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**REPORT TO: MORAY COUNCIL ON 7 DECEMBER 2022**

**SUBJECT: CAPITAL PLAN 2022/23**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT & FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To advise the Council of expenditure to 30 September 2022 under the capital plan for financial year 2022/23 and of estimates of projected expenditure profiled into quarters.
- 1.2 This report is submitted to Council in terms of Section III (B) 9 of the Council's Scheme of Administration relating to monitoring progress of projects in the approved capital plan including any revisions to the price or phasing on a quarterly basis.

**2. RECOMMENDATION**

**2.1 It is recommended that Council considers and notes:**

- (i) expenditure to 30 September 2022 of £10,144,000;**
- (ii) the current projected expenditure of £40,497,000 for 2022/23 profiled into quarters, as set out in APPENDIX 1; and**
- (iii) the projected overall expenditure for projects spanning more than one financial year, as set out in APPENDIX 2.**

**2.2 It is recommended that Council approves amendments to the 2022/23 and 2023/24 capital plan as detailed in paragraph 6.1 of this report.**

**3. BACKGROUND**

- 3.1 The capital plan for 2022/23 totalling £51,426,000 was approved by Moray Council on 22 February 2022 (paragraph 4 of the Minute refers). Amendments (largely carry forwards from 2021/22) approved by the Council at its meeting on 23 February 2022 (paragraph 7 of the Minute refers) and 29 June 2022 (paragraph 17 of the minute refers) and by the meeting of Corporate Committee on 30 August 2022 (paragraph 9 of the minute refers) have been incorporated to give a current approved capital plan for 2022/23 totalling £56,299,000. The current projected expenditure is £40,497,000, but

this estimate should be treated with caution due to volatile conditions within the construction industry and in supply chains of materials. These issues are resulting in contractors declining to tender for works or increasing prices significantly above estimates and also in delays in construction works and delivery of goods. Consequently, this figure should be treated as the maximum spend expected in year and realistically expenditure is likely to be significantly lower than that.

- 3.2 As some sizeable projects span more than one financial year, this report includes a separate **APPENDIX 2**, giving details of expenditure on such projects in order to give a complete financial overview of these projects.

#### **4. CAPITAL PLAN 2022/23**

- 4.1 A copy of the summary capital plan is included as **APPENDIX 1** showing actual expenditure to 30 September of £10,144,000. This is just over 18% of the currently approved capital plan. General Capital Grant of £4,282,000 has been received from the Scottish Government. Other grants and contributions of £370,000 have also been received, the details of which are as follows:

<b>Grant</b>	<b>Amount (£)</b>	<b>Source</b>
Moray Growth Deal – Digital Health Project	£134,000	Scottish Government
Provision of CO <sup>2</sup> monitors in schools and Early Learning & Childcare Settings	£81,000	Scottish Government
Speyside Way Upgrades	£24,000	Low Carbon Travel & Transport Challenge Fund
Lossiemouth Bridge Replacement	£131,000	Scottish Government
<b>TOTAL</b>	<b>£370,000</b>	

- 4.2 In addition to this, Developer Obligations of £164,000 have been received up to quarter 2 of this financial year and capital receipts of £456,000 for the sale of land and buildings and vehicles.
- 4.3 Expenditure on land and buildings to 30 September 2022 totals £5,067,000. The main items of expenditure are £1,912,000 on works to improve the school estate and £757,000 for the Council's contribution to the construction of the NESS Energy for Waste plant.
- 4.4 Expenditure on infrastructure assets to 30 September 2022 totals £3,169,000. The main items of expenditure were £1,608,000 on roads resurfacing works carried out throughout the council area, and £747,000 on various bridge improvement projects.
- 4.5 Expenditure on vehicles, plant and equipment to 30 September 2022 totals £1,907,000. The main item of expenditure was £1,384,000 on the Vehicle and Plant Replacement Programme, a significant proportion of which is slippage from 2021/22 due to the current lead time for the delivery of vehicles.

## 5. **PROJECTED OUTTURN AND PROJECT DEFERRALS**

- 5.1 Budget managers have been requested to update projected estimates of expenditure on capital projects in 2022/23. Projects are graded for confidence of achieving projected expenditure with high confidence rated as green, medium confidence as amber and low confidence as red. A summary of the ratings is given in the table below.

