed from Current Revenue		379	379		379		
Capital Resources 2025/26	51,276	4,586	55,862	41,439	55,862		
Capital Expenditure as % of Capital Resources	109%		100%		100%		

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Appendix 2

REDUCE CHILD POVERTY AND INEQUALITIES IN INCOMES, EDUCATION AND HEALTH

Project/Nature of Expenditure	Approved Budget 2025/26 £000	Total Adjusts £000	Revised Budget 2025/26 £000	Expenditure to 31/12/2025 £'000	Projected Outturn 2025/26 £000
MAJOR PROJECTS - Reduce Child Poverty and Inequalities					
School Estate Investment-East End Community Campus	12,992	2,181	15,173	14,657	15,173
(Less External Funding)	(100)		(100)	(100)	(100)
School Estate Investment - Western Gateway Primary School		150	150		150
(Less External Funding)		(150)	(150)		(150)
OTHER PROJECTS - Reduce Child Poverty and Inequalities	990	(369)	621	153	621
(Less External Funding)	(210)	195	(15)		(15)
Net Expenditure	13,672	2,007	15,679	14,710	15,679
Receipts	(310)	45	(265)	(100)	(265)
Gross Expenditure	13,982	1,962	15,944	14,810	15,944

Note 1				
Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
100,384	100,800	100,900	Jul-25	Aug-25
(100)		(100)		
	25,000	25,000		
	(3,662)	(3,662)		
612	1,277	1,293		
(50)	(275)	(275)		
100,846	123,140	123,156		
(150)	(3,937)	(4,037)		
100,996	127,077	127,193		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2025-30

Appendix 2

DELIVER INCLUSIVE ECONOMIC GROWTH

Project/Nature of Expenditure	Approved Budget 2025/26	Total Adjusts	Revised Budget 2025/26	Expenditure to 31/12/2025	Projected Outturn 2025/26	Note 1				
	£000	£000	£000	£'000	£000	Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
MAJOR PROJECTS - Deliver Inclusive Economic Growth										
Site 6 South Side - Office Development	2,615	(1,209)	1,406	1,093	1,406	24,589	26,202	26,202	Feb-25	Sep-25
Demolition of Properties & Remediation Works	1,312	80	1,392	546	1,392	742	1,588	1,588	Mar-26	Mar-26
OTHER PROJECTS - Deliver Inclusive Economic Growth	371	(331)	40	(17)	40	1,803	2,321	2,150		
(Less External Funding)	(331)	321	(10)	(6)	(10)	(140)	(485)	(434)		
Net Expenditure	3,967	(1,139)	2,828	1,616	2,828	26,994	29,626	29,506		
Netted Off Receipts	(331)	321	(10)	(6)	(10)	(140)	(485)	(434)		
Gross Expenditure	4,298	(1,460)	2,838	1,622	2,838	27,134	30,111	29,940		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2025-30

Appendix 2

TACKLE CLIMATE CHANGE AND REACH NET ZERO CARBON EMISSIONS BY 2045

Project/Nature of Expenditure	Approved Budget 2025/26 £000	Total Adjusts £000	Revised Budget 2025/26 £000	Expenditure to 31/12/2025 £'000	Projected Outturn 2025/26 £000
MAJOR PROJECTS - Tackle Climate Change and Reach Net Zero Emissions by 2045					
Broughty Ferry to Monifieth Active Travel Improvements	1,490	(476)	1,014	869	1,014
(Less External Funding)	(1,269)	405	(864)	(570)	(864)
Tier 1 Active Travel Infrastructure Fund (formerly known as Cycling, Walking & Safer Routes)	655	222	877	721	877
(Less External Funding)	(655)	(222)	(877)	(626)	(877)
DCA Lifecycle plant replacement programme	1,110	70	1,180	982	1,180
Low Carbon Transport (Green Transport Hub & Spokes - Bell Street)	6,414	2,458	8,872	8,571	8,872
(Less External Funding)	(4,519)	(2,079)	(6,598)	(6,556)	(6,598)
Vehicle Fleet & Infrastructure	3,172	(36)	3,136	2,986	3,136
(Less Sale of Vehicles & Equipment)		(229)	(229)	(197)	(229)
OTHER PROJECTS - Tackle Climate Change and Reach Net Zero Carbon Emissions by 2045	3,490	(328)	3,162	701	3,162
(Less External Funding)	(666)	(1,526)	(2,192)	(339)	(2,192)
Net Expenditure	9,222	(1,741)	7,481	6,542	7,481
Receipts	(7,109)	(3,651)	(10,760)	(8,288)	(10,760)
Gross Expenditure	16,331	1,910	18,241	14,830	18,241

Note 1

Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
17,417	17,479	17,562	Sep-24	Mar-26
(17,049)	(17,314)	(17,314)	Sep-24	Mar-26
721	877	877	Mar-26	Mar-26
(626)	(877)	(877)	Mar-26	Mar-26
1,238	4,550	4,550	Main Works Tender targeted for approval during 2025/26	
18,313	17,940	18,614	Sep-25	Nov-25
(16,298)	(14,400)	(15,940)	Sep-25	Sep-25
3,042	3,192	3,192	Mar-26	Mar-26
(197)	(229)	(229)	Mar-26	Mar-26
17,342	21,659	21,685		
(341)	(2,818)	(2,818)		
23,562	30,059	29,302		
(34,511)	(35,638)	(37,178)		
58,073	65,697	66,480		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2025-30

Appendix 2

BUILD RESILIENT AND EMPOWERED COMMUNITIES

Project/Nature of Expenditure	Approved Budget 2025/26 £000	Total Adjusts £000	Revised Budget 2025/26 £000	Expenditure to 31/12/2025 £'000	Projected Outturn 2025/26 £000
MAJOR PROJECTS - Build Resilient and Empowered Communities					
Road Maintenance Partnership	3,460	(77)	3,383	2,112	3,383
Street Lighting Renewal	1,016	32	1,048	617	1,048
City Improvement/Investment Fund	1,342	(951)	391	112	391
(Less External Funding)	(500)	109	(391)	0	(391)
Community Regeneration Partnership		700	700	474	700
(Less External Funding)		(700)	(700)	(474)	(700)
Union Street Infrastructure Improvements		1,116	1,116	3	1,116
(Less External Funding)		(1,116)	(1,116)		(1,116)
Parks & Open Spaces	2,140	(703)	1,437	788	1,437
(Less External Funding)	(609)		(609)	(408)	(609)
OTHER PROJECTS/PROGRAMMES - Build Resilient and Empowered Communities	2,439	1,172	3,611	1,096	3,611
(Less External Funding)		(1,831)	(1,831)	(80)	(1,831)
Net Expenditure	9,288	(2,249)	7,039	4,240	7,039
Receipts	(1,109)	(3,538)	(4,647)	(962)	(4,647)
Gross Expenditure	10,397	1,289	11,686	5,202	11,686

Note 1

Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
2,112	3,383	3,383	Mar-26	Mar-26
617	1,048	1,048	Mar-26	Mar-26
154	1,045	933	Mar-26	Mar-26
0	(500)	(391)	Mar-26	Mar-26
474	700	700	Mar-26	Mar-26
(474)	(700)	(700)	Mar-26	Mar-26
3	1,870	1,870	Sep-26	Sep-26
	(1,116)	(1,116)	Mar-26	Mar-26
1,523	2,228	2,228	Mar-26	Mar-26
(603)	(804)	(804)	Mar-26	Mar-26
2,656	5,345	5,423		
(840)	(2,418)	(2,421)		
5,622	10,081	10,153		
(1,917)	(5,538)	(5,432)		
7,539	15,619	15,585		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2025-30

Appendix 2

DESIGN A MODERN COUNCIL

Project/Nature of Expenditure	Approved Budget 2025/26 £000	Total Adjusts £000	Revised Budget 2025/26 £000	Expenditure to 31/12/2025 £'000	Projected Outturn 2025/26 £000
MAJOR PROJECTS/PROGRAMMES - Design a Modern Council					
Baldovie Depot Redevelopment	200	31	231	27	231
Depot Rationalisation Programme	867	(864)	3	3	3
Dundee Ice Arena Plant & Upgrade	500	(402)	98	94	98
<u>Property Lifecycle Development Programme</u>	5,089	(1,120)	3,969	2,865	3,969
Purchase Computer Equipment	1,251	12	1,263	817	1,263
Schools Connectivity		49	49	49	49
OTHER PROJECTS/PROGRAMMES - Design a Modern Council	3,061	(1,521)	1,540	1,120	1,540
Net Expenditure	10,968	(3,815)	7,153	4,975	7,153
Netted Off Receipts					
Gross Expenditure	10,968	(3,815)	7,153	4,975	7,153

Note 1

Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
271	5,200	5,200	Tender will follow acquisition of land	
333	3,063	3,063	Service review ongoing - tender will follow once review complete	
1,269	9,100	9,100	Early stages of development with consultation on-going. Tender report will follow	
5,886	8,069	8,072	Mar-26	Mar-26
914	1,360	1,360	Mar-26	Mar-26
1,538	2,600	2,679		
4,708	5,998	6,122		
14,919	35,390	35,596		
14,919	35,390	35,596		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2025-30

Appendix 2

TACKLE CLIMATE CHANGE AND REACH NET ZERO EMISSIONS BY 2045 - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2025/26 £000	Total Adjusts £000	Revised Budget 2025/26 £000	Expenditure to 31/12/2025	Projected Outturn 2025/26 £000
Energy Efficiency	9,452	(7,692)	1,760	1,314	1,760
Net Expenditure	9,452	(7,692)	1,760	1,314	1,760
Receipts					
Gross Expenditure	9,452	(7,692)	1,760	1,314	1,760

Note 1				
Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
1,623	11,727	11,949	Mar-26	Mar-26
1,623	11,727	11,949		
1,623	11,727	11,949		

BUILD RESILIENT AND EMPOWERED COMMUNITIES - HOUSING REVENUE ACCOUNT ELEMENT

Project/Nature of Expenditure	Approved Budget 2025/26 £000	Total Adjusts £000	Revised Budget 2025/26 £000	Expenditure to 31/12/2025	Projected Outturn 2025/26 £000
Free from Serious Disrepair	11,658	(2,321)	9,337	4,433	9,337
Modern Facilities & Services	876	(64)	812	354	812
Healthy, Safe and Secure	5,383	(3,233)	2,150	890	2,150
Miscellaneous	2,497	(461)	2,036	845	2,036
Increased Supply of Council Housing	4,430	(1,668)	2,762	447	2,762
(Less External Funding)	(1,130)	150	(980)		(980)
Demolitions	10	56	66	56	66
Sheltered Lounge Upgrades	200		200	66	200
Improvement Plan		1,413	1,413		1,413
Net Expenditure	23,924	(6,128)	17,796	7,091	17,796
Receipts	(1,130)	150	(980)		(980)
Gross Expenditure	25,054	(6,278)	18,776	7,091	18,776

Note 1				
Actual Project Cost to 31/12/2025 £000	Current Approved Project Cost £000	Projected Total Cost £000	Approved Completion Date	Projected/ Actual Completion Date
7,849	12,753	12,753	Mar-26	Mar-26
504	962	962	Mar-26	Mar-26
3,877	5,088	5,117	Mar-26	Mar-26
3,140	4,148	4,326	Mar-26	Mar-26
1,848	8,673	8,689	Apr-27	Apr-27
	(2,526)	(2,526)	Apr-27	Apr-27
108	118	118	Mar-26	Mar-26
66	200	200	Mar-26	Mar-26
	643	1,413	Mar-26	Mar-26
17,392	30,059	31,052		
	(2,526)	(2,526)		
17,392	32,585	33,578		

Note 1: The Current approved project cost is either the approved cost as per the tender price, or the revised budgeted figure as per the Capital Plan 2025-30

DUNDEE CITY COUNCIL CAPITAL EXPENDITURE MONITORING 31 DECEMBER 2025

Appendix 3

	<u>Approved</u> <u>Capital</u> <u>Budget</u> <u>2025/26</u> <u>£000</u>	<u>Total</u> <u>Budget</u> <u>Adjustments</u> <u>£000</u>	<u>Revised</u> <u>Capital</u> <u>Budget</u> <u>2025/26</u> <u>£000</u>	<u>Actual</u> <u>Spend to</u> <u>31 Dec 2025</u> <u>£000</u>	<u>Projected</u> <u>Outturn</u> <u>2025/26</u> <u>£000</u>	<u>Variance</u> <u>£000</u>	<u>Actual Spend</u> <u>to 31.12.2025</u> <u>as a % of</u> <u>Revised</u> <u>Budget</u>
<u>Capital Expenditure</u>							
<u>Tackle Climate Change and reach Net Zero carbon emissions by 2045</u>							
Energy Efficiency	9,452	(7,692)	1,760	1,314	1,760	-	75%
<u>Build Resilient and Empowered Communities</u>							
Free from Serious Disrepair	11,658	(2,321)	9,337	4433	9,337	-	47%
Modern Facilities and Services	876	(64)	812	354	812	-	44%
Healthy, Safe & Secure	5,383	(3,233)	2,150	890	2,150	-	41%
Miscellaneous	2,497	(461)	2,036	845	2,036	-	42%
Increase Supply of Council Housing	4,430	(1,668)	2,762	447	2,762	-	16%
Demolitions	10	56	66	56	66	-	85%
Sheltered Lounge Upgrades	200		200	66	200	-	33%
Improvement Plan		1,413	1,413		1,413	-	0%
Capital Expenditure 2025/26	34,506	(13,970)	20,536	8,405	20,536	-	41%
<u>Capital Resources</u>							
Expenditure Funded from Borrowing	32,301	(13,792)	18,509	8,158	18,509	-	
Capital Receipts, Grants & Contributions - project specific							
Scottish Government Grants	930		930		930	-	
Insurance contribution	200	(150)	50		50		
Capital Funded from Current Revenue							
Council Tax discount reductions used to fund affordable housing	450		450		450	-	
Capital Receipts, Grants & Contributions							
Receipts from Owners	165		165		165	-	
Capital Receipts:-							
Sale of Assets - Land	460	(28)	432	246	432	-	
Capital Resources 2025/26	34,506	(13,970)	20,536	8,404	20,536		
Capital Expenditure as % of Capital Resources	100%		100%		100%		

