

REPORT TO ABERDEENSHIRE COUNCIL – 30 JUNE 2022

FINANCIAL PERFORMANCE FOR GENERAL SERVICES CAPITAL EXPENDITURE AS AT 31 MARCH 2022

1. Executive Summary/Recommendations

1.1 To appraise Council of the 2021/22 Year End Position, subject to Audit, for the Council's General Services capital expenditure.

1.2 The Council is recommended to:

1.2.1 Consider the year end position for 2021/22 set out in Appendix 1;

1.2.2 Note the variances between the revised budget and the final outturn shown in Appendix 2; and

1.2.3 Note the significant variance explanations shown in Appendix 3.

2. Decision Making Route

2.1. This report outlines the provisional outturn capital expenditure for 2021/22 and summarises the financial implications of the capital spending decisions and performance for the financial year, subject to Audit.

3. Discussion

3.1. The Capital Plan forms part of the Medium-Term Financial Strategy (MTFS) and reflects the Council's capital priorities for the current and future years.

3.2. The capital projects identified in the 2021/22 budget were approved as part of the Council's 15 Year Capital Plan in March 2021.

3.3. It is recognised that the nature of capital expenditure is such that large projects can take longer to deliver than expected as unforeseen events and difficulties can emerge after a project is approved including legal/planning issues, changes to design to overcome a problem, material shortages and supply chain difficulties. As such it is important to view the overall Plan as a series of connected years. This report focuses on the 2021/22 performance.

3.4. This financial year end position is a primary source of information to produce the Statement of Accounts and all figures are provisional at this time and may be subject to further amendment following the statutory audit process.

3.5. The outturn position detailed in this report provides the opportunity to consider the overall financial performance in delivering the capital projects that were identified as a priority in the Capital Plan for financial year 2021/22. Policy Committees receives updates and scrutinise the progress on the capital projects pertaining to the services for which they are responsible as part of the Financial Performance Monitoring.

- 3.6. The capital budget was set in March 2021 at £121.316 million, a further £24.226 million was included which accounted for rolled forward budget from 20/21 and additional grant awarded during the financial year. This took the revised 21/22 capital budget to £145.542 million.
- 3.7. The actual expenditure incurred on capital projects in 2021/22 was £91.255m. This was £54.287m below the revised budgeted capital expenditure position or 37% lower than had been planned. Some of the major underspends are beyond the control of the Council including payment of compensation for land relating to the AWPR project and the construction of the Energy from Waste facility. A number of strategies will be presented for approval during the current financial year and it is anticipated that projects funded by the two Infrastructure Funds will progress as the associated works are approved and tendered.
- 3.8. A cross service group of officers continue to meet on a regular basis to assess the impact of COVID-19 on projects assessing prolongation periods, potential uplift in costs, and claims from contractors. Information gathered will form part of the Asset Management and Capital Plan reviews.
- 3.9. Variations by Service Committee are detailed in Appendix 1. Appendix 2 shows, in the column headed “Variance 2021/22”, the position for individual projects. Variances of £100,000 and above are considered significant and the explanations for these are provided in Appendix 3.
- 3.10. As part of the strategic approach to financial governance it was recognised in the 2021/22 MTFS that there would be expenditure reflected as revenue costs which could more accurately be classified as capital expenditure. The exact classification of capital expenditure is often only possible once it is incurred and not when it is budgeted for and therefore appropriate movements between the revenue and capital budgets can occur at year end. Further details are included in Appendix 4.

4. Council Priorities, Implications and Risks

- 4.1. This report helps deliver all six of the Council’s Strategic Priorities and the key principle that underpins them of responsible, long-term financial planning.
- 4.2. The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities and Fairer Duty Scotland			X
Children and Young People’s Rights and Wellbeing			X
Climate Change and Sustainability			X
Health and Wellbeing			X
Town Centre First			X

- 4.3. The screening section as part of Stage One of the Integrated Impact Assessment process has not identified the requirement for any further detailed assessments to be undertaken as the report deals with the monitoring of expenditure against budgets which have been approved previously, and the re-profiling of some expenditure.
- 4.4. Any staffing and financial implications that arise will be discussed and considered by the relevant Policy Committee.
- 4.5. The following Risk has been identified as relevant to this matter on a Corporate Level: Budget Pressures - [Corporate Risk Register](#). The following Risk has been identified as relevant to this matter on a Strategic Level: Our assets, property and land are managed to the best financial effect, supporting delivery of our priorities and service ambition in the medium to long term - [Directorate Risk Registers](#).

