

The City of Edinburgh Council

10.00am, Thursday 9 February 2017

Capital Investment Programme/Plan 2017/18 to 2025/26 – referral report from the Finance and Resources Committee

Item number 4.2
Report number
Executive/routine
Wards

Executive Summary

On the 19 January 2017 the Finance and Resources Committee considered a report that provided an update on the roll forward of the capital investment programme to 2021/22 and the capital plan to 2025/26. The report has been referred to The City of Edinburgh Council's budget meeting on 9 February 2017 for decision as part of the budget setting process.

Links

Coalition Pledges	See attached report
Council Priorities	See attached report
Single Outcome Agreement	See attached report

Terms of Referral

Capital Investment Programme/Plan 2017/18 to 2025/26

Terms of Referral

- 1.1 Council approved the five year capital programme for the period 2016-2021 in January 2016. A revised programme that incorporated both net slippage/acceleration from 2015/16 and the outcome of a re-phasing exercise was reported to the Finance and Resources Committee in August 2016. The capital programme was based on the ten year capital plan originally set out in 2009, which had subsequently been rolled forward on an indicative basis to 2015 on broadly similar terms as before.
- 1.2 As no firm capital grant allocations had been advised beyond 2017/18 from the Scottish Government, an estimate of each year's General Capital Grant Settlement had been factored in for the period 2018/19 to 2021/22 based on a prudent estimate of the possible Scotland-wide funding and adjusted for a deferred £10.264m allocation from 2016/17 which was assumed to be received in 2019/20. The programme had also been adjusted for current projected capital receipts forecasts and other known sources of income expected from developers and other third party contributions.
- 1.3 The Finance and Resources Committee agreed:
 - 1.3.1 To note the report and refer the report to the Council's budget meeting on the 9 February 2017 for approval of the 2017 - 2022 Capital Investment Programme and updated 2020 – 2026 indicative five year capital plan.
 - 1.3.2 To note that the announcement of the Finance Settlement made in December 2016 indicated additional general capital grant for 2017/18 of £6.93m.
 - 1.3.3 To note that the additional £2.5m of capital investment provided for carriageway and footway works which was provided from existing programme resources.
 - 1.3.4 To note the additional resources of £20m might be available from the Capital Fund, and to refer the report to Council on 9 February 2017 for a decision in the context of infrastructure needs/priorities and existing Council commitments.
 - 1.3.5 To note the up to date analysis of unfunded service priorities and pressures set out within the report.
 - 1.3.6 To note that following the proposed update to the capital plan, £7m of funding per annum was currently unallocated from 2019/20 onwards.

- 1.3.7 To note the recommended use of the additional resources to address some of the Council's capital investment priorities and to refer the report to Council on 9 February 2017 for a decision in the context of infrastructure needs/priorities and existing Council commitments.

For Decision/Action

- 2.1 The City of Edinburgh Council is asked to:
- 2.1.1 Approve the 2017 - 2022 Capital Investment Programme and updated 2021 – 2026 indicative five year capital plan.
 - 2.1.2 To consider the use of the additional resources to address some of the Council's capital investment priorities in the context of infrastructure needs/priorities and existing Council commitments.

Background reading/external references

Minute of the Finance and Resources Committee, 19 January 2017

Kirsty-Louise Campbell

Interim Head of Strategy and Insight

Contact: Veronica MacMillan, Committee Clerk

E-mail: veronica.macmillan@edinburgh.gov.uk | Tel: 0131 529 4283

Links

Coalition Pledges	See attached report
Council Priorities	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 19 January 2017

Capital Investment Programme / Plan 2017/18 to 2025/26

Item number 7.6
Report number
Executive/routine
Wards

Executive summary

The roll forward Capital Investment Programme (CIP) sets out planned investment for the period 2017/18 to 2021/22. Projects have been realigned, reflecting slippage and acceleration in the current financial year. Spending in the latter years should be viewed as indicative, as details of the likely level of capital grant can only be estimated at this time.

The Finance Settlement announced in December 2016 announced the indicative level of capital funding available in 2017/18 which was £6.93m higher than had been previously assumed. Resources of up to £20m could also be released from the Capital Fund to support additional capital investment.

The CIP is based upon the capital plan which will be rolled forward to the period 2020/21 to 2025/26. Since rolling forward the capital plan in February 2016, £7m per annum of funding, available from 2019/20, has remained unallocated.

This report sets out a proposal whereby the Council may use additional resources to address some of its capital investment priorities.