CAPITAL MONITORING 2025/26

COMMUNITY REGENERATION PARTNERSHIP

Dundee City Council Capital Projects

Project	Grant Award £000	Adjustment to Grant Award	Revised Grant Award	Expenditure to 31/12/2025 £000	Comments	Making satisfactory progress at March 26
Phase 3 Waterfront Office Development	3,000	- 1,500.00	1,500		£1.5m Funding has been reallocated to Dundee Museum of Transport. Discussions are on-going in regards to the remaining funding.	No
City Centre Masterplanning	200		200	118	Supporting the City Centre Traffic Modelling study as part of the City Centre Strategic Investment Plan. This work is on-going.	Yes
Eastern Quarter Improvements	1,000		1,000		Engineers working on detailed design and procuring contractor. Tender report to be taken to Fair Work, Economic Growth & Infrastructure Committee in early 2026/27 for approval.	Yes
Dundee Green Circular Active Travel	500		500	356	Report 230-2025 approved at Fair Work, Economic Growth & Infrastructure Committee on 18th August, committed £0.5m spend in 25/26. Project underway.	Yes
	4,700	- 1,500	3,200	474		

Third Party Capital Projects

Project	Grant Award £000	Adjustment to Grant Award	Revised Grant Award	Expenditure to 31/12/2025 £000	Comments	Making satisfactory progress at March 26
Commercial Buildings Enhancement Scheme	1,000		1,000		Scheme is open. The fund has been extended to allow applicants to meet criteria for submissions, after which applications will be assessed. Next deadline for the grant scheme will be in late March, with applications open from early February.	Yes
Historic Buildings Renewal Fund	2,000		2,000		Scheme open. Engagement underway with potential applicants. The Fund is currently open for expressions of interest and is being promoted. City Development developing the full application process. Members will be briefed once grants have been finalised.	Yes
Community Facilities Grant Scheme	1,000		1,000		Scheme closed. 8 projects funded. Grants were announced in late December. Grant offer letters being completed. £91,000 still to be allocated. New challenge fund launching 4th February to allocate the remaining funding.	Yes
Life Sciences Innovation District	2,000		2,000		Programme of works subject to a scoping study being undertaken by University of Dundee. Confirmation of outcome of scoping study anticipated in March.	Yes
Dundee Waterfront - A Home For LegalTech Education & Innovation	1,100		1,100		Discussions with lead partner on-going. Designs progressing and grant offer letter is being finalised. Work going out to tender shortly, with proposed start in Q4 2025/26.	Yes
Dundee Museum of Transport	1,200	1,500	2,700		Additional funding of £1.5M reallocated from the waterfront office project. This allows DMOT to sign their contract for the demolition works and the future construction works. The project has now been confirmed and launched. Work commenced on site in January 2026.	Yes
Dundee & Angus College Future Skills	4,500		4,500		Dundee & Angus College will separate this project from their larger scale regeneration plans with the aim of delivering the future skills project within the necessary timescales. This will require an element of match funding from the SFC. An extension has been granted by UKG to this project, with satisfactory progress to be made within the 2026/27 financial year.	Yes
Dundee & Angus College Health Facility	500		500		Project is on site, work is likely to be completed by end of May 2026.	Yes
Kirkton Community Enterprise Centre	1,500		1,500	149	Development options and approach being reviewed. Stage 2 application to the Scottish Government's Regeneration Capital Grant Fund was submitted on the 28th of November. The outcome from Stage 2 will not be known until February/March 2026. SCIO has worked with Business Gateway to revise business plan and with QS to revise scale/cost of building. Potential to allocate additional funding if RCGF is unsuccessful.	Yes
Social Bite Recovery Village	500		500		Social Bite commencing community consultation on project. Conversations on-going with DCC, planning application due in Q4, 2025/26.	Under Review
	15,300	1,500	16,800	149		

Dundee City Council Revenue Projects

Project	Grant Award £000	Adjustment to Grant Award	Revised Grant Award	Expenditure to 31/12/2025 £000	Comments	Making satisfactory progress at March 26
Housing Research Dundee	60		60		Tender was launched, but there were no responses. Looking at potential frameworks and reframing the tender.	Yes
Improving Business Support for High Potential Start-ups	120		120		Support programmes identified, businesses need to be identified. Abertay University to develop micro-credentials. Grant offer letters to providers being finalised.	Yes
Community Facilities Fund - Development Support	70		70		Challenge fund to be launched in February to support projects at the development stage. Focus will be on projects that support youth diversionary activities as per the initial UK Government approval.	Yes
	250	-	250	-		

TOTAL	20,250	-	20,250	623		
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REPORT TO: CITY GOVERNANCE COMMITTEE – 16 FEBRUARY 2026

REPORT ON: REVENUE MONITORING 2025/2026

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 20-2026

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2025/2026 projected revenue outturn as at 30 November 2025 and the impact on the Council's overall revenue budget position.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
- (a) note that as at 30 November 2025 the General Fund is projecting an overall overspend for the year of £4.570m against the adjusted 2025/2026 Revenue Budget, the impact this has on the Council's General Fund Balances and the actions being taken to address the forecast budget shortfall;
 - (b) note the budget adjustments totalling £5.654m and detailed in the second column of Appendix A and (summarised in Appendix B) as adjustments to the previously approved Revenue Budget;
 - (c) note that as at 30 November 2025 the Housing Revenue Account (HRA) is projecting an overspend of £2.552m against the adjusted HRA 2025/2026 Revenue Budget and the impact this has on the projected Renewal & Repair Fund balance earmarked to HRA;
 - (d) note the information included in paragraph 3.7 in relation to financial recovery and authorise the Executive Director of Corporate Services to continue to take actions to address forecast overspends with the objective of achieving a balanced budget;
 - (e) note that as outlined in paragraph 3.3, this report reflects anticipated costs associated with the Voluntary Severance and Early Retirement (VSER) scheme.

3 FINANCIAL IMPLICATIONS

- 3.1 The unallocated portion of the General Fund as at 30 November 2025 is projecting an overspend of £4.570m against the adjusted 2025/2026 Revenue Budget. The impact this would have on the Council's General Fund Balances is outlined below:

General Fund	Opening Balance 1 April 2025 £000	(Surplus) / Deficit for the Year £000	Transfers (In) / Out	Projected Balance 31 March 2026 £000
Earmarked Carry-forwards *	1,509	507		1,002
Children Services pressures	1,033	1,033		0
Organisational Change Fund	2,169	86		2,083
Covid cost related pressures *	1,550	700		850
Service change initiatives	5,000	513		4,487
Roof Remedial Works	1,875	1,380		495

General Fund	Opening Balance 1 April 2025 £000	(Surplus) / Deficit for the Year £000	Transfers (In) / Out	Projected Balance 31 March 2026 £000
Other earmarked Funds	5,948	405		5,543
Service concessions flexibility	39,773			39,773
Total earmarked funds	58,857	4,624	0	54,233
Unallocated Balance	8,174	4,570		3,604
Total General Fund	67,031	9,194	0	57,837

* These balances will be drawn down as required during the year.

3.2 The projected unallocated general fund balance of £3.604m may fail to provide sufficient in year buffer against potential additional pressures. Additional financial pressures could arise in year from:

- The Housing Revenue Account (HRA) reserve balance at year end is projected to be £0.641m as outlined in paragraph 8.3. A significant risk would arise should the HRA reserve balance be fully drawn down. Any spend over and above the reserve balance would be required to be absorbed by the General Fund.
- Any unplanned and unavoidable expenditure arising over the remainder of the financial year that cannot be contained within the remaining general contingency amount.

3.3 On 3 March 2025, City Governance Committee approved a Voluntary Severance/ Early Retirement (VSER) Scheme, report 43-2025 refers. A fundamental aspect of the scheme was that any post released (i.e. a budget saving) would have a payback period to recoup upfront costs of no greater than 24 months, with 30 months being considered only under exceptional circumstances.

3.4 The outcome from the VSER Scheme is reflected in this Revenue Monitoring report. Upfront costs incurred for voluntary redundancy payments and pension strain costs etc. totalled £1.156m, with an overall payback period of 11 months which is well within the parameters set for the VSER Scheme. 33 employees exited Council employment through the Scheme. The upfront costs will be funded by a combination of the General Fund and its earmarked reserves, the HRA Renewal and Repair Fund and the Dundee IJB:

VSER	Upfront costs £000	Number of employees	Payback period (m)	Annual savings £000
General fund	590	13	11.0	641
HRA Renewal and Repair Fund	358	9	11.6	370
IJB Balances	208	11	10.7	233
Total	1,156	33	11.0	1,244

3.5 The approved budget included an allowance of 3% for the 2025/2026 pay awards for both LGE and teachers. It should be noted the pay deal for LGE of 4% increase for the current financial year has been agreed, and the funding to support the additional 1% will be received later this year. The LGE pay award was made in August, back-dated to April. The estimated cost of £6.057m is met from the contingency budget and funding from the Scottish Government. The agreed pay offer for teachers is 4%, effective from 1 August 2025. The teachers pay award will be applied to salaries in December, back-dated to August and the effect of this will be reported in the next revenue monitor report.

- 3.6 Based on the financial information available as at 30 November 2025 the HRA outturn position for 2025/2026 is projecting an overspend of £2.552m. Further details are provided in section 8 of this report.

3.7 Financial Recovery Plan

As agreed previously (Report 240-2025 to City Governance Committee 22 September 2025 refers) given the adverse forecasts on both General Fund and HRA budgets, the following specific actions continue to be taken forward to mitigate current pressures:

- a) services will limit recruitment of vacancies to posts that are considered essential or where not filling these posts would place the Council at significant risk. All recruitment requests will be monitored through the Establishment Control Board.
- b) non-contractual overtime will be restricted to essential areas only and will only be approved where considered essential or where not undertaking overtime would place the Council at significant risk. All requests for overtime will not be granted without approval from Heads of Service.
- c) the Head of Corporate Finance is undertaking a review of earmarked balances to ascertain whether these can be utilised to offset in year pressures.
- d) the Head of Design and Property has established an internal working group to review all property expenditure and ensure only essential works are undertaken. Any changes arising from this review will be considered as part of the established budget process moving forward.
- e) the Head of Corporate Finance is undertaking a review of all property contracts to ensure that value for money is being achieved across all property, maintenance and inspection contracts.
- f) the Head of Design and Property is undertaking a review of energy costs to ensure energy usage is reduced and consider any spend to save projects that can be undertaken. This review will include the raising of awareness to promote more efficient energy usage in all council buildings.
- g) the Head of Housing, Construction and Communities is also conducting a thorough review of expenditure and income within the Housing Revenue Account to ensure expenditure is prioritised on essential spend.

The above actions will continue to be monitored closely by the Council Leadership Team through regular meetings and elected members will be kept updated on progress through regular budget monitoring reports.

4 BACKGROUND

- 4.1 Following approval of the Council's 2025/2026 Revenue Budget by the City Governance Committee on 27 February 2025, this report provides the projected revenue outturn position as at 30 November 2025, against the adjusted 2025/2026 Revenue Budget.
- 4.2 The total 2025/2026 Revenue Budget is £496.111m. For revenue monitoring purposes, the Council Tax Reduction Scheme budget of £14.741m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £481.370m for revenue monitoring purposes, as set out in Appendix A.
- 4.3 This report provides a detailed breakdown of service revenue monitoring information along with explanations of material variances against adjusted budgets. Where services are projecting a

significant (underspend) or overspend against adjusted budget, additional details have been provided. Where service expenditure is on target and no material variances are anticipated, additional information has not been provided.

- 4.4 The forecast position is shown in more detail in the appendices to this report, as follows:

Appendix A shows the variances between budget and projected outturn for each service of the Council.

Appendix B lists the budget adjustments undertaken to date.

5 GENERAL FUND SERVICES - MONITORING POSITION AS AT 30 NOVEMBER 2025

- 5.1 The forecast position as at 30 November 2025 for General Fund services is summarised below.

	(Under)/Over Spend as at 30 Nov £m	(Under)/Over Spend as at 31 Oct £m	Movement (from previous month) £m
Net Expenditure	4.529	4.752	(0.223)
Sources of Income	0.041	(0.182)	0.223
Net projected reduction uncommitted balances	4.570	4.570	0.000

6 DETAILED ANALYSIS

The following paragraphs summarise the main areas of variance by service area along with appropriate explanations. These figures reflect movements for the full year to date.

- 6.1 Children & Families Services: (£0.873m) underspend

The projected underspend is primarily driven by the release of one-off earmarked balances previously held to manage Children's Services pressures, resulting in a forecast underspend of £0.721m within third-party payments. This favourable movement is partially offset by a projected £0.995m overspend in staffing costs, reflecting continued high levels of service demand. The service is actively identifying and progressing opportunities to mitigate these pressures. Increased demand for early years childcare and rising costs within private nurseries are contributing to a projected £1.013m overspend in third-party payments. In addition, Repairs & Maintenance is forecasting an overspend of £0.320m due to ongoing cost pressures and decant costs associated with the Braeview/Craigie relocation. A further overspend of £0.424m is anticipated within Pupil Transport, driven by demand-related pressures, particularly within the Special and Secondary sectors.

There are projected underspends in teachers staff costs mainly reflecting the realignment of the former budgets into the new Greenfield Academy, LGE staff costs (£0.718m) mainly due to staffing changes in the nursery sector, property costs due to rates rebates (£0.935m) received for 2023/24, 2024/25 and 2025/26 and Community Mental Health (£0.400m).

- 6.2 Dundee Health & Social Care Partnership (DHSCP): £0.720m overspend

The latest financial monitoring report presented to Dundee IJB projects an overspend of £5.273m for 2025/26 (utilising actual info to end October), with this information presented to Dundee IJB at its meeting on 10 December 2025. This projected overspend reflects the challenging financial position continuing to be experienced by Dundee IJB and while it reflects progress towards achieving savings targets totalling £17.5m for 2025/26, there remains a shortfall in the overall position.

At present, the IJB only holds £0.644m in General Reserves to offset this shortfall and, as a result, the IJB remains in Financial Recovery with a Financial Recovery Plan also presented to the IJB's October 2025 meeting. For more information, please refer to the Dundee Integration Joint Board Financial Recovery Plan 2025/26 within the agenda papers for the City Governance Committee to be held on 17 November 2025, report 338-2025 refers.

DHSCP is continuing to respond to significant operational challenges in demand and demographics (notably in community and Care at Home provision to help support discharge without delay from hospital, minimise unnecessary hospital admissions, reduce social care unmet need and reduce Care Home beds), and in particular staffing challenges (both recruitment and retention, sickness absence and premium cost of essential back-fill cover) and increasing complexity of needs in both inpatient / residential and community settings. Operational managers and finance team continue work to explore ways of mitigating the overspend through efficiencies, cost reduction, whole system working, transformation, prioritisation and savings opportunities against current year and recurring budgets with any impact of these being reported to the IJB.

