



General Services Capital Plan 2023/24 Final Outturn

Report by David Gladwin, Chief Financial Officer & Section 95 Officer

Report for Information

1 Recommendations

It is recommended that the Council:-

1. Note the General Services Capital Plan outturn position for 2023/24 as set out in Section 4.

2 Purpose of Report/Executive Summary

The purpose of this report is to provide Council with:-

- Information on the final outturn performance against budget for 2023/24 (Section 3.1-3.5);
- An update on the capital fund balance at 31 March 2024 (Section 4).

Date: 10 June 2024

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3. 2023/24 Final Outturn Position

3.1 Expenditure

The latest 2023/24 General Services Capital Plan was approved by Council on 27 February 2024, with an expenditure budget of £61.235 million.

After reflecting the rephasing of 2023/24 budgets to/from 2024/25 as shown in Tables 1 and 2 below, the final budget for the year is £47.509 million, giving a net rephasing of expenditure of £13.726 million.

Table 1: Material rephasing of budgets from 2024/25 back to 2023/24

Project	2023/24 Budget £000's	2023/24 Actual £000's	Rephased Amount £000's	Notes
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD				
Penicuik High School	178	338	+160	Acceleration of spend and rephasing of project expenditure to reflect amended project programme
OTHER				
Others	7,144	7,271	+127	
Total	7,322	7,609	+287	

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

Table 2: Material Rephasing of budgets from 2023/24 forward to 2024/25

Project	2023/24 Budget £000's	2023/24 Actual £000's	Rephased Amount £000's	Notes
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD				
Easthouses Primary School	15,723	14,201	-1,522	Lag between cashflow and programme identified. Project being delivered per agreed programme
Mayfield & St. Luke's Primary School Campus Replacement	1,762	1,470	-292	Rephasing of project expenditure to reflect amended project programme
ASSET MANAGEMENT PROGRAMME BOARD				
Digital Services Asset Management Plan	766	567	-199	Rephasing of expenditure on hardware (PC and laptop) into 2024/24 and 2025/26 to align with Windows 11 Upgrade Programme
Digital Equipped for Learning	2,388	1,275	-1,113	Existing stock of devices has led to lower level of spend in 2023/24. AV Classroom works taking place in the early part of the 2024/25 financial year.
Road Upgrades – Asset Management Plan	1,483	1,385	-98	Lag in delivery of projects caused by lack of vendors on current framework. Roads management team tasked with creation of an expanded framework encompassing more vendors.
Roads: Potholes & Upgrades	1,100	313	-787	Full completion of £5m Accelerated Roads programme was hindered by weather and unforeseen additional infrastructure in one project. Recruitment challenges in roads operations (which results in reduced project delivery in 2023/24) have now been rectified and will enable higher output in 2024/25
Vehicle & Plant Replacement Programme	3,315	2,750	-565	Vehicles being procured through frameworks which has led to delays in delivery dates (and so expenditure) for vehicles falling into early 2024/25

Project	2023/24 Budget £000's	2023/24 Actual £000's	Rephased Amount £000's	Notes
TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME BOARD				
A7 Urbanisation	187	0	-187	Project development and cost planning now to be undertaken in early 2024/25
Zero Waste – Heat Offtake Facility	1,040	0	-1,040	Delay with procurement of Heat Offtake Facility by FCC
REGENERATION & DEVELOPMENT PROGRAMME BOARD				
Place Based Investment Fund 2021/22	311	69	-242	Remaining spend on PBIF is allocated and works are under contract and underway
Destination Hillend	7,601	5,694	-1,907	Rephasing of project expenditure to reflect amended project programme
Shawfair Town Centre Land Purchase	4,615	42	-4,573	Missives concluded on 23 April 2024 – expenditure incurred in early 2024/25, fully funded by SG VDLIP and SLLP funding
OTHER				
CCTV Network	444	298	-146	Bonnyrigg, Dalkeith and Penicuik CCTV assets upgraded. Remainder of project to be delivered in 2024/25
Free School Meal Provision	397	187	-210	Rephasing in relation to dining room equipment, new pods and canopies to be procured in 2024/25
Assistive Technology: Analogue to Digital Transition	250	113	-137	Delays in procurement through Scotland Excel Framework with equipment requiring to be sourced through another Framework. Majority of £113k spend in final 2 months of 2023/24 with expected acceleration in spend in 2024/25
Others	10,435	9,441	-994	
Total	51,818	37,805	-14,013	

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

Actual expenditure in the year was £47.656 million, giving an overspend of £0.147 million against the rephased budget as noted in table 3 below.