5. Scheme of Governance

- 5.1. The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 5.2. The Council is able to consider and take a decision on this item in terms of Section A.8.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to the approval of the annual estimates for Capital.

Ritchie Johnson
Director of Business Services

Report prepared by Alison Alexander, Team Leader and John Lovie, Accountant
Date 31 May 2022

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Appendix 2 – Detail
Appendix 3 – Variance Analysis
Appendix 4 – Expenditure reclassification

Appendix 1

ABERDEENSHIRE COUNCIL - FINANCIAL PERFORMANCE: 2021/22 GENERAL SERVICES DRAFT OUTTURN

SUMMARY	APPROVED BUDGET MAR '21 2021/22 £000	REVISED BUDGET 2021/22 £000	DRAFT OUTTURN 2021/22 £000	VARIANCE 2021/22 £000	Note (App 3)
TOTAL PLANNED EXPENDITURE					
1 Business Services	16,377	17,437	11,693	(5,744)	
2 Communities	5,649	5,961	2,023	(3,938)	
3 Education and Children's Services	17,793	19,390	13,464	(5,926)	
4 Infrastructure Services	62,677	83,899	61,121	(22,778)	
5 Infrastructure Fund 1	3,975	3,975	1,603	(2,372)	
6 Infrastructure Fund 2	13,000	13,000	86	(12,914)	
7 City Region Deal	1,845	1,880	1,265	(615)	
Expenditure Total	121,316	145,542	91,255	(54,287)	
FINANCING					
Scottish Government					
8 General Capital Grant	22,968	23,532	24,483	951	A
9 Specific Grant - Cycling and Walking	1,144	1,546	654	(892)	B
10 1140 Hours Capital Funding	9,572	9,134	4,566	(4,568)	C
11 Early Learning Childcare (Digital Devices and Connectivity)	0	154	154	0	
12 Gypsy Traveller Site Upgrades	0	138	100	(38)	
13 Aberdeen Western Peripheral Route - De-trunking Fund	0	1,176	0	(1,176)	D
14 Town Centre Fund	0	1,131	1,054	(77)	
15 Place Based Investment Programme	0	460	84	(376)	E
Other Grants					
16 Other Grants	560	4,796	5,761	965	F
Internal Financing					
17 PFI Lifecycle Replacement (CFCR)	1,283	1,283	1,296	13	
18 Sales	3,627	3,627	0	(3,627)	G
Receipts and Revenue Total	39,154	46,977	38,152	(8,825)	
19 Cash & Prudential Borrowing	82,162	98,565	53,103	(45,462)	H
Financing Total	121,316	145,542	91,255	(54,287)	
OVER (UNDER) AVAILABLE FINANCING	0	0	0	0	

