

# City of Edinburgh Council

1.00 pm Thursday, 26 June

## City Strategic Investment Fund Update

Item number	8.5
Report number	
Executive/routine	
Wards	All

### Executive summary

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This report is an update on the development of a planned new City Strategic Investment Fund.

### Links

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Coalition pledges	<a href="#">P15</a> and <a href="#">P17</a>
Council outcomes	<a href="#">CO7</a> , <a href="#">CO8</a> and <a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SO1</a>

## City Strategic Investment Fund Update

### Recommendations

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- 1.1 Council is asked to note that work continues on identifying and realising capital assets to resource the new City Strategic Investment Fund.
- 1.2 Council is asked to note that further progress will be reported once such value is realised and available for investment in the fund.

### Background

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- 2.1 On 7 February 2013, the Council approved the development of a Strategic Investment Fund of £7.5 million and instructed a report be made to Council on 22 August on how this will be established. This followed discussions at the Policy Development and Review Sub-Committee in December 2012 and February 2013.
- 2.2 Council received a further report on 22 August 2013, setting out how an Investment Fund would work, sitting alongside private sector finance to create new city development opportunities. This type of financing can sometimes wait longer for a return on capital and so is able to stimulate new city development.
- 2.3 A further report was provided on 6 February 2014. The report confirmed the 2013/14 budget decision and approved funding be earmarked from the sale of capital assets not currently supporting the capital investment or property rationalisation programmes.

### Main report

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- 3.1 To date no new capital assets have been realised outside those already designated for current capital investment programme or property rationalisation.
- 3.2 While new funding for this initiative is still to be identified from the sale of capital assets, a number of new forms of investment have been developed. These include the Regional Accelerator Model which will deliver up to £61m of new public realm investment through prudential borrowing. This in turn will unlock £850m of new inward investment. There are also significant new capital

investments being made in Leith and the Edinburgh 12 programme continues to work with developers to unlock a projected £1 billion in new capital investment.

- 3.3 A further report will be brought to Council once agreement has been reached on the sale of any additional capital assets.

## Measures of success

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- 4.1 The Council identifies a funding source to enable a Strategic Investment Fund to be created.

## Financial impact

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- 5.1 The financial impact will be £7.5 million and will come from the sale of those city assets which are not currently within the capital investment or property rationalisation programmes.

## Risk, policy, compliance and governance impact

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- 6.1 A proposed outline strategy for the governance and management of the fund has been developed and approved by Economy Committee.

## Equalities impact

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- 7.1 No full ERIA is required at this time but, subject to full development of the fund, it is recognised that further consideration should be given of the equalities impacts arising. As this fund is intended to create new jobs and is an initiative directly connected to the *Strategy for Jobs*, there will be a strong emphasis on helping those furthest away from the employment market into work.

## Sustainability impact

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- 8.1 There will be opportunity to consider investment in projects aimed at renewable energy or in energy efficiency projects within the city as part of wider investment opportunities.

## Consultation and engagement

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- 9.1 Not applicable to this stage.

## Background reading / external references

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[Capital Coalition Budget Motion - City of Edinburgh Council, 7 February 2013](#)

[City Strategic Investment Fund - City of Edinburgh Council, 22 August 2013](#)

[City Strategic Investment Fund - City of Edinburgh Council, 6 February 2014](#)

[City Strategic Investment Fund - Economy Committee, 29 April 2014](#)

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## Links

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<b>Coalition pledges</b>	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors P17 – Continue efforts to develop the city’s gap sites and encourage regeneration
<b>Council outcomes</b>	CO7 – Edinburgh draws new investment in development and regeneration CO8 – Edinburgh’s economy creates and sustains job opportunities CO19 – Attractive places and well maintained – Edinburgh remains an attractive city through the delivery of high quality buildings and places and the delivery of high standards
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s economy delivery increased investment, jobs and opportunities for all
<b>Appendices</b>	