



General Services Capital Plan 2020/21 Final Outturn

Report by Gary Fairley, Chief Officer Corporate Solutions

Report for Decision

1 Recommendations

It is recommended that the Council:-

1. Note the General Services Capital Plan outturn position for 2020/21.
2. Endorse the additions to the General Services Capital Plan as set out in section 3.1;

2 Purpose of Report/Executive Summary

This report presents the final outturn for 2020/21 on the General Services Capital Plan.

Date: 11 June 2021

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3 Background

3.1 New Projects presented for endorsement in the Plan

The following projects are presented for endorsement to be fully adopted within the General Services Capital Plan:-

Council 11 May 2021

- **Accelerated Roads Capital Programme:** Resurfacing works to the unclassified roads network in residential streets in Midlothian. £5.000 million expenditure budget approved by Council on 11 May 2021 and to be phased equally across 2021/22 and 2022/23, fully funded by prudential borrowing;

Capital Plan & Asset Management Board 20 April 2021

- **Welfare Park, Newtongrange:** Improvements to the lighting and pathway and provision of a children's play area within Welfare Park, to complement the £0.130 million of planned works being funded by the Town Centre Capital Fund (TCCF). Capital expenditure budget of £0.098 million approved by Capital Plan & Asset Management Board on 20 April 2021, to be fully funded by already collected developer contributions;

Capital Plan & Asset Management Board 8 June 2021

- **Extra Care Housing: Newmills Road and Polton Street:** Revised General Fund share of costs attributed to hub areas in both facilities, equating to an approved capital expenditure budget of £0.319 million for Newmills Road and £0.206 million for Polton Street, replacing the £2.240 million upper bound provisional capital expenditure budget as reported to Council in the "General Services Capital Plan 2020/21 Quarter 3 Monitoring, and 2021/22 to 2024/25 Budgets" report on 23 February 2021. Phasing of capital expenditure across 2021/22 to 2023/24, to be funded by prudential borrowing.
- **Provision of a Pump Track at North Middleton Park:** Pump track to be constructed in the main village park. £0.076 million capital expenditure budget approved by Capital Plan & Asset Management Board on 8 June 2021, to be fully funded by already collected developer contributions.

Other

- **School Transport Retrofit Fund:** Installation of physical protection measures for passengers and drivers on school transport services. £0.022 million capital expenditure budget fully phased in 2021/22 and fully funded by Scottish Government Capital Grant.

3.2 Expenditure

The latest 2020/21 General Services Capital Plan was approved by Council on 23 February 2021, with an expenditure budget of £31.708 million.

After reflecting the projects as outlined in Section 3.1, and the rephasing of 2020/21 budgets to/from 2021/22 as shown in Tables 1 and 2 below, the final budget for the year is £24.940 million.

Table 1: Material rephasing of budgets from 2021/22 back to 2020/21

Project	2020/21 Budget £000's	2020/21 Actual £000's	Rephased Amount £000's	Notes
Property Upgrades	656	903	+247	Acceleration of individual project programmes against Quarter 3 planning assumption
Destination Hillend	194	507	+313	Outturn reflective of completion of funslope and acceleration of design
Others	575	694	+119	
Total	1,425	2,104	+679	

Appendix 1 contains detail on rephasing of budgets on a project by project basis.

Table 2: Material Rephasing of budgets from 2020/21 forward to 2021/22

Project	2020/21 Budget £000's	2020/21 Actual £000's	Rephased Amount £000's	Notes
Digital Services Asset Management Plan	1,885	400	-1,485	Focus on the Covid response has led to rephasing of other Digital Services asset management plan strands
Danderhall hub	8,454	6,952	-1,502	Ongoing impact of Covid measures throughout 2020/21 including reduced labour due to social distancing and delayed delivery of materials. The school building is now operational.
Early Years Capital Projects	1,555	782	-773	The shutdown of sites followed by restricted operations, and now significant challenges and delays in obtaining materials and supplies has created a backlog of work. Work to expand and create capacity is expected to take place or commence over summer 2021. The extension from Scottish Government to the time for the spending of the expansion grant capital funding has enabled the evaluation and review to rephase and reallocate the grant funding to ensure the best benefit to Midlothian. The Council is already delivering 1,140 hours ahead of the reintroduction of the statutory requirement. Ongoing projects are to support further expansion in capacity.
Vehicle & Plant Replacement Programme	1,866	1,244	-622	Overall Fleet Asset Management plan is being refreshed – expected completion by Quarter 1 2021/22
Sacred Heart Primary Extension & Refurbishment	1,668	1,133	-535	Non-priority work in relation to the refurbishment was rephased to post January 2021 to allow the refurbished element of the school to re-open in January 2021. Subsequent to this, there have been

				material shortage issues in relation to gym equipment, decoration, furniture and landscaping works.
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Table 2: Material Rephasing of budgets from 2020/21 forward to 2021/22
(continued)

