

Capital Investment Programme 2012/13 to 2015/16

Policy and Strategy Committee

24 January 2012

1 Purpose of report

- 1.1 This report provides members with an update on the roll forward of the capital investment programme to 2015/16.

2 Summary

- 2.1 Council approved the 2011/12 to 2014/15 capital investment programme on 10 February 2011. An updated programme, incorporating slippage was presented to the Finance and Resources Committee in August 2011.
- 2.2 Details of capital funding for the three-year period to 2014/15 were provided in the Financial Settlement announcement in December 2011.

3 Main report

- 3.1 The Scottish Government has re-profiled the capital grant over the period 2012/13 to 2015/16. The overall Scottish Local Authority settlement for capital before, and after, the re-profiling is summarised in the table below:

	2012/13	2013/14	2014/15	2015/16*
	£m	£m	£m	£m
Scotland-wide				
Capital Grant (<i>before re-profiling</i>)	683.0	617.3	639.7	n/a
Re-profiling	-120.0	-100.0	120.0	100.0
Capital grant after re-profiling	563.0	517.3	759.7	100.0
Allocated as:				
General Grant	430.6	399.9	587.3	77.5
Specific Capital Grant	132.4	117.4	172.4	22.5

* 2015/16 is outside the period of the 2011 Financial Settlement and thus resources, other than grant re-profiling, have not been allocated.

- 3.2 The table below summarises the capital grant the Council will receive in the three year period to 2014/15, and shows the 2011/12 figures for comparative purposes.

	2011/12	2012/13	2013/14	2014/15
Edinburgh's Allocation	£m	£m	£m	£m
General Capital Grant	46.749	39.405	36.827	47.952
Specific Capital Grant *	30.296	24.659	0.519	0.762
<i>Of which:</i>				
<i>Management Development Funding *</i>	29.610	24.094	n/a	n/a
<i>Cycling, Walking and Safer Streets</i>	0.686	0.565	0.519	0.762

** Management Development Funding has not been allocated in 2013/14 and 2014/15 – the total earmarked is £73.064m and £107.3m respectively. In 2012/13, the Council received 30% of the available funding, with the remainder being allocated to Glasgow.*

- 3.3 Grant funding has been factored into the 2012 – 2016 capital investment programme. The programme has also been adjusted for the projected variances in income from capital receipts and funding available from the long-term financial plan (£2m of revenue funding, equating to £25m in prudential borrowing in 2013/14).
- 3.4 Directors have been asked to re-profile the existing capital programme, including slippage identified at period eight. The roll-forward capital plan, incorporating this review can be seen at Appendix 1.
- 3.5 The capital programme for the period 2012/13 to 2015/16 is over-programmed by £42.565m. Planned expenditure for 2015/16 has been excluded from this over-programming position, as grant funding for this year is outside the three year period covered by the Financial Settlement.
- 3.6 As indications point to the general economic climate worsening, there is a risk that the overall shortfall in capital receipts will increase as time goes on. This could have the effect of increasing the over-programming position. However, the assumption is made that slippage in receipts will be matched by slippage in expenditure.
- 3.7 Given the overall resource position, there is no scope for funding new projects within the roll forward 2012 – 2016 capital investment programme from the core capital budget.
- 3.8 Directors may consider additional projects using the prudential framework, funded by revenue savings or additional income, subject to the approval of a business case, initially by the Director of Corporate Governance, thereafter by Members.

4 Financial Implications

- 4.1 The level of grant funding and issues surrounding the realisation of capital receipts mean that there is no scope to support the introduction of new capital projects to be funded through the core capital budget, although new projects may be considered through the prudential framework, subject to the approval of business cases.
- 4.2 It is anticipated that the over-programming in the capital programme can be managed through slippage rather than through additional borrowing.

5 Equalities Impact

- 5.1 There is no relationship between the matters described in this report and the public sector general equality duty.
- 5.2 There are no equalities implications arising from this report.