<b>Risk Status</b>	<b>RAG</b>	<b>No of Projects</b>	<b>Projected Expenditure 2022/23 £000</b>
High confidence of spend to estimate	G	103	28,282
Medium confidence of spend to estimate	A	12	11,164
Low confidence of spend to estimate	R	4	1,051
		<b>119</b>	<b>40,497</b>

- 5.2 The spend projections provided by budget managers are based on the best information available at this time. However, given the uncertainties referred to in paragraph 3.1 a green RAG rating really only indicates that no specific issues have been identified to date.

### 5.3 **Red rating**

A red status highlights areas where there is low level of confidence in estimated expenditure. The following have been identified by budget managers as having a red status:

<b>Project</b>	<b>Projected Expenditure 2022/23 £000s</b>
<b>Land and Buildings</b>	
New 3G Pitches	-
<b>Infrastructure</b>	
Bridges (3 projects)	1,051
Kerb Edge Replacement	-
<b>TOTAL</b>	<b>1,051</b>

- 5.4 A new 3G pitch is planned for Forres, however no spend is anticipated in 2022/23 as this is dependent on the outcome of a bid to the Scottish Government Learning Estate Improvement Programme (LEIP) Funding and whether a new build or refurbishment works is taken forward. Three bridge projects are currently predicting a status of red (Bridge of Slateford, Aldunie Bridge/Dykeside Bridge and Shougale Bridge). Current construction industry inflation, along with complex negotiations with landowners are contributing to this. Lack of resources within the Roads Service means that a programme of works and locations for the kerb edge replacements has not been able to be identified.

### **Amber rating**

- 5.5 An amber rating of confidence to spend budget highlights areas where there are issues impacting on the ability to project spend – generally indicating

factors outwith the budget manager's control. The following have been identified by budget managers as having an amber status:

<b>Project</b>	<b>Paragraph</b>	<b>Projected Expenditure 2022/23 £000s</b>
<b>Land &amp; Buildings</b>		
Findrassie Primary School	5.6	282
Town Centre Initiative Fund	5.6	1,388
Parks & Open Spaces Infrastructure	5.6	140
<b>Infrastructure</b>		
Street Lighting – Replacement Columns and Lights	5.7	800
Bridges (2 projects)	5.7	3,046
Footways	5.7	250
<b>Vehicles, Plant &amp; Equipment</b>		
Moray Leisure Centre Equipment	5.8	400
Vehicle & Plant Replacement Programme	5.8	3,531
Children's Play Area Equipment	5.8	253
ICT Capital Spend	5.8	1,074
<b>TOTAL</b>		<b>11,164</b>

- 5.6 A preferred contractor has been appointed for the project to construct the new Findrassie Primary School however the project is undertaking a strategic review of requirements and costs and spend in 2022/23 is expected to be minimal. Successful applicants to the Town Centre Initiative Fund are not proceeding due to reduced viability of projects and the rise in construction costs and work is currently ongoing to assess how any underspend can be reallocated. Capacity issues within the Land and Parks team have seen delays in progressing Parks Infrastructure projects.
- 5.7 Staff vacancies within the Roads Department are impacting on plans for footways projects and street light column replacements. Bridges projects for a new Craigellachie Bridge and Boat O Brig Bridge at Orton are both classed as Amber based on tender returns and construction industry inflation.
- 5.8 Spend requirements for Moray Leisure Centre equipment will form part of the sports and leisure investment plan being developed. Until that is approved there is no certainty about the amount of expenditure expected. The lead time for vehicle replacements is very long due to issues with the supply of small components to complete vehicles and there is therefore a high degree of uncertainty as to when vehicles will be delivered. There is a similar situation with regards to Play Area Equipment. Establishing the requirements for the next phase of the telephony project, which are dependent on future flexible working and the Property Asset Management Appraisal (PAMA) office review, and staff resourcing for the legacy server replacement programme mean there is a degree of uncertainty around the amount of spend against the ICT capital programme.
- 5.9 Details of the projected variances as at September 2022 from the current approved capital programme, summarised in **APPENDIX 1**, is set out below:

Description	Ref	Underspend/ (Overspend) £000s
<b>Land and Buildings</b>		
New 3G Pitches	5.10	700
Resurface & Rejuvenate 3G Pitches	5.11	55
Lossiemouth High School	5.12	376
Findrassie Primary School	5.13	168
Leisure Facilities – Works Arising from Condition Surveys	5.14	20
ELC Settings	5.15	317
Moray Growth Deal	5.16	10,843
Depots – backlog maintenance from condition surveys	5.17	475
Salt Shed – Keith Depot	5.18	117
<b>Infrastructure</b>		
Kerb Edge Replacement	5.19	50
Footways	5.20	50
Timber Traffic	5.21	(20)
Bridges	5.22	1,333
Ward Road Junction Improvements	5.23	(118)
<b>Vehicles, Plant &amp; Equipment</b>		
Gull Proof Bins	5.24	(2)
Replacement Household Waste Recycling Centre (HWRC)	5.25	300
Upgrade Recycling Centres	5.26	255
Climate Change	5.27	750
ICT Capital Spend	5.28	132
<b>TOTAL</b>		<b>15,802</b>

### **Land and Buildings**

- 5.10 **New 3G Pitches** – It is not anticipated that the budget of £700,000 for new 3G pitches will be spent in 2022/23 as the works will be dependent on the outcome of the Council's submitted bid for LEIP Funding from the Scottish Government and what works will be undertaken in Forres. It is therefore requested that the full £700,000 be carried forward to 2023/24 so that the work can be progressed.
- 5.11 **Resurface & Rejuvenate 3G Pitches** – Works under this heading are resurfacing of the 3G pitch in Buckie, along with the replacement of the lights at the facility at Speyside. The costs of these works are anticipated to be less than the budget at the current time. Grant funding of £150,000 has been received to fund the works at Buckie.
- 5.12 **Lossiemouth High School** – The budget is projected to underspend due to not all contingency allowances being required and the accrual of additional budget for the release of retention monies at the end of the defects liability period. The contractor is currently undertaking the making good of the contractual defects after the one year defect period and this is currently on programme to complete this financial year.
- 5.13 **Findrassie Primary School** – A preferred contractor has now been appointed however the service is undertaking a review of the project

requirement and costs and so the projected spend for this financial year is forecasted to be lower than the budget. It is therefore recommended that the projected underspend of £168,000 be carried forward to 2023/24.

- 5.14 **Leisure Facilities Works Arising from Condition Surveys** – Works instructed as a result of conditions surveys are anticipated to cost £20,000 less than the allowance in the capital plan for 2022/23. However the final cost will not be confirmed until works are complete.

- 5.15 **ELC Settings** – At the meeting of Moray Council on 29 June (paragraph 17 of the minute refers) additional budget of £347,000 was allocated to enable works to be carried out at various ELC settings. However, due to resource constraints within the Council's DLO department, and for contractors, this work has been delayed and will now not be completed until the 2023/24 financial year. If these works are further delayed or do not take place then this will have an impact on our ability to meet legislative requirements. It is therefore requested that the projected underspend of £317,000 be carried forward to 2023/24 to allow the works to be undertaken.

5.16 **Moray Growth Deal**

The revisions requested below are subject to change requests being approved by Projects Boards, the Programme Board and Scottish and UK Governments. The requests will also impact on the draw down of grant funding. Capital grant of £2.958 million is included in the capital plan for 2022/23. Payment is dependent Full Business Case approval for the individual projects which can then claim for eligible expenditure.

Bus Revolution – This project is projecting an underspend in the current financial year due to delays in sourcing and procuring 2 bus vehicles which are now not expected to be delivered until 2023/24. The Full Business Case for the Bus Revolution has been submitted. In anticipation of it being approved prior to the end of the financial year an element of grant funding has been included in the Capital Plan for 2022/23. Slippage in expenditure could result in slippage in grant payment, although an element of slippage in expenditure has been allowed for in the grant profile agreed with Scottish Government.

Business Enterprise Hub – This project has been working through some challenges but the outcome of cost benchmarking now enables work on the Full Business Case to commence which will lead to a more accurate financial profile. It is therefore requested that the full budget of £1,309,000 is carried forward to 2023/24.

Cultural Quarter – Following the appointment of a Project Manager it has been agreed that more work is required on the project vision and brief, so consultant recruitment has been delayed. It is therefore requested that the projected underspend of £692,000 is carried forward to 2023/24.

Digital Health – This project is underspent to date and work is currently ongoing to accelerate procurement activity that will increase spend in the second half of the year. Following this work approval will be sought from the Scottish Government to revise the financial profile. At this stage an underspend of £187,000 is anticipated.