Under the risk sharing arrangement reflected in the Integration Scheme, the Integration Joint Board (IJB) retains any underspend within its reserve balances for investment in integrated health and social care services in future years, however any shortfall (after utilising reserves and implementing the Financial Recovery Plans) would be shared proportionately between the Partner Bodies. Officers continue to work with Council (and NHST) colleagues to monitor and mitigate the financial implication.

The Council's estimated share of the Dundee IJB's residual financial deficit, as outlined in the IJB financial recovery plan, is £0.720m. This amount is included within the overall projections presented in this report. This report is prepared on the assumption that any net VSER costs relating to the IJB will be contained within this figure.

6.3 City Development: £3.890m overspend

There has been an increase in the overall forecasted overspend since October 25. The projected overspend is mainly within Corporate Property £3.087m, primarily due to costs associated with property maintenance, inspection contracts, and remedial repairs arising from inspections. This is partly offset by a refund from rates revaluation appeals amounting to (£0.388m).

There is a forecasted overspend of £0.766m within Roads and Transportation, primarily attributable to projected overspends on third party payments for winter maintenance and road maintenance. The winter maintenance projection is subject to regular review in consultation with Tayside Contracts, and the current forecast is based on the assumption that extreme winter conditions will not further deteriorate.

There is also a projected shortfall in income of £0.250m relating to additional commercial rental income that was assumed in the budget but has not materialised so far. In addition, there is a projected shortfall in income for Building Warrants £0.244m and Planning Applications £0.100m.

The forecasted pressures within this service area are partially offset by a projected underspend of (£0.440m), resulting from vacant posts.

As part of the financial recovery plan, an analysis of current and historical property costs has been issued across services to identify cost savings and opportunities for property rationalisation. A working group was set up to review the overall position regarding property cost pressures. The working group has met regularly, sharing substantial data with relevant stakeholders. Further meetings with all Executive Directors are scheduled to agree next steps.

Savings from posts continue to be monitored monthly, with no change from previous forecasts, and service redesign opportunities and other income generation remain under active discussion at Management Team meetings.

In line with previous years there is a medium-term risk of under recovery in off-street car parking income against budgeted levels, reflecting reduced parking activity since the pandemic. The

projected income shortfall for the current year will be funded from the earmarked reserve set aside for this purpose.

6.4 Neighbourhood Services: £0.623m overspend

There has been a reduction in the overall forecasted overspend since October 25.

There is a projected overspend in waste management third party payments of £0.221m, mainly due to increased MEB Gates Fees, forecasted lower electricity income expected to be gained from the excess revenue share for the waste to energy contract and two unexpected shutdowns at the new waste plant that reduced revenue.

In addition, an income shortfall of £1.061m is expected within waste management. Key factors include the old waste plant reaching the end of its operational life and generating less income from lifetime extension agreements (LEAs), lower trade waste income (similar to last year), and reduced recycling income caused by changes under the Extended Producer Responsibility scheme.

These impacts are partly offset by an underspend of £1.517m from holding vacant posts.

The Council is in regular dialogue with the waste plants' contractor in relation to the impacts of the plant's performance and the long-term viability of the lifetime extension agreement (LEA).

6.5 Corporate Fleet: £0.902m overspend

Reflects the projected net overspend associated with the corporate fleet. There has been a slight reduction in the overall forecast since October 25, mainly due to a decrease in projected repair costs. The cost of the Council's fleet remains a budget pressure mainly due to rising expenditure in relation to the external hire of vehicles used by services together with the cost of parts and materials for vehicle repairs.

6.6 Corporate Services: (£0.231m) underspend

The service is currently projecting an underspend of (£1.114m) in staff costs, resulting from the holding of vacant posts. An overspend of £0.500m in transfer payments, primarily due to increased use of hotels for housing homeless individuals. These costs do not receive full housing benefit subsidy from the Department of Work and Pensions and are outside the control of the Benefit Delivery Team. Additionally, a forecast overspend of £0.243m in supplies and services is being reported, driven by increased costs for IT licence fees, audit fees, software expenses, additional voluntary pension contribution commission, and external fees for professional services. A projected shortfall in income of £0.254m is mainly attributed to under-recovery in Scientific Services and under-recovery of income for car parking in the underground garage.

6.7 Supplementary Superannuation: (£0.322m) underspend

Projected underspend in Supplementary Superannuation costs.

6.8 Miscellaneous Items: £0.325m overspend

Reduction in grant income reflecting lower than expected allocation from Extended Producer Responsibilities.

6.9 Capital Financing Costs: (£1.453m) underspend

The total projected underspend in Capital Financing Costs includes savings relating to a restructuring exercise to replace current loan agreements with short-term local authority borrowing until longer-dated interest rates fall, when appropriate replacement borrowing would be undertaken.

6.10 Corporate Staff Savings: £0.823m overspend

The overspend arises from the shortfall in achieving corporate staff savings. Elected members will be aware that the target staff savings in the 2025/26 budget volume is £2.457m. Vacant posts totalling £2.005m were identified and associated budget was allocated against the target saving, leaving a net budget savings target of £0.452m in the 2025/26 budget volume. Since then, budget adjustments of £0.547m were required for essential posts approved by the Establishment Control Board (ECB) along with associated advisory legal costs. These are offset by estimated in-year savings from the Voluntary Severance and Early Retirement (VSER) scheme amounting to £0.176m. The full-year effect of VSER savings will materialise in 2026/27 and future years. Options to address the remaining staff savings target are being considered as part of the 2026/27 budget preparation process.

Please note this overspend figure excludes any upfront costs associated with the agreed VSER scheme, which will be met from other sources as outlined in paragraph 3.4.

7 EXTERNAL ORGANISATIONS

- 7.1 The budget includes the assumption that Tayside Contracts will return a surplus in 2025/2026, our share of which will be £0.232m. Any expected variances against this will be reflected as known.

8 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 30 NOVEMBER 2025

- 8.1 The forecast position as at 30 November 2025 for the HRA is summarised below:

	(Under)/Over Spend as at 30 Nov £m	(Under)/Over Spend as at 31 Oct £m	Movement (from previous month) £m
Net Expenditure	2.511	2.419	0.092
Sources of Income	0.041	0.058	(0.017)
Net over/ (underspend)	2.552	2.477	0.075

- 8.2 The key variances contributing to the above projection include an increased recharge from Construction Services for repairs, reflecting a higher number of employees working on repairs and a pay award that was greater than expected £1.931m. In addition, property-related costs for non-construction repairs and maintenance, such as fire damage, tenant allowances, and decant payments, are expected to exceed the budget by £1.043m. The anticipated cost of relets is also higher than budgeted, due to an increase in the number of relet properties assumed within the budget £1.109m. These adverse variances are partially offset by projected underspends on environmental improvements, resulting from delays in the commencement of these projects (£0.782m).

The above projection also includes savings of £0.427m relating to a restructuring exercise to exit current loan agreements and replace with short-term local authority borrowing until longer-dated interest rates fall, when appropriate replacement borrowing would be undertaken.

- 8.3 A system of ongoing monitoring will continue to take place up to 31 March 2026 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2025/2026 HRA Revenue Budget.

Any variance will be adjusted against the Renewal & Repair Fund, the housing element of which amounted to £3.193m as at 31 March 2025:

HRA Renewal and Repair Fund	October £m
Opening Balance as at 1 April 2025	3.193
<u>Less Projected Overspend to 31 March 2026</u>	(2.552)
Projected Balance as at 31 March 2026	0.641

9 POLICY IMPLICATIONS

- 9.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

10 CONSULTATIONS

- 10.1 The Council Leadership Team were consulted in the preparation of this report.

11 BACKGROUND PAPERS

- 11.1 None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

03 FEBRUARY 2026

DUNDEE CITY COUNCIL							25 Appendix A
2025/2026 REVENUE OUTTURN MONITORING							
PERIOD 1 APRIL 2025 - 30 NOVEMBER 2025							
	Approved	Total	Adjusted		Projected	Previous	Movement
	Revenue	Budget	Revenue	Projected	Variance	Months	Since
	Budget	Adjustments	Budget	Outturn	Over/(under)	Projected	Previous
	2025/26	(see Appx B)	2025/26	2025/26	spend	Variance	Month
	£m	£m	£m	£m	£m	£000	£000
General Fund Services							
Children & Families	233.620	4.477	238.097	237.224	(0.873)	(0.739)	(0.134)
Dundee Health & Social Care Partnership	114.842	0.424	115.266	115.986	0.720	0.720	
City Development	18.250	1.594	19.844	23.734	3.890	3.477	0.413
Neighbourhood Services	23.603	1.379	24.982	25.605	0.623	0.860	(0.237)
Chief Executive	14.320	0.437	14.757	14.711	(0.046)	(0.056)	0.010
Corporate Services	35.318	1.469	36.787	36.556	(0.231)	(0.106)	(0.125)
Construction Services	0.000	1.380	1.380	1.380	0.000	(0.000)	(0.000)
	439.953	11.160	451.113	455.196	4.084	4.156	(0.072)
Capital Financing Costs / Interest on Revenue Balances	30.863		30.863	29.410	(1.453)	(1.453)	
Contingencies:							
- General	0.500	(0.209)	0.291	0.291	0.000	0.000	
- Budget growth/Pay Pressures	8.324	(4.593)	3.731	3.731	0.000	0.000	
- Unallocated Corporate Savings	(0.944)	(0.271)	(1.215)	(0.392)	0.823	0.823	
- New monies	0.922	(0.467)	0.455	0.455	0.000	0.000	
Tayside Contracts surplus	(0.232)		(0.232)	(0.232)	0.000	0.000	
Corporate Fleet	3.982	0.034	4.016	4.918	0.902	1.015	(0.113)
Miscellaneous Items	(7.628)		(7.628)	(7.303)	0.325	0.325	
Discretionary Non Domestic Rates (NDR) Relief	0.392		0.392	0.511	0.119	0.119	0.000
Supplementary Superannuation Costs	3.041		3.041	2.719	(0.322)	(0.322)	
Tayside Valuation Joint Board	1.149		1.149	1.149	0.000	0.000	
Empty Property Relief Devolution	1.048		1.048	1.099	0.051	0.089	(0.038)
Total Expenditure	481.370	5.654	487.024	491.553	4.529	4.752	(0.223)
Sources of Income							
General Revenue Funding	(335.339)	(2.163)	(337.502)	(337.502)			
Contribution from National Non Domestic Rates (NNDR) Pool	(71.406)		(71.406)	(71.406)			
Council Tax	(70.249)		(70.249)	(70.208)	0.041	(0.182)	0.223
Use of Balances -							
Committed Balances c/f	0.000		0.000	0.000			
Earmarked funds	0.000	(3.325)	(3.325)	(3.325)			
Service concessions	(4.376)		(4.376)	(4.376)			
Change Fund	0.000	(0.086)	(0.086)	(0.086)			
R&R Fund	0.000	(0.080)	(0.080)	(0.080)			
(Surplus)/Deficit for the year	0.000	0.000	0.000	4.570	4.570	4.570	(0.000)
(Surplus)/Deficit for Housing Revenue Acct	0.000	0.000	0.000	2.552	2.552	2.477	0.075

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Dundee City Council										
Revenue Monitoring to 31st March 2026 - Budget Adjustments to date										
	<u>Alloc To/From General Conts</u>	<u>Alloc To/From Conts: Cost Pressures</u>	<u>To/From Conts: New Monies</u>	<u>Alloc To/From Conts: Savings</u>	<u>Funding Transfers</u>	<u>Alloc from Earmarked Funds</u>	<u>Alloc from Change Fund</u>	<u>Alloc from R&R Fund</u>	<u>T/Fs Between Depts / Conts</u>	<u>Dept Totals</u>
General Fund Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children & Families										4,477
Social Care Uplift 2024-25 and 2025-26			467		230					
Revenue Support Grant to Children & Families - Early Learning Care uplift 2025/26					273					
Revenue Support Grant to Children & Families - Holiday playschemes and activities					31					
Earmarked Reserves to Children & Families service re Children Services TPP pressures						1,033				
Contingencies to Children & Families - LGE 2025/26 Pay Award		2,246								
RSG to Children & Families - Tayside Contracts 2025/26 Pay Award					126					
RSG to Children & Families - uplift to Scottish Recommended Allowance for kinship and foster carers					60					
School Milk Subsidy Scheme					25					
Contingencies to Children & Families- VSER savings				(86)						
Contingencies to Children & Families - cyber insurance and assurance	72									
Dundee Health & Social Care Partnership										424
Contingencies to Dundee Health & Social Care Partnership - 2025/26 Pay Award		424								
City Development										1,628
Contingencies to City Development - transfer of budget for post				34						
Contingencies to City Development - Bus Shelters/Street Lighting	100									
Earmarked Reserves to City Development - Eden Project						405				
Contingencies to City Development - recruitment approval for post				2						
Contingencies to City Development - 2025/26 Pay Award		767								
RSG to City Development - Tayside Contracts 2025/26 Pay Award					49					
Corporate Services to City Development - Transfer of Software Budget £15k (permanent)									15	
Transfer of Learning & Organisational Development staff budget (permanent)									272	
Change Fund to City Development - Co-Pilot Licences							2			
Contingencies to City Development- VSER savings				(8)						
Procurement Savings				(10)						