Links

Coalition pledges [P3](#), [P8](#), [P30](#), [P31](#), [P33](#), [P42](#)
Council outcomes [CO1](#), [CO16](#), [CO20](#), [CO23](#), [CO25](#)
Single Outcome Agreement [SO3](#), [SO4](#)

Capital Investment Programme / Plan 2017/18 to 2025/26

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are requested to:
- 1.1.1 Note the contents of this report and remit to Council's budget meeting of 9 February 2017 the 2017 – 2022 Capital Investment Programme and updated 2020 – 2026 indicative five year capital plan;
 - 1.1.2 Note that the announcement of the Finance Settlement made in December 2016 indicated additional general capital grant for 2017/18 of £6.93m;
 - 1.1.3 Note the additional £2.5m of capital investment provided for carriageway and footway works, provided from existing programme resources;
 - 1.1.4 Note that additional resources of £20m may be available from the Capital Fund remit to Council for decision on 9 February 2017 in the context of infrastructure needs / priorities and existing Council commitments;
 - 1.1.5 Note the up to date analysis of unfunded service priorities and pressures set out within this report;
 - 1.1.6 Note that following the proposed update to the capital plan, £7m of funding per annum is currently unallocated from 2019/20 onwards; and
 - 1.1.7 Note the recommended use of the additional resources to address some of the Council's capital investment priorities and remit to Council for decision on 9 February 2017 in the context of infrastructure needs / priorities and existing Council commitments.

2. Background

- 2.1 This report provides elected members with an update on the roll forward of the capital investment programme to 2021/22 and the capital plan to 2025/26.
- 2.2 Council approved the five year capital programme for the period 2016-2021 in January 2016. A revised programme, incorporating both net slippage / acceleration from 2015/16 and the outcome of a re-phasing exercise, was reported to the Finance and Resources Committee in August 2016. The capital

programme is based on the ten year capital plan originally set out in 2009, which has subsequently been rolled forward on an indicative basis to 2026 on broadly similar terms as before.

3. Main report

- 3.1 The table below summarises the capital grant allocation the Council has assumed for 2017/18 from the Scottish Government. This is based on analysis of the Finance Settlement released on 15 December 2016.

	2017/18
Edinburgh's Allocation	£m
General Capital Grant	51.430
Specific Capital Grant	29.798
<i>Of which:</i>	
<i>Management Development Funding</i>	29.115
<i>Cycling, Walking and Safer Streets</i>	0.683

- 3.2 As no firm allocations have been advised beyond this, an estimate of each year's General Capital Grant Settlement has been factored in for the period 2018/19 to 2021/22 based on a prudent estimate of the possible Scotland-wide funding and adjusted for a deferred £10.264m allocation from 2016/17 which is assumed to be received in 2019/20.
- 3.3 The programme has also been adjusted for current projected capital receipts forecasts and other known sources of income expected from developers and other third party contributions.
- 3.4 Executive Directors, working in conjunction with the Capital Monitoring Team, have been asked to re-profile the existing capital programme, including slippage and acceleration identified at period eight, based on up-to-date cash flow information.
- 3.5 The review also considered the extent of under-programming in the programme. When reviewed together with the additional borrowing requirement for 2016/17 identified in the Period 8 monitoring report, it is possible to allocate an additional £2.5m for carriageway and footway works.
- 3.6 The roll forward capital programme, incorporating this review can be seen at Appendix 1.

National Housing Trust (NHT) update

- 3.7 On 12 February 2015, Council approved borrowing for on-lending of up to £54.998m for entering into NHT phase 3. Three contracts have been entered into for developments at Fruitmarket, Shrubhill and Western Harbour which will provide 368 new affordable homes by the end of 2020.
- 3.8 The Walled Garden development, previously reported, is not proceeding through NHT 3 due to the developer and land owner failing to reach terms of agreement. For the three progressing projects, the overall borrowing requirement for on-lending is estimated to be £50.121m.

Current Unfunded Priorities and Pressures

- 3.9 Current unfunded capital priorities over the period 2017-2022, including an element of works across the Council estate collated from each Executive Director totalling approximately £125.765m are summarised in Appendix 2. This is an up to date list of each Service's top three priorities ranked in order of importance taking cognisance of Council commitments and pledges.
- 3.10 While there are insufficient resources to meet all priorities, members may wish to consider applying additional resources against five of the Council's top priorities.
- North Bridge - £12.0m
 - New South Edinburgh Primary School - £12.7m
 - Meadowbank Stadium - £7.9m
 - Dumbryden Care Home - £1.6m
 - Rising School Rolls (part-funding) - £6.7m
 - Appendix 3 sets out a potential funding solution for these projects.
- 3.11 Members are also reminded of the likely future infrastructure requirements as a consequence of projected housing growth in the city initiated through the Local Development Plan (LDP). This stated that there will still likely be an overall large funding requirement falling to the Council as a result of infrastructure provision. Budget provision of £0.9m was provided in 2015/16 for early design works on likely transport and education infrastructure and Council approved at its budget meeting on 21 January 2016 allocation of £3.95m from the Capital Fund to be drawn down as required.
- 3.12 The roll forward capital programme is for General Fund projects only. The Housing Revenue Account capital budget will be the subject of a separate report.

Updated Indicative Capital Plan 2021 - 2026

- 3.13 The Capital Plan was rolled forward to the period 2019/20 to 2023/24 in January 2016. It is proposed to roll forward the five year capital plan on the basis of directing approximately £41m of capital expenditure per annum to the same

priority areas as before. To date, the £7m of funding has remained unallocated pending a decision by elected members as to where best to redistribute this.

4. Measures of success

- 4.1 The City of Edinburgh Council sets a capital budget which adheres to the key objectives of the Prudential Code. These are to ensure, within a clear framework, that the capital plans of the Council are affordable, prudent and sustainable.

