

EX70. Capital Programmes Update Report

The Executive considered a report by the Director of Transformation, Communities & Corporate Services which provided an update on the 2023/24 Capital Programmes for the General Fund and Housing. The projected outturn by Services for 2023/24 for the General Fund was £51.7m which was equal to the revised budget. The outturn for the 2023/24 Housing capital programme was £71.5m, which was £5.0m less than budget.

There was a high level of risk around deliverability and affordability of the capital programme for 2023/24. Further consideration would be given to how best to assess and report on these risks at individual project level.

Previous reports highlighted risks to the delivery of projects, in terms of cost and timescales, for both the General Fund and Housing capital programmes. These risks arose from a number of issues including Brexit and the conflict in the Ukraine. These issues had seen sharp increases in costs across the board. Latest reported inflation of 6.7% in August 2023, represented a further reduction in the rate published in July 2023 where inflation had reduced to 6.8%. Although inflation was continuing to reduce, this was at a much slower pace than predicted and remained high compared to the target rate of 2%.

A series of Prudential Indicators were used to demonstrate that capital spending plans were affordable, prudent and sustainable. They were approved by Council each year as part of the Budget process. There were eight indicators for the Council as a whole and three for Housing only.

Decision

The Executive noted the proposed revised budget for the General Fund Services (£51.7m) and forecast position for Housing Capital Programme (£71.4m) and Prudential Indicators.