Project	2020/21 Budget £000's	2020/21 Actual £000's	Rephased Amount £000's	Notes
Town Centre Regeneration 2019/20 & 2020/21	674	224	-450	Contract procurement issues and the impact of Covid-19 have affected the ability to progress work in the first half of early 2020/21. The Penicuik Town Hall project (largest in £ value) is programmed for completion in September 2021.
Hopefield Primary School	1,189	788	-401	Delay of handover in 2020 due to Covid has resulted in year-end defects period extending into 2021/22.
Newbattle Centre of Excellence	461	137	-324	Priority focus has been on the Covid response which has led to rephasing of the Newbattle Digital Centre of Excellence
Cycling, Walking & Safer Streets	402	94	-308	Impact of Covid where emergency/essential works only were permitted, causing resultant backlog of other transport related works
Penicuik Astroturf Pitch Resurfacing	309	19	-290	The tender for the Astroturf resurfacing at Penicuik was packaged along with the tender for the Astroturf resurfacing at Poltonhall to help ensure economies of scale from a combined tender. The design at Poltonhall was at an earlier stage of development which has led to a rephasing of expenditure for both projects to 2021/22.
NDEEF	222	10	-212	Retention to be agreed and expected to be released early 2021/22 along with completion of remaining minor works
Loanhead hub / Paradykes Primary	218	49	-169	Classroom screens to be installed in 2021/22 to enclose classrooms
A701 Community Campus	150	-3	-153	Ongoing discussion re site selection has resulted in delay to project, with report re site selection elsewhere on today's agenda
Street Lighting Upgrades	788	687	-101	Winter weather conditions led to rephasing of the planned programme
Penicuik THI	106	15	-91	Delay to commencement of public realm works whilst additional funding is sought to deliver the required works in full by Summer 2023
Return of Contingencies	-828	-301	+527	Lower level of return of contingencies in 2020/21 due to impact of Covid on overall capital programme with return of contingencies rephased fully to 2021/22
Others	3,039	2,556	-483	
Total	22,355	14,908	-7,447	

Appendix 1 contains detail on rephasing of budgets on a project by project basis.

Actual expenditure in the year was £25.569 million, giving an overspend of £0.417 million against the rephased budget as detailed in Appendix 2.

This includes construction projects that are now either complete or are at a sufficiently advanced stage where the final outturn cost of the project can be reliably calculated and allow all, or a portion, of the remaining budget to be released. Table 3 below outlines the release of contingency for these projects.

Table 3: Project Under/Over Spends in 2020/21

Project	Rephased Project Budget 2020/21 £000's	Actual Outturn 2020/21 £000's	(Under)/ Over Spend 2020/21 £000's	Notes
Digital Services Covid Costs	800	1,518	+718	Digital Covid costs capitalised as approved by Council, resulting in spend exceeding £0.800 million estimate at Quarter 3.
Lawfield Primary	178	115	-63	Underspend reflects greater economies of scale being realised than anticipated.
Others	29	3	-26	
Total	1,007	1,636	+629	

In addition, the following costs that were previously capitalized were written off to revenue in 2020/21 as abortive costs:-

- £0.038 million of costs incurred in the design of a 3 class extension at Woodburn Primary School are unable to be re-used in relation to the now approved 9 class extension;
- £0.034 million of costs incurred in relation to the potential land sale at Hillend are no longer able to be capitalised as a cost of sale as the sale of the land in the short to medium term is now unlikely to / will not proceed

3.3 Funding

After adjusting for carry-forwards and the funding for the new projects as outlined in Section 3.1 above, the plan budgeted for funding of £15.179 million, as shown in Section 3.5.

Actual funding was £15.612 million.

3.4 Borrowing

After adjusting for carry forwards and rephasing, the plan budgeted for in-year borrowing of £9.328 million.

Actual borrowing was £9.957 million. The increase in borrowing reflects the net overspend in 2020/21 of £0.629 million as described in Section 3.2.

3.5 Summary

A summary of the final outturn position for 2020/21 is outlined in the table below.