Dundee City Council										
Revenue Monitoring to 31st March 2026 - Budget Adjustments to date										
	<u>Alloc To/From General Conts</u>	<u>Alloc To/From Conts: Cost Pressures</u>	<u>To/From Conts: New Monies</u>	<u>Alloc To/From Conts: Savings</u>	<u>Funding Transfers</u>	<u>Alloc from Earmarked Funds</u>	<u>Alloc from Change Fund</u>	<u>Alloc from R&R Fund</u>	<u>T/Fs Between Depts / Conts</u>	<u>Dept Totals</u>
<u>General Fund Services</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>Neighbourhood Services</u>										<u>1,379</u>
Renewal & Repair fund to Neighbourhood Services - Kirkton overspend £80k								80		
Contingencies to Neighbourhood Services - Communities Staff Budget				212						
Contingencies to Neighbourhood Services - Maintenance Budget for Caird Park	27									
RSG to Neighbourhood Services - 2025/26 Pay Award					1,027					
RSG to Neighbourhood Services - Tayside Contracts 2025/26 Pay Award					5					
Contingency to Neighbourhood Services - ECB recruitment approvals August 2025										
Various Refuse Collector posts				146						
RSG to Neighbourhood Services - Rapid Rehousing Transition Plan Distribution					34					
Contingencies to Neighbourhood Services- VSER savings				(63)						
Salary Sacrifice white goods & Leave Purchase scheme corporate saving allocation				(18)						
Procurement Savings				(71)						
<u>Chief Executive</u>										<u>437</u>
2024/25 Carry Forwards - Protecting People						38				
Contingencies to Chief Executive - budget for post				26						
Change Fund to Chief Executive - EKOS project							8			
RSG to Chief Executive - 2025/26 Pay Award					80					
RSG to Chief Executive - LACD 2025/26 Pay Award					200					
Chief Executive to Contingencies - Reversal of part of LACD Pay Award 2025/26					(43)					
Corporate Services to Chief Executive - Transfer of Software Budget to LACD £50k									50	
Change Fund to Chief Executive - Improvement Service							8			
2024/25 Carry Forwards - Gaelic Plan & Training						3				
Change Fund to Chief Executive - Transformation Programme Officer post extended							68			
Salary Sacrifice white goods & Leave Purchase scheme corporate saving allocation				(1)						

Dundee City Council										
Revenue Monitoring to 31st March 2026 - Budget Adjustments to date										
	<u>Alloc To/From General Conts</u>	<u>Alloc To/From Conts: Cost Pressures</u>	<u>To/From Conts: New Monies</u>	<u>Alloc To/From Conts: Savings</u>	<u>Funding Transfers</u>	<u>Alloc from Earmarked Funds</u>	<u>Alloc from Change Fund</u>	<u>Alloc from R&R Fund</u>	<u>T/Fs Between Depts / Conts</u>	<u>Dept Totals</u>
General Fund Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services										1,469
Contingencies to Corporate Services - transfer of budget for various posts				121						
Contingencies to Corporate Services - 2025/26 Pay Award		1,156			20					
Corporate Services to Chief Executive - Transfer of Software Budget to LACD £50k									(50)	
Corporate Services to City Development - Transfer of Software Budget £15k (permanent)									(15)	
General Contingency to Corporate Services - equipment for Floor 4 Dundee House	10									
2024/25 Carry Forwards - Scottish Welfare Fund						318				
2024/25 Carry Forwards - Cost of Living Advice Work						55				
2024/25 Carry Forwards - Scottish Welfare Fund admin						93				
Transfer of Learning & Organisational Development staff budget (permanent)									(272)	
RSG to Corporate Services - Discretionary Housing Payments – additional funding for 2025-26					46					
Contingencies to Corporate Services - VSER Scheme Legal Advice Costs				6						
Contingencies to Corporate Services - VSER savings				(19)						
Construction										1,380
Earmarked Reserves to Construction service re Roofs						1,380				
General Contingency										(209)
Contingencies to City Development - Bus Shelters/Street Lighting	(100)									
Contingencies to Neighbourhood Services - Maintenance Budget for Caird Park	(27)									
Contingencies to Corporate Services - equipment for Floor 4 Dundee House	(10)									
Contingencies to Children & Families - cyber insurance and assurance	(72)									
Contingency: Cost Pressures										(4,593)
Contingencies to Children & Families - LGE 2025/26 Pay Award		(2,246)								
Contingencies to Dundee Health & Social Care Partnership - 2025/26 Pay Award		(424)								
Contingencies to City Development - 2025/26 Pay Award		(767)								

Dundee City Council										
Revenue Monitoring to 31st March 2026 - Budget Adjustments to date										
	<u>Alloc To/From General Conts</u>	<u>Alloc To/From Conts: Cost Pressures</u>	<u>To/From Conts: New Monies</u>	<u>Alloc To/From Conts: Savings</u>	<u>Funding Transfers</u>	<u>Alloc from Earmarked Funds</u>	<u>Alloc from Change Fund</u>	<u>Alloc from R&R Fund</u>	<u>T/Fs Between Depts / Conts</u>	<u>Dept Totals</u>
General Fund Services	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Contingencies to Corporate Services - 2025/26 Pay Award		(1,156)								
Contingency: New monies										(467)
Social Care Uplift 2024-25 and 2025-26			(467)							
Contingency: Unallocated Savings										(271)
Contingencies to City Development - budget for driver post (permanent)				(34)						
Contingencies to Neighbourhood Services - Communities Staff Budget				(212)						
Contingencies to City Development - recruitment approval for post				(2)						
Contingencies to Chief Executive - budget for post				(26)						
Contingencies to Corporate Services - transfer of budget for various posts				(121)						
Contingencies to Neighbourhood Services - ECB recruitment approvals August 2025										
Various Refuse Collector posts				(146)						
Contingencies to Corporate Services - VSER Scheme Legal Advice Costs				(6)						
Contingencies to Children & Families- VSER savings				86						
Contingencies to City Development- VSER savings				8						
Contingencies to Corporate Services - VSER savings				19						
Contingencies to Neighbourhood Services- VSER savings				63						
Neighbourhood Services - Salary Sacrifice white goods & Leave Purchase scheme corporate saving allocation				18						
Chief Executive - Salary Sacrifice white goods & Leave Purchase scheme corporate saving allocation				1						
City Development - Procurement Savings				10						
Neighbourhood Services - Procurement Savings				71						
Total Adjustments (General Fund)	0	0	0	0	2,163	3,325	86	80	0	5,654

REPORT TO: CITY GOVERNANCE COMMITTEE – 16 FEBRUARY 2026

REPORT ON: CAPITAL PLAN 2026-31

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 24-2026

1 PURPOSE OF REPORT

- 1.1 To enable Members to consider proposed changes to the 2025-30 Capital Plan (as agreed by the Council on 17 February 2025 - Report 44-2025, Article V refers) to prioritise projects within the available resources and to recommend the allocations for 2030-31.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Council:
- a) notes the impact of the current financial environment on the Capital Plan 2026-31
 - b) agrees the revised Capital Plan for 2026-31, as detailed in Appendix A; and
 - c) note that the additional general capital grant in relation to the Scottish Government Climate Emergency Fund and Active Travel Tier One has yet to be distributed and that further details of these will be provided to members in a future capital monitoring report.

3 FINANCIAL IMPLICATIONS

- 3.1 The Capital Plan 2026-31 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.
- 3.2 The general capital grant allocation, from Scottish Government, for 2026/27 has been confirmed and is reflected in the Plan. The 2026/27 Scotland wide allocations for Active Travel Tier One (formerly Cycling, Walking Safer Streets) and Climate Emergency Fund, £40m and £20m in total respectively, have not yet been distributed. Once these figures are known, details of the actual amount and how this will be spent will be reflected in future capital monitoring reports. Future years general capital grant allocations are estimates only and will be reviewed next year once 2027/28 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 in 3.2 and 3.3, £0.268m savings were required in order to deliver the General Services capital programme. After a review of the Capital Plan, it is recommended that this is achieved by reducing the budget for Contingency Capital Expenditure Budget in 2026/27.
- 3.5 The total investment included in the HRA element of the Capital Plan is £160m. The overall borrowing requirement has been factored into the latest rent increase agreed at City Governance Committee on 19th January (Report 13-2026, Article VI refers). This investment will continue to support the delivery of key housing investment priorities 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.
- 3.6 For 2030/31 block programmes have been added, and these are shown within the Capital Plan 2026-31. These will be funded by the general capital grant from Scottish Government.

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 £74 m in tackling climate change to help deliver the Councils Net Zero ambitions making up a quarter of the Capital Plan. This includes:

- energy efficiency measures in Council Housing
- DCA Lifecycle Plant Replacement Programme
- Bell Street Green Transport HUB

The upper parking levels of the Green Transport Hub at Bell Street opened to the public on the 8th of December. The facility offers EV charging for city centre residents, commuters, and visitors, powered by on-site renewable energy. The ground floor is expected to open in the spring and will include a range of active travel facilities, such as cycle storage, bike hire, and a bike reuse centre, supporting the circular economy of cycling and encouraging a shift toward more sustainable modes of transport.

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.

The Council continues to develop and deliver key packages of works at the DCA. The £4.55m Investment to date has so far delivered new goods and passenger lifts, as well as improved gallery lighting and security systems. The Council is now working towards further capital investment in 2026/27 to provide new boiler, hot water plant and new chillers. New lighting controls and fire alarm will also be progressed. This investment will contribute to and improve energy efficiency and ensure resilience going forward, supporting the Council and DCA in meeting their carbon reduction targets.

- 4.3 The full cost of the proposed Western Gateway Primary School has been included in the plan at an overall cost of £25m and reflects the timescales for delivery of this project, recognising that revised developer contributions, of £7m, will form part of the overall funding. On completion of the site acquisition, the council will develop the design and the programme for delivery of the new school facility.
- 4.4 Dundee City Council has received £20m from the UK Government's Ministry of Housing, Communities and Local Government to deliver an identified programme of interventions under the Community Regeneration Partnership (CRP). 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. Progress is reviewed fortnightly and reported to the Capital Governance Group to ensure strategic oversight and accountability and compliance with the CRP Memorandum of Understanding.
- 4.5 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 remediation works to an area were carried out during the summer 2025 school holidays with further works planned for summer 2026 break, to develop accurate costs for wider remediation of these two schools.
- 4.6 Tenanted and mixed-tenure Council properties containing Reinforced Autoclaved Aerated Concrete (RAAC) are now entering the third cycle of structural inspections. Findings from the second cycle confirmed that the majority of affected properties remain in a serviceable and safe condition, with targeted remediation works completed during 2025/26 where issues were identified. In addition, the Council has undertaken a series of pilot remediation projects across a range of RAAC-affected property types, all of which were completed in 2025/26 and are now undergoing detailed evaluation.

This evaluation phase will provide the accurate costing, technical feasibility assessments, and delivery modelling required to inform a sustainable and buildable long-term RAAC remediation strategy. The emerging future works plan will prioritise minimising occupant disruption, ensuring structural safety in line with updated IStructE guidance, and supporting efficient programme delivery. A full set of findings and recommendations will be brought forward to a future committee for consideration.

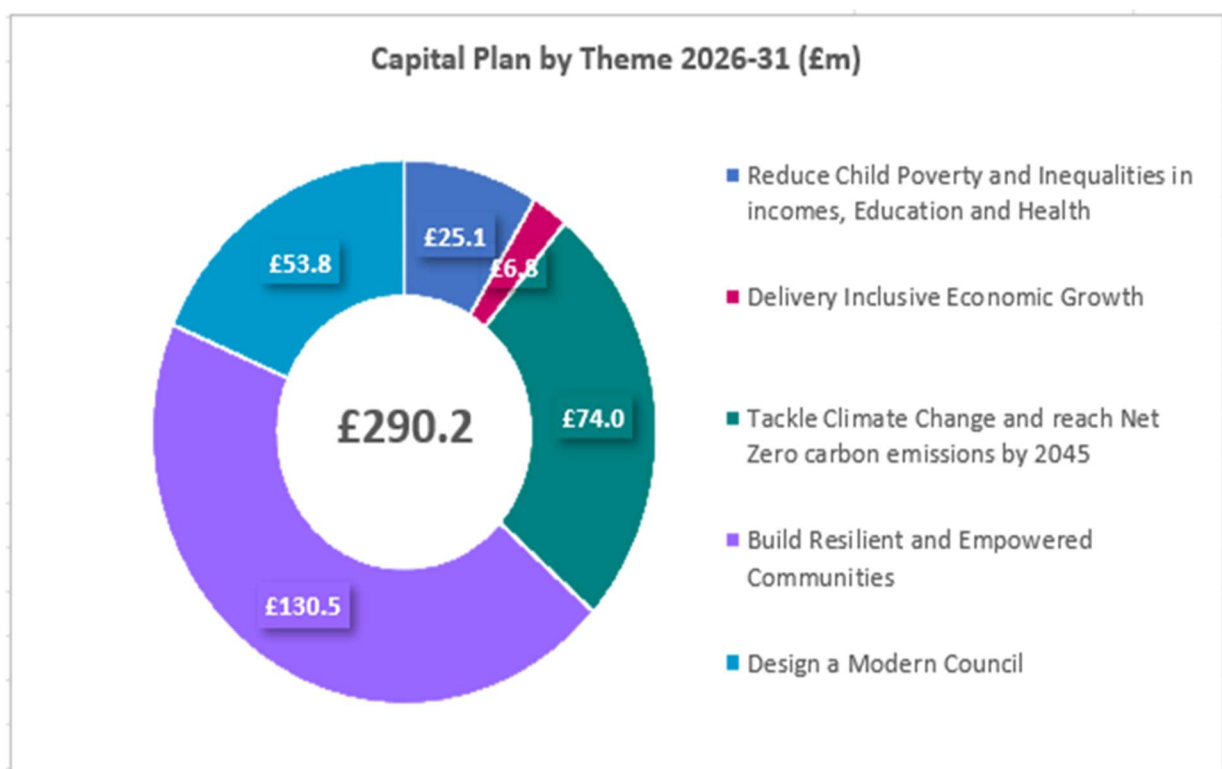
- 4.7 The Scottish Government's 2026/27 draft Budget sets out an ambitious national commitment to affordable housing, including an uplift in the Affordable Housing Supply Programme (AHSP) budget to £925.87 million. This signals a clear intent to expand the availability of Affordable Housing Grant for local authorities and Registered Social Landlords (RSLs), reinforcing a national policy direction focused on boosting the delivery of high-quality, sustainable, and affordable homes across Scotland.

This continued national commitment is very much welcomed; however, it is important to note that local Resource Planning Assumptions (RPAs) for future years have not yet been confirmed. As a result, the precise level of investment that will be available to Dundee City Council remains to be determined. Until these allocations are finalised, officers will continue detailed assessment of the potential financial implications for the Housing Capital Plan, including scenario modelling and sensitivity analysis, to ensure that any additional resources can be used to maximum effect. Alongside this, officers will explore a wider range of opportunities to enhance impact, including partnership-based approaches, innovative financing mechanisms, and improved programme phasing to accelerate delivery where possible.

In this context, the Council will continue proactive, structured engagement with key delivery partners including developers, RSLs, and wider stakeholders across the housing system. This will support the identification and progression of opportunities for new supply through land release, strategic acquisition, and direct development. Officers will also work to ensure that the local programme remains closely aligned with emerging national housing priorities, such as increasing affordable supply, addressing homelessness and housing precarity, improving energy efficiency, and strengthening the use of land and infrastructure planning to unlock stalled, constrained, or otherwise complex sites.

