

General Services Capital Plan 2022/23 Final Outturn

Report by David Gladwin, Acting Chief Financial Officer

Report for Decision

1 Recommendations

It is recommended that the Council:-

1. Note the General Services Capital Plan outturn position for 2022/23 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 2022/23 (Section 3.1-3.5);
- An update on the capital fund balance at 31 March 2023 (Section 4).

Date: 06 June 2023

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3. 2022/23 Final Outturn Position

3.1 Expenditure

The latest 2022/23 General Services Capital Plan was approved by Council on 21 February 2023, with an expenditure budget of £28.470 million.

After reflecting the rephasing of 2022/23 budgets to/from 2023/24 as shown in Tables 1 and 2 below, the final budget for the year is £23.291 million.

Table 1: Material rephasing of budgets from 2023/24 back to 2022/23

Project	2022/23 Budget £000's	2022/23 Actual £000's	Rephased Amount £000's	Notes
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD				
Easthouses Primary School	645	941	+296	Project progressed at pace – overall budget unchanged
Others	6,399	6,808	+409	
Total	7,044	7,749	+705	

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

Table 2: Material Rephasing of budgets from 2022/23 forward to 2023/24

Project	2022/23 Budget £000's	2022/23 Actual £000's	Rephased Amount £000's	Notes
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD				
Woodburn Primary School	765	598	-167	Delayed site start due to requirement to undertake value engineering exercise.
King's Park Primary School Extension/ Refurbishment	200	5	-195	Development work for project on hold until outcome of LEIP bid known.
Mayfield & St. Luke's Primary School Campus Replacement	1,086	460	-626	Programme extended due to requirement to review procurement strategy for contractor.
New Danderhall Primary hub	277	136	-141	Investigative works were complex and required appropriate times to open up and investigate certain areas, and therefore duration was extended to allow exploratory works to be carried out. Remaining budget required for anticipated payment of retention in 23/24
Learning Estate Strategy Development	1,222	476	-746	Development work for projects on hold until outcome of Learning Estate Investment Programme bids known.
ASSET MANAGEMENT PROGRAMME BOARD				
Digital Equipped for Learning	776	257	-519	A large proportion of the roll out of Classroom display solutions had been originally planned to be carried out in 2022/23, however after the process of selection and procurement this has been put back to utilize the Summer 2023 school holidays to minimize disruptions
Accelerated Roads Residential Streets	2,650	2,484	-166	Rephased budget to 2023/24 with programmed completion on track for October 2023.
Vehicle & Plant Replacement	2,066	1,911	-155	4 vehicles scheduled for delivery in late 2022/23 will now be delivered in summer of

Programme				2023
Property Upgrades	1,166	837	-329	Rephasing of expenditure in cemetery wall refurbishment and Newbyres Care Home flooring replacement to 2023/24. Property upgrade planned projects also re-prioritised to allow for extensive roof replacement projects amid health and safety concerns, with those projects commencing in 2023/24.
TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME BOARD				
A701 & A702 Relief Road Project	889	509	-380	Programme extended due to requirement for further modeling work and redesign of elements of route.
REGENERATION & DEVELOPMENT PROGRAMME BOARD				
Place Based Investment Fund 2021/22	612	289	-323	Fund fully committed with projects delivering in 2023/24.
Place Based Investment Fund 2022/23	543	73	-470	Contracts for remainder of expenditure have been let in 2022/23 and contractors are now on site with Vogrie project now due to complete in September 2023 and Penicuik projects in December 2023
Destination Hillend	1,585	697	-888	Delay in the civil engineering works contract due to challenges in securing the necessary Transport Scotland agreements.
OTHER				
Food Waste Rural Routes	132	13	-119	Manufacturing delays have resulted in purchase of food waste vehicle delayed until the 2023/24 financial year
General Fund Share of Extra Care Housing	297	107	-190	Timescales for awarding tender for Polton Street project, including Extra Care, have been delayed to Summer 2023.
Others	5,124	4,654	-470	
Total	19,390	13,506	-5,884	

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

Actual expenditure in the year was £23.322 million, giving an overspend of £0.031 million against the rephased budget as noted in table 3 below.

