

General Services Capital Plan 2021/22 Final Outturn

Report by Gary Fairley, Chief Officer Corporate Solutions

Report for Decision

1 Recommendations

It is recommended that the Council:-

1. Approve the additions to the General Services Capital Plan as set out in section 3.1;
2. Approve the adjustment to the project expenditure and funding budgets for the projects outlined in section 3.2.
3. Note the General Services Capital Plan outturn position for 2021/22 as set out in Section 4.

2 Purpose of Report/Executive Summary

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

- An update of the General Services Capital Plan incorporating information on further additions to the Capital Plan for approval (Section 3.1) and adjustments to existing budgets in the Capital Plan (Section 3.2);
- Information on the final outturn performance against budget for 2021/22 (Section 4.1-4.4);
- An update on the capital fund balance at 31 March 2022 (Section 5).

Date: 09 June 2022

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3 New Projects & Adjustments to Existing Project Budgets

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:-

- **In-cab Waste Collection Vehicles:** in-cab technology (touch screen tablets) for waste collection vehicles to enable “Digital by Default” and increase efficiency with reporting of real-time service issue information. £0.034million capital expenditure budget fully expended in 2021/22 and fully funded by £0.034 million of Zero Waste Scotland grant.
- **Ventilation in Schools:** Phase II of meeting the Scottish Government’s requirements for further ventilation and CO2 monitoring in schools. £0.093 million capital expenditure budget to be fully phased in 2022/23 and fully funded by £0.093 million of Scottish Government grant.
- **Orbital Bus Route:** Bus Route from west to east Midlothian through the Loanhead-Bonnyrigg-Dalkeith corridor. £0.302 million capital expenditure budget fully funded by £0.302 million of Transport Scotland Bus Partnership Fund Capital Grant funding, with expenditure and funding to be fully phased in 2022/23.

3.2 Adjustments to project budgets

Adjustments to the capital expenditure budgets for the following projects are presented for approval in the General Services Capital Plan:-

- **32-38 Buccleuch Street Ground Floor Redevelopment:** Increase of £0.073 million in capital expenditure budget (from £0.360 million to £0.433 million) due to inflationary pressures as a result of market conditions post Covid / Brexit / Ukraine conflict, and the final design development being informed by the condition of the existing building now being fully exposed. Remaining capital expenditure budget phased fully in 2022/23. Approved by Capital Plan and Asset Management Board on 7 June 2022.

4. 2021/22 Final Outturn Position

4.1 Expenditure

The latest 2021/22 General Services Capital Plan was approved by Council on 15 February 2022, with an expenditure budget of £25.527 million.

After reflecting the budgets for new projects as outlined in Section 3.1, and the rephasing of 2021/22 budgets to/from 2022/23 as shown in Tables 1 and 2 below, the final budget for the year is £23.408 million.

Table 1: Material rephasing of budgets from 2022/23 back to 2021/22

Project	2021/22 Budget £000's	2021/22 Actual £000's	Rephased Amount £000's	Notes
Digital: Equipped for Learning	3,500	4,724	+1,224	Acceleration of equipment purchases to meet the Council’s ambitious plans to provide every child of school age with a digital device along with the associated

				infrastructure
Road Upgrades	1,281	2,062	+781	Milder than anticipated winter weather conditions permitted acceleration of projects
Beeslack Community High School Replacement	430	577	+146	Project progressing to Stage 3 and development of Outline Business Case, with associated design development works having been carried out earlier than anticipated
Street Lighting	722	824	+102	Milder than anticipated winter weather conditions permitted acceleration of projects
Others	3,637	3,802	+165	
Total	9,570	11,989	+2,418	