5. Financial impact

- 5.1 The revenue funding required to support the borrowing costs associated with the five-year capital programme (2017-2022) is provided for in the long term financial plan.
- 5.2 Council can only commit to further capital expenditure if revenue expenditure plans are affordable and sustainable. Inclusion of any additional revenue investment within the budget framework is contingent upon the development, and subsequent delivery, of corresponding savings, alongside management of all risks and pressures, particularly those of a demand-led nature.

6. Risk, policy, compliance and governance impact

- 6.1 Capital monitoring and budget setting processes adopted ensure effective stewardship of resources. The processes applied aim to ensure projects are delivered on time and budget whilst fulfilling the financial criteria of value for money.
- 6.2 Monitoring of major capital projects including risk assessment is carried out by Strategy and Insight.
- 6.3 The risk of not adequately investing in infrastructure means that it does not meet Council's and stakeholders' needs and does not remain fit for purpose in the future.
- 6.4 Legal and reputational risk from failure in considering and evidencing due regard of the Climate Change (Scotland) Act 2009 Public Bodies Duties and Equality Act 2010 Public Sector Equality Duties in capital projects.

7. Equalities impact

- 7.1 The Council's capital expenditure contributes to the delivery of the public sector equality duty to advance equality of opportunity and foster good relations e.g. enhancement works related to the Disability Discrimination Act, works on

Communities and Families establishments and capital expenditure on Council Housing stock.

8. Sustainability impact

- 8.1 The impacts of the projects set out within the appendices of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account.
- 8.2 The proposals in this report will help achieve a sustainable Edinburgh because they are ensuring funding for key strategic projects that will enhance facilities and infrastructure in the city. A carbon impact assessment shall be carried out on each new project to achieve the most sustainable outcome for the city in each case.
- 8.3 The capital plans in this report will increase the city's resilience to climate change impacts because they provide funding for flood prevention projects.

9. Consultation and engagement

- 9.1 Consultation on the budget has been undertaken as part of the budget process.

10. Background reading/external references

[Edinburgh Local Development Plan - Adoption](#), City of Edinburgh Council, 24 November 2016

[Revenue and Capital Budget Framework 2016-2017 Mid Year Review](#), Finance and Resources Committee, 29 September 2016

[Capital Monitoring 2016-17 Outturn and Receipts](#), Finance and Resources Committee, 18 August 2016

[Capital Investment Programme Plan 2016/2017 - 2023-2024 - referral report from Finance and Resources Committee](#), City of Edinburgh Council, 21 January 2016

Hugh Dunn

Acting Executive Director of Resources

Contact: Denise Pryde, Senior Accountant

E-mail: denise.pryde@edinburgh.gov.uk | Tel: 0131 469 3195

Coalition pledges	<p>P3 – Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools</p> <p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p> <p>P30 – Continue to maintain a sound financial position including long-term financial planning</p> <p>P31 – Maintain our City’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure</p> <p>P33 – Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used</p> <p>P42 – Continue to support and invest in our sporting infrastructure</p>
Council outcomes	<p>CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed</p> <p>CO16 – Edinburgh draws new investment in development and regeneration</p> <p>CO20 – Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and future of citizens</p> <p>CO23 – Well-Engaged and Well-Informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>CO25 – The Council has efficient and effective services that deliver on objectives</p>
Single Outcome Agreement	<p>SO3 - Edinburgh’s children and young people enjoy their childhood and fulfil their potential</p> <p>SO4 - Edinburgh’s communities are safer and have improved physical and social fabric</p>
Appendices	<p>1 – Draft Roll Forward Capital Investment Programme 2017-2022</p> <p>2 – Currently unfunded capital priorities</p> <p>3 - Officer Recommended Projects and Potential Funding</p> <p>4 – Updated Indicative Capital Plan 2021-2026</p>

**REVISED
CAPITAL INVESTMENT
PROGRAMME 2017-2022**
(Incorporating part-year slippage from 2016/17)

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

SUMMARY OF EXPENDITURE AND RESOURCES - GENERAL SERVICES

2017-2022	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	2021-22 £000	Total £000
Expenditure	172,232	52,367	113,514	41,000	41,000	420,112
Resources						
Capital receipts						
General asset sales	18,936	1,038	6,318	3,000	3,000	32,292
Less additional receipt income transferred to capital fund	-5,559	-	-	-	-	-5,559
Asset sales to reduce corporate borrowing	1,380	-	-	-	-	1,380
Ring-fenced asset sales	7,795	3,500	3,000	-	-	14,295
Developers and other contributions	174	-	585	-	-	759
Capital Grants Unapplied account	-	-	-	-	-	-
Total receipts	22,726	4,538	9,903	3,000	3,000	43,167
Grants						
Specific Capital Grant	29,798	-	-	-	-	29,798
General Capital Grant	44,500	44,500	48,264	38,000	38,000	213,264
- General Capital Grant adjustment following announcement	6,930	-	-	-	-	6,930
Total Grants	81,228	44,500	48,264	38,000	38,000	249,992
Borrowing						
Support brought forward	17,515	-	-	-	-	17,515
Prudential framework						
- Through council tax	-	-	-	-	-	-
- Departmentally supported	47,897	12,690	52,863	-	-	113,450
Total borrowing	65,412	12,690	52,863	-	-	130,965
Over / (under)-programming	2,866	-9,361	2,484	-	-	-4,012
Total Resources	172,232	52,367	113,514	41,000	41,000	420,111

Grant funding is based on prudent estimates.