Moray Aerospace, Advanced Technology & Innovation Campus – This project has experienced problems and is in the process of revisiting delivery options in discussions with partners. These discussions are commercially sensitive. This review will inform changes to the financial profile and it is therefore requested that the full budget of £6,740,000 be carried forward to 2023/24 when the project will be able to progress following approval of the full business case.

Housing Mix Delivery – Expenditure is expected on consultancy costs to enable preparation of the full business case and it is therefore requested that the projected underspend of £310,000 be carried forward to 2023/24 to allow this work to continue.

Moray Growth Deal – This budget is a legacy budget from prior financial years prior to Deal sign off. Spend should now be allocated to the specific projects so it is requested that the full budget of £795,000 be removed from 2022/23.

- 5.17 **Depots Backlog Maintenance from Condition Surveys** – The Council is currently undertaking an update of the depot and store review previously undertaken and this will inform the future spend requirements. At the current time an underspend in 2022/23 of £475,000 is forecast and it is requested that this be carried forward to 2023/24 to allow works to be carried out once business cases have been approved. This is anticipated to be before the end of the financial year.
- 5.18 **Salt Shed Keith Depot** – This project has been re-programmed to the summer of 2023 in order to minimise the operational disruption at the Keith depot during the winter months. It is therefore requested that the projected underspend of £117,000 be carried forward to allow this spend-to-save project to be completed.

#### **Infrastructure**

- 5.19 **Kerb Edge Replacement** – Lack of staff resources within the Roads Service has meant that work to identify locations for kerb replacement works has been unable to be carried out and an underspend of £50,000 is currently projected and it is requested that the budget is reduced to £25,000 in the interim with a further review at the end of quarter 3.
- 5.20 **Footways** – A footway slurry seal programme was planned for the summer months but this was cancelled due to a lack of operational resources within the Roads Service and an underspend of £50,000 is currently projected and it is requested that the budget is reduced to £25,000.
- 5.21 **Timber Traffic** – This budget is used as match funding for bids to the Strategic Timber Transport Fund (STTF). The Council submitted a bid for funding and was successful in receiving funding for one project. The project has been extended and additional funding has been secured from STTF. The total cost of the works is currently estimated to be £450,000 with the Strategic Timber Transport Fund STTF contributing 60% of eligible costs of works. At the meeting of Corporate Committee on 30 August (paragraph 9 of the minute refers) £590,000 was carried forward to 2023/24. Due to the extension of the successful project it is recommended that £20,000 be brought forward to 2022/23 to cover the Council's share of the increased costs.

## 5.22 **Bridges**

A941 New Craigellachie Bridge – Tenders have been returned for this project and were lower than budget. At this stage it is projected that the project will cost £3,000,000, currently £786,000 less than budget.

A941/100 Blackwater Bridge – The original budget for this project was £613,000 and the anticipated cost is £400,000. It is recommended that this is reduced to £500,000 which includes a risk allowance of £100,000 to allow for any unforeseen circumstances that may occur.

Boat O Brig Bridge Orton – There is a budget of £4,000 for design and preparatory work in 2022/23, with construction planned for 2023/24. An alternative solution has been identified that will cost a total of £15,000, which is significantly less expensive than the original two stage solution.

Bridge of Slateford – Design works on this project have been delayed and the works may have to be carried out in the winter months, adding risk and cost. It is requested that the projected underspend of £235,000 is carried forward to 2023/24 to allow the project to complete.

Aldunie Bridge Cabrach/Dykeside Bridge – The original budget, including Lifeline Bridges Funding was £571,000. This project has been completed at a total cost of £450,000. It is recommended to reduce the budget to this amount.

U118E/10 Shougle Bridge – Tender has been awarded and costs are projected to be £550,000 versus a budget of £589,000. Final compensation has yet to be agreed with landowners and this could increase costs.

Knockando Bridges – This project is now complete and with a slight overspend of £14,000 due to remedial works that were required to address a safety issue with the new parapet alignment.

- 5.23 **Wards Road Junction Improvements** – During construction of the project a number of design reviews led to additional work being undertaken in terms of cable ducting and lighting for bollards, accommodation works for the adjacent development and construction depths. The total project cost however remains lower than the Developer Obligations ingathered and £4,000 unused will be returned to the Developer.

## **Vehicles, Plant and Equipment**

- 5.24 **Gull Proof Bins** – This heading will overspend by £2,000 due to an increase in the unit price of bins.