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

Table 2: Material Rephasing of budgets from 2021/22 forward to 2022/23

Project	2021/22 Budget £000's	2021/22 Actual £000's	Rephased Amount £000's	Notes
Early Years Capital Projects inc. Third Party Provided Projects	1,357	691	-666	Work to expand and create capacity is expected to continue in 2022/23 or commence over summer 2022. 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.
CCTV Network	472	0	-472	Delay to commencement of procurement process. Procurement now underway
Digital Services Asset Management Plan	1,936	1,496	-440	Rephasing of expenditure for Asset Management Plan due to impact of Covid and reprioritization of resources
Poltonhall Astro & Training Area Resurfacing	555	183	-372	Prior to works commencing on site, a redesign was required which has resulted in project running c. 3 months behind forecast. At the time of writing this report, the project is now complete and final account is in the process of being concluded.
Free School Meal Provision	324	0	-324	Kitchen equipment required for the expansion of free school meal provision will be ordered and installed over the course of the Summer 2022, October 2022 and February 2023 breaks
Woodburn Primary School	566	300	-266	Design works, value engineering and market testing ongoing. Contractor has been appointed with works to commence in July
32-38 Buccleuch Street Ground Floor Redevelopment	325	71	-254	Design of Passivhaus solution into building has taken longer than anticipated which will improve Council learning and this, combined with Brexit/Covid issues has meant further delays to material deliveries.
Easthouses Primary School	350	112	-238	Stage 3 complete. Current market volatility has required further review of value engineering options
King's Park Primary School Extension/ Refurbishment	226	7	-219	Stage 1 complete. Current market volatility has required further review of cost envelope and value engineering options prior to progressing to Stage 2.
Children's	767	557	-210	The Project continues to progress however

Therapeutic Residential Service				agreement that renovations would be carried out externally delayed works to enable procurement processes. Works have now been approved and are due to be completed in August 2022
New Danderhall Primary hub	2,339	2,162	-177	Final retention payment to Heron Bros construction held pending resolution of final defects
Accelerated Roads Residential Streets	850	681	-169	Delay to the start of the residential streets programme due to staff shortages. New structure in Roads Maintenance Services has now been implemented and is currently being recruited to
Paradykes Primary Replacement	169	25	-144	Final retention payment to Morrisons construction held pending resolution of final defects
St. Mary's RC & Early Burnbrae Primary Schools	574	434	-140	Rephasing of remaining expenditure to 2022/23 to allow acoustic issues to be resolved
Return of Contingencies	-639	-241	+398	Lower level of return of contingencies in 2021/22 due to impact of Covid on overall capital programme with return of contingencies rephased fully to 2022/23
Others	4,762	3,884	-878	
Total	14,933	10,362	-4,571	

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

Actual expenditure in the year was £23.386 million, giving an underspend of £0.022 million against the rephased budget as noted in table 3 below.

Table 3: Project Under/Over Spends in 2021/22

Project	Rephased Project Budget 2021/22 £000's	Actual Outturn 2021/22 £000's	(Under)/Over Spend 2021/22 £000's	Notes
Highbank Intermediate Care Re-provisioning	614	833	+219	Overspend due mainly to additional grouting costs, which were difficult to estimate in advance of knowing exact depth of mineshaft (£212k). and additional asbestos-related demolition costs (£7k).
St. Mary's RC & Early Burnbrae Primary Schools	434	194	-240	£0.240 million contingency released. £0.140 million retained as noted in Table 2 above.
Outdoor Play Equipment - Gorebridge	57	56	-1	Project now complete other than final retention payment, with final tendered costs marginally less than budgeted. Corresponding reduction in developer contributions applied of £0.001 million
Total	1,105	1,083	-22	

4.2 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 £17.369 million, as shown in Section 4.4.

Actual funding was £17.368 million, reflecting the £0.001 reduction in developer contribution funding for the Outdoor Play Equipment in Gorebridge project as noted in Section 4.1 above.

4.3 Borrowing

After adjusting for carry forwards and rephasing, the plan budgeted for in-year borrowing of £6.039 million.

Actual borrowing was £6.018 million, reflecting the net underspend as noted in Section 4.1.

4.4 Summary

A summary of the final outturn position for 2021/22 is outlined in the table below.

Table 4: General Services Capital Plan Performance against Budget 2021/22

Item	2021/22 Budget Q3 £000's	2021/22 Rephased Budget £000's	2021/22 Actual Outturn £000's	2021/22 Variance £000's	2021/22 Carry Forward £000's
Expenditure	25,527	23,408	23,386	-22	2,119
Funding	16,258	17,369	17,368	-1	0
Borrowing Required	9,269	6,039	6,018	-21	

5 Capital Fund

The non-committed Capital Fund balance at the end of the 2021/22 financial year is £1.988 million, is as follows:-

Item	Amount £000's
Balance at 01 April 2021	24,157
Actual Capital Receipts received in 2021/22	672
Developer contributions received in 2021/22 and transferred to capital fund	2
Capital Receipts transferred to General Fund Reserve in 2021/22 to fund Covid costs and transformational projects	-553
Capital receipts released to support Capital Investment in 2021/22	-2,000
Balance at 31 March 2022	22,278
Committed to fund City Deal Project	-7,694
Committed to support Capital Investment	-12,061
Developer Contributions earmarked for specific purposes	-535
Non-committed balance at 31 March 2022	1,988

6 Report Implications

6.1 Resource

The 2021/22 borrowing requirement has reduced from £9.269 million as reported at Quarter 3, to £6.018 million, with the resultant impact on loan charges reported in the Financial Outturn 2021/22 – General Fund Revenue report presented elsewhere on today's agenda.