Table 3: Project Under/Over Spends in 2023/24

Project	Rephased Project Budget 2023/24 £000's	Actual Outturn 2023/24 £000's	(Under)/ Over Spend 2023/24 £000's	Notes
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD				
Hawthornden ASN	1,425	1,490	+65	Higher than anticipated costs associated with asbestos removal and internal fees
Early Years Projects	402	525	+123	Review of suite of Early Year capital projects, with additional Early Years Capital Grant of £0.123m applied in 2023/24 to fully offset £0.123m overspend, within the overall Early Years Capital Grant funding envelope from Scottish Government
ASSET MANAGEMENT PROGRAMME BOARD				
Poltonhall Astro Pitch	37	26	-11	Project now complete with release of remaining project expenditure budget

Project	Rephased Project Budget 2023/24 £000's	Actual Outturn 2023/24 £000's	(Under)/ Over Spend 2023/24 £000's	Notes
OTHER				
32-38 Buccleuch Street Refurbishment	0	9	+9	Additional £9k expenditure in 2023/24 due to Extension of Time claims from contractor Further cost pressures relative to budget are anticipated in 2024/25 and will be reported as part of an overall project review.
Public Sector Housing Grants	291	251	-40	Number of grant applications in line with approved budget, however applicants are still experiencing some ongoing disruption in supply of materials post Covid which has resulted in delay in works being carried out in 2023/24
Residential House for 5-12 Year Olds	76	94	+18	Overspend on fit out costs. Project now complete and will allow service to reduce revenue overspend on third party care costs.
Others	1,313	1,297	-17	
Total	3,544	3,692	+147	

3.2 Funding

The latest 2023/24 General Services Capital Plan was approved by Council on 27 February 2024, with a funding budget of £32.361 million.

After adjusting for carry-forwards, the plan budgeted for funding of £27.374 million. Actual funding was £27.445 million (see table 4 below).

Table 4: General Services Capital Plan Funding

Item	2023/24 Rephased Budget Q3 £000's	2023/24 Actual Outturn £000's	2023/24 Variance £000's
General Capital Grant	7,771	7,780	+9
Specific Grants	9,618	6,865	-2,753
Developer Contributions	10,445	10,145	-300
Capital Receipts	60	60	0
Transfer from Capital Fund	2,473	2,473	0
Other Capital Contributions	1,994	122	-1,872
Total Funding	32,361	27,445	-4,916

Material movements in the funding outlined in Table 4 above are as follows, and reflect both the funding applied to fund the rephasing of project expenditure as outlined in Table 2, and the in-year variances as outlined in Table 3:-

- **Specific Grants:** rephasing of £2.122m in Scottish Government Vacant & Derelict Grant funding for the Shawfair Town Centre Land Purchase (with missives/title transferred on 23 April 2024), rephasing of £0.674m in Early Years Capital Grant funding and rephasing of £0.215m in Scottish Government Free School Meal funding;
- **Developer Contributions:** rephasing of £0.300m in developer

contributions applied in line with rephasing of project expenditure as outlined in Table 2.

- **Other Capital Contributions:** rephasing of £1.822m in Shawfair LLLP funding, for the Shawfair Town Centre Land Purchase (with missives/title transferred on 23 April 2024);

3.3 Borrowing

After adjusting for carry forwards and rephasing, the plan budgeted for in-year borrowing of £20.135 million.

Actual borrowing was £20.211 million, reflecting the net overspend and movements in funding as noted in Sections 3.1 and 3.2.