- 5.25 **Replacement HWRC Elgin** – A land assessment is currently underway for the construction of a new HWRC for Elgin. Some sites have been identified as suitable for the project and within budget. However if the land in question is not purchased, another assessment will be required and costs could change significantly. The sites under consideration are commercially sensitive.



- 5.26 **Upgrade Recycling Centres** – Plans have not yet been developed for the upgrade of recycling centres under this heading and it is recommended that the full budget of £255,000 is carried forward to 2023/24.
- 5.27 **Climate Change** – The Council is intending to place solar panels on the roof of Council buildings and these have been procured, however the lead time for delivery is 12 months so it is requested that the full budget of £500,000 is carried forward to 2023/24 to allow for delivery. There is also an allowance of £250,000 for the Council to install the infrastructure to support the move to green fleet and it is also recommended that this is carried forward to 2023/24 to allow this work to continue.
- 5.28 **ICT Capital Spend** – It is currently anticipated that expenditure on ICT capital projects is likely to be between 80%-90% of the approved budget. However there is uncertainty around the requirements for the future phase of the telephony project and resourcing for the legacy server replacement programme. Once the requirements are finalised costs will be updated.

## 6. **AMENDMENTS TO CAPITAL PLAN**

6.1 The following amendments to the capital plan are proposed:

<b>Amendments</b>	<b>Para</b>	<b>2022/23 £000s</b>	<b>2023/24 £000s</b>
<b>Land &amp; Buildings</b>			
New 3G Pitches	5.10	(700)	700
Lossiemouth High School	5.12	(376)	-
Findrassie Primary School	5.13	(168)	168
ELC Settings	5.15	(317)	317
Moray Growth Deal	5.16	(10,656)	9,861
Depot Works	5.17	(475)	475
Salt Shed – Keith Depot	5.18	(117)	117
Place Based Investment	6.2	466	-
Just Transition Fund	6.3	593	288
Elgin High School Extension	6.4	46	(46)
<b>Infrastructure</b>			
Kerb Edge Replacements	5.19	(25)	-
Footways	5.20	(25)	-
Timber Traffic	5.20	20	(20)
Bridge of Slateford	5.21	(235)	235
A941/100 Blackwater Bridge	5.21	(113)	-
Aldunie Bridge Cabrach/Dykeside Bridge	5.21	(121)	-
<b>Vehicles, Plant and Equipment</b>			
Upgrade Recycling Centres	5.26	(255)	255
Climate Change	5.27	(750)	750
<b>Grant Funding</b>			
Place Based Investment	6.2	(466)	-
Just Transition Fund	6.3	(593)	(288)
<b>TOTAL</b>		<b>(14,267)</b>	<b>12,812</b>

6.2 **Place Based Investment** – The 2020 Programme for Government committed to establishing a Place Based Investment programme (PBIP), the aim of

which is to ensure that all place based investments are shaped by the needs and aspirations of local communities. Local Government is to receive a share of the funding over 5 years to support projects and the Council has received £466,000 in 2022/23, the plans for which were approved at the meeting of Moray Council on 10 August 2022 (paragraph 16 of the minute refers) and will be used for the construction of Pinefield Allotment in Elgin, town centre improvements and the purchase of land or works associated with the development at Buckie Harbour.

6.3 **Just Transition Fund** – The Council considered a report on the Just Transition Fund on 29 June (paragraph 20 of the minute refers) and agreed delegated authority to the Chief Executive in consultation with Group Leaders to submit expressions of interest by 15 July 2022. The Council has been awarded funding in both 2022/23 and 2023/24 to fund 5 interlinked projects designed to support the Council's move away from fossil fuels. These include projects to support offshore renewables, the creation of a local hydrogen economy, developing a natural capital approach to offsetting and redeveloping derelict land and premises in Moray to transition towards net zero.

6.4 **Elgin High School Extension** – The current capacity of Elgin High School is already lower than that required for the commencement of the current academic session with an increase in enhanced Additional Support Needs (ASN) space requirements resulting in a reduction in mainstream capacity. This will be managed by a temporary modular classroom unit that will be on site until a more permanent capacity solution is implemented. The school roll forecast is impacted by the significant residential development that is in progress and planned for the Elgin South Area. There is allowance in future years of the capital plan for an extension of Elgin High School and it is therefore requested that £46,000 is brought forward to enable a feasibility study (to complete up to RIBA stage 2 – Concept Design) to be undertaken to determine the requirements of the project.

