

MINUTES of MEETING of the MIDLOTHIAN COUNCIL held in the Council Chambers, Midlothian House, Buccleuch Street, Dalkeith on Tuesday, 25 June 2013 at 2.00pm.

Present:- Provost Wallace, Depute Provost Rosie and Councillors Baxter, Beattie, Bennett, Boyes, Bryant, Constable, de Vink, Imrie, Johnstone, Milligan, Muirhead, Pottinger, Russell and Thompson.

Religious Representatives Present (Non Voting Observers for Education Business):- Mr Bourne, Mr Hayes and Mrs Harkness.

Apologies for Absence:- Councillors Coventry and Montgomery.

1 Corporal William Savage

The Provost referred to the Minute's Silence, observed at the previous Council meeting, in memory of the three Soldiers based at Glencorse Barracks who had died in Helmand Province, Afganistan, following a roadside bomb blast on 30 April 2013.

The Provost had now been informed that, on Saturday 22 June 2013, the wife of Corporal Savage had given birth to a son. The Council agreed that the Provost send a card and a bouquet of flowers to her.

(Action: The Provost)

2 Order of Business

The Clerk advised that To Follow papers had been issued in respect of:-

- Item No. 12 – Report by Chief Executive on Positive Destinations; and

Private Items of Business:-

- Item No. 25 – Minutes of the Meeting of the Social Work Complaints Review Panel of 10 June 2013; and
- Item No. 26 – Report by Director, Corporate Resources on Lothian Buses.

3 Declarations of Interest

No Declarations of Interest were intimated.

4 Minutes of Council

The Minutes of the undernoted Meetings of Midlothian Council were held as read and to be a true record of proceedings and were thereupon signed by the Provost.

Date of Meeting	Mover and Seconder
14 May 2013	Councillor Thompson Councillor Constable

5 Cabinet and Other Meetings

The undernoted Minutes of Meetings of Cabinet and Committees were submitted. The Council noted the Minutes and approved the recommendations contained therein:-

Meeting	Date
Cabinet	16 April 2013 25 May 2013
Planning Committee	16 April 2013
General Purposes Committee	9 April 2013
Local Review Body	23 April 2013
Performance, Review & Scrutiny Committee	23 April 2013
Audit Committee	12 March 2013
Shadow Midlothian Police and Fire and Rescue Board	12 February 2013

6 Leader of the Council's Response to Written Questions

There were no written questions to the Leader of the Council.

7 Notices of Motion

There was submitted a Notice of Motion by Councillor Constable, countersigned by Councillor Imrie, as follows:-

Clean Up Scotland Campaign

"Clean Up Scotland was launched in November 2012 by Keep Scotland Beautiful to tackle issues of litter, graffiti, fly posting, dog fouling and abandoned vehicles. We know this is a key issue and it is important to work across sectors, and at individual and community levels, to encourage and facilitate clean up initiatives. Working collectively will help to address the blight of litter, for which there are negative impacts on health, society and tourism.

In anticipation on the Year of Natural Scotland in 2013 it is particularly important to recognise the endeavours of Clean Up Scotland, to celebrate this initiative and to encourage and deliver behavioural change.

This Council welcomes this initiative and the associated activities which took place on the Longest Day this year, where supporters across the country have worked to help clean up their communities. We congratulate those who have chosen to help free their neighbourhood of litter and mess and look forward to a time when such behaviour is socially unacceptable.”

Moving the motion Councillor Constable spoke in amplification of it and in particular, he advised that there were 62,000 instances of fly tipping in Scotland in the past year which had cost Councils a total of £11 million.

Councillor Imrie, seconded the motion, following which the Council approved the motion unanimously.

(Action: Chief Executive)

8 Social Work Complaints Review Panel Membership

There was submitted report, dated 4 June 2013, by the Director, Corporate Resources, inviting the Council to update the Elected Member representation on the Social Work Complaints Review Panel (SWCRP) and note the ongoing discussions at national level which might potentially result in the role of the SWCRP being transferred to the Scottish Public Services Ombudsman (SPSO).

The report advised that the SWCRP comprised of 3 members as follows:-

- An independent person to chair the meeting drawn from a panel of persons appointed by the authority in accordance with the Social Work (Representations Procedure) (Scotland) Directions 1996; and
- 2 members drawn from a pool of 4 Cabinet Elected Members (but excluding the portfolio-holder for Social Work and Health).

The pool of 4 Cabinet Elected Members from whom the 2 Elected Members were drawn had been agreed by Council on 22 May 2012 as follows:-

Councillor Bryant, Councillor Constable, Councillor Thompson and Councillor de Vink (now resigned from Cabinet).

The report further advised that a meeting of the SWCRP was scheduled for 10 June 2013 but because of conflicts of interest neither Councillor Bryant nor Councillor Thompson were able to participate. In the circumstances and to allow the meeting to proceed, the Chief Executive authorised Councillor Beattie's participation given that the remaining Cabinet member, Councilor Johnstone, was ineligible on being the portfolio-holder for Social Work and Health.

Decision

- (a) To approve the action of the Chief Executive in authorising Councillor Beattie's participation in the SWCRP scheduled for 10 June 2013 to allow the meeting to proceed;

- (b) To appoint Councillor Beattie to the pool of Cabinet Members from whom members of the SWCRP were drawn;
- (c) To agree that in circumstances where because of timescale and/disbarment of Cabinet Members from hearing the recommendations of the SWCRP, these be presented to Council instead; and
- (d) To note the discussions ongoing at national level which might potentially result in the role of the SWCRP being transferred to the Scottish Public Services Ombudsman (SPSO).

(Action: Legal and Secretariat Manager)

9 Corporate Parenting Board – Appointment of Council Representatives

There was submitted joint report, dated 22 May 2013, by the Director, Education and Children's Services and Director, Corporate Resources, inviting the Council to endorse the arrangements for a new Corporate Parenting Board and to appoint two Elected Members to serve on it.

The report advised that the Corporate Management Team on 25 March 2013, had approved proposals by the Director, Education and Children's Services to establish a Corporate Parenting Panel (subsequently renamed as the Corporate Parenting Board) to provide robust scrutiny and challenge of the services and actions to support looked after children.

Following subsequent discussion by Chief Officers it had been decided to include a Young People's Representative and a further Head of Service to ensure the views of all stakeholders were taken into account. Taking this and the new Executive Leadership Structure of the Council into account, the proposed membership of the Board was therefore as follows:-

- Chief Executive (Chair)
- Elected Members x 2
- Director, Education, Communities and Economy
- Director, Health and Social Care
- Director, Resources
- Head of Housing and Community Safety
- Head of Children and Families
- Head of Education
- Young People's Representative

Decision

- (a) To endorse the arrangements for the new Corporate Parenting Board including the revised membership; and
- (b) To appoint a Member each from the SNP and the Labour Groups and accordingly to appoint Councillor Beattie and Councillor Muirhead.

(Action: Director, Education, Communities and Economy)

10 Welfare Reform and the “Bedroom Tax”

With reference to paragraph 6(c) of the Minutes of Midlothian Council of 19 March 2013 in regard to a Notice of Motion which had been unanimously agreed by the Council concerning the Welfare Reform and the ‘Bedroom Tax’ there was submitted a letter, dated 29 May 2013, in response from Lord Freud, Minister for Welfare Reform, Department for Work and Pensions.