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

<u>SUMMARY OF EXPENDITURE</u>	Revised Budget 2017-18 £000	Indicative Budget 2018-19 £000	Indicative Budget 2019-20 £000	Indicative Budget 2020-21 £000	Indicative Budget 2021-22 £000	Total Budget 2017-2022 £000
General Services						
Chief Executive	1,125	-	-	-	-	1,125
Communities and Families	27,278	12,984	6,709	165	165	47,301
Edinburgh Integration Joint Board	108	-	-	-	-	108
Place	125,659	32,154	72,698	19,835	19,835	270,180
Resources - Asset Management Works						
Communities and Families	10,101	4,398	7,930	-	-	22,429
Edinburgh Integration Joint Board	115	-	25	-	-	140
Place	739	1,337	230	-	-	2,306
Resources - Corporate Property	177	1,494	1,596	-	-	3,267
Not yet allocated to services	-	-	17,326	14,000	14,000	45,326
Unallocated						
Unallocated - indicative 5 year plan	-	-	7,000	7,000	7,000	21,000
Unallocated - additional grant monies	6,930	-	-	-	-	6,930
Total General Services	<u>172,232</u>	<u>52,367</u>	<u>113,514</u>	<u>41,000</u>	<u>41,000</u>	<u>420,112</u>

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

COMMUNITIES AND FAMILIES	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Early years						
Blackhall NS	15	-	-	-	-	15
Corstorphine PS nursery	240	-	-	-	-	240
Davidson's Mains PS nursery	542	-	-	-	-	542
Early learning and childcare	2,591	-	-	-	-	2,591
Ferryhill PS Nursery	260	-	-	-	-	260
Fox Covert nursery	4	-	-	-	-	4
Granton early years Centre	1,016	-	-	-	-	1,016
Longstone PS nursery	595	-	-	-	-	595
Tynecastle PS Nursery	1,164	-	-	-	-	1,164
Early years total	6,427	-	-	-	-	6,427
Primary schools						
Cramond PS FSM Kitchen	15	-	-	-	-	15
East Craigs PS FSM Kitchen	13	-	-	-	-	13
Sciennes PS FSM Kitchen	8	-	-	-	-	8
Towerbank PS FSM Kitchen	9	-	-	-	-	9
Upgrade kitchens - free school meals initiative	44	-	-	-	-	44
Waterfront PS	19	-	-	-	-	19
Primary schools total	108	-	-	-	-	108
Secondary schools						
Liberton High School replacement gym	66	-	-	-	-	66
New high school for Craigmillar	618	-	-	-	-	618
Replacement Queensferry High School	50	5,674	-	-	-	5,724
Secondary schools total	734	5,674	-	-	-	6,408
Community centres						
Duncan Place	1,439	45	-	-	-	1,484
Community centres total	1,439	45	-	-	-	1,484
Children's services						
Accommodation young person centre	295	-	-	-	-	295
Heather Vale Young person Centre	13	-	-	-	-	13
Children's services total	308	-	-	-	-	308
Other projects						
Kirkliston primary school - development works	25	-	-	-	-	25
Other projects total	25	-	-	-	-	25

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

COMMUNITIES AND FAMILIES	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Rising School Rolls						
Rising school rolls extension works	371	1,606	1,206	-	-	3,183
Rising School Rolls Total	371	1,606	1,206	-	-	3,183
Wave three school projects						
Boroughmuir high school replacement	4,702	-	-	-	-	4,702
New park former Portobello HS	-	1,000	-	-	-	1,000
Portobello high school replacement	480	-	-	-	-	480
St Crispin's special school replacement	1,105	107	5,167	-	-	6,379
St John's new wave 3 School	10,045	1,883	171	-	-	12,099
Wave three inflation contingency	9	2,504	-	-	-	2,513
Wave three school projects total	16,341	5,494	5,338	-	-	27,173
Libraries						
George IV Bridge Library-enhancement	365	-	-	-	-	365
Libraries projects total	365	-	-	-	-	365
Sports						
Edinburgh Leisure	165	165	165	165	165	825
Hunter Hall cycle hub and pitch	1,080	-	-	-	-	1,080
Sports projects total	1,245	165	165	165	165	1,905
Cost of sale of Assets						
Fees related to costs of sales	(85)	-	-	-	-	(85)
Cost of sale of Assets Total	(85)	-	-	-	-	(85)
Total Communities and Families	27,278	12,984	6,709	165	165	47,301