3.4 Summary

A summary of the final outturn position for 2023/24 is outlined in the table below.

Table 5: General Services Capital Plan Performance against Rephased Budget 2023/24

Item	2023/24 Budget Q3 £000's	2023/24 Rephased Budget Q4 £000's	2023/24 Actual Outturn £000's	2023/24 Variance £000's	2023/24 Carry Forward £000's
Expenditure	61,235	47,509	47,656	+147	-13,726
Funding	32,361	27,374	27,445	+71	-4,987
Borrowing Required	28,874	20,135	20,211	+76	

3.5 2023/24 General Services Capital Plan Performance against 2023/24 Base Budget

The original 2023/24 capital expenditure & funding budgets, and the resulting borrowing required, as reported to Council on 21 February 2023, are as noted in Table 6 below, with the final rephased budget (as per table 5) also shown in Table 6 below:-

Table 6: General Services Capital Plan Revised Budgets against Base Budget 2023/24

Item	2023/24 Base Budget £000's	2023/24 Rephased Budget Q4 £000's	2023/24 Of Base Budget Spent %	2023/24 Total Carry Forward £000's
Expenditure	98,184	47,509	48%	-50,675
Funding	35,296	27,374	78%	-7,922
Borrowing Required	62,888	20,135	32%	-42,753

As can be noted from the table above, £47.509 million (48%) of the original base expenditure budget of £98.184 million has been spent in 2023/24, with the remainder (£50.675 million, or 52%), of the original base budget rephased forward into 2024/25 or later years. Similarly, only £20.135 million

(32%) of borrowing has been required, with the remainder (£42.753 million or 68%) of the borrowing requirement rephased back to later years.

The resultant reduction in loan charges in 2023/24 will largely be unwound in 2024/25 and 2025/26, once the capital expenditure relating to these projects is incurred.

4 Capital Fund

The Capital Fund at the start of the 2023/24 financial year was £20.107 million. £7.694 million of this is currently committed to fund the A701 Relief Road / City Deal project, with a further £9.061 million committed to support capital investment across the wider General Services Capital Plan. This includes the utilisation of £2.000 million in 2023/24 as noted in the budget setting report approved by Council on 21 February 2023 to support capital investment across the General Services Capital Plan in 2023/24.

The non-committed capital fund balance at 31 March 2024 is £1.982 million, as shown in table 7 below.

Table 7: Capital Fund

Item	Amount £000's
Balance at 01 April 2023	20,107
Actual Capital Receipts received in 2023/24	197
Capital Fund Applied to GSCP in 2023/24	-2,000
Developer Contributions released to fund expenditure	-923
Balance at 31 March 2024	17,381
Committed to fund City Deal Project	-7,694
Committed to support Capital Investment	-7,061
Developer Contributions earmarked for specific purposes	-644
Non-committed balance at 31 March 2024	1,982

5 Report Implications

5.1 Resource

The 2023/24 borrowing requirement has reduced from £28.874 million as reported at Quarter 3, to £20.211 million. The reduction in borrowing in 2023/24 is largely due to rephasing of a number of projects, with expenditure subsequently carried forward / rephased into 2024/25. As such, the movement in loan charges in 2023/24 will largely be unwound in 2024/25 and 2025/26, once the capital expenditure relating to these projects is incurred.

5.2 Digital

None.

5.3 Risk

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.

5.4 Ensuring Equalities

There are no equalities issues arising directly from this report.

5.5 Additional Report Implications

See Appendix A.

