

**General Services Capital Plan 2014/15 Quarter 3 Monitoring****Report by Gary Fairley, Head of Finance and Integrated Service Support****1 Purpose of Report**

The purpose of this report is to provide Council with information on the projected performance against budget for 2014/15.

**2 Background****2.1 Budget**

The Quarter 2 monitoring position for the General Services Capital Plan for 2014/15 was presented to Council on 16 December 2014 and projected expenditure of £16.998 million and funding of £12.027 million, therefore giving a borrowing requirement of £4.971m for 2014/15.

This budget has been increased to £17.192m million, to account for new projects that have been included in the period since 16 December 2014:-

- a. New Catering Equipment for Free School Meals for Primaries 1-3, with total expenditure of £0.100 million expected to be incurred in 2014/15;
- b. Loanhead Memorial Park, with total expenditure of £0.147 million expected to be incurred in full in 2014/15, partly offset through a reduction in the Member's Environmental Improvements Contributions of £0.053 million.

In line with this, the expected level of funding available to finance the plan has also increased to £12.221 million, to reflect:-

- The additional £0.100 million available in General Capital Grant to fully finance the provision of new catering equipment for Free School Meals for Primaries 1-3;
- An additional £0.073 million grant funding available from Waste Recycling Environmental Ltd, and the application of £0.021 million of Developer Contributions, to part-finance the works associated with the Loanhead Memorial Project;

As both of these projects are fully funded, there is no change to the budgeted in-year borrowing requirement of £4.971 million.

## 2.2 Expenditure

Expenditure to 07 December 2014 is £6.809 million with a projected expenditure outturn of £15.840 million. At this stage it is anticipated that budgets for the projects detailed in Appendix 1 will be fully spent in the current year with the following exceptions:-

Item	Description	Slippage £000's	Projected Underspend £000's
<b>Gorebridge North &amp; Bilston Primary Schools</b>	The projected expenditure reflects the revised programmes for the tender process.	514	0
<b>Lasswade High School</b>	Works to 2 <sup>nd</sup> MUGA now expected to take place in 2015/16	341	0
<b>Newbattle Centre Preparatory Works</b>	The projected expenditure for preparatory works reflects the latest works schedule	301	0
<b>Penicuik Care Home Hub</b>	The projected spend reflects the latest cost report and an estimate of internal fees.	196	0
<b>Other minor variances</b>		59	0
<b>Vehicle &amp; Plant Replacement Programme</b>	Increased price inflation on the cost of new vehicles purchased this year.	-59	0
<b>Total</b>		<b>1,352</b>	<b>0</b>

It is therefore expected that there will be a net underspend against budget for the year of £1.352 million, with the full value of this being carried forward to 2015/16.

## 2.3 Funding

Funding received to date in 2014/15 is £6.789 million with a projected total funding available to finance the capital plan in 2014/15 of £11.546 million, a reduction of £0.675 million compared to budget. This reflects the reprofiling of developer contributions to match revised expenditure profiles as outlined in section 2.2.

## 2.4 Borrowing

The revised budgeted level of borrowing for 2014/15 was £4.971 million. Based on the revised expenditure and funding levels as outlined in sections 2.2 and 2.3, the revised estimate of the level of borrowing required to fund the investment identified in Appendix 1 is £4.294 million, a reduction of £0.677 million. The impact of this on the Council's borrowing costs is reflected in the Financial Monitoring report elsewhere on today's agenda.

## 2.5 Summary position 2014/15

Based on the above, the projected performance against budget for 2014/15 is shown in the table below:-

<b>GENERAL SERVICES CAPITAL PLAN</b>				
<b>2014/15 Q3 Monitoring</b>	<b>Re-phased</b>			
	<b>2014/15</b>	<b>Actual to</b>	<b>2014/15</b>	<b>2014/15</b>
	<b>Budget</b>	<b>P9</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>EXPENDITURE</b>				
Resources	9,387	5,000	9,440	53
Education, Community & Economy	6,084	1,578	4,918	(1,166)
Health & Social Care	406	84	167	(239)
Council Transformation	1,315	148	1,315	-
<b>Total Approved Expenditure</b>	<b>17,192</b>	<b>6,809</b>	<b>15,840</b>	<b>(1,352)</b>
<b>FUNDING</b>				
Government Grants	8,157	5,320	8,157	-
Receipts from Sales	4,159	4,140	4,159	-
Transfer to Capital Fund	(4,159)	(4,140)	(4,159)	-
Developer Contributions	3,715	1,314	3,040	(675)
Other Contributions	349	155	349	-
<b>Total Available Funding</b>	<b>12,221</b>	<b>6,789</b>	<b>11,546</b>	<b>(675)</b>
<b>Approved Borrowing Required</b>	<b>4,971</b>	<b>20</b>	<b>4,294</b>	<b>(677)</b>
Debt Outstanding at 01 April	107,675		107,675	-
Borrowing arising from Capital Plan	4,971		4,294	(677)
Debt Repayments	(4,194)		(4,194)	-
Debt Outstanding at 31 March	108,452		107,775	(677)

## 3 Report Implications

### 3.1 Resource

The borrowing required to finance the planned investment in 2014/15 is currently £4.294 million. The loan charges associated with this borrowing have been included in the Financial Monitoring reported to Council on today's agenda.

### 3.2 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.

### 3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

### 3.4 Impact on Performance and Outcomes

There are no issues arising directly from this report.

**3.5 Adopting a Preventative Approach**

There are no issues arising directly from this report

**3.6 Involving Communities and Other Stakeholders**

No external consultation has taken place on this report.