Officers will additionally consider the implications of the Scottish Government's announcement of a new More Homes Scotland national housing agency, which is intended to support "simplicity, scale and speed" in delivery from 2027/28 onward. The establishment of this new agency—focused on strategic land assembly, large-scale affordable housing projects, and more integrated collaboration with local authorities—will be monitored closely. Ensuring Dundee is well positioned to access future opportunities, influence the pipeline of national investment, and maximise alignment with both the Housing Capital Plan and the Strategic Housing Investment Plan (SHIP) will form an important element of ongoing strategic planning activity.

- 4.8 The chart below provides a summary of the Capital Plan broken down by the themes of the Council Plan over the period from April 2026 to March 2031.



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 constructed to the highest energy performance standard possible (e.g. Greenfield Academy 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.

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 2026-31 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 2026-31 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 In preparing the Capital Plan 2026-31, the Executive Director of Corporate Services has considered the key strategic, operational and financial risks facing the Council over the period of the Capital Plan. The main factors considered were the: -

- inherent uncertainty in inflation levels being greater than the contingencies already built into the capital plan.
- unforeseen factors once projects have commenced leading to increased costs and delays to the completion of projects (which in itself could result in further expenditure)
- uncertainty about the levels of capital receipts assumed in plan, due to external factors outwith Council's control.
- uncertainty of when capital receipts will be realised, again due to external factors outwith the control of the council.
- inherent risk of capital financing costs due to uncertainty of future interest rates
- uncertainty of future levels of Capital Grants from Scottish Government

A robust Capital Monitoring process and Treasury management Strategy will ensure action is taken should any risks be identified.

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 C to this report.

10 **BACKGROUND PAPERS**

- 10.1 None

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES
05 FEBRUARY 2026

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APPENDIX A



CAPITAL PLAN 2026-31

FOR

GENERAL SERVICES

&

HOUSING HRA

Feb-26

Executive Director of Corporate Services

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DUNDEE CITY COUNCILCAPITAL PLAN 2026-31PROJECTED CAPITAL RESOURCES

		<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>	<u>2030/31</u> <u>£000</u>
1 Capital expenditure funded from borrowing	General Services	23,620	18,674	23,255	13,552	1,000	50
	Housing HRA	18,509	31,832	34,543	36,712	23,382	26,637
2 Capital Element of General Capital Grant less PSHQ	General Services	14,181	12,854	13,000	12,578	11,551	11,551
3 Capital grants & contributions - corporate	General Services						
	Housing HRA	165	165	250	250	250	250
4 Capital grants & Contributions - project specific	General Services	15,682	2,642	4,272	1,110	1,110	
	Housing HRA	980	1,396		-	-	1,140
5 Capital Receipts - Sale of Assets	General Services	2,000	2,000	1,000			
	Housing HRA	432	288	103			
6 Capital Financed from Current Revenue	General Services	379					
	Housing HRA	450	1,000	450	450	450	450
TOTAL PROJECTED GROSS CAPITAL RESOURCES		76,398	70,851	76,873	64,652	37,743	40,078
TOTAL PLANNED GROSS CAPITAL EXPENDITURE		76,398	70,851	76,873	64,652	37,743	40,078

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

PRICE BASE : OUTTURN PRICES

SUMMARY

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Reduce Child Poverty and Inequalities in incomes, Education and Health	127,193	86,186	15,944	563	16,500	8,000	-	-
Deliver Inclusive Economic Growth	35,080	25,487	2,838	2,706	1,279	2,170	300	300
Tackle Climate Change and reach Net Zero carbon emissions by 2045	136,763	42,708	20,001	17,471	16,385	21,861	9,690	8,647
Build Resilient and Empowered Communities	180,932	19,890	30,462	33,996	28,086	22,226	20,417	25,855
Design a Modern Council	71,004	10,106	7,153	16,115	14,623	10,395	7,336	5,276
<i>Total Gross Expenditure</i>	550,972	184,377	76,398	70,851	76,873	64,652	37,743	40,078

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

PRICE BASE: OUTTURN PRICES

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-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
School Estate Investment - Greenfield Academy (EECC) (Less External Funding)	100,900 (100)	85,727	15,173 (100)					
School Estate Investment - Western Gateway (Less External Funding)	25,000 (6,992)		150 (150)	350 (350)	16,500 (4,272)	8,000 (1,110)	(1,110)	
Children & Families Hub (Less External Funding)	484 (50)	54 (50)	430					
Free School Meals Expansion - Primary Schools	668	405	50	213				
Craigiebarns Out of School Refurbishment (Less External Funding)	15 (15)		15 (15)					
Social Care - Learning Disability Accommodation	126		126					
Net Expenditure	120,036	86,136	15,679	213	12,228	6,890	(1,110)	
Netted Off Receipts	(7,157)	(50)	(265)	(350)	(4,272)	(1,110)	(1,110)	
Gross Expenditure	127,193	86,186	15,944	563	16,500	8,000		

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

PRICE BASE: OUTTURN PRICES

DELIVER INCLUSIVE ECONOMIC GROWTH

ALL FIGURES £'000

Project/Nature of Expenditure	Total Cost of Project	Actual prior to 31-Mar-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	
Central Waterfront	1,095	1,030	25	40				
Site 6 South Development - Offices	26,202	23,496	1,406	1,300				
Economic Development Fit Out	661	656	5					
Vacant & Derelict Land Fund (Less External Funding)	290 (290)			290 (290)				
Tay Cities	1,770					1,770		
Tay Cities - 5G Testbeds (Less External Funding)	144 (144)	134 (134)	10 (10)					
Demolition of Properties & Remediation Works	4,918	171	1,392	1,076	1,279	400	300	300
Net Expenditure	34,646	25,353	2,828	2,416	1,279	2,170	300	300
Netted Off Receipts	(434)	(134)	(10)	(290)				
Gross Expenditure	35,080	25,487	2,838	2,706	1,279	2,170	300	300

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

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-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Coastal Protection Works	15,974	15,690	119	165				
Water Resilient Dundee	491	60	40	391				
Broughty Ferry to Monifieth Active Travel Improvements (Less External Funding)	17,562 (17,343)	16,548 (16,479)	1,014 (864)					
Flood Risk Management	971	45	10	916				
Strathmartine Connections (St Marys Drainage/St Leonards Park) (Less External Funding)	567 (367)	1	379 (367)	187				
Dighty Burn Restoration Project (Less External Funding)	425 (425)		40 (40)	385 (385)				
Low Emission Zone (Less External Funding)	340 (215)	242 (175)	98 (40)					
Tier 1 Active Travel (formerly known as Cycling Walking & Safer Routes) (Less External Funding)	877 (877)		877 (877)					
Parks & Open Space (Less External Funding)	361 (235)	16	172 (136)	173 (99)				
DCA Lifecycle plant replacement programme	4,550	256	1,180	1,450	1,664			

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

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-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Low Carbon Transport - Green Transport Hub & Spokes - Bell Street (Less External Funding)	18,614 (16,340)	9,742 (9,742)	8,872 (6,598)					
Recycling Initiatives	160			160				
Riverside & Baldovie Recycling Sites (Less External Funding)	1,317 (693)	9	1,308 (693)					
Transport & Infrastructure (Less External Funding)	1,192 (942)	43 (26)	996 (916)	153				
Vehicle Fleet & Infrastructure (Less External Funding)	10,884 (229)	56	3,136 (229)	2,492	1,300	1,300	1,300	1,300
HOUSING HRA ELEMENT								
Energy Efficient	62,478		1,760	10,999	13,421	20,561	8,390	7,347
Net Expenditure	99,097	16,286	9,241	16,987	16,385	21,861	9,690	8,647
Netted Off Receipts	(37,666)	(26,422)	(10,760)	(484)				
Gross Expenditure	136,763	42,708	20,001	17,471	16,385	21,861	9,690	8,647

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

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-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
NON HOUSING HRA ELEMENT								
Neighbourhood Capital Fund (Community Regeneration Fund)	2,114	63	443	660	308	240	200	200
Community Choices - Participatory Budget	371	355	16					
Bridge Assessment Work Programme (Less External Funding)	2,868 (446)	717 (446)	551	400	400	300	250	250
Council Roads and Footpaths - Other	1,800		400	300	300	300	250	250
Footway Upgrades	2,310		560	400	400	350	300	300
Road Reconstructions/Recycling	14,923		2,423	2,500	2,500	2,500	2,500	2,500
Road Safety (Less External Funding)	1,312 (620)		822 (620)	150	150	90	50	50
Traffic signal upgrades	71		71					
Street Lighting Renewal	5,728		1,048	1,000	1,000	980	850	850
District Shopping (Less External Funding)	355 (275)	18	337 (275)					
Vacant Derelict Land Investment Programme (Less External Funding)	830 (645)		645 (645)	185				
Gypsy Travellers Site - Balmuir Woods	237	43	194					
Housing First & Rapid Rehousing	120			120				
Housing Cladding Remediation	59		59					

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

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-25						
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
City Improvement Fund	500			500				
City Investment Fund	433	42	391					
Levelling Up - UK Shared Prosperity Fund	835	314	291	230				
(Less External Funding)	(1,226)	(314)	(682)	(230)				
Community Regeneration Partnership	1,988		700	1,288				
(Less External Funding)	(1,988)		(700)	(1,288)				
Union Street Infrastructure Improvements	1,780		1,116	664				
(Less External Funding)	(1,116)		(1,116)					
Parks & Open Space	4,689	989	1,437	1,120	353	290	250	250
(Less External Funding)	(804)	(195)	(609)					
Sports Facilities	1,244	35	137	747	100	75	75	75
LACD Projects	1,000	5	45	50	650	250		
HOUSING HRA ELEMENT								
Free from Serious Disrepair	67,170		9,337	9,997	14,005	12,130	9,618	12,083
Modern Facilities and Services	10,165		812	2,101	1,577	1,033	1,386	3,256
Healthy, Safe and Secure	17,405		2,180	4,000	3,945	2,260	3,260	1,760
Miscellaneous	10,811		3,109	2,343	1,812	1,168	1,168	1,211
Increased Supply of Council Housing	27,646	17,309	2,762	4,689	326			2,560
(Less External Funding)	(11,383)	(7,867)	(980)	(1,396)				(1,140)
Demolitions	366		66	60	60	60	60	60
Digital /ICT	602		310	292				
Sheltered Lounge Upgrades	1,200		200	200	200	200	200	200
Net Expenditure	162,429	11,068	24,835	31,082	28,086	22,226	20,417	24,715
Netted Off Receipts	(18,503)	(8,822)	(5,627)	(2,914)				(1,140)
Gross Expenditure	180,932	19,890	30,462	33,996	28,086	22,226	20,417	25,855

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

PRICE BASE: OUTTURN PRICES

DESIGN A MODERN COUNCIL

ALL FIGURES £'000

Project/Nature of Expenditure	Cost Centre	Total Cost of Project	Actual prior to 31-Mar-25						
				2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cemeteries	N2110	706	58	148	150	100	100	75	75
Contaminated Land	N2280	314		35	70	59	50	50	50
Recycling & Waste Management - Purchase of Bins		885		135	150	150	150	150	150
Baldovie Depot Redevelopment	N2431	6,300	244	231	5,825				
Purchase Computer Equipment		5,597	97	1,263	1,248	875	798	658	658
Purchase Desktop Collaboration Platform	N3502	4,734		722	712	850	800	825	825
Smart Cities Digital/ICT Investment	N3701	403	271	132					
Desktop Management Software		2		2					
Schools Connectivity	N3505	2,679	1,489	49	47	47	47	1,000	
Asset Management System Replacement	N3504	350			350				

DUNDEE CITY COUNCIL

CAPITAL PLAN 2026-31

PRICE BASE: OUTTURN PRICES

DESIGN A MODERN COUNCIL

ALL FIGURES £'000

Project/Nature of Expenditure	Cost Centre	Total Cost of Project	Actual prior to 31-Mar-25						
				2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Property Lifecycle Development Programme	NP700	28,982	3,052	4,112	6,522	4,695	3,615	3,468	3,518
Property Rationalisation Programme		3,947	3,289	223	200	235			
Depot Rationalisation Programme	NP701	3,063	431	3	29	2600			
Contingency Capital Expenditure	NP522	3,942			612	1110	1,110	1,110	
Dundee Ice Arena Plant & Upgrade	NL390	9,100	1,175	98	200	3,902	3725		
Net Expenditure		71,004	10,106	7,153	16,115	14,623	10,395	7,336	5,276
Netted Off Receipts									
Gross Expenditure		71,004	10,106	7,153	16,115	14,623	10,395	7,336	5,276

APPENDIX B**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 2024/25 including Prudential Indicators covering period 2024/25 to 2029/30 were reported to City Governance Committee on 27th October 2025 (Report No 305-2025, Article VIII refers). These have now been updated to reflect projected expenditure included in the 2026-31 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
2025/26	30%	100%
2026/27	30%	100%
2027/28	30%	100%
2028/29	30%	100%
2029/30	30%	100%
2030/31	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 as contained in the Capital Plan 2026-31. 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
2025/26	55.862	20.536	76.398
2026/27	36.170	34.681	70.851
2027/28	41.527	35.346	76.873
2028/29	27.240	37.412	64.652
2029/30	13.661	24.082	37.743
2030/31	11.601	28.477	40.078

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. The Capital Financing Requirement also includes other long term liabilities

	Net Borrowing Requirement (NBR)				Capital Financing Requirement (CFR)			
	1 April £m	31 March £m	Movement £m		Non-HRA £m	HRA £m	Total £m	Movement £m
2025/26	690.000	709.000	19.000		822.000	185.000	1,007.000	15.000
2026/27	709.000	737.000	28.000		826.000	204.000	1,030.000	23.000
2027/28	737.000	771.000	34.000		833.000	226.000	1,059.000	29.000
2028/29	771.000	798.000	27.000		831.000	249.000	1,080.000	21.000
2029/30	798.000	798.000	-		817.000	258.000	1,075.000	(5.000)
2030/31	798.000	800.000	2.000		801.000	270.000	1,071.000	(4.000)

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 and other long term liabilities.

	Authorised Limit			Operational Boundary		
	Borrowing £m	Other £m	Total £m	Borrowing £m	Other £m	Total £m
2025/26	743.000	271.000	1,014.000	713.000	271.000	984.000
2026/27	771.000	267.000	1,038.000	741.000	267.000	1,008.000
2027/28	805.000	262.000	1,067.000	775.000	262.000	1,037.000
2028/29	832.000	256.000	1,088.000	802.000	256.000	1,058.000
2029/30	832.000	251.000	1,083.000	802.000	251.000	1,053.000
2030/31	834.000	245.000	1,079.000	804.000	245.000	1,049.000

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, and includes other long term liabilities.