Appendix 2

ABERDEENSHIRE COUNCIL - FINANCIAL PERFORMANCE: 2021/22 GENERAL SERVICES DRAFT OUTTURN

DETAIL	APPROVED BUDGET MAR '21 2021/22 £000	REVISED BUDGET 2021/22 £000	DRAFT OUTTURN 2021/22 £000	VARIANCE 2021/22 £000	Note (App 3)
BUSINESS SERVICES					
20 Buchan House Police Extension	0	0	42	42	
21 Carbon Reduction - Council Wide Objectives	2,366	2,355	153	(2,202)	I
22 Chip and Pin Device Replacement	-	-	34	34	
23 Cleaning (previously named Public Toilets)	38	27	4	(23)	
24 Depots	1,645	1,798	94	(1,704)	J
25 Development of Industrial Portfolio & Factory Units	1,076	1,076	697	(379)	K
26 Health and Safety - Council Wide Objectives	450	450	351	(99)	
27 Information Communications Technology	1,750	1,729	1,970	241	L
28 Legal and Governance System Software	44	64	0	(64)	
29 Lifecycle Maintenance (previously Planned Maintenance)	6,403	8,496	7,622	(874)	M
30 Oracle E Business Suite Upgrade	-	-	119	119	N
31 Workspace - Office Space Strategy	2,500	988	536	(452)	O
32 Workspace - Viewmount Stonehaven	105	454	71	(383)	P
Business Services Total	16,377	17,437	11,693	(5,744)	
COMMUNITIES					
33 Affordable Housing	3,000	3,000	0	(3,000)	Q
34 Banchory Sports Village	0	0	4	4	
35 Disabled/Elderly Housing Adaptations (Priv.Sector Hsg Grant)	500	679	1,164	485	R
36 Greenbanks Travellers Site	0	0	23	23	
37 Gypsy Traveller Site Upgrades	0	138	100	(38)	
38 Live Life Aberdeenshire	1,752	1,752	554	(1,198)	S
39 Learning Disabilities - Adaptation Centres	35	37	58	21	
40 Peterhead Care and Support Village	250	250	0	(250)	T
41 Social Work - Minor Works	112	105	120	15	
Communities Total	5,649	5,961	2,023	(3,938)	

Appendix 2

ABERDEENSHIRE COUNCIL - FINANCIAL PERFORMANCE: 2021/22 GENERAL SERVICES DRAFT OUTTURN

DETAIL	APPROVED BUDGET MAR '21 2021/22 £000	REVISED BUDGET 2021/22 £000	DRAFT OUTTURN 2021/22 £000	VARIANCE 2021/22 £000	Note (App 3)
EDUCATION & CHILDREN'S SERVICES					
42 Early Learning Childcare (1140 Hours Projects)	9,572	9,134	4,566	(4,568)	U
43 Early Learning Childcare (Children & Young Peoples Bill)	105	402	154	(248)	V
44 Early Learning Childcare (Digital Devices and Connectivity)	0	154	154	0	
45 ECS Enhancements	3,591	3,556	3,788	232	W
46 Capitalisation of Other Projects	2,000	2,000	525	(1,475)	X
47 CO2 Monitors	-	-	154	154	Y
48 Improved Disabled Access (Education)	773	814	290	(524)	Z
49 Inverurie Community Campus	354	1,533	1,131	(402)	AA
50 Kintore Primary School	0	358	1,366	1,008	AB
51 Learning Estates Improvements	100	100	32	(68)	
52 New Build Primary - Fraserburgh	0	21	0	(21)	
53 New Build Primary and Special School - Stonehaven	0	21	0	(21)	
54 Peterhead Community Campus	0	-	8	8	
55 PFI Lifecycle Replacement (CFCR)	1,283	1,283	1,296	13	
56 Portlethen/Hillside PS Causeymouth Rd Upgrading Works	15	14	0	(14)	
Education & Children's Services Total	17,793	19,390	13,464	(5,926)	

