

EX73. Capital Programmes Update Report

The Executive considered a report by the Director of Corporate and Housing Services which provided an update on the 2021/22 Capital Programmes for Housing and the General Fund. The forecast for the General Fund Services Capital Programme was c£61.1m against a revised budget of £66.9m; a potential further underspend of c£5.8m. For the Housing Capital Programme the approved 2021/22 budget was £53.5m, with a forecast of £45.1m. This represented a potential underspend of £8.4m.

There was a high risk that spend on the General Fund capital programme would be lower than currently projected. Some of the reasons behind this were outwith control, for example:-

- Issues with supply chains
- High levels of staff absence, both internally and externally due to the impact of Covid
- Long lead in times for contract works

Continued slippage in the General Fund meant that borrowing undertaken in year would be less than originally anticipated and therefore budgeted for. While this may result in short term benefit to the revenue budget, there was a risk that the Council's investment activity was not appropriately spread across a number of years.

Council previously agreed to the installation of gas to a number of villages across the area. That decision would require borrowing of up to £2.8m for the General Fund and £5.5m for Housing. Work to determine the timescale associated with the spend, including any potential impact on 2021/22, would be undertaken and reported back.

Decision

The Executive noted:-

- (1) the forecast spend by Services for both the General Fund Services (£61.1m) and Housing Capital Programmes (£45.1m), and**
- (2) the Prudential Indicators.**