## 7. **RISK AND EMERGING ISSUES**

7.1 Budget managers have been requested to identify any specific areas of risk for the projects in the capital plan for which they are responsible.

7.2 As reported to Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 (paragraph 7 of the minute refers) a risk to the capital plan is an increase in the cost of materials and scarcity of many materials which are key for the construction industry. Scotland Excel have informed the Council of unavoidable increases to costs on some of their frameworks and some key materials such as concrete, wood and steel are currently difficult to source and costlier if they are available. This is partly a world-wide reaction to the pandemic, and partly due to Brexit, and the war in Ukraine is also having an impact. The construction industry is also over-heated and some recent procurement exercises have stalled. The Strategic Territory Partnering Board are also monitoring market volatility.

7.3 There is a risk that contract inflation might increase the eventual cost of projects in future years of the capital plan and a risk that any deferment of projects relating to asset condition might result in element failure, potentially

incurring unbudgeted costs. The figures in the 10 year plan are based on current costs and are likely to increase by the time the project is undertaken.

- 7.4 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales and this risk is heightened at this time due to the world-wide shortage of semi-conductors.
- 7.5 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact in scheduled works and this is reflected in delays where work planned to be out-sourced is being brought in-house as a result of poor response to tender requests. Poor responses to tender requests are an increasing phenomenon and work is on-going with organisations such as Hubco to attempt to improve market engagement, as well as support from the Procurement team to engage local suppliers and contractors. Lack of staff resources is a more intractable problem and current recruitment difficulties, coupled with additional funding streams with short time envelopes for spend, which adds pressure to staff workloads, is creating difficulties and therefore slippage in many areas of the capital programme.
- 7.6 There is a risk that time-limited funding is not spent within time-frame and that the Council therefore loses the opportunity to improve or create assets at no or reduced cost to the Council.
- 7.7 Projects can be subject to risks which are outwith the direct control of the Council, such as poor weather conditions and some assets such as harbours are particularly vulnerable to bad weather events.
- 7.8 The cost to the Council of borrowing is calculated based on interest rates at that time. The current pattern of interest rate rises is considered likely to continue and this will have an impact on the cost to the Council and will be taken into account when looking at future capital proposals.
- 7.9 No other project risks have been specifically identified by budget managers.

## **8. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective budget management is an essential component of delivery of Council priorities on a sustainable basis.

The capital plan is one of the vehicles through which the Council's priorities can be delivered. The approved capital plan for 2022/23 and the outline ten year plan incorporate measures designed to address the LOIP priorities of building a better future for our children and young people, empowering and connecting communities and developing a diverse, inclusive and sustainable economy.

### **(b) Policy and Legal**

There are no policy or legal implications arising directly from this report.

**(c) Financial implications**

The financial implications are highlighted within the report and **Appendices 1 and 2** to the report.

**(d) Risk Implications**

Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Council in line with the financial regulations. Risks specific to items within the capital plan are highlighted in paragraph 7 of this report.

**(e) Staffing Implications**

There are no staffing implications arising directly from this report.

**(f) Property**

There are no property implications arising directly from this report.

**(g) Equalities/Socio Economic Impact**

There are no equalities issues arising directly from this report.

**(h) Climate Change and Biodiversity Impacts**

There are no climate change or biodiversity issues arising directly from this report.

**(i) Consultations**

All capital budget managers have been consulted in the development of estimated actuals as part of the preparation of this report. The Corporate Management Team have been consulted and any comments incorporated in the report.

**9. CONCLUSION**

**9.1 Capital expenditure in the first half of the financial year amounts to £10,144,000 to the end of September 2022.**

**9.2 Capital expenditure is currently projected to be £15,802,000 lower than the approved capital plan for 2022/23 but with a high degree of uncertainty due to current construction industry conditions and other external factors.**

**9.3 Amendments to the Capital Plan amounting to a decrease (net of additional grant funding) of £14,267,000 in 2022/23 and an increase of £12,812,000 in 2023/24 are recommended.**

Author of Report: Laurie Milne, Senior Accountant

Background Papers:

Ref:

LM/LJC/  
SPMAN-1293228629-773  
SPMAN-1293228629-774  
SPMAN-1293228629-775