Appendix 2

ABERDEENSHIRE COUNCIL - FINANCIAL PERFORMANCE: 2021/22 GENERAL SERVICES DRAFT OUTTURN

DETAIL	APPROVED BUDGET MAR '21 2021/22 £000	REVISED BUDGET 2021/22 £000	DRAFT OUTTURN 2021/22 £000	VARIANCE 2021/22 £000	Note (App 3)
INFRASTRUCTURE SERVICES					
57 Aberdeen Western Peripheral Route	2,959	6,136	382	(5,754)	AC
58 Aberdeen Western Peripheral Route - De-trunking Fund	0	1,176	0	(1,176)	AD
59 Access/Environment Projects	66	66	80	14	
60 Bridges & Structures	850	850	595	(255)	AE
61 Bridge Maintenance Fund	-	-	300	300	AF
62 Burial Grounds	125	361	231	(130)	AG
63 Capitalisation of Revenue Projects	7,000	7,000	7,000	0	
64 Carbon Reduction - Electric Mini Buses (Nestrans Funded)	0	248	256	8	
65 Cycling and Walking	1,269	2,253	675	(1,578)	AH
66 Cycling and Walking (Nestrans Funded)	0	847	292	(555)	AI
67 Drainage	1,000	1,000	461	(539)	AJ
68 Energy from Waste	18,000	25,699	19,495	(6,204)	AK
69 Harbours, Coast & Flooding	1,750	3,000	1,712	(1,288)	AL
70 Kintore Railway Station	-	-	837	837	AM
71 Landfill, HRC	500	601	323	(278)	AN
72 Maritime Fisheries	-	-	20	20	
73 Nature Restoration Fund	0	268	259	(9)	
74 Nestrans Contribution	3,307	3,690	2,907	(783)	AO
75 Parks & Open Spaces	370	660	1,113	453	AP
76 Place Based Investment Programme	0	460	84	(376)	AQ
77 Play Parks Renewal	0	296	47	(249)	AR
78 Public Transport	2,177	2,144	1,526	(618)	AS
79 Public Transport (Nestrans Funded)	0	562	233	(329)	AT
80 Quarries	200	630	139	(491)	AU
81 Roads Resurfacing/Reconstruction	11,750	11,750	12,093	343	AV
82 Safety Initiatives	250	250	43	(207)	AW
83 Safety Initiatives (Nestrans Funded)	0	619	282	(337)	AX
84 Stonehaven Flooding Scheme	4,601	4,940	3,650	(1,290)	AY
85 Storm Frank Works Funded By Grant - Bridges and Flooding	3	3	2	(1)	
86 Street Lighting	1,500	1,683	895	(788)	AZ
87 Town Centre Fund (Council Projects)	0	1,131	1,054	(77)	
88 Vehicles	5,000	5,576	4,135	(1,441)	BA
Infrastructure Services Total	62,677	83,899	61,121	(22,778)	

Appendix 2

ABERDEENSHIRE COUNCIL - FINANCIAL PERFORMANCE: 2021/22 GENERAL SERVICES DRAFT OUTTURN

DETAIL	APPROVED BUDGET MAR '21 2021/22 £000	REVISED BUDGET 2021/22 £000	DRAFT OUTTURN 2021/22 £000	VARIANCE 2021/22 £000	Note (App 3)
INFRASTRUCTURE FUND 1					
89 IF1 - Bridges & Infrastructure Services Projects	2,175	2,175	1,539	(636)	BB
90 IF1 - Live Life Aberdeenshire	1,800	1,260	14	(1,246)	BC
91 IF1 - Education & Children's Services	0	540	50	(490)	BD
Infrastructure Fund Total	3,975	3,975	1,603	(2,372)	
INFRASTRUCTURE FUND 2					
92 Infrastructure Fund 2	13,000	13,000	86	(12,914)	BE
	13,000	13,000	86	(12,914)	
CITY REGION DEAL					
93 Digital Infrastructure (City Region Deal)	1,688	1,723	1,265	(458)	BF
94 Strategic Transport Appraisal (City Region Deal)	157	157	0	(157)	BG
City Region Deal Total	1,845	1,880	1,265	(615)	
TOTAL BUDGET	121,316	145,542	91,255	(54,287)	

ABERDEENSHIRE COUNCIL - FINANCIAL PERFORMANCE: 2021/22 GENERAL SERVICES DRAFT OUTTURN

Significant Variance Analysis

Note	Budget	£,000 Narrative
Financing		
A	General Capital Grant	951 Additional grant award received from Scottish Government; Nature Restoration Fund; Bridge Maintenance; Play Park Renewal; CO2 Monitors; Flooding.
B	Specific Grant - Cycling and Walking	(892) A number of projects did not proceed due to other commitments in Roads Maintenance Programme. Decisions pending on some projects and land acquisition issues affect some projects.
C	1140 Hours Capital Funding	(4,568) A review of final delivery options is being progressed. The Service has identified additional strategic priorities not covered by the 1140 budget. Discussions are ongoing, resulting in delays of award of works to complete the programme. The variance of £4.568m is required to be reprofiled along with this matched funding.
D	Aberdeen Western Peripheral Route - De-trunking Fund	(1,176) AWPR schemes have been impacted by Covid, resulting in designs not being progressed. Funding deferred to match expenditure.
E	Place Based Investment Programme	(376) Contracts were required to be in place by 31 March 2022 with spend deadline set for 30 September 2022. On target to meet the deadline. Funding deferred to match expenditure.