Table 3: Project Under/Over Spends in 2022/23

Project	Rephased Project Budget 2022/23 £000's	Actual Outturn 2022/23 £000's	(Under)/ Over Spend 2022/23 £000's	Notes
Beeslack CHS Replacement	1,054	1,097	+43	Redesign required to accommodate First Opinion Practice on site. Additional cost to be met through Learning Estate Strategy Development Budget and partly funded by £0.020 million of developer contributions
Play Park Renewal 2022/23	97	132	+35	Overspend in relation to clerical error with additional items ordered. To be funded initially from prudential borrowing in 2022/23, offset in 2023/24 by utilisation of £0.035 million of £0.197 million of Play Park Renewal 2023/24 grant funding
Nature Restoration Fund 2021/22	40	42	+2	Overspend of £0.002 million in relation to 2021/22 grant funded projects offset by application of underspend of £0.002 million

				in 2022/23 grant funded projects. Utilisation of remaining £0.009 million underspend in NRF 2022/23 will be considered in addition to 2023/24 NRF when 2023/24 NRF funding allocation confirmed by Scottish Government.
Nature Restoration Fund 2022/23	100	89	-11	
Hardengreen One and Two	3,101	3,060	-41	Reconciliation at year end of fees incurred were less than forecast
Others	0	3	+3	
Total	4,392	4,423	+31	

3.2 Funding

After adjusting for carry-forwards, the plan budgeted for funding of £18.605 million, as shown in table 4 below.

Actual funding was £18.627 million (see table 4 below), reflecting the movements in funding as noted in table 3 above.

Table 4: General Services Capital Plan Funding

Item	2022/23 Rephased Budget £000's	2022/23 Actual Outturn £000's	2022/23 Variance £000's
General Capital Grant	8,236	8,236	0
Specific Grants	2,143	2,145	+2
Developer Contributions	5,226	5,246	+20
Other	3,000	3,000	0
Total Funding	18,605	18,627	+22

3.3 Borrowing

After adjusting for carry forwards and rephasing, the plan budgeted for in-year borrowing of £4.686 million.

Actual borrowing was £4.695 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 2022/23 is outlined in the table below.

Table 5: General Services Capital Plan Performance against Rephased Budget 2022/23

Item	2022/23 Budget Q3 £000's	2022/23 Rephased Budget £000's	2022/23 Actual Outturn £000's	2022/23 Variance £000's	2022/23 Carry Forward £000's
Expenditure	28,470	23,291	23,322	+31	-5,179
Funding	19,136	18,605	18,627	+22	-531
Borrowing Required	9,334	4,686	4,695	+9	

3.5 2022/23 General Services Capital Plan Performance against 2022/23 Base Budget

The original 2022/23 capital expenditure & funding budgets, and the resulting borrowing required, as reported to Council on 15 February 2022, 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 2022/23

Item	2022/23 Base Budget £000's	2022/23 Rephased Budget Q4 £000's	2022/23 Of Base Budget Spent %	2022/23 Total Carry Forward £000's
Expenditure	68,240	23,291	34%	-44,949
Funding	32,796	18,605	57%	-14,191
Borrowing Required	35,444	4,686	13%	-30,758

As can be noted from the table above, £23.291 million (34%) of the original base budget of £68.240 million has been spent in 2022/23, with the remainder (£44.949 million, or 66%), of the original base budget rephased forward into 2023/24 or later years. Similarly, only £4.686 million (13%) of borrowing has been required, with the remainder (£30.758 million or 87%) of the borrowing requirement has been rephased back to later years. The resultant reduction in loan charges in 2022/23 will largely be unwound in 2023/24 and 2024/25, once the capital expenditure relating to these projects is incurred.

The Capital Fund at the start of the 2022/23 financial year was £22.178 million. £7.694 million of this is currently committed to fund the A701 Relief Road / City Deal project, with a further £12.061 million committed to support capital investment across the wider General Services Capital Plan. This includes the utilisation of £3.000 million in 2022/23 as noted in the budget setting report approved by Council on 15 February 2022 to support capital investment across the General Services Capital Plan in 2022/23.

The non-committed capital fund balance at 31 March 2023 is £2.864 million, as shown in the table below.