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

<u>EDINBURGH INTEGRATION JOINT BOARD</u>	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Care homes						
Royston care Home	102	-	-	-	-	102
Care homes total	102	-	-	-	-	102
Other projects						
Unallocated funding	50	-	-	-	-	50
Fees related to costs of sales	(44)	-	-	-	-	(44)
Other projects total	6	-	-	-	-	6
Total Edinburgh Integration Joint Board	108	-	-	-	-	108

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

<u>CHIEF EXECUTIVE</u>	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Community Safety						
CCTV combine services	1,125	-	-	-	-	1,125
Community safety total	1,125	-	-	-	-	1,125
Total Chief Executive	1,125	-	-	-	-	1,125

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

<u>PLACE</u>	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Environment						
<i>Waste services</i>						
Containers - household waste	(24)	-	-	-	-	(24)
Purchase of litter bins	(18)	-	-	-	-	(18)
Zero Waste: Millerhill - Capital contribution	(48)	-	28,000	-	-	27,952
Waste Total	(90)	-	28,000	-	-	27,910
<i>Parks and green spaces</i>						
HLF - Saughton Park	1,208	-	-	-	-	1,208
Niddrieburn Footbridge	96	-	-	-	-	96
Parks General Budget	94	-	-	-	-	94
Parks - CAMMO - Ringfenced Ins settlement	679	-	-	-	-	679
Parks Total	2,077	-	-	-	-	2,077
<i>Depot Review</i>						
Bankhead depot	(249)	-	10,600	-	-	10,351
Russell road depot	(183)	-	1,963	-	-	1,780
Seafeld depot - Phase 1	402	-	-	-	-	402
Seafeld depot - Phase 2	2,022	-	763	-	-	2,785
The Causey project	19	-	-	-	-	19
Depot Review Total	2,011	-	13,326	-	-	15,337
<i>Fleet</i>						
Vehicle Purchase	751	-	-	-	-	751
Fleet Total	751	-	-	-	-	751
<i>Cemeteries and Crematorium</i>						
Mortonhall Memorialisation	231	-	-	-	-	231
Purchase of Noise Equipment	33	-	-	-	-	33
Cemeteries and Crematorium Total	264	-	-	-	-	264
Housing and Regeneration						
Commuted Sums (S75)	159	-	-	-	-	159
Development Funding Grant	29,115	-	-	-	-	29,115
Home owners adaptation grants	1,000	1,000	1,000	1,000	1,000	5,000
National Housing Trust 3	34,665	4,084	4,366	-	-	43,115
Travelling People's site	14	-	-	-	-	14
Housing and Regeneration Total	64,953	5,084	5,366	1,000	1,000	77,403
Museums and Arts						
Assembly Rooms - Theatre Strategy	166	-	-	-	-	166
Calton Hill redevelopment	124	-	-	-	-	124
City dressing programme	166	-	-	-	-	166
Contingency	65	-	-	-	-	65
Museums and Arts Total	521	-	-	-	-	521

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

<u>PLACE</u>	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Transport and Planning						
<i><u>Roads, Structures & Flood Prevention</u></i>						
Braidburn	(5)	-	-	-	-	(5)
Bridge strengthening	527	-	-	-	-	527
Water of Leith - phase 1	360	-	-	-	-	360
Water of Leith - phase 2	8,568	3,409	-	-	-	11,977
	9,450	3,409	-	-	-	12,859
<i><u>Roads Asset Management Plan</u></i>						
Carriageway / footway works [block]	18,543	9,989	12,771	12,771	13,585	67,660
Carriageway / footway works (Additional Investment)	2,500	-	-	-	-	2,500
	21,043	9,989	12,771	12,771	13,585	70,160
<i><u>Street Lighting & Traffic Signals</u></i>						
Street lighting	3,767	1,500	1,500	1,500	1,500	9,767
Street lighting - City wide LED replacement prog	8,689	8,606	7,171	-	-	24,466
Traffic signals (renewal)	324	-	-	-	-	324
	12,780	10,106	8,671	1,500	1,500	34,557
<i><u>Roads & Network</u></i>						
Lower Granton Road realignment	10	-	-	-	-	10
St Andrew Square public realm	463	-	-	-	-	463
Transport asset management	1,000	1,000	1,000	1,000	1,000	5,000
UTMC and parking guidance	91	-	-	-	-	91
	1,564	1,000	1,000	1,000	1,000	5,564
<i><u>Policy & planning</u></i>						
20mph speed limiting [block]	282	-	-	-	-	282
B924 pedestrian crossing	5	-	-	-	-	5
Bus - priority at signals SVD	110	-	-	-	-	110
Bus priority schemes / bus shelters	177	-	-	-	-	177
Bus Tram integration	23	-	-	-	-	23
Bustracker- RTI extension	(54)	-	-	-	-	(54)
Cycle projects [block]	27	-	-	-	-	27
Cycling, Walking and Safer Street	683	-	-	-	-	683
Design of future projects	(84)	-	-	-	-	(84)
Developer Contributions	204	-	-	-	-	204
Electric vehicles	27	-	-	-	-	27
Frederick Street - Hanover Street	52	-	-	-	-	52
Hermiston Park and Ride (land acq)	14	-	-	-	-	14
Local Bus Priority Measures [Block]	1	-	-	-	-	1
Road safety	508	-	-	-	-	508
Road safety, cycling and public transport	2,090	1,750	1,750	1,750	1,750	9,090
Sighthill Signalised Junction	14	-	-	-	-	14
St Andrew Square bus station	259	-	-	-	-	259
Walking projects [block]	422	-	-	-	-	422
	4,760	1,750	1,750	1,750	1,750	11,760
<i><u>Transport - City Centre</u></i>						
Leith Walk Constitution Street	2,535	-	-	-	-	2,535
Rose Street - public realm	504	-	-	-	-	504
	3,039	-	-	-	-	3,039