During debate Members expressed severe disappointment at Lord Freud’s response which ignored the impact of Welfare Reform on the Council and which could in Midlothian amount to £25 million per year. His letter did not reflect housing in Scotland which was a devolved matter. In this regard the Provost agreed to write to Lord Freud.

Decision

To note with disappointment the response from Lord Freud, Minister for Welfare Reform, contained in his letter, dated 29 May 2013.

(Action: The Provost)

11 Assurance and Improvement Plan (AIP) 2013-16

There was submitted report, dated 13 June 2013, by the Chief Executive, presenting the updated Assurance Improvement Plan (AIP) that set out the planned scrutiny for the Council from 2013-2016.

The report advised that the “Midlothian Council’s Assurance and Improvement Plan Update 2013-16” was the result of a shared risk assessment which had begun in October 2012. The update process drew on evidence from a number of sources, including:-

- The Annual Report to the Controller of Audit and Elected Members for 2010/11 from the Council’s appointed External Auditors;
- The Council’s own performance data and self evaluation evidence; and
- Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).

The report stated that overall Midlothian Council continued to perform well in most areas.

The AIP update focussed predominantly on those areas assessed as “scrutiny required” and “further information required”. However, in the interest of providing a broader view of the Council’s overall risk assessment, it was explained that it was important to highlight those areas that were previously assessed as requiring no scrutiny which continued to be so. The LAN identified that no scrutiny was required in the following areas:-

- Commercial Services (now part of Corporate Resources Directorate);
- Communities and Wellbeing;

- Community Care and Criminal Justice;
- Communities and Wellbeing – Regulated Care Services; and
- Supporting Healthy, Caring, Diverse Communities where local needs were met.

The LAN had identified that, in common with the Shared Risk Assessment last year, scrutiny or further information was required in the areas of Communities and Wellbeing and Housing.

The report detailed assessments of scrutiny risk that had changed from the 2012/13 update and the work to be carried out.

The Council received Mr Phil Denning, Chair of the LAN, who made a short presentation to the meeting on the Midlothian Council Assurance and Improvement Plan update 2013-16. He noted that overall Midlothian Council continued to perform well in most areas and the outlook was positive. He referred to the National Priorities, the areas that remained “no scrutiny required”, the areas that remained “scrutiny or further information required”, areas with changed assessments and the scrutiny plans.

Mr Denning then answered questions from Elected Members before retiring from the meeting.

Decision

To note the Assurance and Improvement Plan 2013-16 and the proposed Scrutiny Programme for 2013/14.

(Action: Business Transformation Manager)

12 Newbattle Community High School Replacement

With reference to paragraph 15 of the Minutes of 19 March 2013, there was submitted report, dated 18 June 2013, by the Director, Education and Children’s Services, presenting to the Council proposals for the replacement of Newbattle Community High School.

The report incorporated:-

- The vision and strategic opportunities arising from the replacement of Newbattle High School in 2015/16;
- The outcomes of the latest phase of consultations involving communities;
- The impact of this project on the regeneration plans for Gorebridge, Mayfield and Newtongrange areas;
- The conditions associated with the Scottish Government’s funding model;
- The financial implications of the proposed replacement of Newbattle High School;

- The link to the Council's key priorities of:-
 - Early years;
 - Economic growth and business support; and
 - Positive destinations for young people leaving school.
- A recommended proposal on the way forward; and
- Details of the next stages to progress the replacement of Newbattle Community High School.

The Director, Education and Children's Services spoke in amplification of the report and referred to the petitions relevant to the proposals which had been considered by the Council's Petitions Committee and had helped to inform opinion.

Four scenarios as outlined in the '*Making Choices*' document used in the public consultation were as follows:-

	Existing Costs	Forecast Costs	Affordability Gap	Note
<u>Scenario 1</u> Build a new high school and community hub and close all eight existing community buildings	£1.6m	£2.8m	£1.2m	(a)
<u>Scenario 2</u> Build a new school only and keep all eight library, leisure and community education buildings open	£0.6m	£2.1m	£1.5m	(a)
<u>Scenario 3</u> Build a new high school and community hub and keep all eight community buildings open	£0.6m	£3.4m	£2.8m	(a)
<u>Scenario 4</u> Build a new high school and community hub, close current buildings and explore how we can work in partnership with local people to develop flexible community resources to allow the delivery of services	Not costed prior to results of consultation exercise			

- (a) Note:- The existing community buildings included:
- Mayfield Leisure Centre
 - Mayfield Library
 - Newtongrange Community Learning Centre
 - Newtongrange Leisure Centre

- Newbattle Swimming Pool
- Newtongrange Library
- Gorebridge Leisure Centre
- Gorebridge Library

From the Council Officer viewpoint two options had emerged viz:

Option A – New build school only, no building closures; and

Option B – New build school plus community facilities.

The financial summary showed that the total capital spend of the project, the amount funded by the Council, and the impact on the Council's Revenue Budget for Options A and B were summarised as follows:-

Council Capital Account

Item	Option A £000	Option B £000
Public Sector Development, Enabling & Advisory Costs	1,558	1,558
Capital Contribution to Special Purpose Vehicle	13,365	15,322
Junior Debt Investment	999	1,135
Extension	8,988	8,988
Total Expenditure	24,910	27,003
Capital Receipts	-3,400	-3,934
Developer Contributions	-10,507	-10,507
Total Receipts	-13,907	-14,441
Net Overall Borrowing Requirement	11,003	12,562

Newbattle Facility Revenue Impact in 2016/17

Item	Option A £000	Option B £000
Running Cost of New Facility		
Loan Charges	688	965
Employee Costs	206	890
Premises Costs	1,087	1,404
Other Costs	0	72
Income	-32	-526
Total Net Cost of New Facility (2016/17)	1,949	2,805
Contributions from Existing Budgets		
Newbattle High School*	647	647
Newbattle Swimming Pool	0	387
Mayfield Leisure Centre	0	244
Mayfield/St. Luke's Library	0	63
Total Net Existing Budgets (2016/17)	647	1,341
Net Impact on Council's Revenue Budget (2016/17)	1,302	1,464

**Excludes school teaching, support and admin staff*

The report further advised that following the comprehensive consultation process with community stakeholders, Officers had taken account of community opinions and the need for local service delivery in Gorebridge and Newtongrange. Other key factors which had influenced the Officers' recommendations included:-

- Sustainability of existing facilities;
- Positive impact of student attainment and achievement levels;
- The affordability of options within the Council's current and predicted budgets;
- The opportunity to secure funding from the Scottish Future's Trust for a new Newbattle High School; and
- The regeneration of communities within the Newbattle High School catchment area.