Item	Amount £000's
Balance at 01 April 2022	22,178
Actual Capital Receipts received in 2022/23	820
Developer contributions received in 2022/23 and transferred to capital fund	15
Capital Receipts transferred to General Fund Reserve in 2021/22 not applied	156
Capital Fund Applied to GSCP in 2022/23	-3,000
Developer Contributions released to fund expenditure	-62
Balance at 31 March 2023	20,107
Committed to fund City Deal Project	-7,694
Committed to support Capital Investment	-9,061
Developer Contributions earmarked for specific purposes	-488
Non-committed balance at 31 March 2023	2,864

5 **Report Implications**

5.1 **Resource**

The 2022/23 borrowing requirement has reduced from £9.334 million as reported at Quarter 3, to £4.695 million, with the resultant impact on loan charges reported in the Financial Outturn 2022/23 – General Fund Revenue report presented elsewhere on today's agenda.

The reduction in borrowing in 2022/23 is largely due to rephasing of a number of projects, with expenditure subsequently carried forward / rephased into 2023/24. As such, the movement in loan charges in 2022/23 will largely be unwound in 2023/24 and 2024/25, 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 2022/23 Expenditure Outturn

Budget is approved in principle - requires approval of SOBC before budget is fully approved					
	with adjustment				
	Rephased	Rephased			
	2022/23	2022/23	2022/23	2022/23	2022/23
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
2022/23 Outturn	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BOARD					
Education - Primary					
Woodburn Primary 9 class & activity hall extension	762	598	598	-	164
Easthouses Primary School	645	941	941	-	(296)
Kings Park PS upgrade to existing building	200	5	5	-	195
Mauricewood Refurbishment	70	-	-	-	70
Mayfield & St. Luke's School Campus	1,086	460	460	-	626
Burnbrae Primary - Conversion of ASN to GP Space	1	11	11	-	(9)
Modular Units 2023/24	-	21	21	-	(21)
Education - Primary - Projects near completion					
Paradykes Primary Replacement	54	10	10	-	44
St. Mary's RC & Early Burnbrae Primary Schools	29	7	7	-	22
New Danderhall Primary hub	585	189	189	-	396
Sacred Heart Primary School Extension	379	386	386	-	(6)
Acoustic Upgrades	15	-	-	-	15
Danderhall Modular Unit Relocation	-	-	3	3	-
Education - Secondary					
Beeslack CHS Replacement	1,054	1,054	1,097	43	-
Lasswade High - Toilets & Changing to 1,600 pupil capacity	50	1	1	-	49
Education - ASN					
Hawthornden Primary - ASN Unit	146	243	243	-	(97)
Saltersgate Alterations Phase III - Playground Improvements	191	191	191	-	-
Saltersgate Phase IV - Internal Alterations	2	2	2	-	-
Education - Early Years					
King's Park Primary School	40	48	48	-	(8)
Roslin Primary School	10	19	19	-	(9)
Capital grants to partner providers	343	343	343	-	-
Hawthorn Children & Families Centre Alteration	77	44	44	-	33
Mauricewood Primary School	150	144	144	-	6
Vogrie Outdoor Early Learning Centre	-	0	0	-	(0)
Other Outdoor Spaces	67	46	46	-	21
Education - General					
Learning Estate Strategy: Development Budget	1,222	476	476	-	746
Modular Units - Session 2017/18	0	0	0	-	0
Burnbrae Primary School External Works	73	17	17	-	57
TOTAL - CHILDREN, YOUNG PEOPLE & ESTATES PROGRAMME BO	7,262	5,254	5,300	46	2,008