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

<u>PLACE</u>	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
<i>Transport Other</i>						
Tram Lifecycle Replacement	-	-	1,000	1,000	1,000	3,000
Neighbourhood Infrastructure Investment						
- North East Locality	742	204	203	203	-	1,352
- North West Locality	957	272	271	271	-	1,771
- South East Locality	465	204	203	203	-	1,076
- South West Locality	269	136	136	136	-	676
	2,433	816	1,814	1,814	1,000	7,875
Transport and Planning Total	55,069	27,070	26,006	18,835	18,835	145,814
Place - contingency	103	-	-	-	-	103
Total Place	125,659	32,154	72,698	19,835	19,835	270,180

REVISED CAPITAL INVESTMENT PROGRAMME 2017-2022

RESOURCES - ASSET MANAGEMENT WORKS	Revised Budget 2017-18	Indicative Budget 2018-19	Indicative Budget 2019-20	Indicative Budget 2020-21	Indicative Budget 2021-22	Total Budget 2017-2022
	£000	£000	£000	£000	£000	£000
Communities and Families						
Boiler Upgrade	71	158	762	-	-	991
Early Years Property	12	-	-	-	-	12
Energy Management	900	1,000	600	-	-	2,500
External Fabric	338	23	-	-	-	361
Fabric Enhancement	5,709	726	222	-	-	6,657
Fire Safety	442	600	600	-	-	1,642
Mechanical and Engineering Upgrade	1,817	1,345	1,802	-	-	4,964
Roofs And Rainwater	119	21	879	-	-	1,019
Stonework / Masonry	11	25	489	-	-	525
Water Quality Upgrading	550	412	400	-	-	1,362
Windows and Doors	132	88	2,176	-	-	2,396
Total for Communities and Families	10,101	4,398	7,930	-	-	22,429
Edinburgh Integration Joint Board						
Mechanical and Engineering Upgrade	115	-	25	-	-	140
Total for Edinburgh Integration Joint Board	115	-	25	-	-	140
Place						
External Fabric	276	655	10	-	-	941
Fabric Enhancement	26	15	-	-	-	41
Fire Safety	175	170	165	-	-	510
Internal Fabric Enhancements	-	79	55	-	-	134
Mechanical and Engineering Upgrade	-	341	-	-	-	341
Parks	262	-	-	-	-	262
Roofs And Rainwater	-	25	-	-	-	25
Windows and Doors	-	52	-	-	-	52
Total for Place	739	1,337	230	-	-	2,306
Resources - Corporate Property						
Energy Management	-	-	500	-	-	500
External Fabric	-	119	35	-	-	154
Fire Safety	-	50	75	-	-	125
Internal Fabric Enhancement	-	-	117	-	-	117
Mechanical and Engineering Upgrade	177	907	610	-	-	1,694
Roofs And Rainwater	-	322	203	-	-	525
Stonework / Masonry	-	56	-	-	-	56
Windows and Doors	-	40	56	-	-	96
Total for Resources - Corp. Property	177	1,494	1,596	-	-	3,267
Funding not yet allocated to projects	-	-	17,326	14,000	14,000	45,326
Total Asset Management Works	11,132	7,229	27,107	14,000	14,000	73,468