The Director, Education and Children's Services, spoke in amplification of his report and advised that the petitions that had been submitted in regard to the proposals had informed opinion. In conclusion he referred to the recommendations in the report from the Officers, as follows:-

(a) to approve Option B which involved:-

- (i) New build school plus enhanced Community facilities;
- (ii) The retention of Gorebridge Leisure Centre, Gorebridge Library, Newtongrange Leisure Centre, Newbattle Community Learning Centre and Newtongrange Library in their existing locations;
- (iii) The closure and demolition of Newbattle Swimming Pool and relocation to the new Newbattle Community High School;
- (iv) The closure and potential community asset transfer of Mayfield Leisure Centre to the new Newbattle Community High School; and
- (v) The closure of Mayfield Library with the retention of the building for use by Mayfield and St Lukes Primary School with a satellite provision for early year's literacy to be provided by the Library staff at the new Library which would be relocated to the new Newbattle Community High School;

(b) To agree to the provision of £15.322 million in the General Services Capital Plan, this being the capital contribution injection into the private sector SPV and the maximum projected amount per ESA 95 regulations;

- (c) To agree in principle to support the injection of £1.135 million into the private sector SPV subject to further details on the specific risks and rewards inherent in this investment being brought forward to a further meeting of the Council;
- (d) To instruct the Director, Education Communities and Economy to continue working in partnership with the local communities to progress regeneration opportunities; and
- (e) To agree to receive a further report outlining detailed proposals for the wider regeneration of the area aimed at improving outcomes across each neighbourhood in partnership with local community groups and key stakeholders.

Thereupon Councillor Constable advised the meeting that the SNP Group had taken on board the views expressed during the public consultation. Accordingly he moved the motion:-

“That the Officer Recommendations contained in Option B be approved subject to the deletion of paragraphs (a)(iii), (a)(iv) and (a)(v)”.

Councillor Beattie, in seconding the motion, emphasised that the SNP administration had listened carefully to the very strong view of the communities to keep community facilities in each of the respective community areas.

Councillor Johnstone endorsed the motion which she believed would give the children in the community the best learning and health promoting facilities whilst maintaining the existing services and facilities in the community.

Councillor Pottinger referred to the consultation process which had provided the clear message that services should be kept local and not centralised. He referred to the petitions for retention of the existing community facilities. Whilst there was no demand for the additional hub with the school, he questioned whether the hub was affordable and whether a proper equalities impact assessment had been carried out in regard to how the proposals would affect the communities. He considered that the way forward was to retain the existing facilities in the communities and provide them with a sustainable maintenance budget.

In regard to the affordability of the motion, the Head of Finance and Human Resources advised that in addition to the additional revenue cost of Option B, £1.464 million in 2016/17, the motion to retain all existing facilities would add at least a further £694,000 to the budget shortfall, bringing the additional cost of the development to £2.158 million in 2016/17.

Councillor Muirhead considered that the consultation process had led to mistrust due to the administration not engaging with the communities. He believed that the public were unanimous in wishing the facilities to remain in Council rather than community ownership and advised therefore that the Labour Group could not vote for the hub as it would be clearly disregarding the wishes expressed by the communities.

He questioned the affordability of the motion and given the seriousness of the Council's finances he considered it irresponsible, especially given its likely impact on service provision in other areas of Midlothian. He also was of the view that when the new Hub opened the existing facilities would have to eventually close on cost grounds. Accordingly and regrettably he considered that Scenario 2 was the only way forward. Councillor Muirhead thereupon moved:-

"That the proposals in Scenario 2 in the report, which were to build a new school only and to keep all eight Library, Leisure and Community Education buildings open, be approved".

Thereupon Councillor Pottinger seconded the amendment.

Councillor Baxter expressed his concerns about the motion. While he welcomed the decisions not to close Newbattle Swimming Pool, Mayfield Leisure Centre and Mayfield Library there remained doubt that such a course of action could happen unless their retention was included in paragraph 1(a)(ii) of the recommendation otherwise closure could be taken by Council Officials without recourse to the Council. He also shared the Labour Group's concerns over the affordability of the project and accordingly on balance he was inclined to support the amendment.

Councillor Thompson supported the proposals of investing and providing more support in the communities by providing a new school and the hub while retaining the existing facilities in the communities.

Councillor Bennet considered that there had been a lack of leadership in selling the proposals to the communities. Indeed, he had attended a public meeting at Newtongrange when 300 people had been asked if they wished the hub and no one had said yes. He referred to the Dalkeith Campus which was a new hub and which was poorly used by the community. He considered that the age of the community buildings suggested for closure should not be a consideration.

Councillor Milligan considered that the clear message that was coming from the communities was that they wanted the existing facilities retained and did not want the hub. He also considered that the proposals were unaffordable and he was seriously concerned on the effects that it would have financially on the operation of other areas of the Council. He referred to the serious financial decisions which the Council would have to take over the next year and advised that Labour had listened to the communities and accordingly he would be supporting the amendment.

Councillor de Vink referred to the cost of previous PPP contracts which amounted to £340 million and advised that the cost of Lasswade Community Campus and the Newbattle proposals would add another £75 million to the debt. He was not impressed with the model for the financial funding of the project and in this regard there were too many unanswered questions. He considered that the Council should not be spending money unless it could afford to and accordingly he would, with regret, abstain from voting on the proposals.

Mr Bourne emphasised that the young people in the Newbattle Community deserved the same as at Lasswade Campus and that whatever facilities were provided they must meet their needs. Accordingly, he believed that the Council must therefore make sure that the decision it took was made for the benefit of the community.

Thereupon Councillor Muirhead summed up for the amendment and similarly Councillor Constable for the motion.

On a vote being taken 7 members voted for the amendment and 8 members for the motion, which accordingly became the decision of the meeting.

Decision

- (a) To approve Option B in the report, as amended, as follows:-
 - (i) New build school plus enhanced facilities; and
 - (ii) The retention of Gorebridge Leisure Centre, Gorebridge Library, Newtongrange Leisure Centre, Newbattle Community Learning Centre, Newtongrange Library in their existing locations;
- (b) To agree to the provision of £15.322M in the General Services Capital Plan this being the capital contribution injection into the private sector SPV and the maximum projected amount per ESA 95 regulations;
- (c) To agree in principle to support the injection of £1.135M into the private sector SPV subject to further detail on the specific risks and rewards inherent in this investment being brought forward to a further meeting of Council;
- (d) To instruct the Director, Education, Communities and Economy to continue working in partnership with the local communities to address regeneration opportunities; and
- (e) To agree to receive a further report outlining detailed proposals for the wider regeneration of the area aimed at improving outcomes across each and they were put in partnership with local community groups and key Stakeholders.

(Action: Director Education and Children's Services/ Director, Education, Communities and Economy)

Adjournment and Reconvention

The meeting adjourned at 3.50pm and reconvened at 4pm with the same members present except for Councillor Boyes and Councillor Thompson.

13 Positive Destinations

There was submitted report, dated 13 March 2013, by the Chief Executive, informing the Council on the action being taken to address the issue of Positive Destinations and to make recommendations for further action.

Decision

- (a) To note the progress that had been made by the Council and its partners on improving positive school leaver destinations and specifically the extension by Council services of the range of work placement offers to young people;
- (b) To endorse the Council-specific actions set out in the report and to seek a further report on progress later in the financial year;
- (c) To require a further development of current Council community benefit procurement processes, requiring all managers to consider how their contracting activity could assist local employment and vocational skills development; and
- (d) To approve a one-off supplementary estimate of £55,000 to fund the pilot vocational training programme.

(Action:Regeneration and Social Policy Manager)

Sederunt

Councillor Thompson rejoined the meeting at 4.07 pm during the above item of business.

14 School Catchment Area Review – Penicuik Primary Schools

There was submitted report, dated 10 June 2013, by the Director, Education and Children's Services, seeking approval to consult on a review of the catchment boundaries of the non-denominational primary schools in Penicuik.