6 Environmental Impact

- 6.1 There are no adverse environmental impacts arising from this report.

7 Conclusions

- 7.1 The capital investment programme is over-programmed by £42.565m. The current position does not support the inclusion of any additional projects, unless these are funded through the prudential framework, supported by robust business cases.
- 7.2 It is anticipated that this over-programming can be managed through slippage rather than through additional borrowing.

8 Recommendations

- 8.1 The Policy and Strategy Committee is asked note the contents of this report and remit to Council, for decision on 9 February 2012, the 2012 – 2016 Capital Investment Programme.

Alastair D Maclean
Director of Corporate Governance

Appendices	1 – Draft Roll Forward Capital Investment Programme 2012 - 2016
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Wards affected	All
Single Outcome Agreement	All
Background Papers	Departmental working papers

**DRAFT CAPITAL INVESTMENT
PROGRAMME 2012-2016**
(excluding tram project)

SUMMARY OF EXPENDITURE AND RESOURCES

2012-2016	Total £000	General Services £000	Housing Revenue Account £000
Expenditure	488,440	378,068	110,372
Resources			
Capital Receipts			
General Asset Sales	29,387	16,886	12,501
Ring-Fenced Asset Sales	3,000	3,000	-
Developers and Other Contributions	14,059	3,569	10,490
Total Receipts	46,446	23,455	22,991
Grants			
Specific Capital Grant	25,940	25,940	-
General Capital Grant	124,184	124,184	-
Total Grants	150,124	150,124	-
Borrowing			
Support Brought Forward	6,482	6,482	-
Prudential Framework			
- Through Council Tax	36,166	36,166	-
- Self Financing Through Savings / Revenue Streams	50,292	50,292	-
- Resources in Long-Term Financial Plan	25,000	25,000	-
- House Rents	87,381	-	87,381
Total Borrowing	205,321	117,940	87,381
Over / (Under)-Programming	86,549	86,549	-
Total Resources	488,440	378,068	110,372

Grant funding for 2015/16 is outside the current three year settlement - this results in additional over-programming of £43.984m at this time.

CAPITAL INVESTMENT PROGRAMME 2012-2016

2012/13	Total £000	General Services £000	Housing Revenue Account £000
Expenditure	214,268	174,832	39,436
Resources			
Capital Receipts			
General Asset Sales	4,743	511	4,232
Ring-Fenced Asset Sales	3,000	3,000	-
Developers and Other Contributions	3,790	-	3,790
Total Receipts	11,533	3,511	8,022
Grants			
Specific Capital Grant	24,659	24,659	-
General Capital Grant	39,405	39,405	-
Total Grants	64,064	64,064	-
Borrowing			
Support Brought Forward	6,482	6,482	-
Prudential Framework			
- Through Council Tax	24,056	24,056	-
- Self Financing Through Savings / Revenue Streams	47,114	47,114	-
- House Rents	31,414	-	31,414
Total Borrowing	109,066	77,652	31,414
Over / (Under)-Programming	29,605	29,605	-
Total Resources	214,268	174,832	39,436

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CAPITAL INVESTMENT PROGRAMME 2012-2016

2013/14	Total £000	General Services £000	Housing Revenue Account £000
Expenditure	119,851	82,712	37,139
Resources			
Capital Receipts			
General Asset Sales	17,551	13,375	4,176
Ring-Fenced Asset Sales	-	-	-
Developers and Other Contributions	6,584	3,569	3,015
Total Receipts	24,135	16,944	7,191
Grants			
Specific Capital Grant	519	519	-
General Capital Grant	36,827	36,827	-
Total Grants	37,346	37,346	-
Borrowing			
Prudential Framework			
- Through Council Tax	12,110	12,110	-
- Self Financing Through Savings / Revenue Streams	3,178	3,178	-
- Resources in Long-Term Financial Plan	25,000	25,000	-
- House Rents	29,948	-	29,948
Total Borrowing	70,236	40,288	29,948
Over / (Under)-Programming	(11,866)	(11,866)	-
Total Resources	119,851	82,712	37,139