Background Papers:**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 2023/24 Expenditure Outturn

<i>Budget is approved in principle - requires approval of OBC before budget is fully approved</i>					
<i>Budget is a "Project Under Development" - requires approval of SOBC before budget is fully approved</i>					
	Rephased 2023/24	Rephased 2023/24	2023/24	2023/24	2023/24
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
Q4 Monitoring	Q3	Outturn	Outturn	Outturn	Forward Outturn
	£000's	£000's	£000's	£000's	£000's
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD					
FULLY APPROVED PROJECTS					
Education - Primary					
Woodburn Primary 9 class & activity hall extension	4,773	4,781	4,781	-	(8)
Easthouses Primary School	15,723	14,201	14,201	-	1,522
Mayfield & St. Luke's School Campus	1,762	1,470	1,470	-	292
Burnbrae Primary - Conversion of ASN to GP Space	71	16	16	-	55
Modular Units 2023/24	1,750	1,689	1,689	-	61
Education - Secondary					
Beeslack CHS Replacement	1,303	1,298	1,298	-	5
Penicuik High School	178	338	338	-	(160)
Education - ASN					
Hawthornden Primary - ASN Unit	1,404	1,425	1,490	65	(21)
Education - Early Years					
King's Park Primary School	6	-	-	-	6
Settings/Catering Kitchens	150	118	118	-	32
Hawthorn Children & Families Centre Alteration	120	120	270	150	-
Mauricewood Primary School	46	21	21	-	25
Vogrie Outdoor Early Learning Centre	81	-	-	-	81
Other Outdoor Spaces	282	282	254	(28)	-
Education - Primary - Projects near completion					
Paradykes Primary Replacement	95	27	27	-	69
St. Mary's RC & Early Burnbrae Primary Schools	22	11	9	(2)	11
New Danderhall Primary hub	88	12	12	-	77
Sacred Heart Primary School Extension	30	30	37	8	-
Acoustic Upgrades	150	55	55	-	95
Education - General					
Learning Estate Strategy: Development Budget	200	-	-	-	200
Burnbrae Primary School External Works	56	55	55	-	1
TOTAL - CYPP FULLY APPROVED	28,291	25,949	26,142	193	2,342
	Rephased 2023/24	Rephased 2023/24	2023/24	2023/24	2023/24
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
Q4 Monitoring	Q3	Outturn	Outturn	Outturn	Forward Outturn
	£000's	£000's	£000's	£000's	£000's
PROJECTS APPROVED IN PRINCIPLE / UNDER DEVELOPMENT					
Education - Secondary					
Shawfair All-through Campus	250	98	98	-	152
Education - ASN					
ASN Provision - Social Complex Needs	50	-	-	-	50
TOTAL - CYPP APPROVED IN PRINCIPLE	300	98	98	-	202
OVERALL TOTAL - CYPP	28,591	26,047	26,241	193	2,544