Decision

- (a) To agree to Officers commencing the process of formal consultation on the revision to the catchment boundaries of the five non-denominational primary schools in Penicuik, namely Cornbank, St James, Cuiken, Glencorse, Mauricewood and Strathesk Primary School; and
- (b) To note that the outcome of the consultation would be reported to Council in due course to inform Council's decision on implementation of the proposed changes.

(Action: Director, Education and Children's Services)

15 Opportunity for New Football Pitch at Beeslack Community High School

There was submitted report, dated 13 May 2013, by the Director, Education and Children's Services, seeking governance from the Council to proceed with plans for an externally funded 3G Community Pitch at Beeslack Community High School, Penicuik.

The report advised that the planned development would be a modern, floodlit, all weather 3G synthetic grass pitch replacing the existing shale pitch, located within Beeslack Community High School boundaries. The proposed project was structured to be cost neutral to the Council but it would require the Council to formally commit part of the land that forms Beeslack Community High School to the project for ten years which was a necessary step in order to obtain external funding to construct the new pitch.

The pitch would provide much needed sports/physical education facilities for pupils from both Beeslack High and Mauricewood Primary Schools, additional and easily accessible facilities for the 2nd Battalion the Royal Regiment of Scotland based at Glencorse Barracks and a new playing and training hub for the Penicuik Athletic Football Club.

Discussions had been held with the armed forces and a bid for finance would be submitted for community covenant funding. In addition funding through sportsscotland and via developer contributions towards community facilities were expected to raise considerable funds towards the construction of the pitch.

Decision

To approve the proposal to bid for funds for a new 3G pitch at Beeslack Community High School bearing in mind the implications of the land arrangements that would need to be in place and only on the basis that the project was cost neutral to the Council.

(Action: Head of Communities and Support Services)

16 National Performance Centre for Sport – ‘Go Edinburgh’ Bid

Arising from paragraph 15 above, and with the agreement of members, the Council heard from Councillor Thompson that he had received a letter from “Go Edinburgh” seeking the Council’s support for the Heriot Watt and City of Edinburgh Council joint bid for the National Performance Centre for Sport. This would contain a multi-sports performance centre and would house the National Football Academy.

Decision

- (a) To welcome the ‘Edinburgh Go’ bid;
- (b) To note that the proposed venue was close to Midlothian; and
- (c) To endorse the ‘Edinburgh Go’ bid.

(Action: Legal and Secretariat Manager)

Sederunt

Mr Bourne, Mrs Harkness and Mr Hayes left the meeting after the above item of business at 4.40pm.

17 Housing Revenue Account – Final Outturn 2012/13 and Capital Plan 2013/14 – 2015/16

There was submitted report, dated 29 May 2013, by the Head of Finance and Human Resources, providing the Council with:-

- The final outturn position for 2012/13 for both the Capital Plan and the Revenue Account; and
- A revised Capital Plan for 2013/14 to 2015/16 reflecting the carry forwards from 2012/13.

The report advised that final outturn for 2012/13 showed an underspend of £1.869 million as shown at **Appendix I** hereto, resulting in a surplus of £2.964 million for the year.

£0.893 million of the underspend was due to loan charges. When setting the 2012/13 budget loan charges had reduced to £5.754 million and this was due to:-

- Lower than planned capital expenditure for the year;
- Long term borrowing had been at a lower interest rate than budgeted; and
- Better than budgeted returns on short investments.

Investment in Scottish Housing Quality Standards Capital Improvement Works to the Council's existing stock had resulted in a reduced requirement for reactive repairs required to these properties which had resulted in an underspend of £1.146 million.

In regard to the Capital Plan for 2012/13, this provided for investment of £23.126 million in the year. The actual spend was £17.723 million and was as detailed at **Appendix II** hereto.

The Capital Plan 2013/14 – 2015/16 had been updated to reflect the carry forwards from 2012/13 and was detailed at **Appendix III** hereto.

A fuller review of Phase 2 of the new build programme and other investment plans would be completed over the summer and reported to the Council later in the year.

Decision

- (a) To note the final outturn on the Housing Revenue Account and Capital Plan for 2012/13 as shown at **Appendices I and II** hereto; and
- (b) To approve the Capital Plan for 2013/14 to 2015/16 as detailed in **Appendix III** hereto.

(Action: Head of Finance and Human Resources)

18 General Services Capital Plan 2012/13 Final Outturn

There was submitted report, dated 4 June 2013, by the Head of Finance and Human Resources, presenting the final outturn for 2012/13 on the General Services Capital Plan.

The report advised that the last 2012/13 General Services Capital Plan had been approved on 26 February 2013 and after reflecting projects approved since then and carry forwards due to expenditure, slippage and multi year projects, as detailed in **Appendix IV** hereto, the final budget was £29.558 million. Actual expenditure in the year was £29.525 million, giving a net underspend of £0.033 million. The variances related to:-

- An underspend of £0.138 million relating to the demolition of the former Dalkeith High School. This was due to a reduced contingency being required and lower utilities disconnection costs;
- An underspend of £0.057 million for the gym ventilation installed at Penicuik High School, due to an alternative solution being found;
- An overspend of £0.053 million for additional ground condition utility works required on the B7003 Roslin Glen Road;
- An overspend of £0.042 million for works at the Midlothian Snowsports Centre. This was due to additional works being required to rectify a design fault and compensation was currently being pursued;
- An overspend of £0.030 million at Danderhall Nursery due to additional works being carried out; and
- Other minor variances totalling £0.037 million.

After carry forwards the Plan budgeted for funding of £22.257 million as shown in **Appendix V** hereto. Actual funding was £22.416 million with the variance principally relating to greater than expended developer contributions. The General Capital Grant was £0.050 million more due to funding third party capital works and the borrowing to fund the investment was £7.109 million.

Decision

To note the General Services Capital Plan outturn position for 2012/13 as shown at **Appendices IV and V** hereto.

(Action: Head of Finance and Human Resources)

19 General Services Plan 2013/14 to 2015/16

There was submitted report, dated 4 June 2013, by the Head of Finance and Human Resources, presenting an updated Capital Plan for 2013/14 to 2015/16 reflecting the carry forwards from 2012/13 and the changes that had arisen since the Plan was last approved on 14 May 2013.

In regard to expenditure the report advised that the carry forwards from 2012/13 of £6.721 million were reflected in the proposed Capital Plan shown at **Appendices VI and VII** hereto.

An additional project to upgrade the air conditioning in Midlothian House and Fairfield House IT Service suites at a cost £0.015 million had been approved by delegated authority.

The proposed Plan also included:-

- £0.115 million for additional works and project management fees required for the Rosewell Primary School Extension;
- £0.063 million to install geogrid to the open space at Barleyknowe Lane to bring part of this open space back into public use;
- £0.018 million for the installation of mechanical sluices at Highbank Old People's Home. These were required as a result of ongoing infection control standards and procedures to reduce infections in care homes;
- £0.013 million for cycling, walking and safer streets as a result of additional grants awarded from Sustrans; and
- A reduction of £0.044 million in Members' Environmental Improvements. This represented the expected third party capital payments to be made from revenue.

Overall the revised expenditure budget was £47.392 million over the life of the Plan.

In regard to emerging projects, the Plan did not include any provision for priority upgrading to existing property assets, which were currently being assessed. A review was also being undertaken as to when the development led primary schools at Bilston and Gorebridge would be required. These projects were currently included in the Plan starting in 2013/14. However, it was now likely that they would not be required until later than originally thought.