CAPITAL INVESTMENT PROGRAMME 2012-2016

2014/15	Total £000	General Services £000	Housing Revenue Account £000
Expenditure	86,979	53,182	33,797
Resources			
Capital Receipts			
General Asset Sales	7,093	3,000	4,093
Developers and Other Contributions	3,685	-	3,685
Total Receipts	10,778	3,000	7,778
Grants			
Specific Capital Grant	762	762	-
General Capital Grant	47,952	47,952	-
Total Grants	48,714	48,714	-
Borrowing			
Prudential Framework			
- Through Council Tax	-	-	-
- Self Financing Through Savings / Revenue Streams	-	-	-
- House Rents	26,019	-	26,019
Total Borrowing	-	-	26,019
Over / (Under)-Programming	1,468	1,468	-
Total Resources	60,960	53,182	33,797

CAPITAL INVESTMENT PROGRAMME 2012-2016

2015/16	Total £000	General Services £000	Housing Revenue Account £000
Expenditure	67,342	67,342	-
Resources			
Capital Receipts			
General Asset Sales	-	-	-
Total Receipts	-	-	-
Grants			
General Capital Grant	-	-	-
Total Grants	-	-	-
Borrowing			
Prudential Framework			
- Through Council Tax	-	-	-
- Self Financing Through Savings / Revenue Streams	-	-	-
Total Borrowing	-	-	-
Over / (Under)-Programming	67,342	67,342	-
Total Resources	67,342	67,342	-

Grant funding for 2015/16 is outside the current three year settlement - this results in additional over-programming of £43.984m at this time.

CAPITAL INVESTMENT PROGRAMME 2012-2016

<u>SUMMARY OF EXPENDITURE</u>	Budget 2012-13 £000	Budget 2013-14 £000	Budget 2014-15 £000	Budget 2015-16 £000	Total Budget 2012-2016 £000
General Services					
Children and Families	35,097	16,603	4,333	32,858	88,891
Corporate Governance	2,590	165	165	165	3,085
Council Wide / Corporate Projects	31,599	7,774	-	-	39,373
Health and Social Care	10,029	1,931	-	-	11,960
Services for Communities	77,084	41,515	30,067	17,819	166,485
Services for Communities - Asset Management Works					
- Children and Families	8,820	6,848	8,330	8,330	32,328
- Corporate Property	1,825	1,112	1,710	1,710	6,357
- Corporate Services	1,800	1,900	2,090	2,090	7,880
- Health and Social Care	1,720	723	2,090	2,090	6,623
- Services for Communities	2,700	2,700	2,280	2,280	9,960
Police Expenditure (Share of Grant Funding)	1,568	1,441	2,117	-	5,126
Total General Services	174,832	82,712	53,182	67,342	378,068
Housing Revenue Account	39,436	37,139	33,797	-	110,372
	214,268	119,851	86,979	67,342	488,440