	Rephased 2023/24 Budget Q3 £000's	Rephased 2023/24 Budget Outturn £000's	2023/24 Actual Outturn £000's	2023/24 Variance Outturn £000's	2023/24 Carry Forward Outturn £000's
GENERAL SERVICES CAPITAL PLAN					
Q4 Monitoring					
ASSET MANAGEMENT PROGRAMME BOARD					
Digital					
Business Applications	213	165	165	-	48
Front Office - Hardware, Software & Services	267	237	237	-	30
Back Office - Hardware, Software & Services	191	135	135	-	56
Network, Software & Services	128	148	148	-	(20)
Schools - Hardware, Software & Services	180	46	46	-	134
Digital: Equipped for Learning	2,388	1,275	1,275	-	1,113
Roads & Street Lighting					
Street Lighting and Traffic Signal Upgrades - New	1,276	1,261	1,261	-	15
Footway & Footpath Asset Management Plan - New	460	418	418	-	42
Road Upgrades - Asset Management Plan	1,483	1,322	1,322	-	161
Accelerated Roads Residential Streets	1,836	1,760	1,760	-	76
Roads: Potholes & Upgrades	1,100	376	376	-	724
Fleet					
Vehicle & Plant Replacement Programme	3,316	2,824	2,824	-	491
Property					
Property Upgrades	633	599	599	-	34
Property Upgrades - LES					
Open Spaces / Play Areas					
Ironmills Park Steps	7	7	-	(7)	-
Outdoor Play Equipment - Rosewell	46	-	-	-	46
Roslin Wheeled Sports Facility	31	-	-	-	31
Mauricewood Road Bus Shelter	4	-	-	-	4
Millerhill Park Asphalt Path	100	0	0	-	-
Birkenside Play Equipment	72	-	-	-	-
Pump Track, North Middleton	2	2	1	(1)	-
Play Park Upgrades: Clarinda Gardens & Ironmills Park	51	-	-	-	51
Play Park Renewal 2021/22	9	5	5	-	-
Play Park Renewal 2023/24+	85	39	39	-	46
Nature Restoration Fund 2022/23	3	3	3	-	-
Nature Restoration Fund 2023/24	177	177	177	-	-
Contaminated Land	70	70	76	6	-
Sport & Lesiure					
Property - Poltonhall Astro & Training Area Resurfacing	37	37	26	(11)	-
Dalkeith Thistle - Pavilion Upgrade	4	4	3	(2)	-
Loanhead Memorial Park Pitch	4	-	-	-	4
Flotterstone Car Park Infrastructure & Charging	16	-	-	-	16
TOTAL - ASSET MANAGEMENT PROGRAMME BOARD	13,610	10,912	10,897	(14)	3,102
TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME BOARD					
Transport					
A701 Relief Road	500	577	577	-	(77)
A7 Urbanisation	187	-	-	-	187
Cycling, Walking & Safer Streets Projects	1,190	1,190	1,172	(18)	-
Community Bus Fund	279	275	275	-	4
Road Safety Framework Fund	-	316	316	-	-
FCC Zero Waste - Heat Offtake Facility	1,040	-	-	-	1,040
TOTAL - TRANSPORT, ENERGY & INFRASTRUCTURE PR	3,196	2,358	2,340	(18)	1,154
REGENERATION & DEVELOPMENT PROGRAMME BOARD					
Regeneration					
Place Based Investment Fund 2021/22	311	69	69	-	242
Place Based Investment Fund 2022/23+	461	458	458	-	3
Development					
Destination Hillend	7,601	5,694	5,694	-	1,907
Shawfair Town Centre Land Purchase	4,615	42	42	-	4,573
TOTAL - REGENERATION & DEVELOPMENT PROGRAMM	12,988	6,263	6,263	-	6,725

	Rephased 2023/24 Budget Q3 £000's	Rephased 2023/24 Budget Outturn £000's	2023/24 Actual Outturn £000's	2023/24 Variance Outturn £000's	2023/24 Carry Forward Outturn £000's
GENERAL SERVICES CAPITAL PLAN					
Q4 Monitoring					
OTHER (PROGRAMME BOARD NOT YET DEFINED)					
PLACE					
Digital					
Council Hybrid Meetings	52	30	30	-	22
Transport					
Food Waste Rural Routes	119	119	119	-	-
Property/Development					
Midlothian & Fairfield House Shower Upgrades	5	-	-	-	5
32-38 Buccleuch Street Ground Floor Redevelopment	-	-	9	9	-
Public Sector Housing Grants	291	291	251	(40)	-
TCCF 1/2: Penicuik Town Hall & Jarnac Court	31	31	31	-	-
Penicuik THI: Public Realm Scheme	171	-	-	-	171
CCTV Network	444	298	298	-	146
2-4 West Street, Penicuik	48	34	34	-	14
EWiM - Buccleuch House Ground Floor	33	-	-	-	33
Millerhill Pavilion	23	16	16	-	7
PEOPLE & PARTNERSHIPS					
Education					
Free School Meal Provision	397	187	187	-	210
Children's Services					
Residential House for 5-12 year olds	76	76	94	17	-
Communities & Partnerships					
Members Environmental Improvements	221	150	150	-	71
Adult Social Care					
Assistive Technology	30	28	28	-	2
Analogue to Digital Transition	250	113	113	-	137
Homecare	-	-	-	-	-
Highbank Intermediate Care Reprovisioning	467	480	480	-	(13)
Day Care Centre	43	-	-	-	43
General Fund Share of Extra Care Housing	179	75	75	-	104
TOTAL NOT ALLOCATED TO PROGRAMME BOARDS	2,850	1,928	1,915	(13)	953
GENERAL SERVICES TOTAL					
	61,235	47,509	47,656	147	13,726