After reflecting carry forwards from 2012/13 of £1.646 million, the income for 2013/14 was estimated to be £10.374 million.

The General Capital Plan had been updated to reflect the latest anticipated phasing of the £0.500 million reduction required to fund the "*Step Change 2015: Next Generation Broadband*" contribution. Capital Receipts and Developer contributions had been updated to reflect the most up to date position.

Decision

To approve the proposed General Services Capital Plan 2013/14 to 2015/16 as shown in **Appendices VI and VII** hereto.

(Action: Head of Finance and Human Resources)

20 Financial Monitoring 2012/13 – General Fund Revenue

There was submitted report, dated 4 June 2013, by the Head of Finance and Human Resources, providing the Council with information on performance against revenue budget in 2012/13 and details of material variances.

The report advised that the detailed budget performance figures shown in the report would result in a net overspend of £1.254 million which was 0.66% of net expenditure. The performance against budget had improved by £1.300 million on that reported to Council in February 2013 and the most significant movements between Quarters 3 and 4 were as follows:-

Adverse Movements

- Winter Maintenance - £0.282 million; and
- Insurance – known claims to be settled - £0.297 million.

Favourable Movements

- Teacher's average salaries - £0.234 million;
- Rates rebates from successful appeals - £0.287 million;
- Payments to PPP Contractors - £0.145 million;
- Income from Clients and external contributions for Adult and Community Care - £0.239 million;
- Employee costs across Customer Services - £0.215 million;
- Subsidy on Housing and Council Tax Benefits overpayments - £0.196 million;
- Waste disposal costs - £0.163 million;
- Employee costs in Communities and Support - £0.128 million; and
- Council Tax income - £0.091 million.

The report also identified each variance, explained why it had happened, outlined the actions being taken to control variances and detailed the impact of that action.

The General Fund Balance at 31 March 2013 was projected to be £6.402 million which was £1.360 million more than last reported. A prudent level of uncommitted reserves was seen to be 2% of net expenditure which equated to approximately £4 million. The General Reserve was £2.402 million more than this. However, there would be further one-off costs associated with the Business Transformation Programme which would reduce the General Reserve and it might also be required as a buffer to offset any slippage in the achievement of planned savings.

In summary the report advised that the financial performance for 2012/13 was:-

- Expenditure in General Services was £1.254 million more than budgeted; and
- There was a General Fund balance at 31 March 2013 of £14.083 million of which £7.681 million was earmarked for specific purposes.

Decision

- (a) To earmark a further £0.868 million of the General Fund Reserve to support Business Transformation; and
- (b) To endorse the contents of the report.

(Action: Head of Finance and Human Resources)

21 Financial Statements for the Year Ended 31 March 2013

There was submitted report, dated 4 June 2013, by the Head of Finance and Human Resources, providing a brief overview of the main figures in the Council's Financial Statements for 2012/13 which had been circulated to members.

It was explained that in accordance with Regulation 4 of the Local Authority Accounts (Scotland) Regulations 1985 (as amended), the unaudited Financial Statements for the year ended 31 March 2013 required to be prepared and submitted to the Controller of Audit by 30 June 2013. The statements had now been completed and were accordingly laid before the meeting.

Reference was made to the reports (contained separately on the Agenda) relating to "Financial Monitoring 2012/13 – General Fund Revenue", "Housing Revenue Account Final Outturn 2012/13" and "Capital Monitoring 2012/13 – General Services". These detailed the financial performance in each area and the impact on reserves which was as follows:-

- The General Fund Balance was £14.083 million of which £7.681 million was earmarked for specific purposes leaving a General Reserve of £6.402 million; and
- The Housing Revenue Account Reserve was £14.673 million which was an increase of £2.964 million on the position at 31 March 2012.

The report advised that the regulations required the Financial Statements and all books, deeds, contracts, bills, vouchers and receipts relating to the Financial Statements to be made available for public inspection and that in accordance with Section 101 of the Local Government (Scotland) Act 1973 any persons interested could inspect the accounts and object to the accounts.

It was intended that public notice would be given in July 2013 advising of the availability of the Financial Statements and associated documents for inspection at Midlothian House and of the rights conferred by Section 101 of the Act.

Decision

To endorse the contents of the report and approve the Council's Financial Statements for 2012/13.

(Action: Head of Finance and Human Resources)

22 Revenue Budget 2014/15 to 2016/17

There was submitted report, dated 10 June 2013, by the Head of Finance and Human Resources, providing an update on:-

- The budget projections for the three financial years 2014/15 to 2016/17 together with the assumptions which underpinned these projections;
- The savings targets attached to the Council transformation programmes;
- The projected budget shortfall for each of the 3 years; and
- An update on reserves.

The report made specific comment on the Scottish Grant Settlement, Council Tax income, Cost of Services including inflationary and other cost pressures on existing service costs, Demographic Cost Pressures and Waste Management.

The projected budget shortfalls for 2014/15 to 2016/17 at 25 June 2013 were respectively £4 million, £9.4 million and £15.4 million.

In bridging the budget shortfall the report identified current saving targets in the Transformation Programme, Service Review savings, Partnership Working, EWiM and Procurement. After incorporating all of them it was envisaged that there would remain a budget shortfall in each of the years as follows:

	2014/15 £m	2015/16 £m	2016/17 £m
Base budget shortfall	4.000	9.400	15.400
Less:			
Business Transformation Savings	0.916	1.254	1.396
Remaining budget shortfall	3.084	8.146	14.004

The report further advised that work was continuing to develop the Transformation Programme under the direction of the Business Transformation Steering Group. This Group was working towards the development of options which would be presented to the Council at its meeting on 24 September 2013 to bridge the 2014/15 budget shortfall and to provide indicative savings for later years.

The Head of Finance and Human Resources spoke in amplification of the report and, in particular, advised that the decisions taken earlier in the meeting in regard to the new Newbattle High School would increase the gap by about £700,000 per year from 2016/17 onwards. The impact of this would be included in future reports to Council from September 2013 onwards.

Decision

- (a) To note that the projections were a budget shortfall of £4.0 million for 2014/15 rising to £16.1 million in 2016/17; and
- (b) To note that options to address the projected budget shortfall would be brought forward through existing Business Transformation governance arrangements; and
- (c) To note that the financial impact of the decisions taken earlier in the meeting concerning the new Newbattle High School and Hub would be included in future reports to Council.

(Action: Head of Finance and Human Resources)

23 Annual Treasury Management Report 2012/13

There was submitted report, dated 5 June 2013, by the Head of Finance and Human Resources, informing members of the Treasury Management activity undertaken in 2012/13 and the year end position.

The main points arising from treasury activity in 2012/13 were:-

- Total new long term borrowing taken in the year amounted to £40 million, sourced 100% from PWLB and thereby taking advantage of historically low PWLB rates;
- The average rate of interest paid on external debt was 3.20% in 2012/13, down from 3.46% in 2011/12;
- The average rate of return on investments was 2.09% in 2012/13 up from 1.49% in 2011/12, and exceeding the benchmark of 0.78% for the tenth year in succession;
- The internal loans fund rate had decreased from 3.29% in 2011/12 (lowest mainland Authority in Scotland) to 3.03% in 2012/13, which was again expected to be one of the lowest when benchmarked against all mainland Authorities in Scotland; and

- No debt rescheduling was undertaken during 2012/13.