CAPITAL INVESTMENT PROGRAMME 2012-2016

CHILDREN AND FAMILIES	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Primary Schools					
Corstorphine	1,065	650	43	-	1,758
Towerbank	2,317	924	44	-	3,285
Waterfront	-	-	19	-	19
Primary Schools Total	3,382	1,574	106	-	5,062
Community Centres					
Duncan Place	387	-	-	-	387
Royston / Wardieburn	42	-	-	-	42
Community Centres Total	429	-	-	-	429
Children's Services					
Accommodation for Young People Upgrading	397	-	-	-	397
Edinburgh Family Support Centre Disability Unit	22	-	-	-	22
Greendykes Young Person Centre	1,000	-	-	-	1,000
Seaview Replacement	1,805	367	116	-	2,288
Children's Services Total	3,224	367	116	-	3,707
Wave Three School Projects					
Boroughmuir High School Replacement	-	-	-	7,166	7,166
Boroughmuir Wave 3 Maintenance	545	-	-	-	545
James Gillespies	1,121	-	-	19,118	20,239
Portobello Essential Improvement Works	-	150	-	-	150
Portobello High School Replacement	19,219	12,370	1,188	6,574	39,351
St Crispin's Essential Improvement Works	345	-	-	-	345
St John's Essential Improvement Works	344	-	-	-	344
Wave Three School Projects Total	21,574	12,520	1,188	32,858	68,140
School Estate Review					
Essential Improvements - Gracemount PS	100	-	-	-	100
Essential Improvements - Granton PS	155	-	-	-	155
Essential Improvements - Trinity PS	100	-	-	-	100
Granton PS Nursery Works	84	-	-	-	84
School Estate Review Total	439	-	-	-	439
Prudentially Supported Projects					
Wester Hailes Health Living Centre	1,221	151	-	-	1,372
Prudentially Supported Projects Total	1,221	151	-	-	1,372
Schools Fund	4,828	1,991	2,923	-	9,742
Total Children and Families	35,097	16,603	4,333	32,858	88,891

CAPITAL INVESTMENT PROGRAMME 2012-2016

CORPORATE GOVERNANCE	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Museums and Arts					
Old Observatory House	13	-	-	-	13
Museum and Arts Total	13	-	-	-	13
Sports					
Glenogle Swim Centre	120	-	-	-	120
Sports Total	120	-	-	-	120
Pavilions and Pitches					
Colinton Mains Pavilion	39	-	-	-	39
Pavilions and Pitches Total	39	-	-	-	39
Edinburgh Leisure					
Edinburgh Leisure	165	165	165	165	660
Edinburgh Leisure Total	165	165	165	165	660
Major Projects					
Kings Theatre	500	-	-	-	500
Assembly Rooms - Prudential	1,500	-	-	-	1,500
Major Projects Total	2,000	-	-	-	2,000
Strategic Support					
Staff Travel Policy	16	-	-	-	16
Strategic Support Total	16	-	-	-	16
Miscellaneous Projects					
Contingency	88	-	-	-	88
Fees related to future asset sales	(38)	-	-	-	-38
Miscellaneous Projects Total	50	-	-	-	50
Corporate Transport Unit					
Workshop - Vehicle Brake Testing Equipment	17	-	-	-	17
Russell Road Depot Paint Booth	50	-	-	-	50
Murrayburn Depot Fuel Improvements	55	-	-	-	55
Russell Road Depot Fuel Improvements	65	-	-	-	65
Major Projects Total	187	-	-	-	187
Total Corporate Governance	2,590	165	165	165	3,085

COUNCIL-WIDE PROJECTS	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Waverley Rail Project (Midlothian)	-	1,635	-	-	1,635
EICC - AFS and Office Building	31,599	6,139	-	-	37,738
Total Council-wide Projects	31,599	7,774	-	-	39,373

CAPITAL INVESTMENT PROGRAMME 2012-2016

HEALTH AND SOCIAL CARE	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Care Homes					
Care Homes	2,000	-	-	-	2,000
New Care Home - Drumbrae (Prudentially Supported)	5,508	113	-	-	5,621
Care Homes Total	7,508	113	-	-	7,621
Other Projects					
Autism Day and Respite Centre	-	805	-	-	805
Fire Prevention	442	-	-	-	442
Day Services for Older People in SW Edinburgh	-	750	-	-	750
Laundries	100	-	-	-	100
Leamington	420	-	-	-	420
Older People's Day Services	-	243	-	-	243
Property Fabric Renewal	80	-	-	-	80
Wester Hailes Living Centre	1,479	20	-	-	1,499
Other Projects Total	2,521	1,818	-	-	4,339
Total Health and Social Care	10,029	1,931	-	-	11,960