The reduction in borrowing in 2021/22 is largely due to rephasing of a number of projects, with expenditure subsequently carried forward / rephased into 2022/23. As such, the movement in loan charges in 2021/22 will largely be unwound in 2022/23 and 2023/24, once the capital expenditure relating to these projects is incurred.

6.2 Digital

None.

6.3 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. The impact of Covid-19 is as yet unknown and will be reviewed by officers over the forthcoming period.

6.4 Ensuring Equalities

There are no equalities issues arising directly from this report.

6.5 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 2021/22 Expenditure Outturn

	Rephased 2021/22	Rephased 2021/22	2021/22	2021/22	2021/22
GENERAL SERVICES CAPITAL PLAN	Budget	Budget	Actual	Variance	Carry
FINAL OUTTURN	Q3	Outturn	Outturn	Outturn	Forward OT
	£000's	£000's	£000's	£000's	£000's
PLACE DIRECTORATE					
Corporate Solutions					
Newbattle Centre of Excellence	324	49	49	-	275
Business Applications	74	74	74	-	0
DS Corporate Solutions	217	-	-	-	217
Front Office - Hardware, Software & Services	231	719	719	-	(488)
Back Office - Hardware, Software & Services	394	113	113	-	281
Network, Software & Services	278	123	123	-	155
Schools - Hardware, Software & Services	492	492	492	-	0
Digital: Equipped for Learning	3,500	4,724	4,724	-	(1,224)
Civica Automation	47	-	-	-	47
Place					
Street Lighting Upgrades	722	824	824	-	(102)
Footway & Footpath Network Upgrades	236	46	46	-	190
Road Upgrades	1,281	2,062	2,062	-	(781)
Accelerated Roads Residential Streets	850	681	681	-	169
North Middleton Bridge	80	18	18	-	62
A7 Urbanisation		50	50	-	(50)
Dalkeith Christmas Lights	25	25	25	-	-
Cycling, Walking & Safer Streets Projects	714	715	715	-	(1)
Vehicle & Plant Replacement Programme	1,355	1,366	1,366	-	(11)
In-Cab Waste Collection Vehicles		34	34	-	-
LEZ Electric Vehicles & Charging Points	103	55	55	-	48
School Transport Retrofit Fund	22	-	-	-	22
Outdoor Play Equipment - Gorebridge	57	56	56	(1)	1
Gala & Events Trailer Stage		43	43	-	-
Mauricewood Road Bus Shelter	4	-	-	-	4
Welfare Park, Newtongrange	98	-	-	-	98
Play Park Renewal	98	-	-	-	98
Nature Restoration Fund 2021/22	31	40	40	-	(9)
Property Upgrades	606	686	686	-	(80)
Midlothian & Fairfield House Shower Upgrades	22	17	17	-	5
Destination Hillend	666	725	725	-	(59)
32-38 Buccleuch Street Ground Floor Redevelopment	325	71	71	-	254
Cashless Catering	29	-	-	-	-
Non-Domestic Energy Efficiency Projects	210	210	210	-	-
Contaminated Land	70	45	45	-	-
Public Sector Housing Grants	280	190	190	-	-
Penicuik THI	196	64	64	-	132
Mayfield Town Centre Regeneration	4	-	-	-	4
CCTV Network	472	-	-	-	472
Place Based Investment Fund 2021/22		1	1	-	(1)
Town Centre Regeneration Fund 2019/20	495	495	495	-	0
Town Centre Regeneration Fund 2020/21	311	220	220	-	91
TOTAL PLACE	14,920	15,033	15,033	(1)	(180)