Note	Budget	£,000 Narrative
F	Other Grants	965 Additional grant awards include Rural Tourist Infrastructure Fund and Heritage Lottery Fund towards the Aden Country Park upgrade project. Also reflects additional Developer Obligation contributions received during 2021/22.
G	Sales	(3,627) The market has not moved ahead as hoped and the number of completions were lower than originally anticipated. In addition, several significant sales which were expected to conclude 2021/22 are still under negotiation. Sales receipts of £1.733m were received in 2021/22 but these have been transferred to part fund Transformation Projects.
H	Cash & Prudential Borrowing	(45,462) Cumulative impact of expenditure variances noted in Appendix 2 on the total to be funded from Cash & Borrowing in 2021/22.
	Other Financing Variances - none greater than £77k	(102)
	Total Financing Variances	<u>(54,287)</u>
EXPENDITURE		
I	Carbon Reduction - Council Wide Objectives	(2,202) Tender for the Non Domestic Energy Efficiency programme was approved later than anticipated with most of the programmed works falling into 2022/23.
J	Depots	(1,704) Depot Strategy Review has been progressed and it is anticipated it will be presented to Council during 2022/23 for approval.
K	Development of Industrial Portfolio & Factory Units	(379) Strategy Review has been progressed and it is anticipated will be presented to Council during 2022/23 along with Depot Strategy.

Note	Budget	£,000 Narrative
L	Information Communications Technology	241 The Wide Area Network Improvement project delivered a number of site upgrades ahead of the contracted timeline and more linked payment milestones were therefore met in 2021/22 than originally forecast. The overall project cost has not increased with a smaller final payment now due in 2022/23.
M	Lifecycle Maintenance	(874) Works were put out to tender towards the end of 2021/22 and will be completed in 2022/23.
N	Oracle E Business Suite Upgrade	119 Capital Plan Group approved the funding of an essential upgrade to the Oracle system to allow full functionality to continue after licence expiration. This was to be funded from the underspends on Workspace - Viewmount.
O	Workspace - Office Space Strategy	(452) Inverurie project progress was halted following planning refusal. It is anticipated that an updated report and supporting Business Case for the three projects at Woodhill House, Ellon, and Inverurie and overarching programme will be presented to Full Council in due course.
P	Workspace - Viewmount Stonehaven	(383) Full budget will not be required in 2021/22 and final costs are lower than anticipated. Savings of £0.383m realised although £0.100m requires to be deferred to 2022/23 to fund furniture and equipment for integration with the virtual working environment group and part-fund the Oracle E Business Suite Upgrade.
Q	Affordable Housing	(3,000) Programme was developed and re-profiled in line with the HRA New Build programme with spend profile allocated across 2022/23, 2023/24, and 2024/25.
R	Disabled/Elderly Housing Adaptations (Priv.Sector Hsg Grant)	485 Expenditure exceeded budget due to increases in costs of building materials as well as responses to backlog works resulting from Covid-19 restrictions.

Note	Budget	£,000 Narrative
S	Live Life Aberdeenshire	(1,198) Service requested to reprofile budget to later years and align with Infrastructure Fund 1 and strategic projects, pending completion of business cases.
T	Peterhead Care and Support Village	(250) Strategic Service priorities under review, and future needs analysis being reviewed.
U	Early Learning Childcare (1140 Hours Projects)	(4,568) A review of final delivery options is being progressed. The Service has identified additional strategic priorities not covered by the 1140 budget. Discussions are ongoing, resulting in delays of award of works to complete the programme. The variance of £4.568m is required to be reprofiled along with its matched funding.
V	Early Learning Childcare (Children & Young Peoples Bill)	(248) The budget was not been fully committed in 2021/22 as a decision was taken to use the remainder of the budget to supplement delivery of the 1140 hours capital programme.
W	ECS Enhancements	232 Works at Mackie Academy were progressed faster than originally profiled, with works profiled for 2022/23 undertaken in 2021/22. Additional works at Meldrum were carried out and funded by Developer contributions.
X	Capitalisation of Other Projects	(1,475) The level of expenditure on equipment and works that meets the capital definition through ECS revenue was lower than originally anticipated.
Y	CO2 Monitors	154 Purchase of equipment to monitor ventilation in an effort to manage COVID-19 in schools funded from Scottish Government grant.