Table 4: General Services Capital Plan Performance against Budget 2020/21

Item	2020/21 Budget Q3 £000's	2020/21 Rephased Budget £000's	2020/21 Actual Outturn £000's	2020/21 Variance £000's	2020/21 Carry Forward £000's
Expenditure	31,708	24,940	25,569	+629	-6,768
Funding	15,179	15,612	15,612	0	+433
Borrowing Required	16,529	9,328	9,957	+629	

3.6 Capital Fund

The current un-earmarked balance on the Capital Fund is as follows:-

Item	Amount £000's
Balance at 01 April 2020	25,364
Capital Receipts transferred in year	304
Developer Contributions transferred in year	17
Developer Contributions Applied to Fund Danderhall Primary School	-1,602
Balance at 31 March 2021	24,083
Committed to fund City Deal Projects	-7,694
Committed to support Capital Investment ¹	-13,987
Developer Contributions earmarked for specific purposes ¹	-533
Non-earmarked balance at 31 March 2021	1,869

4 Report Implications

4.1 Resource

The 2020/21 borrowing requirement has reduced from £16.529 million as reported at Quarter 3, to £9.957 million, with the resultant impact on loan charges reported in the Financial Outturn 2020/21 – General Fund Revenue report presented elsewhere on today's agenda.

The reduction in borrowing in 2020/21 is largely due to rephasing of a number of projects, with expenditure subsequently carried forward / rephased into 2021/22. As such, the movement in loan charges in 2020/21 will largely be unwound in 2021/22 and 2022/23, once the capital expenditure relating to these projects is incurred.

4.2 Digital

None.

4.3 Risk

¹ In total, £22.573 million is earmarked from the Capital Fund to support investment over the life of the capital plan (with the additional amount of £8.586 million fully funded from expected future receipts).

The inherent risk in the Capital Plan is that projects will cost more than estimated thus resulting in additional borrowing. The monitoring procedures ensure that significant variations are reported at an early stage so that remedial action can be taken to mitigate this risk. The impact of Covid-19 is as yet unknown and will be reviewed by officers over the forthcoming period.

4.4 Ensuring Equalities

There are no equalities issues arising directly from this report.

4.5 Additional Report Implications

See Appendix A.

Background Papers:

Appendix 1: General Services Capital Plan 2020/21 Expenditure Outturn

Appendix A: Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Not applicable.

A.2 Key Drivers for Change

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☒ Preventative and Sustainable
- ☐ Efficient and Modern
- ☐ Innovative and Ambitious
- ☐ None of the above

A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value.

A.5 Involving Communities and Other Stakeholders

No external consultation has taken place on this report.

A.6 Impact on Performance and Outcomes

There are no issues arising directly from this report.

A.7 Adopting a Preventative Approach

Not applicable.

A.8 Supporting Sustainable Development

Not applicable.

Appendix 1: General Services Capital Plan 2020/21 Expenditure Outturn

	Rephased 2020/21	Rephased 2020/21	2020/21	2020/21	2020/21
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
Q3 MONITORING	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
PLACE DIRECTORATE					
Corporate Solutions					
Newbattle Centre of Excellence	461	137	137	-	324
Business Applications	82	46	46	-	35
DS Corporate Solutions	335	5	5	-	330
Front Office - Hardware, Software & Services	210	3	3	-	207
Back Office - Hardware, Software & Services	427	8	8	-	420
Network, Software & Services	287	43	43	-	243
Schools - Hardware, Software & Services	627	341	341	-	286
DS Covid-Costs	800	800	1,518	718	-
Civica Automation	47	-	-	-	47
Place					
Street Lighting Upgrades	788	687	687	-	101
Footway & Footpath Network Upgrades	170	212	212	-	(42)
Road Upgrades	918	848	848	-	70
Zero Waste Capital Contribution	7,380	7,380	7,380	-	-
Cycling, Walking & Safer Streets Projects	402	94	94	-	308
Ironmills Park Steps	7	-	-	-	7
Vehicle & Plant Replacement Programme	1,866	1,244	1,244	-	621
LEZ Electric Vehicles & Charging Points	222	119	119	-	103
Bus Priority Rapid Development		132	132	-	(132)
Outdoor Play Equipment - Gorebridge	58	-	-	-	58
Mauricewood Road Bus Shelter	4	-	-	-	4
Birkenside Grass Pitch Drainage	12	-	-	-	12
Fala Park Outdoor Play Equipment	13	13	13	0	-
School Transport Retrofit Fund	22	-	-	-	22
Stobhill Depot Upgrade	0	-	-	-	0
Property Upgrades	656	903	903	-	(246)
Midlothian & Fairfield House Shower Upgrade	25	3	3	-	22
Hillend Preparatory Works	-	10	10	-	(10)
Destination Hillend	194	497	497	-	(303)
32-38 Buccleuch Street Ground Floor Redevel	13	(2)	(2)	-	14
Cashless Catering	29	-	-	-	29
Non-Domestic Energy Efficiency Projects	222	10	10	-	211
Contaminated Land	47	49	49	-	(2)
Public Sector Housing Grants	165	137	137	-	28
Penicuik THI	106	15	15	-	91
Mayfield Town Centre Regeneration	35	31	31	-	4
Town Centre Regeneration Fund 2019/20	674	204	204	-	470
Town Centre Regeneration Fund 2020/21	-	20	20	-	(20)
TOTAL PLACE	17,303	13,990	14,709	718	3,313