	2021/22	2021/22	2021/22	2021/22	2021/22
PEOPLE AND PARTNERSHIPS DIRECTORATE	Budget	Budget	Actual	Variance	2021/22
	Q3	Outturn	Outturn	Outturn	Carry
	£000's	£000's	£000's	£000's	Forward OT
					£000's
Education - Early Years					
Mount Esk Nursery School Replacement @ Hawthornden	20	-	-	-	20
King's Park Primary School	50	124	124	-	(74)
Roslin Primary School	-	5	5	-	(5)
Capital grants to partner providers	450	196	196	-	254
Catering kitchens	100	-	-	-	100
Hawthorn Children & Families Centre Alteration	50	77	77	-	(27)
Mauricewood Primary School	100	53	53	-	47
Vogrie Outdoor Early Learning Centre	167	86	86	-	81
Other Outdoor Spaces	80	58	58	-	22
Settings' kitchens	33	-	-	-	33
Scots Corner	75	-	-	-	75
Newtongrange Primary School	50	-	-	-	50
Lasswade Primary School	45	-	-	-	45
Woodburn Primary School	45	-	-	-	45
Rosewell Primary School Alteration	-	26	26	-	(26)
Mount Esk Nursery School	20	66	66	-	(46)
Tynewater Primary School	20	-	-	-	20
Bilston Primary School	20	-	-	-	20
Moorfoot Primary School	20	-	-	-	20
Loanhead Primary School	5	-	-	-	5
Cuiken Primary School	3	-	-	-	3
St Andrew's Primary School	4	-	-	-	4
Education - Primary					
Paradykes Primary Replacement	169	25	25	-	144
St. Mary's RC & Early Burnbrae Primary Schools	574	434	194	(240)	140
New Danderhall Primary hub	2,339	2,162	2,162	-	177
Cuiken Primary School Extension	-	101	101	-	(101)
Sacred Heart Primary School Extension	237	221	221	-	16
Lawfield Primary Extension	7	7	7	-	0
Easthouses Primary School	350	112	112	-	238
Tynewater Primary School	10	-	-	-	10
Burnbrae Primary School GP Space	2	-	-	-	2
Burnbrae Primary School External Works	73	-	-	-	-
Woodburn Primary 9 class & activity hall extension	566	300	300	-	266
Woodburn - Modular Unit Relocation	226	234	234	-	
Education - Secondary					
Lasswade High - Toilets & Changing to 1,600 pupil capacity	50	118	118	-	(68)
A701 High School	430	577	577	-	(146)
Education - Learning Estate Strategy					
Kings Park PS upgrade to existing building	226	7	7	-	219
St Davids Primary - 4 class & EY extension	47	25	25	-	22
Mauricewood Refurbishment	30	-	-	-	30
Burnbrae PS - Early Years Complex Needs	-	5	5	-	(5)
Mayfield School Campus replace & extend	152	137	137	-	15
Learning Estate Strategy: Development Budget		128	128	-	
Hawthornden Primary - ASN Unit		8	8	-	
Education - General					
Saltergate Alterations Phase III - Playground Improvements	252	113	113	-	138
Saltergate Phase IV - Internal Alterations	39	-	-	-	39
Modular Units - Session 2017/18	10	-	-	-	10
St. David's EY, Burnbrae Extension, Mayfield Campus Alterations	56	56	56	-	(0)
New Learning Estate Furniture & IT Equipment	17	-	-	-	
CO2 Monitors for Schools	205	226	226	-	(21)
CO2 Monitors for Schools / Ventilation 21/22 Phase II	93	-	-	-	93
Free School Meal Provision	324	-	-	-	324
Children's Services					
Residential House for 5-12 year olds	767	557	557	-	210
Communities & Partnerships					
Members Environmental Improvements	100	179	179	-	(79)
Participatory Budgets	160	-	-	-	160
Adult Social Care					
Assistive Technology	152	126	126	-	26
Homecare	55	-	-	-	55
Highbank Intermediate Care Re-provisioning	538	614	833	219	(76)
General Fund Share of Extra Care Housing	59	95	95	-	(37)
Sport & Leisure					
Property - Poltonhall Astro & Training Area Resurfacing	555	183	183	-	372
Property - Penicuik Astro Resurfacing	290	214	214	-	76
Dalkeith Thistle - Pavilion Upgrade	28	28	28	-	0
Loanhead Memorial Park Pitch	5	1	1	-	4
Flotterstone Car Park Infrastructure & Charging	32	16	16	-	16
TOTAL PEOPLE AND PARTNERSHIPS	10,470	7,701	7,680	(21)	2,596
COUNCIL TRANSFORMATION					
Purchase to Pay	2	-	-	-	2
EWIM - Buccleuch House Ground Floor	33	-	-	-	33
A701 & A702 Relief Road City Deal Project	741	675	675	-	66
TOTAL COUNCIL TRANSFORMATION	776	675	675	-	102
GENERAL SERVICES CAPITAL PLAN TOTAL	26,166	23,408	23,386	(22)	2,517
Provision for Return of Contingencies	(639)	(639)	(241)	-	(398)
GENERAL SERVICES CAPITAL PLAN TOTAL	25,527	23,408	23,386	(22)	2,119