CAPITAL INVESTMENT PROGRAMME 2012-2016

SERVICES FOR COMMUNITIES	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Environment					
<i>Roads</i>					
Carriageway and Footway Works (Block)	15,000	12,500	13,569	13,569	54,638
Street Lighting	1,500	1,400	1,500	1,500	5,900
<i>Parks and Green Spaces</i>					
Parks and Green Spaces	700	-	-	-	700
Scottish National Heritage Ranger Funding	31	29	42	-	102
<i>Waste Services</i>					
Depot Refurbishment Programme	126	-	-	-	126
Public Conveniences	364	-	-	-	364
Strategic Waste Fund / Zero Waste Fund	3,056	1,103	1,616	-	5,775
Environment Total	20,777	15,032	16,727	15,069	67,605
Community Safety					
Mortonhall Crematorium	440	-	-	-	440
Visitor Facility - New Cemetery	315	-	-	-	315
Community Safety Total	755	-	-	-	755
Libraries					
Drumbrae Library	162	-	-	-	162
Morningside Library	20	-	-	-	20
Self Service Terminals	206	-	-	-	206
Libraries Total	388	-	-	-	388
Housing and Regeneration					
Development Funding	24,094	-	-	-	24,094
Grants to Registered Social Landlords	1,764	-	-	-	1,764
Neighbourhood Environmental Partnerships	419	-	-	-	419
Private Sector Housing Grant	5,697	2,902	3,852	-	12,451
Stair Lighting	112	-	-	-	112
Housing and Regeneration Total	32,086	2,902	3,852	-	38,840
Projects Controlled by Corporate Property					
New Craigmillar Neighbour Office	5,060	457	-	-	5,517
Public Realm Works	660	-	-	-	660
Public Realm Works - Assembly Rooms	40	-	-	-	40
Projects Controlled by Corporate Property Total	5,760	457	-	-	6,217
Transport and Other Infrastructure					
Cycling, Walking and Safer Streets	565	519	762	-	1,846
Flood Prevention - Water of Leith	12,658	19,194	4,599	-	36,451
Road Safety, Cycling and Public Transport	2,148	1,973	2,898	1,750	8,769
St Andrew Square Public Realm	500	438	-	-	938
Transport Asset Management	1,000	1,000	1,229	1,000	4,229
World Heritage Trust	220	-	-	-	220
Transport and Other Infrastructure Total	17,091	23,124	9,488	2,750	52,453

CAPITAL INVESTMENT PROGRAMME 2012-2016

<u>SERVICES FOR COMMUNITIES</u>	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Planning and Building Standards					
City Dressing Programme	227	-	-	-	227
Planning and Building Standards Total	227	-	-	-	227
Total Services for Communities	77,084	41,515	30,067	17,819	166,485

CAPITAL INVESTMENT PROGRAMME 2012-2016

<u>SERVICES FOR COMMUNITIES - ASSET MANAGEMENT WORKS</u>	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Children and Families					
Boilers	200	-	-	-	200
Early Years Property	-	698	-	-	698
Environmental Improvement / Disability Discrim Act	250	500	-	-	750
Fabric Enhancement	3,424	75	-	-	3,499
Fire Safety	2,500	1,950	-	-	4,450
Flooring	160	-	-	-	160
Insulation (roof space, cavity fill)	60	-	-	-	60
Lifts	345	-	-	-	345
Playgrounds / Fencing / Security	300	-	-	-	300
Rewiring	100	-	-	-	100
Roofs and Rainwater Goods	150	500	-	-	650
Security and Environmental	-	300	-	-	300
Special Education Establishments	-	500	-	-	500
Stoneworks	334	-	-	-	334
Sustainability	-	500	-	-	500
Toilet Upgrades	40	250	-	-	290
Unallocated Funding	-	-	8,330	8,330	16,660
Upgrade Children and Families Residential Accommodation	-	500	-	-	500
Upgrade High Schools	-	400	-	-	400
Upgrade Mechanical and Electrical Works	625	125	-	-	750
Upgrade Primary Schools	-	250	-	-	250
Water Quality Upgrading Works	200	300	-	-	500
Windows and Doors Programme	132	-	-	-	132
Total for Children and Families	8,820	6,848	8,330	8,330	32,328
Corporate Governance					
Essential Fabric Works / Property Enhancements	800	1,800	-	-	2,600
Maximising Retail Space	50	-	-	-	50
Pavilions Fabric Works	400	-	-	-	400
Roof Programme	550	-	-	-	550
Sustainability	-	100	-	-	100
Unallocated Funding	-	-	2,090	2,090	4,180
Total for Corporate Governance	1,800	1,900	2,090	2,090	7,880
Health and Social Care					
Boilers	160	200	-	-	360
External Works	-	223	-	-	223
Improvements in Reconfiguration per Feasibility Work	840	-	-	-	840
Improvement Works	-	200	-	-	200
Insulation (Roof space, Cavity Fill)	100	-	-	-	100
Items Identified in Conditions Surveys	200	-	-	-	200
Lighting	110	-	-	-	110