	31/03/2024	31/03/2025
	£m	£m
Actual borrowing	582.019	692.919
Actual other long term liabilities	202.477	275.208
Actual external debt	784.496	968.127

AFFORDABILITY INDICATORS

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

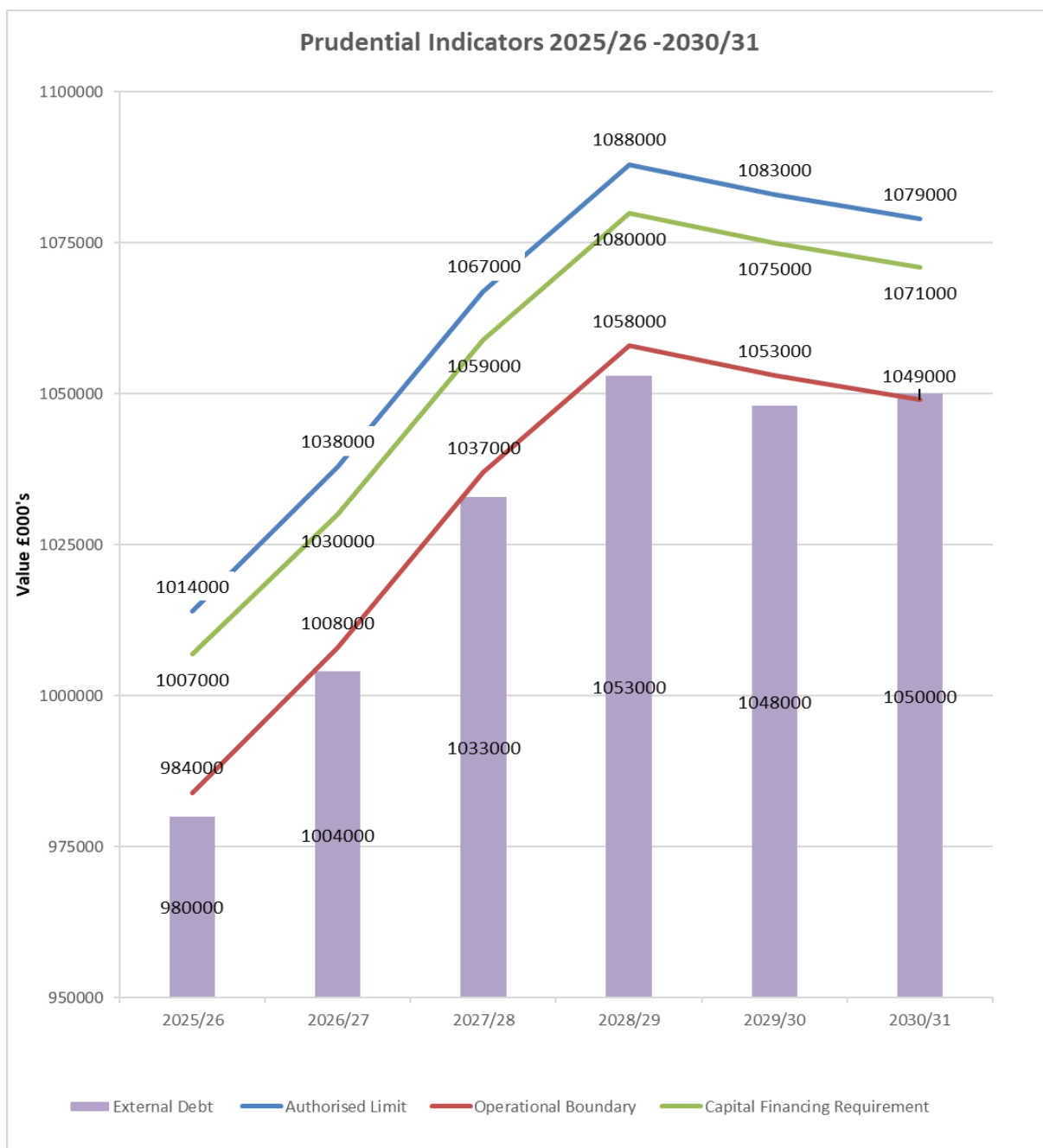
The ratio of commercial and service income to net revenue stream measures both current and future income streams from service and commercial assets as a percentage of the Council's total income that it is estimated over the period of the Capital Plan.

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 the adoption of IFRS and Service Concessions, and shows the revenue budget being used to fund the associated financing costs associated with the capital expenditure programme and .

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 %
2025/26	1.5	10.5	32.7
2026/27	1.5	10.6	31.1
2027/28	1.7	10.7	32.4
2028/29	1.7	10.7	33.2
2029/30	1.7	10.6	32.9
2030/31	1.7	10.5	32.0





Integrated Impact Assessment

Committee Report Number: 24-2026

Document Title: Capital Plan 2026-31

Document Type: Other

Description:

The report sets out the Capital Plan for General Services and Housing HRA for the period 2026/27 to 2030/31

Intended Outcome:

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

Period Covered: 01/04/2026 to 01/01/2031

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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Corporate Services, Dundee House

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

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 Maximisation No 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: Positive

The Capital Plan includes investment in biodiversity measures within parks and open spaces

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 Capital 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

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ITEM No ...5.....

REPORT TO: CITY GOVERNANCE COMMITTEE - 16 FEBRUARY 2026

REPORT ON: LOCAL GOVERNMENT FINANCE SETTLEMENT 2026/27 AND FINANCIAL IMPLICATIONS FOR THE CITY COUNCIL

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 36-2026

1 PURPOSE OF REPORT

- 1.1 To provide details of the 2026/27 Local Government Settlement, its implications for Dundee City Council and to recommend procedures for setting the Council Tax and Revenue Budget for 2026/27

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
- (a) notes the 2026/27 Local Government Settlement and correspondence attached at Appendix B;
 - (b) notes the implications of the settlement for the Council's Revenue Budget and Capital Plan as detailed in the Report;
 - (c) notes that the financial information included in this Report will be updated as necessary and included in the Revenue Budget and Council Tax 2026/27 Report to be submitted to the City Governance Committee on 5 March 2026; and
 - (d) agrees the procedures to be followed for setting the 2026/27 Revenue Budget and Council Tax, as set out in Section 7 and Appendix A of this Report.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report.

4 BACKGROUND

- 4.1 In June 2025, the Scottish Government issued Scotland's Fiscal Outlook: The Scottish Government's Medium-Term Financial Strategy 2025. This document sets out the economic context, funding outlook, spending plans, fiscal risks, and medium-term financial strategy for Scotland.
- 4.2 The 2025 Fiscal Outlook sets out a challenging financial environment for Scotland over the medium term, driven by constrained UK funding, subdued economic growth, rising service demand, and significant fiscal risks. The funding strategy surrounds core spending priorities including positions reducing child poverty, supporting public services, and investing in long-term economic wellbeing as core priorities.
- 4.3 On 22 September 2025 the City Governance Committee agreed its Budget Strategy and Financial Outlook for 2026/27 (Article VII of the meeting of this Committee refers). This report identified an estimated spending gap of £8.4m for the Council in 2026/27 rising to £29.1m over the next 3 years and sets out the principles the Council will follow to address this shortfall.
- 4.4 The Chancellor of the Exchequer presented the Autumn Statement on 26 November 2025. This set out UK wide spending plans for the forthcoming period.

- 4.5 Finally, the Scottish Budget was subsequently published on 13 January 2026 and set out the Scottish Government's plans for 2026/27. This was followed by the Local Government Circular No. 1/2026 that includes the Council's detailed share of government funding.

5 LOCAL GOVERNMENT FINANCE SETTLEMENT 2026/27

- 5.1 The Local Government Settlement was published as Local Government Finance Circular No. 1/2026 on 13 January 2026 and is attached at Appendix B.
- 5.2 It should be emphasised that the figures are provisional at this stage and are subject to consultation between the Scottish Government and CoSLA. The draft 2026/27 Scottish Budget will be debated by the Scottish Parliament during February 2026, with the Local Government Finance (Scotland) Order 2026 due to be presented to the Scottish Parliament for agreement on 25 February.
- 5.3 With exception of resources for the Real Living Wage inflation uplift and Free Personal Care, no additional specific provision has been made in respect of cost pressures faced within Dundee Health & Social Care Partnership. In October 2025, the Dundee Integrated Joint Board (Dundee IJB) was presented with a report outlining a total anticipated budget deficit for 2026/27 for health and social care services of £13.6m. Officers continue to review this estimate in line with any emerging pressures or anticipated changes to other funding that may be available.
- 5.4 The Council's Budget Strategy and Financial Outlook for 2026/27, agreed by the City Governance Committee on 22 September 2025 (Article VII refers) set out an estimated budget shortfall of £8.4m for 2026/27. Paragraphs 5.5 and 5.6 of this Report sets out how the overall implications of the finance settlement, together with the impact of inflation and other adjustments mean that the Council now has an estimated budget shortfall for 2026/27 of £5m.
- 5.5 The following changes / pressures to this estimate have been identified since September include:

	£m
Expected Budget Deficit per Budget Strategy report (September 2025)	8.4
Property Costs reflecting current cost pressures	2.9
Other inflation	1.1
Contractual obligations under Service Concessions contracts	1.0
Information Technology (including licenses and cyber resilience measures)	0.5
Capital Financing Costs	0.4
Winter Maintenance	0.3
Fleet reflecting current cost pressures	0.5
Other	0.6
Revised Budget Deficit	15.7

- 5.6 In developing the budget, the following planned savings and additional income is expected to reduce the overall shortfall that the Council needs to find to balance the 2026/27 budget:

	£m
Revised Budget Deficit	15.7
Base Savings *	(1.1)
Income Generation *	(3.6)
Grant Settlement (net uncommitted)	(3.0)

Discretionary Housing Payments (assumed distribution)	(3.0)
Revised Budget Deficit	5.0

* See Appendix B for further details.

6 Capital Budget

- 6.1 The 2026/27 Local Government Settlement includes £13m for Dundee City Council for General Capital Grant. Allocations for Active Travel and Climate Emergency Fund totalling £40m and £20m respectively, have not yet been distributed. A review of the 2026-31 Capital Plan has now been completed and is being submitted separately to City Governance Committee for approval on 16 February 2026.

7 **PROVISIONAL REVENUE BUDGET 2026-2029**

- 7.1 Over the past months Officers have been preparing a Provisional Revenue Budget for 2026-29. This has involved rolling forward the Final 2025/26 Revenue Budget and adding in provision for anticipated inflationary pressures, including pay awards. Recurring cost pressures and savings that have been identified through the 2025/26 revenue monitoring process have also been carefully reflected, together with new cost pressures that will emerge in the period 2026-29. The Provisional 2026-29 Revenue Budget volume (including draft Review of Charges) will be issued separately in due course.
- 7.2 It should be noted that Officers are still examining the finer details of the grant settlement and refining the assumptions and figures in the Provisional 2026/27 Revenue Budget. The financial information included in this report will be updated as necessary and included in the report to be submitted to the City Governance Committee on 5 March 2026.

8 **PROCEDURE FOR SETTING REVENUE BUDGET AND COUNCIL TAX 2026/27**

- 8.1 The proposed procedure for setting the 2026/27 Revenue Budget and Council Tax is as follows.
- 8.2 All final budget and review of charges proposals by any Group **must be submitted to the Executive Director of Corporate Services by 2.00 pm on Monday 2 March 2026** for their competence and accuracy to be checked. Proposals received after that deadline will not be considered at the Revenue Budget and Council Tax setting meeting on 5 March 2026. Once these have been checked and agreed as being competent confirmation of this will be provided by the Executive Director of Corporate Services before the budget meeting on 5 March 2026.
- 8.3 If there are any further technical adjustments required to the 2026/27 Provisional Revenue Budget or grant settlement figures, these will be included in the separate report by the Executive Director of Corporate Services which will be issued along with the agenda for the meeting on 5 March 2026. The Executive Director of Corporate Services will also make recommendations in that report regarding the use of balances in the setting of the Council Tax level.
- 8.4 A timetable showing the procedure for setting the 2026/27 Revenue Budget and Council Tax level on 5 March 2026 is attached at Appendix A.

9 **POLICY IMPLICATIONS**

- 9.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

10 **CONSULTATIONS**

- 10.1 The Council Leadership Team have been consulted on the content of this report.

11 BACKGROUND PAPERS

11.1 None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

5 FEBRUARY 2026

PROCEDURE FOR CITY GOVERNANCE COMMITTEE – 5 March 2026**Date and Time****Action**

5 March 2026
2:00pm

Revenue Budget and Council Tax

The City Governance Committee will consider the Council's 2026/27 Revenue Budget, as submitted in the Provisional Revenue Budget volume, along with the report by the Executive Director of Corporate Services.

All proposals for Council Tax and review of charges must be tabled at the start of the meeting to be checked for legality and competence. A short recess may be required to enable these to be checked. The Deputy Leader will then move the Administration's Council Tax and Review of Charges proposals. Thereafter, an opposition group or member may move any amendments should they wish.

The Committee will then commence the debate and approval of the Final Revenue Budget and Council Tax 2026/27.

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List of Base Budget Savings

Service	Detail	Amount 2026/27 £000
Corporate	Energy savings	616
Corporate	Supplementary pensions (budget realignment)	270
Corporate	Interest savings through refinancing of market loans	35
Corporate Services	Removal Financial Support to Dovetail	140
Corporate Services	Review of Discretionary Spend	51
Corporate Services	Creation of internal Added Voluntary Contributions (AVCs) Portal	11
Chief Executive	Various budget realignments	10
Total		1,133

List of Base Income Generation

Service	Detail	Amount 2026/27 £000
City Development	Increase Commercial Rents	280
Corporate	Various additional from HRA recharges	151
Corporate	Extended Producer Responsibility grant income	3,130
Total		3,561

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REPORT TO: CITY GOVERNANCE COMMITTEE – 16 FEBRUARY 2026

REPORT ON: COMMUNITY WISHES UPDATE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 12-2026

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the progress with the implementation of the Community Wishes approach for Dundee City Council, which was delivered as an expansion to the Community Benefits programme and as part of the Council's Community Wealth Building (CWB) approach.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the information within this report.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report.

