

General Services Capital Plan 2013/14 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 2013/14.

2 Background**2.1 Expenditure**

The revised General Services Capital Plan approved by Council on 17th December 2013 provided for a budget of £25.753 million in 2013/14.

The following projects have experienced slippage and therefore will require some budget originally planned for 2013/14 to be re-phased to 2014/15:

- The project for work on the A6106 Lugton of £0.272 million;
- The IT projects for the server replacement and cabling and wiring at Midlothian House and Fairfield House of £0.085 and £0.160 respectively due to reprioritisation of work as a result of PSN regulation changes;
- The vehicle and plant replacement programme of £0.274 million due to the replacement of some items being delayed to 2014/15;
- The EDRMS project of £0.089 million due to delays in the project;
- The Penicuik Care Home Hub project of £0.227 million;
- Other minor balances totalling £0.028 million.

This results in a reduction in the budget for 2013/14 of £1.135 million to £24.618 million.

Expenditure to date is £11.502 million and at this stage it is anticipated that the budgets for the remaining projects detailed in appendix 1 will be fully spent in the current year with the following exceptions:

- The project to upgrade Stobhill Depot is still on hold pending ongoing discussions on the future utilisation of depots;
- The project at the Midlothian Snowsports Centre is projected to have an overspend of £0.114 million. This is due to rectification works required following faulty design work, details of this overspend will be reported separately to Council;
- The project to build Burnbrae Primary School will have an underspend of £0.195 million as a result of a reduction in the estimated retention costs of the project;
- Other minor overspends totalling £0.065 million.

Overall it is anticipated that 2013/14 expenditure will be £24.033 million.

2.2 Funding

The funding available is estimated to be £10.449 million, with £5.652 million received to date, as shown in appendix 2.

The receipts from sales includes the full sale price for the land at Mauricewood. The developer contributions have been re-profiled to reflect the revised expenditure profile for Bilston and Gorebridge North primary schools. The receipts will be transferred to the Capital Fund in line with the Financial Strategy

2.3 Borrowing

To fund the investment it will be necessary to borrow £13.584 million and the cost of this is reflected in Loan Charges shown in the Financial Monitoring – General Fund Revenue report on today's agenda.

3 Report Implications

3.1 Resource

There are no direct resource implications as a result of this report.

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 monitoring position for 2013/14.

Date 17th January 2014

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Background Papers:

Appendix 1 – GSCP 2013/14 Quarter 3 Monitoring – Approved Projects

Appendix 2 – GSCP 2013/14 Quarter 3 Monitoring – Summary

Declaration Box

Instructions: This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.

Title of Report: Financial Monitoring 2013/14 – General Fund Revenue

Meeting Presented to: Midlothian Council

Author of Report: Gary Fairley, Head of Finance and Integrated Service Support

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- ☒ ***All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.***
- ☒ ***All risk implications have been addressed.***
- ☒ ***All other report implications have been addressed.***
- ☒ ***My Director has endorsed the report for submission to the Council Secretariat.***

For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.

Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.