Decision

To note the Treasury Management Annual Report for 2012/13.

(Action: Head of Finance and Human Resources)

24 Community Asset Transfer Policy

There was submitted report, dated 27 May 2013, by the Director, Corporate Resources, explaining the concept of Community Asset Transfer (CAT) and proposing a policy to assist both the Council and Non Profit Distributing Voluntary Organisations (NPDVOs) which might seek to take over certain existing Council community assets. The proposed "Midlothian Council Community Asset Transfer Policy" was attached as an Appendix to the report.

The CAT policy sought to support the Council and Community Partners in seeking alternative innovative ways of delivering services within an existing policy framework in a way that could, in appropriate circumstances, encourage and develop community resilience and bring a wide range of benefits for all. The policy carried with it challenges, as there was always the potential for failure in NPDVOs resulting in calls from the community for the asset to be transferred back to the Council. Whilst this could be mitigated this was a risk which carried with it potential financial burdens.

The report advised that there were 3 key concerns to be addressed before an asset was considered for a transfer:-

- *Would the asset continue to be used primarily to support the delivery of services to the community?*
- *Does transfer align with the Council's strategic and service delivery aims?*
- *Would the NPDVO be viable in the long term taking into account their management capacity, financial stability and sustainability; and were they able to provide confidence that there would be a continued community based context to their operations?*

Councillor Baxter referred to the process to assess, report and advise on the suitability of the applications received. He considered that this needed to be made more robust. In this regard the Head of Planning advised that an independent approach to this could be included in the framework methodology.

Decision

- (a) To approve the proposed Community Asset Transfer Policy as set out in Appendix 1 to the report;

- (b) To agree that the completed Equalities Impact Assessment at Appendix 2 to the report was adequate;
- (c) To note that to implement the Policy:-
 - (i) There was a need to develop a framework methodology for assessment and rigorous financial assessment of asset transfer applications in order to score the applications in a transparent and standardised way;
 - (ii) That core data on individual building performance (particularly backlog repairs, and full life cycle costs) would be required by groups and services seeking to assess the financial viability of transfers;
 - (iii) Existing staff resources would need to be reprioritised to assess individual applications and accompanying business plans for their suitability and robustness;
 - (iv) That the draft assessment model set out at Annex B of the Policy be developed and adopted by the Council's Corporate Management Team as a means of assessing and scoring the viability of proposals brought forward by NPVDOs; and
 - (v) That a Seminar of the Council be held in the Autumn on Community Asset Transfers.

(Action: Director, Corporate Resources/Head of Planning)

25 Proposal to Revoke the Air Quality Management Area at Pathhead

There was submitted report, dated 3 June 2013, by the Acting Director, Communities and Wellbeing, advising members of the agreement between Scottish Government and the Scottish Environment Protection Agency (SEPA) that Midlothian Council could begin the process of revoking the Air Quality Management Area (AQMA) currently in place in Pathhead as a result of the marked improvements in air quality in the village following the delivery of a gas mains supply to the area which had reduced the amount of coal being burnt as a source of heating.

Decision

- (a) To note the content of the report and the actions that had been necessary to bring about the installation of the gas main;
- (b) To note that the Scottish Government and SEPA had agreed to the revocation of the Air Quality Management Area at Pathhead; and
- (e) To endorse the revocation of the Air Quality Management Area at Pathhead.

(Action: Head of Housing and Community Safety)

26 Don Ledingham, Director Education and Children's Services and Sheena Dawe, Head of Education

Councillor Beattie, in her capacity as portfolio-holder for Education and Children's Services, advised the Council that this was the last meeting that Mr Don Ledingham would be attending prior to him leaving the Council. Also Sheena Dawe, the Head of Education, was shortly to retire after 37 years service in Education. She expressed, on behalf of the Council, her thanks for their good services which had been very much valued and appreciated and wished them both well for the future.

27 Executive Leader Team Appointments

There was submitted report, dated 13 June 2013, by the Chief Executive, updating the Council on the recent appointment processes for the posts of Joint Director, Health and Social Care and Director, Education, Communities and Economy and to seek the Council's agreement to appoint the preferred candidates for these positions.

The report advised that the Council had considered a private paper on 14 May 2013 proposing a new Executive Leadership Structure for Midlothian Council and approving the following permanent Director positions:-

- Director, Education, Communities and Economy (to be appointed);
- Joint Director, Health and Social Care with NHS Lothian (to be appointed); and
- Director, Resources (Mr John Blair).

The selection processes had now been completed for the two vacant posts as follows:-

- Director, Education, Communities and Economy:-

Following conclusion of the interview process on 12 June 2013 the Cabinet had agreed to recommend to the Council the appointment of Mary Smith, currently Head of Children and Families to the post of Director, Education, Communities and Economy; and

- Joint Director, Health and Social Care (Joint Accountable Officer):-

Following an internal advert and advertising to appropriate displaced employees in NHS Lothian, a joint interview process had been conducted with NHS Lothian together with the Chair of the Shadow Board of the Midlothian Health and Social Care Partnership, on 29 May 2013. This process had resulted in the decision to recommend the appointment of Eibhlin McHugh, currently Acting Director, Communities and Wellbeing and this decision had been endorsed by the Cabinet on 12 June 2013.

Decision

- (a) To appoint Mary Smith as Director, Education, Communities and Economy effective from 1 August 2013; and
- (b) To appoint Eibhlin McHugh as Joint Director, Health and Social Care on a shared basis with NHS Lothian effective from 1 August 2013.

(Action: Chief Executive/Head of Finance and Human Resources)

28 Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Council agreed that the public be excluded from the meeting during discussion of the undernoted items, as contained in the Addendum hereto as there might be disclosed information as defined in paragraphs 1, 5, 6, 7 and 9 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

- (a) Minutes of Meeting of the Social Work Complaints Review Panel of 10 June 2013 – Minutes approved and recommendations adopted;
- (b) Lothian Buses – Council updated on the new Corporate Structure of the Lothian Buses Group and the forthcoming Lothian Buses Annual General Meeting discussed; and
- (c) Scottish Government's "Step Change 2015 (Rest of Scotland)": Next Generation Broadband – Update provided on progress towards extension of Next Generation Broadband Infrastructure within Midlothian.

The meeting terminated at 5.30pm.