4.0 BACKGROUND

- 4.1 The Community Wishes approach was approved on 4 March 2024 (Report 23-2024 approved by City Governance Committee 4 March 2024 refers) and was officially launched in August 2024 for communities to request wishes, and in September 2024 for contractors. The above report noted that a further update would be brought back to City Governance Committee after the first year the scheme was in operation.
- 4.2 The programme operates by asking communities to put forward wishes they would like to see delivered in their community or to support a local group. These can be wide ranging but typically include support for small installations, maintenance or clean-up projects, materials or volunteering time to complete projects, sponsorship etc. These requests are then moderated to ensure that they can be undertaken e.g. having all relevant consents, and crucially, that they are sought after by the wider community before being published on a public facing website. <https://wishes.dundeeccity.gov.uk/>.
- 4.3 To run the Community Wishes process the council developed an in-house IT system for processing and moderating requests. As there is no dedicated resource to support Community Wishes, activity is shared across several service areas to deliver wishes. The approach has been specifically designed to ensure the appropriate support and input for these various disciplines are correct and specialist input is provided in line with the requirements of a specific wish.
- 4.4 Contracted providers are directed to the online portal and can select a wish to fulfil as part of their contractual community benefit commitment. Community benefits should be proportionate to the contract value and Dundee has agreed to specify the delivery of a community wish or other community benefit outcome into contracts, for approximately every £100,000 of spend. The system has been popular with communities with multiple requests being made on the portal, and targeted work to engage contractors.

5.0 PROGRESS TO DATE (DECEMBER 2025)

5.1 There are 56 Community Wishes on the portal, and of those 22 or over a third have been selected for delivery by a contractor. Of these, 13 have been delivered (details below) and 9 are in the process of being delivered.

5.2 Delivered Projects

A summary of delivered projects is provided below with more detail on some of the projects provided in the Case Studies in Appendix 1:

- Feasibility study for Street Soccer (the Change Centre) to develop a community sound studio in partnership with Doof Studios. This has been delivered by Robertsons Construction as part of their East End Campus Contract.
- Forklift Training for two workers from Dundee Bairns allowed the charity to operate its distribution centre for five days rather than three, significantly increasing their capacity. This was delivered by McLaughlin and Harvey as part of their Green Travel Hub Contract.
- Sponsorship of a Parkinsons Football Charity Event for Dundee FC Community Trust, sponsored by Kilmac as part of Robertsons Barnhill Phase 4 Small Works Contract.
- Small Portable Projector for Lead Scotland to allow them to deliver sessions for those who are disabled and/or carers in community venues who don't have access to technology. This project was supported by Legrand Electrical UK in relation to their Contract for the Service and Maintenance of Warden Call Systems.
- Pat Testing for Togs, delivered by Robertsons in relation to their Blackness Primary Small Works Contract.
- The provision of Heras fencing at the change centre to secure some of their outdoor areas, provided by Robertsons as part of their Eastern Primary School Small Works contract.
- A further £5,000 donation to the delivery of the Doof Studio facility in the Change Centre, supported by Robertson in relation to their DCA Roof lighting contract.
- A £1,000 donation to the Dundee Fair Trade Forum to allow them to deliver a challenge fund for local schools to encourage them to undertake Fair Trade activity as part of Fair-Trade Week. This has also been supported by Robertsons Tayside in relation to their Gellatly Street Small Works Project.
- The provision of a new printer for Campy Growers, delivered by Robertsons Tayside as part of their Yeamans Lane small works contract.
- Volunteering including weeding, power washing, repairing planters and fence painting transformed One Parent Families garden, provided by Field and Lawn Ltd, in relation to their City Centre Christmas Decorations contract.
- The provision of a new storage shed for Friends of Clatto and Douglas Community Spaces Group, provided by Robertson Construction in relation for small works contracts at Cragiebarns Primary and Beaully Avenue respectively.
- Support to paint and renovate social enterprise cafe Brawtea provided by Robertsons construction as part of their East End Campus contract.

Pending projects include donation of uniforms to Age Concern volunteers, donations to a parent council run clothes bank and donations to a community foodbank. In addition, there is a steady flow of new requests coming into the system.

5.3 **Lessons Learned** **Engaging with Contractors**

While comparable data on the percentage of wishes delivered from other authorities' programmes is not available, anecdotal evidence shared by other authorities at the development stage suggests that a delivery rate of just over a third of wishes being delivered is considered positive. However, while 59 contractors have registered to the system only 8 have translated this into delivering wishes and of those there has been a high reliance on the larger construction contractors, more familiar with delivering Community Benefit outcomes. The low take up rate could partly be due to issues with the functionality of the system, which is evolving.

There is recognition that more direct targeting is required to highlight the approach to contractors and explain responsibilities. More direct marketing is planned, and work is underway to publicise details of delivered wishes which will hopefully encourage contractors to register and deliver wishes.

5.4 **Development Requirements**

As would be expected with any newly implemented process, there have been some challenges, namely in relation to the online system, staff training and moderation process. While extensive planning was undertaken prior to implementation, there are lessons learned which are being taken forward. These are currently being addressed and include:

- **System Improvements**

Multiple improvements have been identified to make the process work more efficiently. These are being actively worked through with IT colleagues.

- **Staff Training**

The agreed approach in Dundee is that responsibility for different elements of the programme spread across several staff, including community officers for moderation, expert panel members for checking and procurement category officers for contractor allocations. Training is being planned to take account of lessons learned in the first year.

- **Confusion on the Scale of Projects**

The Procurement Reform Act provides the justification for requiring contractors to deliver community benefit activity, including community wishes. It sets out that requests should be proportionate to the size of contracts. Community Wishes are intended to be small in nature to ensure proportionality, with larger projects encouraged to be split over multiple requests or referred to more appropriate sources of support. The interpretation of 'small' has caused some confusion and has been addressed through the production of more detailed guidance for communities' staff based on learning from other areas and where required the use of AI to assess the scale of project requests. We have also learned that most works proposals have benefited from a feasibility stage to fully identify their requirements. New guidance will encourage this to be considered as a first step.

- **Improved Guidance and Communication**

While rejection reasons have been built into the system there is an identified need to review and improve information and guidance for communities and contractors regarding what can and cannot be supported. New communities' guidance will help this.

Works Projects in Council Buildings

A potential risk around wishes which would include works which may be Construction Design and Management (CDM) applicable has been identified. Particular concern has been raised in relation to Council owned or leased properties. This has required the development of an additional process which is currently being integrated into the wider programme. This will ensure that no works activity can take place within a Council leased

building without the permission of the lease holder, or for Council operated buildings without the involvement and approval of the relevant property officer.

6.0 NEXT STEPS

6.1 The development group continues to work to improve the programme and address issues. Priorities are:

- To integrate additional requirements into the assessment process to take account of departmental advice on works and council owned, leased or operated projects. (March 2026)
- To produce improved guidance for communities and contractors. (March 2026)
- To undertake training with communities and procurement staff. (March 2026)
- Proactively encourage contractors to pick up wishes through targeted programmes, contract management and marketing to explain the Community benefits approach to contractors. (March to May 2026)
- Develop improved mechanisms to better report on the outcomes of Community Wishes, including improvements to the portal and more formal reporting to Local Community Planning Partnerships on wishes delivered. (June 2026)
- Community Wishes will be reported annually as part of the Annual Procurement Report.

7.0 CONCLUSION

7.1 This report highlights the successes and challenges experienced in the development and delivery of a Community Wishes approach for Dundee in its first year. It acknowledges the activity delivered and committed to, which will result in benefits to the communities of Dundee, the additional value secured from contracted provision and contribution to Community Wealth Building. It also recognises the challenges of delivering such an ambitious programme within existing resources, acknowledging the contribution of staff from across the organisation and recognising the need to further improve and streamline the process.

8.0 POLICY IMPLICATIONS

8.1 This report has been subject to the Pre-IIA Screening Tool and does not make recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

9.0 CONSULTATION

9.1 The Council Leadership Team were consulted in the preparation of this report.

10.0 BACKGROUND PAPERS

10.1 None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

DATE: 16 FEBRUARY 2026

APPENDIX 1 - CASE STUDIES

Case Study 1 - Dundee FC Community Trust: Parkinsons Walking Football Event



Kilmac Limited provided £1,000 in Sponsorship funding to Dundee FC Community Trust to support them to deliver a launch event for their Parkinsons Walking Football event. This was targeted at people of all abilities who had been affected by Parkinsons and was intended to provide exercise and an opportunity for social interaction. This initial event has led to the development of a weekly Parkinsons Walking Group at the Change Centre. This contribution was delivered as part of Robertsons Barnhill Phase 4 Small Works Contract. David, a participant of the programme said:

'I thoroughly enjoy it and wouldn't miss it. I know the exercises are getting harder and harder, but I am managing to do them. It just the fact of being here and doing this, its unbelievable I would recommend to anyone.'

To see more about David's story, please see here: <https://www.facebook.com/share/v/17PuzkRVtT/>

Case Study 2 - Fair Trade Forum



Robertson Tayside selected a project proposed by Dundee Fair-Trade Forum, when selecting their community wish in relation to their Gellatly Street Small Works Contract. The Fair-Trade Forum Dundee had asked for sponsorship of £500 to help them repeat a previous small grants project they had run in Dundee schools in 2023 to help celebrate Fair Trade Fortnight. Robertsons were so impressed by their proposal that they agreed to provide £1,000 in sponsorship to run the 2025 programme which was also supported by Scotmid. Fairtrade Fortnight 2025 took place between 22 September to 5 October 2025. Primary, secondary, college and youth groups were invited to apply for grants of £50 for Primary and youth groups and £50 plus £50 in Scotmid Vouchers for secondary schools and colleges and universities. Seven Schools participated including Sidlaw View Primary, Harris Academy and St Paul's. Sally Romily, Secretary of the Fair-Trade Forum said:

'The message of this project was that making a small switch to Fair Trade supports farmers and producers in protecting the future of some of our most loved food and the planet, we are thankful to Robertsons and Scotmid for supporting us to run this initiative'.

A wide range of activities including Fair Trade Themed Scavenger Hunts and a Quiz at Harris Academy, Fair Trade Learning weeks linked to the United Nation Development goals and arrange of fair-trade taster sessions and tuck shops. Feedback is currently being gathered and the activity identified as making the biggest impact and will be awarded a further £100 of Scotmid Vouchers to support more Fair-Trade Activity.

Case Study 3 - Dundee Bairns



Mclaughlin and Harvey, chose to deliver a wish from Dundee Bairns as part of their Green Travel Hub contract. Dundee Bairns, a local charity, provides essential support to families living in poverty in Dundee including support with bedding, essential toiletries and other items families require. They often respond to emergency referrals for support but had an issue in accessing all of their stock on some days as not all of their warehouse staff were trained to use the forklift. Through Community Wishes they were able to have two additional staff trained to use the forklift, organised and funded by Mclaughlin and Harvey. This has made a real difference to their organisation. Dee Pearce Business Manager noted that:

'Now we are in a much better position to quickly fill referrals and continue to expand our operations. Thank you for supporting us'.

Case Study 4 - Doof Studio



Robertson Construction Tayside have supported several wishes requested by Street Soccer at the Change Centre, Dundee with their exciting plans to convert a redundant changing room into a bespoke Music Studio for community use. The “Doof Studio” is being delivered in partnership with Hannah Laing and Turn the tables.

Robertson have supported the Community Wish raised through DCC’s portal to provide Feasibility and Business Case support for the works. This included partner meetings with Turn the Tables, an onsite survey of the conversion space and meeting with DCC Building Control. They provided formal design of the space via one of their in-house Design Managers and fully supported the submission of a Building Warrant application, which was subsequently approved. In addition, they have further supported the Change Centre with a charitable donation to contribute toward the project and will look to assist with the delivery of works as the project progresses.

Robertsons have indicated that Supporting the Doof Studio project has had a really positive impact on their team. It has strengthened our relationship with local organisations like Street Soccer, Turn The Tables and Dundee City Council, and it has shown how we can work together to deliver something that benefits the whole community. It has also allowed staff to use our skills in a meaningful way, from the very early stages of planning through to design and support for delivery. It has allowed our team to work closely with partners on something that goes beyond construction and helps to improve opportunities for people in the local area.

Kyle Fraser Social Enterprise Manager at Street Soccer indicated:

“We were blown away by your financial contribution and providing expert support and advice through the DCC Dundee Wish Scheme (feasibility study) for the doof music studio. This studio will serve as a transformative space, providing a creative outlet for young people and adults in areas of deprivation”

Case Study 5 - Lead Scotland Dundee Learning Project



Legrand Electrical, contractor for the Repair and Maintenance of Warden Call System is a part of a large global group. They noted that the creation of the Community Wishes system has helped them enormously with choosing a local charity which aligned with their values and reminded them the importance of supporting grass roots charities. They have indicated that they would look to use the wishes system again.

The Lead Scotland Dundee Learning Project works with adults over 16, resident in Dundee, who identify as disabled or are a carer, and supports them to learn new skills such as literacy, numeracy, digital skills, volunteering and more. They also offer tailored learning sessions to small groups at local accessible community venues. Our services are free, person centred and confidential. They were seeking a small portable projector to allow them to deliver their programme in spaces which don't have access to technology. This programme is intended to increase people's digital confidence, stay safe online and help them to better manage their own health and wellbeing through using digital platforms. Amy O'Reilly, Learning Services Manager, Lead Scotland, noted the impact this had had on their group:

"Having the projector has had a huge positive impact on our ability to reach more people in the community to help them achieve their learning goals. Before we were limited to using venues or only attending groups who had their own projector in place, or we had to use alternatives like printed handouts which was a huge barrier and not accessible or inclusive. Now our answer is always yes! Thanks again to Legrand Electrical for the kind gift and thank you to the Community Wishes Team."

**Case
Study
6 Braw
Tea**



Robertsons Construction already had an established relationship with local social enterprise Cafe Braw Tea, having previously worked with them on an employability support programme. Braw Tea use their cafe as a base for delivering support and training to a range of women in the city including those who are refugees, have health issues, those who are unemployed and struggling to get back into employment and those who are socially isolated.

Braw Tea put a community wish on the portal requesting help with painting as part of a wider renovation of the Cafe. Robertsons were happy to help bringing in local contractor Angus Dec to support the painting, which required scaffolding to reach high roof spaces and beams something the cafe would not have been able to afford to do on their own.

Cafe founder Jackie McKenzie says:

"I was delighted when they got in touch with me...When I put the wish up there, I thought nobody would pick it up because it's such a big job. I'm really chuffed. It looks so much fresher, cleaner and more modern. Now I feel like it fits our ethos of doing local, seasonal food from scratch."