Current unfunded capital priorities

Service	Priority	Capital Project	Brief description of project	Priority Driver (s) -	Estimated spend profile over 2017-2022 CIP					Total estimated cost £000	Comment	Estimated Annual Loan Charges (20 year repayment) £000	Estimated Total Loan Charges £000
					Prudential framework suitability (Y/N)	Condition / Suitability / Sufficiency / Affordability	2017/18 £000	2018/19 £000	2019/20 £000				
Communities and Families	1.	Rising Rolls	Requirement to respond to the challenges of rising school rolls to ensure that the Council's statutory duties are fulfilled. There is currently provision of £19.902m within the Capital Investment Programme to 2019/20 for the capital funding necessary to respond to the challenges arising from rising school rolls. however the latest projections show that growth in the primary sector will continue and growth is also being to move into the secondary sector. The latest update report to the Education, Children and Families Committee on 13 December 2016 outlines the projects expected to be required in the primary and secondary sector until 2019/20 and these priorities are estimated to require the budget to be increased by a total of £10.565m over that period. Further budget increases are likely to be required beyond 2020/21 and annual updates forecasts will be completed based on the latest projections.	Sufficiency	1,500	6,000	3,065			10,565		872	17,443
Communities and Families	2.	Meadowbank	A report to the Culture and Sport Committee on 14 December 2016 outlines the current estimated funding gap for delivery of a new sports centre at Meadowbank to be £7.9m and this funding request is requested in line with the expected programme for construction of a new facility.	Condition	1,422	3,950	2,528			7,900		652	13,043
Communities and Families	3.	New South Edinburgh Primary School	On 19 May 2015 the Education, Children and Families Committee approved that a statutory consultation be undertaken regarding options to address the long-term accommodation issues in the south Edinburgh area. This area (defined as encompassing the three primary school catchment areas covered by Bruntsfield, James Gillespie's and South Morningside Primary Schools) has traditionally experienced pressure on primary school places with schools having had high occupancy levels during a period of declining rolls and a necessity for additional accommodation subsequently being required through the provision of temporary units and annexes, some of which still remain. A statutory consultation on five options to address primary school accommodation issues in the area was recently undertaken on 4 February 2016 Council approved the preferred option of delivery a new school. The statutory consultation paper detailed the estimated cost of this options £18.737m. Funding of £6m has already been secured. The balance of funding of £12.737m is required to allow this project to proceed. The profile of spend assumes that the project could start immediately in February 2017.	Sufficiency / Condition and Suitability	530	1,274	8,613	2,320		12,737		1,051	21,029
Communities and Families	4.	A new secondary school in Craigmillar	The second of two existing unfunded priorities in the Wave 4 school investment programme is the commitment made by Council to deliver a new secondary school in Craigmillar (replacing the existing Castlebrae Community High School) as part of the regeneration of Craigmillar. Whilst a site for the proposed new school has been identified in the Craigmillar Town Centre, no statutory consultation has yet been undertaken due to the uncertainty regarding when the new school could be delivered which is entirely dependent on the significant current gap in funding for the project being bridged. This assessment continues to assume that the new school would be opened in August 2020 however to achieve this the project would need to be initiated (with all required funding identified) by early 2017. Any delay would result in a further increase in the estimated costs due to additional construction cost inflation.	N Suitability	-	598	2,918	19,734	5,316	28,566	This is based on the projected total cost for the new school which is now estimated (using the latest forecast of future construction inflation) to be £29.184m. This is based on an assumed opening date of August 2020; a capacity of 700 (including 100 vocational) and with additional space incorporated to develop the ambition of Castlebrae to become a city wide centre of excellence in Science. It further assumes that the balance which requires to be funded is £28.566m with the only existing funding being the £0.618m already in the Capital Investment Programme. This assumes that all other potential sources of funding (e.g. sale of the existing school site, net of demolition costs, and any contribution from PARC) would only be realised in the longer term.	2,358	47,162

Current unfunded capital priorities

Service	Priority	Capital Project	Brief description of project	Estimated spend profile over 2017-2022 CIP							Total estimated cost £000	Comment	Estimated Annual Loan Charges (20 year repayment) £000	Estimated Total Loan Charges £000				
				Prudential framework suitability (Y/N)	Priority Driver (s) - Condition / Suitability / Sufficiency / Affordability					2017/18 £000					2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
					2017/18	2018/19	2019/20	2020/21	2021/22									
Health and Social Care	1.	Capital shortfall for Dumbryden Care Home	<p>The Council has a Business Case in progress for a 7th new care home at Dumbryden, which will replace two older care homes, based on a 60 bed model.</p> <p>The estimated total costs are £9.547m</p> <p>A budget of £7.950m has been identified from capital receipts from older care homes, leaving a shortfall of £1.597m.</p> <p>The cost estimates are based on a smaller, lower spec care home design than Royston, CEC's most recent care home, which is currently under construction.</p> <p>The capital receipts include a significant contribution from Children and Families for the transfer of the Oaklands Care Home site which is intended to be used for the new South Morningside Primary School. This project is dependent on the Oaklands Care Home site being vacated, which will not be possible unless the Dumbryden project goes ahead.</p>	N	Condition / Suitability	-	69	1528	-	-	1,597		799	2,637				
Health and Social Care	2.	New care home to replace three remaining older cares	<p>The Council is currently developing a 6th new care home at Royston and has a Business Case in progress for a 7th at Dumbryden. There are currently 8 older care homes which are no longer fit for purpose. The requirement to replace the older remaining care homes was agreed in the Older People's Accommodation Strategy for Older People. There is a high risk of needing to close older care homes if they are not replaced as they do not meet operational requirements or Care Inspectorate standards. The new homes at Royston and Dumbryden will replace four older care homes, leaving three to be replaced. An 8th new purpose built 60 bedded care home will replace the final three remaining older facilities.</p>	N	Condition / Suitability	500	500	500	7,600	-	9,100		751	15,024				
Health and Social Care	3.	Replacement of Portlee Resource Centre for Older People	<p>Portlee Resource Centre is a day centre for older people. A recent building condition report rated certain elements of the building a in poor 'C' condition - roofs, windows, heating plant and external areas. It is a 1960s converted social club. In addition to the day service for older people, Portlee Resource Centre is also used by MILAN, a day service for black and minority ethnic (BME) people. It is important these services can continue to operate in the north east of the city.</p>	N	Condition / Suitability	600	600	-	-	-	1,200		99	1,981				
Place	1.	North Bridge Refurbishment	<p>Refurbishment of North Bridge to address health and safety matters following identification of significant condition issues.</p>	N	Condition	750	1,400	4,700	4,700	450	12,000	£12m for addressing the health and safety matters and refurbishment of the structure to ensure that it was fit for purpose in the medium to longer term. Without this investment areas underneath it would have to be closed off to the public and as it spans Waverley Station and car park this is not an option.	991	19,812				
Place	2.	Restoration of the Ross Fountain	<p>The Ross Fountain in West Princes Street Gardens was taken out of use six years ago as a result of extensive water losses and the subsequent discovery of signs of structural corrosion to the cast iron fixings. It is one of the most significant cast iron fountains in the UK. It's condition is a constant source of complaint and a significant reputational issue for the City and the Council</p>	N	Condition / Suitability		500				500	This project forms part of a wider initiative in partnership with an third party to develop venues/facilities within princes street gardens. Total cost of the restoration is £1.5M.	41	825				
Place	3.	Environmental Works	<p>Environmental works are required as a result of landslips. These have necessitated the closure of part of the Dean Path Water of Leith footway and their are significant risks to privately owned property at Backbrae.</p>	N	Condition	1,600	-	-	-	-	1,600		132	2,642				