APPENDIX I**(relevant to paragraph 17)****MIDLOTHIAN COUNCIL****HOUSING REVENUE ACCOUNT 2012/13**

	Revised Budget	Final Outturn	Variation (Under)/Over
Average No of Houses	6,773	6,814	41
	£000's	£000's	£000's
Repairs and Maintenance			
Decant/Compensation	37	13	(24)
General Repairs	6,446	5,300	(1,146)
Grounds Maintenance	503	506	3
	6,986	5,819	(1,167)
Administration and Management	4,607	4,451	(156)
Loan Charges	6,647	5,754	(893)
Other Expenses	1,234	1,456	222
TOTAL EXPENDITURE	19,474	17,480	(1,994)
Rents			
Houses	(19,583)	(19,511)	72
Garages	(457)	(423)	34
Others	(529)	(510)	19
TOTAL RENTS	(20,569)	(20,444)	125
NET EXPENDITURE/(INCOME)	(1,095)	(2,964)	(1,869)
BALANCE BROUGHT FORWARD	(11,709)	(11,709)	0
BALANCE CARRIED FORWARD	(12,804)	(14,673)	(1,869)

APPENDIX II**(relevant to paragraph 17)****MIDLOTHIAN COUNCIL****HOUSING REVENUE ACCOUNT CAPITAL PLAN 2012/13**

	Revised Budget	Carry Forward to 2013/14	Amended Budget 2012/13	Final Outturn	Variation (Under)/Over
	£'000	£'000	£'000	£'000	£'000
FUNDING					
Net Receipts from Sales	2,199	0	2,199	970	(1,229)
Grants			0		0
-Mortgage to Rent	860	0	860	797	(63)
-Incentivising New Build Funding	5,255	0	5,255	4,685	(570)
-Energy Efficiency Programme	0	0	0	59	59
Council Tax on Second Homes	106	0	106	139	33
Borrowing Required	16,588	1,882	14,706	11,073	(3,633)
TOTAL AVAILABLE FUNDING	25,008	1,882	23,126	17,723	(5,403)

APPROVED EXPENDITURE	£'000	£'000	£'000	£'000	£'000
New Build Houses Phase 1	5,391	0	5,391	5,535	144
New Build Houses Phase 2	5,589	0	5,589	4,844	(745)
Aids & Adaptations	324	0	324	594	270
Stabilisation Works	59	0	59	0	(59)
Environmental Improvements - McNeill Terrace	417	416	1	1	0
Energy Assistance Programme	0	0	0	421	421
Homelessness Spend to save	341	0	341	336	(5)
Homelessness - Mortgage to Rent	1,200	0	1,200	1,357	157
Scottish Housing Quality Standard					
-Kitchen Replacement	2,854	0	2,854	809	(2,045)
-Upgrade Central Heating Systems	1,255	0	1,255	862	(393)
-Sanitary Ware Replacement Programme	3,286	1,466	1,820	1,820	0
-SHQS Repairs	4,292	0	4,292	1,144	(3,148)
Total Expenditure	25,008	1,882	23,126	17,723	(5,403)

APPENDIX III**(relevant to paragraph 17)****MIDLOTHIAN COUNCIL****HOUSING REVENUE ACCOUNT CAPITAL PLAN 2013/14-2015/16**

	Budget 2013/14 £'000	Budget 2014/15 £'000	Budget 2015/16 £'000
FUNDING			
Net Receipts from Sales	1,635	1,635	1,785
Grants			
-Incentivising New Build Funding	60	0	0
-Mortgage to Rent Subsidy	662	0	0
Council Tax on Second Homes	109	112	115
Borrowing Required	11,783	11,701	16,178
TOTAL AVAILABLE FUNDING	14,249	13,448	18,078

	£'000	£'000	£'000
APPROVED EXPENDITURE			
New Build Houses Phase 1	201	0	0
New Build Houses Phase 2	5,702	8,062	12,000
Aids & Adaptations	332	340	349
Stabilisation Works	60	62	64
Environmental Improvement - McNeill Terrace	416	0	0
Homelessness - Mortgage to Rent	1,112	0	0
Scottish Housing Quality Standard			
-Upgrade Central Heating Systems	1,309	1,308	1,365
-Kitchen Replacement Programme	832	0	0
-Sanitary Ware Replacement Programme	4,266	2,800	2,800
-Future Works	19	876	1,500
Total Expenditure	14,249	13,448	18,078

APPENDIX IV

(relevant to paragraph 18)

GENERAL SERVICES CAPITAL PLAN
2012/13 EXPENDITURE OUTTURN

	2012/13 Approved Budget £'000	2012/13 Carry Forward £'000	2012/13 Revised Budget £'000	2012/13 Project Outturn £'000	2012/13 Project (Under)/Over £'000
CORPORATE RESOURCES					
Customer Services					
Corporate ICT Replacements	521	-514	7	7	0
IT Data Encryption	60	-27	33	33	0
IT PCI Compliance	68	-44	24	24	0
IT Antivirus Software	65	-4	61	61	0
IT UPS Devices	40	-40	0	0	0
Midlothian Website Development	13	-13	0	0	0
Internet Connection Upgrade	10	0	10	10	0
Planning & Development					
Jarnac Court Regeneration	79	-74	5	5	0
Environmental Improvements	322	-29	243	243	0
Demolition Costs	156	-2	154	16	-138
Gorebridge Community Hub	424	-424	0	0	0
Property Asset Management System	42	-18	24	24	0
Bonnyrigg Town Centre					
Environmental Improvements	60	-60	0	0	0
Feasibility & Site Investigation - Barleyknowe	9	-9	0	0	0
Commercial Operations					
Lighting Upgrades	200	116	316	316	0
Road Upgrades	97	-56	41	41	0
B7003 Roslin Glen Road	0	0	0	53	53
Structural Road Surveys	50	-6	44	44	0
A6106 Lugton	110	12	122	122	0
Millerhill access road works	100	-87	13	13	0
Purchase of Land at Millerhill	248	-203	45	45	0
Beeslack High School Safer Routes to School	55	-55	0	0	0
Cycling, Walking & Safer Streets Projects	137	0	137	150	13
Sheriffhall Park & Ride	15	0	15	13	-2
New recycling facility - Penicuik	42	-21	21	21	0
Waste Collection Vehicles	1,948	-411	1,537	1,537	0
Vehicle & Plant Replacement Programme	981	-412	569	569	0

Property & Facilities

Snowsports Centre	557	0	557	599	42
Stobhill Depot Upgrade	20	-5	15	15	0
Disabled Adaptations Phase 5	0	0	0	1	1
Dalkeith Arts Centre	70	0	70	84	14

TOTAL CORPORATE RESOURCES

6,499	-2,386	4,063	4,046	-17
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EDUCATION & CHILDRENS SERVICES**Nursery**

Danderhall Extension	37	0	37	67	30
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Primary

Burnbrae	1,302	-426	876	876	0
Bonnyrigg PS	0		0	10	10
Bilston	700	-700	0	0	0
Gorebridge North	270	-270	0	0	0
Rosewell Extension	400	-390	10	10	0
Lasswade Roof	100	-77	23	23	0
Hawthornden Roof	2	0	2	0	-2
Kings Park PS Classroom conversion	11	-11	0	0	0
Lasswade PS Classroom conversion	20	0	20	22	2

Secondary

Lasswade High School	22,358	-725	21,633	21,633	0
Beeslack Windows	281	-250	31	31	0
Penicuik Gym Ventilation	60	0	60	3	-57
Newbattle High School - Preparatory Works	65	-30	35	35	0
Saltergate Security	50	-13	37	37	0

General

IT Development	582	-197	385	385	0
PPP1 Land Acquisition	27	-27	0	0	0
Retentions	21	0	21	22	1

Children and Families

Eastfield Childrens Unit	274	0	274	277	3
Woodburn Childrens Unit	286	-76	210	210	0
Gorebridge Residential Unit Upgrade	22	-22	0	0	0

TOTAL EDUCATION & CHILDREN SERVICES

26,868	-3,214	23,654	23,641	-13
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COMMUNITIES & WELLBEING