Note	Budget	£,000 Narrative
Z	Improved Disabled Access (Education)	(524) Major projects proposed were not progressed as feasibility indicated solutions were more complex than anticipated, these will be reviewed and reprioritised accordingly. Prior year budget carry forwards have not been required as restrictions surrounding Covid hampered progress. A longer term plan is being progressed across the estate based on the annual rolling programme of £550K per annum. As a result budget amounting to £524K will not require to be carried forward.
AA	Inverurie Community Campus	(402) Progress on the works to the pitches and car park are ongoing and were not completed during the financial year, due to the impact of additional asbestos removal works associated with the demolition of the existing buildings, which means the underspend of £0.402m requires to be carried forward to 2022/23.
AB	Kintore Primary School	1,008 Land compensation payments higher than previously forecast.
AC	Aberdeen Western Peripheral Route	(5,754) Expected land compensation payments were not claimed in 2021/22. Claims are now expected in 22/23.
AD	Aberdeen Western Peripheral Route - De-trunking Fund	(1,176) AWPR schemes were impacted by Covid. This has resulted in being unable to progress works.
AE	Bridges & Structures	(255) Projects now programmed across the IF1 investment period. Most are at an early stage with progress expected in 2022/23.
AF	Bridge Maintenance Fund	300 Works on several bridges progressing as a result of additional Scottish Government grant awarded in 2021/22.
AG	Burial Grounds	(130) Legal issues surrounding acquisition of land has resulted in an underspend in 2021/22.

Note	Budget	£,000 Narrative
AH	Cycling and Walking	(1,578) A number of projects did not happen due to other commitments in the Roads Maintenance Programme. Decisions are pending on some projects and land acquisition issues affect other projects.
AI	Cycling and Walking (Nestrans Funded)	(555) Together with the variance note covering the £1.578m variance, efforts to utilise Scottish Government grant in the first instance meant Nestrans could divert funding elsewhere.
AJ	Drainage	(539) Drainage schemes have been impacted by Covid .This has resulted in being unable to progress works.
AK	Energy from Waste	(6,204) Difficulties in sourcing and delivery of supplies in timely fashion for a range of construction activities slowed anticipated progress.
AL	Harbours, Coast & Flooding	(1,288) The 2021/22 expenditure is lower than expected primarily because a decision was taken to postpone the Stonehaven Sheet Piles project until Summer 2022 to minimise the impact on the community and businesses during the Covid-19 recovery in 2021. The Banff Harbour repairs have also progressed slower than anticipated and the masonry works will continue into 2022/23.
AM	Kintore Railway Station	837 Reflects the final payment, including Nestrans' contribution, for the final invoice received from Transport Scotland.
AN	Landfill, HRC	(278) Delays encountered with the supply of equipment meant expenditure for the year lower than anticipated.
AO	Nestrans Contribution	(783) A backlog of contributions, due in part to delays as a result of COVID-19, has almost been caught up with. Almost £3m was paid over to Nestrans in 2021/22. It is anticipated that contributions including the £0.783m variance will be fully paid during 2022/23.

Note	Budget	£,000 Narrative
AP	Parks & Open Spaces	453 A report to Buchan Area Committee on 9 November 2021 advised on need to accelerate funding for accessibility and restoration works at Aden Country Park. Additional grant funding has been received to fund the expenditure.
AQ	Place Based Investment Programme	(376) Good progress is being made on the Council-led projects supported by the Investment Programme. The 2021/22 projects at Bridge Street, Banff; Castle Road, Ellon; Kirk Brae, Fraserburgh and Macduff Cross - are all completed, underway or due to start imminently. All 21/22 projects are expected to be completed during 2022/23 in line with grant conditions.
AR	Play Parks Renewal	(249) Permission has been received from Scottish Government to progress projects in 2022/23 funded from matching grant.
AS	Public Transport	(618) Some projects have encountered delays including Blackdog Footpath (design /tender delays), Colpy Junction (awaiting surveys prior to developing final design for Transport Scotland approval), Crathes Mini Hub (land issues) and Oldmeldrum Travel Hub (design work ongoing).
AT	Public Transport (Nestrans Funded)	(329) Service have applied to carry forward funding from Nestrans for the projects mentioned above at Blackdog, Crathes, Oldmeldrum and also projects at A90 Bridgend, Tarty and for various Bus Stop Flag Refreshes.
AU	Quarries	(491) Delays encountered in engagement with suppliers due to Covid19 and the lead in time and supply of equipment meant expenditure for the year lower than anticipated.