Current unfunded capital priorities

Service	Priority	Capital Project	Brief description of project	Estimated spend profile over 2017-2022 CIP						Total estimated cost £000	Comment	Estimated Annual Loan Charges (20 year repayment) £000	Estimated Total Loan Charges £000	
				Priority Driver (s) -		2017/18	2018/19	2019/20	2020/21					2021/22
				Prudential framework suitability (Y/N)	Condition / Suitability / Sufficiency / Affordability	£000	£000	£000	£000					£000
Resources	1.	Asset Management Works	Asset management upgrade to address the condition of the operational estate. The £40m in total represents the total capital shortfall identified by the asset management strategy, as reported to F&R committee in June 2016. There is a considerable shortfall in the budget available to upgrade the condition of the Council's asset base, leading to the risk of health and safety issues and the need to close operational buildings. An estimated £40m shortfall over five years was reported to F&R Committee in June 2016. The annual budget allocated to this work is already fully allocated for the next five years, only having the capacity to address wind and watertight and health and safety issues. The estate wide condition survey, approved by committee and due to take place between January and September 2017, is expected to identify possibly significant additional issues which will require urgent attention, which will require additional funding to be allocated.	N	Condition	8,000	8,000	8,000	8,000	8,000	40,000		3,302	66,039
						14,902	22,891	31,852	42,354	13,766	125,765			

Definition of Priority Driver

Condition - driver for investment is to address asset condition / deterioration issues

Suitability - driver for investment is to address fitness for purpose issues / alignment of asset to service delivery

Sufficiency - driver for investment is to address capacity issues

Affordability - driver for investment is to address future revenue and capital funding issues e.g. Through optimisation or enhancement rather than replacement

OFFICER RECOMMENDED PROJECTS AND POTENTIAL FUNDING

APPENDIX 3

	2017-18	2018-19	2019-20	2020-21	2021-22	Total
	£000	£000	£000	£000	£000	£000
Expenditure Priorities (recommended by officers)						
Project						
North Bridge	750	1,400	4,700	4,700	450	12,000
New South Edinburgh Primary School	530	1,274	8,613	2,320	0	12,737
Meadowbank Stadium	1,422	3,950	2,528	0	0	7,900
Dumbryden Care Home	0	69	1,528	0	0	1,597
Rising School Rolls	1,500	5,196	0	0	0	6,696
	4,202	11,889	17,369	7,020	450	40,930
Funded by						
Unallocated Capital Funding	0	0	7,000	7,000	0	14,000
Additional Funding from Settlement	6,930	0	0	0	0	6,930
Capital Fund	0	9,161	10,369	20	450	20,000
	6,930	9,161	17,369	7,020	450	40,930

Updated Indicative five year capital plan 2021-2026

Appendix 4

	2021/22	2022/23	2023/24	2024/25	2025/2026
	£000	£000	£000	£000	£000
Resources					
Unallocated					
Capital Receipts	3,000	3,000	3,000	3,000	3,000
General Capital Grant (based on current forecasts)	38,000	38,000	38,000	38,000	38,000
Total Resources	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>
Expenditure					
Place					
- Asset Management Works	14,000	14,000	14,000	14,000	14,000
- Other Transport Projects	2,750	2,750	2,750	2,750	2,750
- Carriageways and Footways	13,585	13,585	13,585	13,585	13,585
- Lighting Columns	1,500	1,500	1,500	1,500	1,500
- Tram Lifecycle Replacement	1,000	1,000	1,000	1,000	1,000
- Statutory Home Owner Adaptations	1,000	1,000	1,000	1,000	1,000
Communities and Families					
- Edinburgh Leisure	165	165	165	165	165
Unallocated funding (pending decision by Members as to where this should be redirected)	7,000	7,000	7,000	7,000	7,000
Total Expenditure	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>
Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>