**3.7 Ensuring Equalities**

There are no equalities issues arising directly from this report.

**3.8 Supporting Sustainable Development**

There are no sustainability issues arising directly from this report.

**3.9 IT Issues**

There are no IT implications arising from this report

**4 Recommendations**

Council is asked to note the General Services Quarter 3 monitoring position for 2014/15.

**Date 29 January 2015**

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**Background Papers:**

Appendix 1 – GSCP 2014/15 Quarter 3 Monitoring – Approved Projects

## Appendix 1

<b>GENERAL SERVICES CAPITAL PLAN</b>	<b>2014/15</b>	<b>Actual</b>	<b>2014/15</b>	<b>2014/15</b>
<b>2014/15</b>	<b>Budget</b>	<b>to P9</b>	<b>Outturn</b>	<b>Variance</b>
<b>APPROVED PROJECTS</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>RESOURCES</b>				
<b>Customer Services</b>				
Corporate IT Asset Upgrades	1,126	152	1,126	0
Anti-Virus Upgrades	75	0	75	0
Server Replacement	193	49	193	0
Disaster Recovery	40	0	40	0
Internet Connection	20	0	20	0
New ITMIS - Service Improvement	150	0	150	0
Cabling and Power - Midlothian House & Fairfield House	200	0	200	0
IT Data Encryption	23	0	23	0
IT PCI Compliance	39	0	39	0
IT UPS Devices	40	0	40	0
Midlothian Website Development	7	0	7	0
<b>Commercial Operations</b>				
Street Lighting Upgrades	969	773	969	0
Street Lighting LED Upgrade (Salix Funded)	255	255	255	0
Road Upgrades	1,000	662	1,000	0
A6106 Lugton	348	188	348	0
Millerhill Site Services	705	742	705	0
Beeslack High School Safer Routes to School	55	0	55	0
Cycling, Walking & Safer Streets Projects	127	1	127	0
Ironmills Park Steps	49	-7	49	0
Emily Bing	13	0	0	-13
New recycling facility - Penicuik	15	0	15	0
Waste Collection Vehicles	1,150	888	1,150	0
Food Waste Collection	0	0	0	0
Vehicle & Plant Replacement Programme	1,417	845	1,476	59
Bonnyrigg Skate Park	165	161	165	0
Newtongrange Wheeled Sports park	77	75	77	0
Loanhead Memorial Park	147	0	147	0
<b>Property &amp; Facilities</b>				
Stobhill Depot Upgrade	0	0	0	0
Property Upgrades inc. Lighting/Lightning	809	209	816	7
Primary 1-3 Free School Meals	100	8	100	0
Capitalised Roads Maintenance Budget	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>9,387</b>	<b>5,000</b>	<b>9,440</b>	<b>53</b>

<b>GENERAL SERVICES CAPITAL PLAN</b>	<b>2014/15</b>	<b>Actual</b>	<b>2014/15</b>	<b>2014/15</b>
<b>2014/15</b>	<b>Budget</b>	<b>to P9</b>	<b>Outturn</b>	<b>Variance</b>
<b>APPROVED PROJECTS</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>EDUCATION, COMMUNITY AND ECONOMY</b>				
<b>Primary</b>				
Burnbrae	241	3	241	0
Bilston	600	64	329	-271
Gorebridge North	600	82	357	-243
Rosewell Extension	129	4	129	0
St Andrews Extension	456	401	456	0
Cornbank Extension	377	67	377	0
Newtongrange Extension	233	136	233	0
Paradykes Roof	5	2	5	0
Kings Park PS Classroom conversion	11	3	11	0
Newtongrange Playground	18	0	18	0
Paradykes Preparatory Works	10	0	10	0
<b>Secondary</b>				
Lasswade High School inc. 2nd MUGA	1,053	49	712	-341
Newbattle High School Preparatory Works	1,011	392	710	-301
Newbattle High School Construction	0	0	0	0
<b>General</b>				
IT Development	757	314	757	0
<b>Children and Families</b>				
<b>Planning &amp; Development</b>				
Environmental Improvements	573	63	573	0
Property Asset Management System	10	0	0	-10
Install Geogrid - Barleyknowe Lane	0	0	0	0
<b>TOTAL EDUCATION, COMMUNITY AND ECONOMY</b>	<b>6,084</b>	<b>1,578</b>	<b>4,918</b>	<b>-1,166</b>
<b>HEALTH AND SOCIAL CARE</b>				
Penicuik Care Home Hub	236	3	40	-196
Penicuik Care Home Hub - Fit Out	3	3	3	0
Assistive Technology	150	78	115	-35
Travelling Peoples Site Upgrade	17	0	9	-8
IT System	0	0	0	0
<b>TOTAL HEALTH AND SOCIAL CARE</b>	<b>406</b>	<b>84</b>	<b>167</b>	<b>-239</b>
<b>COUNCIL TRANSFORMATION</b>				
Purchase to Pay	65	5	65	0
Property Services Review	43	14	43	0
EDRMS	90	37	90	0
EWiM	85	8	85	0
EWiM Phase 2	1,032	85	1,032	0
<b>TOTAL BUSINESS TRANSFORMATION</b>	<b>1,315</b>	<b>148</b>	<b>1,315</b>	<b>0</b>
<b>GENERAL SERVICES CAPITAL PLAN TOTAL</b>	<b>17,192</b>	<b>6,809</b>	<b>15,840</b>	<b>-1,352</b>