Kris Sparks, pre-construction director at Robertson Construction Tayside said

"Braw Tea provides a safe, supportive space for women in the local community. The condition of the building was holding that back. Through Dundee City Council's Community Wishes scheme we were able to step in and help out with the support of our supply chain. A simple intervention like this can have a real impact for volunteers, staff and customers. It is good to see the space brought back into use in a way that reflects what the cafe stands for."



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REPORT TO: CITY GOVERNANCE COMMITTEE – 16 FEBRUARY 2026

REPORT ON: PROVISION OF OCCUPATIONAL HEALTH SERVICES

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 14-2026

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide a summary of the sourcing strategy for the provision of Occupational Health Services and to seek approval to award the successful supplier.

2.0 RECOMMENDATION

- 2.1 It is recommended that the Committee: -
- a) notes the information in this report; and
 - b) approves the award of a Framework call-off contract to the successful supplier, as outlined in Section 5 of this report, in compliance with the Public Contracts (Scotland) Regulations of 2015.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The approval of this award would result in estimated costs of £1.950m over the period of the extended contract. The actual cost of the contract will not be fully known until the framework call off is completed. Should this cost be in excess of 10% greater than the above sum, officers will revert to Committee for further approval prior to progressing this. Current costs now reflect the true market position.
- 3.2 There will be no additional costs to the council if the proposal to implement control measures as detailed in Section 5.0 Sourcing Strategy Summary (5.5 and 5.6) to manage contract spend is followed.
- 3.3 The Executive Director of Corporate Services has confirmed these costs would be met from the People Services division of Corporate Services and that sufficient provision is already assumed within the approved Revenue Budget 2025/26.

4.0 DETAILS OF THE PROJECT BEING COMMISSIONED

- 4.1 The contract objective is to source high-quality Occupational Health Services (OHS) for Dundee City Council. This includes physician-led advice, nurse-led case management, physiotherapy, counselling, vaccinations, and other related services.
- 4.2 Dundee City Council require this timely evidence based OHS in order to manage sickness absence, support safe return to work, meet statutory obligations for health surveillance and support workforce wellbeing. There is a further requirement for secure, modern reporting, GDPR compliance and clinical governance standards.
- 4.3 The use of these services reduces average days lost to sickness, manages risks to the health of employees potentially exposed to unavoidable hazards during their work activities, faster case resolutions, and ensures consistent clinical quality over a range of services.

5.0 SOURCING STRATEGY SUMMARY

- 5.1 People Asset Management (PAM) have been providing the services to Dundee City Council since 2019, following a collaborative tender exercise which was carried out by Tayside Procurement Consortium. This arrangement ended on 31 March 2025; however, PAM have continued to provide services to date, to ensure business continuity, due to the Scotland Excel framework not yet being available to draw down against at that date. Costs for occupational health provision for the financial year 2025/26 have again been at 2019 rates, with no uplift applied by PAM during this period.
- 5.2 During this period, Scotland Excel were tasked with establishing a collaborative contracting solution for local authorities in delivering their OHS in Scotland. This involved a procurement exercise (mini competition from Crown Commercial Services Framework RM6296) for a single supplier solution, whereby each of the participating authorities enter into a call-off contract with the successful bidder. This procurement exercise focussed on achieving cost savings/best value for all participants. After Scotland Excel experienced some unanticipated delays during the both the scoping and procurement stages, award was made to PAM as the successful supplier.
- 5.3 The intention is therefore to procure PAM using the compliant route to market via Crown Commercial Services (CCS) Framework RM6296 (SXL NFC191).
- 5.4 The contract duration will be four years in the first instance, with a full one-year optional extension followed by a part-year five-month optional extension to coincide with conclusion of the overarching Framework Agreement. The budget value for this contract is approximately £1,950,000 over the contractual period.
- 5.5 To maintain the existing budget and expenditure levels, minor adjustments to service delivery will be implemented. These changes have been made possible through flexibility and collaboration between DCC and PAM colleagues. This approach ensures DCC continues to receive high-quality core Occupational Health Services, meets statutory obligations, and maintains budgetary control. Spend against budget will be monitored through contract monitoring and review meetings.
- 5.6 The adjustments to be implemented include more robust triage by managers before arranging supports for employees; greater use of self-directed support, using high-quality online resources supplied by PAM; and for longer-term support for those employees which require this, particularly around mental health and wellbeing, to be triaged and progressed via other existing appropriate routes, such as access to the Employee Assistance Programme, self-referral for confidential counselling via Able Futures and triage, signposting and direct support from the Wellbeing Team and the Wellbeing Adviser. These have the additional benefit of a lower cost profile. Updated guidance will be issued to managers to ensure that engagement with the OH contract is in line with these adjustments.

6.0 RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge

Description of Risk	Actions to be taken to manage Risk
Commercial Risk - That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	Under the Framework agreement, costs are fixed for the duration, unless otherwise agreed via SXL/CCS.
In addition, there is a further risk that demand for occupational health services referrals may	Payments to the supplier would be monitored and managed through the established revenue

increase over the period that would ultimately lead to an increased cost for the employer given the variable cost of this element of the service.	budget monitoring processes and corrective actions taken to address any budget variances.
Technical Risk - This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification.	The Specification is clearly defined and was part of the overarching Framework Agreement and collaborative call-off solution.
Performance Risk - This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	Previous experience with PAM has evidenced they perform consistently to a high standard and in accordance with Dundee City Councils requirements.
Contractual Risk - Being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and avoiding reliance on the contracted supplier as the contract develops.	The overarching Framework Service Specification and Contract Conditions provide structure for monitoring performance. The Call-off is underpinned by clear overarching Terms and Conditions.
Procurement Risk - where a procurement is found unsound in law, through the public procurement rules.	The procurement exercise has been carried out in compliance with the Public Procurement (Scotland) Regulations 2015.

7.0 CONCLUSION

- 7.1 It is recommended that the contract award is made to People Asset Management (PAM). Maintaining the current supplier relationship ensures continuity, mitigates unnecessary risk and supports long-term value for this essential statutory service.

8.0 POLICY IMPLICATIONS

- 8.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

9.0 CONSULTATION

- 9.1 The Council Leadership Team were consulted in the preparation of this report.

10.0 BACKGROUND PAPERS

- 10.1 None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

DATE: 05/01/26

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ITEM No ...8.....

REPORT TO: CITY GOVERNANCE COMMITTEE – 16 FEBRUARY 2026

REPORT ON: FLEXIBLE RETIREMENT POLICY

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 22-2026

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to changes to the Flexible Retirement Policy.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee approves the policy as outlined in Appendix 1 of this report.

3.0 FINANCIAL IMPLICATIONS

- 3.1 None

4.0 MAIN TEXT

- 4.1 Currently the Council has a Flexible Retirement policy that was agreed by the Policy and Resources Committee on 24 April 2023 (Article VII of the minute refers).
- 4.2 The Scottish Public Pensions Agency (SPPA) has issued an update circular regarding the Local Government Pension Scheme (LGPS) Flexible Retirement, clarifying employer duties when making discretionary decisions on flexible retirement under the Local Government Pension Scheme (Scotland) Regulations 2018. This report outlines the key changes and implications for Dundee City Council.
- 4.3 Employers are required to have a written policy detailing how discretionary functions, including flexible retirement, are exercised (Regulation 29(7)). Going forward, our policy must ensure that each flexible retirement application is considered on its individual merits. While consistency is important, Heads of Service should remain open to exceptions based on the specific circumstances of each member.
- 4.4 It is not permissible to refuse all flexible retirement requests solely on the basis of cost. Such blanket refusals are legally considered “fettering of discretion.” Each case must be assessed individually, taking into account all relevant facts, such as the applicant’s health, caring responsibilities, and any potential cost savings from reduced hours or responsibilities.
- 4.5 The Pensions Ombudsman has identified “fettering of discretion” as maladministration. Employers must not operate an inflexible policy or deny scheme members the right of appeal. Regulation 71(2) provides scheme members with the right to appeal to Scottish Ministers if there is a disagreement with the employer or administering authority.
- 4.6 If an employer refuses flexible retirement without considering all relevant facts, the SPPA (on behalf of Scottish Ministers) may require the employer to review the decision and provide evidence for their reasoning. The Pensions Ombudsman may also intervene and award compensation if discretion is not exercised properly, particularly if the right of appeal is denied.
- 4.7 For Dundee City Council, it is necessary to revise the existing flexible retirement policy. The revised policy will require that each application is evaluated individually, with decisions based on the specific merits of each case rather than solely on financial considerations. Heads of Service must consider all relevant factors before reaching a decision and document the rationale

for each decision. Applicants must be provided with clear information regarding their right to appeal.

5.0 POLICY IMPLICATIONS

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 to this report.

6.0 CONSULTATIONS

- 6.1 The Council Leadership Team (CLT) was consulted in the preparation of this report. In addition, relevant officers, trade unions, and stakeholders were engaged as appropriate to ensure a comprehensive review and update of the Flexible Retirement policy.

7.0 BACKGROUND PAPERS

- 7.1 None

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

16 FEBRUARY 2026

Flexible Retirement Policy

Policy Statement

The Local Government Pension Scheme (Scotland) Regulations allow 'flexible retirement'. This describes circumstances where, with their employer's consent, a member of the pension scheme who has two years' pensionable service and who has reached the age of 55 reduces the hours they work, or the grade in which they are employed, and receives accrued pension benefits even though they have not retired from employment.

The Council is committed to flexible working in general, recognising that it can bring significant benefits both to employees and service users. It enables employees to achieve a healthy balance between their job and personal commitments, helping to improve their morale and wellbeing and thereby to increase their effectiveness at work. This results in improved customer service, increased efficiency and reduced costs.

The Council supports flexible retirement, because it allows employees a reasonable period to adjust their work/life balance as they approach retirement. It also enables the Council to manage the transfer and replacement of skills and experience.

All applications for flexible retirement will be considered on their individual merits by the relevant Head of Service, in line with the requirements of the LGPS(S) Regulations and guidance from the Scottish Public Pensions Agency (SPPA).

Principles

- **Discretionary Power:** The decision to grant flexible retirement is at the discretion of Dundee City Council. This discretion must be exercised fairly and not be fettered by inflexible policy rules (e.g., blanket refusals based solely on cost).
- **Case-by-Case Consideration:** Each application will be considered individually, taking into account all relevant circumstances, such as the employee's health, caring responsibilities, operational needs, and potential cost savings (e.g., reduction in hours or responsibilities).
- **Evidence-Based Decisions:** Decision-makers must document the factors considered and the reasons for their decision. All relevant facts must be taken into account, and the rationale must be clear and justifiable.
- **Right of Appeal:** Employees have the right to appeal decisions relating to flexible retirement in accordance with Regulation 71(2) of the LGPS(S), which allows appeals to the 'appointed person' on behalf of Dundee City Council, then to Scottish Ministers in the event of disagreement.

Accordingly, when considering requests for flexible retirement, the Council will follow the principles detailed above and will also take account of the following criteria:

- The employing Service will be required to meet all costs, including pension 'strain' costs, arising from a flexible retirement.
- Before agreeing to an application of flexible retirement the council would require an advanced resignation. The period of notice would be equal to period of flexible retirement. The reason for leaving at the end of the period of flexible retirement will be resignation of the employee.
- Where an employee wishes to terminate flexible retirement early or extend the period of flexible retirement this should be discussed with their manager in the first instance.
- A request will not be approved where the proposed change to work arrangements is likely to adversely affect service delivery.
- The granting of a request should assist workforce planning.
- An employee's salary following flexible retirement, when added to their pension payment, must not exceed their original salary.
- An employee may only make one request for flexible retirement within any period of one year unless it is identified as an option to facilitate a service reorganisation/restructuring or there is a significant change in the employee's personal circumstances.

Version Control			
Version:	Date:	Changes	Author
1	1/4/2023		Gillian Milne
2	1/3/2026	Amended criteria regarding discretionary FR	Jane Barry

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Integrated Impact Assessment

Committee Report Number: 22-2026

Document Title: Flexible Retirement Policy

Document Type: Policy

Description:

Flexible Retirement Policy

Intended Outcome:

Updated Policy which provides opportunities for employees to apply for Flexible Retirement. This would support a phased transition into retirement. The Policy will balance individual needs (health, caring) with service continuity and affordability.

Period Covered: 16/02/2026 to 01/02/2029

Monitoring:

This will be continually monitored by Officers and statistics reviewed regularly.

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Equality, Diversity and Human Rights

Impacts & Implications

Age: Positive

This policy relates to those aged (55+) under LGPS Rules/Regulations. All colleagues, who meet the age and other policy criteria as set will be able to apply and be considered for flexible retirement and access their pension earlier, and thus might benefit in terms of the ability to fulfill a work-life balance earlier than anticipated.

Disability: Positive

The policy will allow staff with underlying conditions (which are nonetheless manageable within existing policies) to apply and be considered for Flexible Retirement should this meet with the individual's aspirations and plans around work-life balance alongside managing their condition.

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:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	No Impact
East End:	No Impact
The Ferry:	No Impact
West End:	No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Household Group Impacts and Implications

Carers: Positive

This policy allows employees who may have caring responsibilities to apply and be considered for flexible retirement.

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: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: Positive

The policy may provide opportunities for employees to continue to be employed on reduced hours while accessing their pension.

Education & Skills: No Impact

Income: No Impact

Caring Responsibilities (including Childcare): Positive

This policy allows employees who may have caring responsibilities to apply and be considered for flexible retirement.

Affordability and accessibility of services: Positive

The policy may provide opportunities for employees to continue to be employed on reduced hours while accessing their pension.

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation No Impact

Employment Opportunities: No Impact

Education: No Impact

Health: Positive

The policy will allow staff with underlying conditions (which are nonetheless manageable within existing policies) to apply and be considered for Flexible Retirement should this meet with the individuals aspirations and plans around work-life balance alongside managing their condition.

Life Expectancy: No Impact

Mental Health: Positive

The policy will allow staff with underlying conditions (which are nonetheless manageable within existing policies) to apply and be considered for Flexible Retirement should this meet with the individuals aspirations and plans around work-life balance alongside managing their condition.

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: No Impact

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

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: No Impact

Economic/Financial Sustainability / Security & Equipment: No Impact

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: Positive

Having staff who are flexibly retired allows for proactive workforce planning to be accommodated during the flexible retirement period.

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.