CAPITAL INVESTMENT PROGRAMME 2012-2016

<u>SERVICES FOR COMMUNITIES - ASSET MANAGEMENT WORKS</u>	Revised Budget 2012-13	Revised Budget 2013-14	Revised Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Roofs and Rainwater Goods	180	-	-	-	180
Unallocated Funding	-	-	2,090	2,090	4,180
Water Quality Upgrades	-	100	-	-	100
Windows and Doors	130	-	-	-	130
Total for Health and Social Care	1,720	723	2,090	2,090	6,623
Services for Communities					
Depots - Essential Fabric Works	210	-	-	-	210
Environmental / Insulation Improvements	750	750	-	-	1,500
Essential Capital Fabric Works	250	900	-	-	1,150
External and Internal Upgrading	-	600	-	-	600
Fire Works	350	250	-	-	600
Grounds and External Works	-	100	-	-	100
Libraries General Fabric	250	-	-	-	250
Library Works	268	-	-	-	268
Public Conveniences Fabric	127	-	-	-	127
Roof, Insulation and Stonework	250	-	-	-	250
Unallocated Funding	-	-	2,280	2,280	4,560
Windows/Doors/Roofs	445	300	-	-	745
General Reduction across Programme of Works	(200)	(200)	-	-	(400)
Total for Services for Communities	2,700	2,700	2,280	2,280	9,960
Services for Communities - Corporate Property					
Boiler Replacement	600	-	-	-	600
Development and Enhancement	50	-	-	-	50
Enhancement of Archive Facility	-	100	-	-	100
External Fabric Enhancement	100	100	-	-	200
Fabric Upgrading and Environmental Improvements	100	100	-	-	200
Fire Upgrades	50	-	-	-	50
Mechanical and Electrical Upgrading Works	350	362	-	-	712
Roof Works	100	100	-	-	200
Stonework	200	200	-	-	400
Sustainability	50	-	-	-	50
Unallocated Funding	-	-	1,710	1,710	3,420
Water Quality Upgrades	25	-	-	-	25
Windows	200	150	-	-	350
Total for Services for Communities - Corp. Property	1,825	1,112	1,710	1,710	6,357
Total Asset Management Works	16,865	13,283	16,500	16,500	63,148

Funding for later years has not been allocated to individual works, but is shown in total

CAPITAL INVESTMENT PROGRAMME 2012-2016

<u>HOUSING REVENUE ACCOUNT</u>	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16	Total Budget 2012-2016
	£000	£000	£000	£000	£000
Housing Investment, including SHQS work	32,928	32,942	29,885	-	95,755
Neighbourhood Environment Investment	2,150	1,088	1,206	-	4,444
Community Care	2,317	2,332	2,358	-	7,007
Homelessness Investment	331	333	337	-	1,001
Regeneration	1,710	444	11	-	2,165
Total Housing Revenue Account	39,436	37,139	33,797	-	110,372