Note	Budget	£,000 Narrative
AV	Roads Resurfacing/Reconstruction	343 Additional projects could be carried out due to the availability of additional matched grant funding from Scottish Timber Transport Fund.
AW	Safety Initiatives	(207) A number of projects did not happen in 2021/22 due to other commitments in the Roads Maintenance Programme. Decisions are pending on some projects and land acquisition issues affect other projects.
AX	Safety Initiatives (Nestrans Funded)	(337) A number of projects did not happen in 2021/22 due to other commitments in the Roads Maintenance Programme.
AY	Stonehaven Flooding Scheme	(1,290) The reduced expenditure is the result of a number of factors such as the risk register being refined and a number of risks now closed (so the financial risk element has reduced). Delays due to the pandemic and design issues around Zone 1B meant that work progressed slower than anticipated.
AZ	Street Lighting	(788) There is slippage on the Energy Reduction Measures due to the lack of resources and procurement issues.
BA	Vehicles	(1,441) Due to longer lead-in times for delivery of vehicles already ordered, a number of vehicles were not delivered in 2021/22.
BB	IF1 - Bridges & Infrastructure Services Projects	(636) The projects are now programmed across the IF1 Investment period, most are still at an early stage.
BC	IF1 - Live Life Aberdeenshire	(1,246) The projects are now programmed across the IF1 Investment period, most are still at an early stage.
BD	IF1 - Education & Children's Services	(490) Projects now programmed across the IF1 investment period, most are at an early stage.
BE	Infrastructure Fund 2	(12,914) Council approved a revised IF2 programme of works on 9 March 2022 with major progress anticipated in 2022/23.

Note	Budget	£,000 Narrative
BF	Digital Infrastructure (City Region Deal)	(458) The variance is mainly due to a change in the spend profile for Duct Network Extension programme, with Phase 3 construction not starting until 2022/23. This, together with a delay completing one of the Full Fibre sites means expenditure originally expected to be incurred in 2021/22 will instead be spent in 2022/23.
BG	Strategic Transport Appraisal (City Region Deal)	(157) The Strategic Transport Appraisal, proposals for the next five years of work on the Appraisal were recently identified and developed, mapping proposals coming out of the Regional Transport Strategy. Funding in 2021/22 was drawn down from Government grant and Council funds will be used in later years. The total budget remains unchanged.
Remaining Variances, none greater than £99k		<u>(233)</u>
Total Expenditure Variances		<u><u>(54,287)</u></u>

FINANCIAL PERFORMANCE:

Appendix 4

GENERAL SERVICES CAPITAL EXPENDITURE AS AT 31 MARCH 2022

Capitalisation of Projects

<u>Education</u>	£000
Equipment	330
Building Works	145
Infrastructure	50
Sub Total	<u>525</u>

<u>Environment & Infrastructure Services</u>	£000
Equipment	232
Resurfacing/Maintenance	6,768
Sub Total	<u>7,000</u>

Grand Total - Funded from Cash & Borrowing	<u>7,525</u>
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Summary of 2021/22 - Capital Funded from Current Revenue

<u>Education</u>	£000
Equipment	48
Associated Income	(48)
Sub Total	<u>0</u>

<u>Environment & Infrastructure Services</u>	£000
Equipment	147
Associated Income	(147)
Sub Total	<u>0</u>

<u>Aberdeenshire Health & Social Care Partnership</u>	£000
Building Works	74
Associated Income	(74)
Sub Total	<u>0</u>

Grand Total	<u>0</u>
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Education	£000
PFI Lifecycle Maintenance	1,296
	<u>1,296</u>

Total - Capital Funded from Current Revenue	<u>1,296</u>
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