Penicuik Care Home Hub	1,700	-286	1,414	1,414	0
Assistive Technology	206	-97	109	109	0
Cherry Road Resource Centre	0	0	0	4	4
Travelling Peoples Site Upgrade	14	-14	0	0	0
Highbank Old Peoples Home Adaptations (Ph2)	60	0	60	63	3
Highbank Old Peoples Home Lift Upgrade	30	0	30	20	-10
IT System	13	-13	0	0	0
TOTAL COMMUNITIES & WELLBEING	2,023	-410	1,613	1,610	-3

BUSINESS TRANSFORMATION

Purchase to Pay	150	-88	62	62	0
Property Services Review	6	-3	3	3	0
Mobile and Flexible Working	75	-17	58	58	0
EDRMS	274	-273	1	1	0
EWiM	392	-329	63	63	0
Midlothian House 3rd Floor	42	-1	41	41	0
TOTAL BUSINESS TRANSFORMATION	939	-711	228	228	0

GENERAL SERVICES CAPITAL PLAN TOTAL

36,329	-6,721	29,558	29,525	-33
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APPENDIX V

(relevant to paragraph 18)

**GENERAL SERVICES CAPITAL PLAN
2012/13 OUTTURN**

	2012/13 Approved Budget £'000	2012/13 Carry Forward £'000	2012/13 Revised Budget £'000	2012/13 Project Outturn £'000	2012/13 Project (Under)/Over £'000
EXPENDITURE					
Approved Expenditure	36,329	(6,721)	29,558	29,525	(33)
	<u>36,329</u>	<u>(6,721)</u>	<u>29,558</u>	<u>29,525</u>	<u>(33)</u>
FUNDING					
Government Grants	6,556	-	6,556	6,497	-59
Government Grant -Lasswade High School	14,577	-	14,577	14,577	0
Receipts from Sales	2,717	(2,621)	96	96	0
Transfer to Capital Fund	(2,717)	2,621	(96)	(96)	0
Developer Contributions	2,118	(1,646)	472	679	207
Other Contributions	652	-	652	663	11
AVAILABLE FUNDING	23,903	(1,646)	22,257	22,416	159
Approved Borrowing Required	12,426	(5,075)	7,301	7,109	(192)
	<u>36,329</u>	<u>(6,721)</u>	<u>29,558</u>	<u>29,525</u>	<u>(33)</u>

APPENDIX VI**(relevant to paragraph 19)****GENERAL SERVICES CAPITAL PLAN****2013/14 to 2015/16****APPROVED PROJECTS**

	2013/14 Budget £'000	2014/15 Budget £'000	2015/16 Budget £'000	Total Project Budget £'000
CORPORATE RESOURCES				
Customer Services				
Corporate ICT Replacements	909	1,113	455	2,477
Anti-Virus - Exchange(Trend)	25	-	-	25
Disaster Recovery	40	-	-	40
Internet Connection	20	-	-	20
Server Replacement	125	-	-	125
New ITMIS - Service Improvement	150	-	-	150
Cabling and Power - Midlothian House & Fairfield House	200	-	-	200
IT Data Encryption	27	-	-	60
IT PCI Compliance	44	-	-	68
IT Antivirus Software	4	-	-	65
IT UPS Devices	40	-	-	40
IT Air Conditioning Upgrade	15	-	-	15
Midlothian Website Development	13	-	-	126
Planning & Development				
Jarnac Court Regeneration	74	-	-	160
Environmental Improvements	748	270	270	1,733
Demolition Costs	27	-	-	628
Gorebridge Community Hub	424	-	-	424
Property Asset Management System	18	-	-	105
Bonnyrigg Town Centre Environmental Improvements	60	-	-	62
Feasibility & Site Investigation - Barleyknowe	9	-	-	35
Install Geogrid - Barleyknowe Lane	-	63	-	63
Commercial Operations				
Lighting Upgrades	969	1,085	1,073	3,443
Road Upgrades	581	-	-	1,500
B6372 Arniston Road realignment	475	-	-	475
Structural Road Surveys	6	-	-	50
A6106 Lugton	1,772	-	-	744
Millerhill access road works	302	-	-	380
Purchase of Land at Millerhill	203	-	-	248
Beeslack High School Safer Routes to School	55	-	-	228
Cycling, Walking & Safer Streets Projects	99	126	126	475
New recycling facility - Penicuik	1,359	-	-	1,380
Waste Collection Vehicles	1,036	270	270	3,113
Vehicle & Plant Replacement Programme	2,388	1,250	403	4,610

Property & Facilities

Stobhill Depot Upgrade	569	-	-	624
Property Upgrades	759	-	-	759
TOTAL CORPORATE RESOURCES	13,545	4,177	2,597	

EDUCATION & CHILDRENS SERVICES**Primary**

Burnbrae	445	-	-	2,574
Bilston	5,200	1,200	60	6,460
Gorebridge North	4,170	2,000	90	6,260
Rosewell Extension	1,005	120	-	1,020
Lasswade Roof	327	-	-	350
Paradykes Roof	125	-	-	125
Kings Park PS Classroom conversion	11	-	-	11

Secondary

Lasswade High School	6,887	505	-	37,041
Beeslack Windows	250	-	-	500
Newbattle High School - Preparatory Works	30	-	-	65
Saltergate Security	13	-	-	50

General

IT Development	1,306	-	-	1,691
PPP1 Land Acquisition	27	-	-	27

Children and Families

Eastfield Childrens Unit	19	-	-	299
Woodburn Childrens Unit	96	-	-	311
Gorebridge Residential Unit Upgrade	22	-	-	49

TOTAL EDUCATION & CHILDREN SERVICES**COMMUNITIES & WELLBEING**

Penicuik Care Home Hub	778	150	-	2,400
Penicuik Care Home Hub - Fit Out	150	-	-	150
Assistive Technology	303	150	150	603
Travelling Peoples Site Upgrade	83	-	-	83
Highbank Old Peoples Home Mechanical Sluices	18	-	-	18
IT System	13	-	-	235

TOTAL COMMUNITIES & WELLBEING**BUSINESS TRANSFORMATION**

Purchase to Pay	88	-	-	150
Property Services Review	43	-	-	317
Mobile and Flexible Working	17	-	-	122
EDRMS	415	-	-	416
EWiM	329	-	-	392
Midlothian House 3rd Floor	1	-	-	42
Unallocated	277	200	-	477
TOTAL BUSINESS TRANSFORMATION	1,170	200	-	

GENERAL SERVICES CAPITAL PLAN TOTAL

	35,993	8,502	2,897	
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APPENDIX VII**(relevant to paragraph 19)****GENERAL SERVICES CAPITAL PLAN
2013/14 to 2015/16**

	2013/14 Budget £'000	2014/15 Budget £'000	2015/16 Budget £'000
EXPENDITURE			
Approved Expenditure	35,993	8,502	2,897
	<u>35,993</u>	<u>8,502</u>	<u>2,897</u>
FUNDING			
Government Grants	6,140	8,094	8,094
Government Grant -Lasswade High School	621	-	-
Receipts from Sales	2,487	-	2,286
Transfer to Capital Fund	(2,487)	-	(2,286)
Developer Contributions	3,600	3,301	192
Other Contributions	13	-	-
AVAILABLE FUNDING	10,374	11,395	8,286
Approved Borrowing Required	25,619	(2,893)	(5,389)
	<u>35,993</u>	<u>8,502</u>	<u>2,897</u>