	Rephased	Rephased			
	2022/23	2022/23	2022/23	2022/23	2022/23
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
2022/23 Outturn	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
ASSET MANAGEMENT PROGRAMME BOARD					
Digital					
Business Applications	8	71	71	-	(63)
Front Office - Hardware, Software & Services	422	241	241	-	181
Back Office - Hardware, Software & Services	130	-	-	-	130
Network, Software & Services	179	141	141	-	38
Schools - Hardware, Software & Services	753	1,159	1,159	-	(406)
Digital: Equipped for Learning	776	257	257	-	520
Roads & Street Lighting					
Street Lighting and Traffic Signal Upgrades - New	1,100	1,060	1,060	-	40
Footway & Footpath Asset Management Plan - New	500	540	540	-	(40)
Roads Asset Management Plan - New	1,733	1,750	1,750	-	(17)
Accelerated Roads Residential Streets	2,650	2,483	2,483	-	167
Fleet					
Vehicle & Plant Replacement Programme	2,066	1,911	1,911	-	155
Property					
Property Upgrades	1,166	837	837	-	329
Open Spaces / Play Areas					
Outdoor Play Equipment - Gorebridge	1	-	-	-	1
Mauricewood Road Bus Shelter	4	-	-	-	4
Welfare Park, Newtongrange	96	-	-	-	96
Pump Track, North Middleton	74	74	74	-	-
Play Park Renewal 2021/22	96	89	89	-	6
Play Park Renewal 2022/23	97	97	132	35	-
Nature Restoration Fund 2021/22	41	41	42	2	-
Nature Restoration Fund 2022/23	100	100	89	(11)	-
Contaminated Land	70	67	67	-	3
Sport & Leisure Equipment					
Property - Poltonhall Astro & Training Area Resurfacing	527	490	490	-	37
Property - Penicuik Astro Resurfacing	6	6	6	-	0
Dalkeith Thistle - Pavilion Upgrade	6	-	-	-	6
Loanhead Memorial Park Pitch	4	-	-	-	4
Flotterstone Car Park Infrastructure & Charging	16	-	-	-	16
TOTAL - ASSET MANAGEMENT PROGRAMME BOARD	12,622	11,414	11,439	25	1,209
TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME BOARD					
Transport					
A701 & A702 Relief Road City Deal Project	889	509	509	-	380
A7 Urbanisation	106	27	27	-	79
Cycling, Walking & Safer Streets Projects	50	14	14	-	36
TOTAL - TRANSPORT, ENERGY & INFRASTRUCTURE PROGRAMME	1,045	551	551	-	494
REGENERATION & DEVELOPMENT PROGRAMME BOARD					
Regeneration					
Place Based Investment Fund 2021/22	612	289	289	-	323
Place Based Investment Fund 2022/23+	534	73	73	-	461
Development					
Destination Hillend	1,585	697	697	-	888
TOTAL - REGENERATION & DEVELOPMENT PROGRAMME BOARD	2,731	1,059	1,059	-	1,672

	Rephased	Rephased			
	2022/23	2022/23	2022/23	2022/23	2022/23
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
2022/23 Outturn	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
OTHER (PROGRAMME BOARD NOT YET DEFINED)					
PLACE					
Digital					
Newbattle Centre of Excellence	26	26	26	-	-
Civica Automation	47	-	-	-	47
Council Hybrid Meetings	52	-	-	-	52
Transport					
North Middleton Bridge	37	36	36	-	1
Food Waste Rural Routes	132	13	13	-	119
LEZ Electric Vehicles & Charging Points	48	74	74	-	(26)
Rosewell Road Toucan Crossing	62	62	62	-	-
Property/Development					
Midlothian & Fairfield House Shower Upgrades	5	-	-	-	5
32-38 Buccleuch Street Ground Floor Redevelopment	346	346	346	-	-
Hardengreen One and Two	3,101	3,101	3,060	(41)	-
Public Sector Housing Grants	366	287	287	-	79
Penicuik THI	120	-	-	-	120
Mayfield Town Centre Regeneration	-	-	-	-	-
CCTV Network	55	28	28	-	27
Town Centre Regeneration Fund 2019/20	0	14	14	-	-
Town Centre Regeneration Fund 2020/21	91	48	48	-	43
Purchase to Pay	2	-	-	-	2
EWIM - Buccleuch House Ground Floor	33	-	-	-	33
Millerhill Pavilion	23	0	0	-	23
PEOPLE & PARTNERSHIPS					
Education					
CO2 Monitors for Schools / Ventilation 21/22 Phase II	92	93	93	-	-
Free School Meal Provision	150	137	137	-	13
Children's Services					
Residential House for 5-12 year olds	146	134	134	-	12
Communities & Partnerships					
Members Environmental Improvements	233	274	274	-	(41)
Adult Social Care					
Assistive Technology	176	116	116	-	59
Homecare	55	-	-	-	55
Highbank Intermediate Care Reprovisioning	100	159	159	-	(59)
General Fund Share of Extra Care Housing	297	107	107	-	190
TOTAL NOT ALLOCATED TO PROGRAMME BOARDS	5,795	5,054	5,014	(41)	734
SUBTOTAL - PRE RETURN OF CONTINGENCIES	29,455	23,332	23,362	31	6,117
Provision for Return of Contingencies	(985)	(41)	(41)	-	(939)
GENERAL SERVICES CAPITAL PLAN TOTAL	28,470	23,291	23,322	31	5,179