	2020/21	2020/21	2020/21	2020/21	2020/21
PEOPLE AND PARTNERSHIPS DIRECTOR	Budget	Budget	Actual	Variance	Carry
	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
Education - Early Years					
Mount Esk Nursery School Replacement	50	3	3	-	47
King's Park Primary School	4	16	16	-	(12)
Roslin Primary School	99	56	56	-	43
Capital grants to partner providers	750	586	586	-	164
Gorebridge Primary School	25	-	-	-	25
Catering kitchens	50	-	-	-	50
Hawthornden Children & Families Centre Rep	50	24	24	-	26
Mauricewood Primary School	150	43	43	-	107
Vogrie Outdoor Early Learning Centre	46	25	25	-	21
Other Outdoor Spaces	80	-	-	-	80
Settings' kitchens	40	17	17	-	23
Scots Corner	75	-	-	-	75
Lasswade Primary School	45	-	-	-	45
Woodburn Primary School	45	-	-	-	45
Rosewell Primary School Alteration	-	11	11	-	(11)
Mount Esk Nursery School	20	-	-	-	20
Bilston Primary School	20	-	-	-	20
Cuiken Primary School	3	-	-	-	3
St Andrew's Primary School	4	-	-	-	4
Education - Primary					
GoreGlen Primary School	-	7	7	-	-
Paradykes Primary Replacement	218	49	49	-	169
Roslin Primary Replacement	-	-	-	-	-
New Hopefield Primary School	1,189	788	788	-	401
New Danderhall Primary hub	8,454	6,952	6,952	-	1,502
Cuiken Primary School Extension	171	141	141	-	30
Sacred Heart Primary School Extension	1,668	1,133	1,133	-	536
Lawfield Primary Extension	185	178	115	(63)	7
Easthouses Primary School	200	156	156	-	44
Tynewater Primary School	10	-	-	-	10
Burnbrae Primary School GP Space	50	65	65	-	(15)
Burnbrae Primary School External Works	103	30	30	-	73
Woodburn Primary 9 class & activity hall exten	33	(4)	(4)	-	37
Woodburn - Modular Unit Relocation	-	6	6	-	(6)
Education - Secondary					
Lasswade High - Toilets & Changing to 1,600	-	9	9	-	(9)
Newbattle High School	1	1	-	(1)	-
A701 High School	150	(3)	(3)	-	153
Education - Learning Estate Strategy					
Kings Park PS upgrade to existing building	29	12	12	-	17
St Davids Primary - 4 class & EY extension	33	3	3	-	30
ASN Provision - Social Complex Needs	25	-	-	-	25
Saltergate Phase IV - Internal Alterations	44	5	5	-	39
Modular Units - Session 2017/18	182	75	75	-	107
Children's Services					
Residential House for 5-12 year olds					
Communities & Partnerships					
Members Environmental Improvements	50	-	-	-	50
Participatory Budgets	50	-	-	-	50
Gorebridge Community Cares	50	50	50	-	-
Adult Social Care					
Assistive Technology	100	98	98	-	2
Recovery Hub	13	13	3	(10)	-
Highbank Intermediate Care Reprovisioning	260	269	269	-	(9)
General Fund Share of Extra Care Housing					-
Sport & Leisure					
Property - Poltonhall Astro & Training Area Re	-	15	15	-	(15)
Property - Penicuik Astro Resurfacing	309	19	19	-	290
Dalkeith Thistle - Pavilion Upgrade		7	7	-	(7)
Leisure Management System (Legend)	16	16	-	(16)	-
TOTAL PEOPLE AND PARTNERSHIPS	15,149	10,870	10,780	(91)	4,286
COUNCIL TRANSFORMATION					
Purchase to Pay	2	-	-	-	2
EWiM - Buccleuch House Ground Floor	33	-	-	-	33
City Deal	48	69	69	-	(21)
TOTAL COUNCIL TRANSFORMATION	83	69	69	-	14
GENERAL SERVICES CAPITAL PLAN TOTAL	32,536	24,930	25,557	629	7,295
COST OF SALES					
Newbattle High School	-	46	46	-	-
Hillend Land Sale Cost of Sales	-	(34)	(34)	-	-
TOTAL COST OF SALES	-	12	12	-	-
GENERAL SERVICES CAPITAL PLAN TOTAL	32,536	24,940	25,569	629	7,295
Provision for Return of Contingencies	(828)		-		(527)
GSCP + CIS Total inc. Return of Contingencies	31,708	24,940	25,569	629	6,768