

Finance and Resources

10.00am, Thursday, 23 May 2019

Water of Leith Flood Protection Phase 2 Underspend

Item number	7.10
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

- 1.1 Members of the Finance and Resources Committee are requested to note:
- 1.1.1 That the underspend on the Water of Leith Flood Protection Phase 2 capital project has been reverted to the Carriageways and Footways block budget in accordance with the conditions of the original funding approved by Transport and Environment Committee.
 - 1.1.2 The findings previously reported to Transport and Environment Committees on the likelihood of occurrence of a flood event and the responsibilities of the various parties on the operation of the docks, flood risk and siltation at the Water of Leith Basin.
 - 1.1.3 Note that the underspend on the capital project cannot be allocated for river dredging work as this is revenue maintenance and not capital enhancement.

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Executive Director of Resources

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Finance and Resources

Water of Leith Flood Protection Phase 2 Underspend

2. Executive Summary

- 2.1 Members of the Governance, Risk and Best Value Committee requested information on the underspend on the Water of Leith Flood Protection Phase 2 capital project be brought to this Committee and consideration be given to funding of work at the Water of Leith Basin.

3. Background

- 3.1 The Capital Monitoring 2018/19 Month Nine report was referred to Governance, Risk and Best Value Committee on 19 February 2019 for consideration. The report identified an underspend in the 2018/19 in the Water of Leith Flood Protection Phase 2 project and noted that there was a projected underspend against the completed project. Councillor Munro noted that he was aware of works which may be required at the Water of Leith Basin. The Head of Finance agreed to report back to Finance and Resources on the possibility of the underspend being reallocated to these works.

4. Main report

- 4.1 The Water of Leith Phase 2 capital budget was established at Transport and Environment Committee on 28 October 2014 by reallocating resources from other capital project budgets within Place including the Carriageways and Footways block budget. The report noted that any future underspends should be returned to the block budget.
- 4.2 A projected underspend on the project was reported to the Finance and Resources Committee on 8 February 2018 and the Council meeting on 22 February 2018, approved the transfer of £5m to the North Bridge Refurbishment project.
- 4.3 The projected financial outturn of Water of Leith Phase 2 is an underspend of £1.120m as detailed in Appendix 1.
- 4.4 This further reported underspend will be returned to the Carriageways and Footways block in accordance with the original report to Transport and Environment

Committee and has been earmarked to mitigate pressures including Burnshot Bridge.

- 4.5 The Transport and Environment Committee has considered the impact of the silt levels at the Water of Leith Basin and the Council's obligations at meetings on the 28 October 2014 and 10 August 2017. The Business Bulletin reported to the Committee on 10 August 2017 advised that the study carried out by external consultants, AECOM, had found that the likelihood of the Water of Leith flooding out of the Water of Leith Basin was a 1 in 200 year event and as a result of the findings the Council did not intend to provide defences or dredge this stretch of the Water of Leith.
- 4.6 The consultant's 2017 report noted that the cost of dredging the Basin was estimated at £4m.
- 4.7 The Water of Leith Basin is not in Council ownership but is owned by a private company, Water of Leith 2000. The 2014 report to Transport and Environment Committee advised that the responsibility for siltation rests with the owner.
- 4.8 The Committee should be aware that dredging works do not constitute a capital infrastructure asset and that these works would be of a revenue nature. The underspend against the Water of Leith Flood Protection Phase 2 project could not be reallocated for this purpose.

5. Next Steps

- 5.1 The reversion of the underspend on the Water of Leith Flood Protection Phase 2 project to the Roads and Carriageways capital block budget will be reflected in the rolled forward Capital Investment Programme which will be reported to Finance and Resources Committee following the 2018-19 outturn.

6. Financial impact

- 6.1 There are no financial implications from this report.

7. Stakeholder/Community Impact

- 7.1 A number of meetings were held with The Friends of the Water of Leith Basin and SEPA in respect of the reports previously brought to Transport and Environment Committee referred to in this report,
- 7.2 Consultation was undertaken with SEPA, in relation to flood modelling and forecasting in respect of the reports previously brought to Transport and Environment Committee referred to in this report.

8. Background reading/external references

- 8.1 [Water of Leith Flood Protection Scheme Phase 2 project update](#) Transport and Environment Committee, 28 October 2014
- 8.2 [Capital Investment Programme 2018-19 - 2022-23](#) City of Edinburgh Council, 22 February 2018
- 8.3 [Transport and Environment Committee - 10 August 2017](#) - Item 6.1 Business Bulletin, Transport And Environment Committee, 10 August 2017
- 8.4 [Water of Leith Basin](#) Transport and Environment Committee, 28 October 2014

9. Appendices

Appendix 1 - Water of Leith Flood Protection Phase 2 - Project Budget and Projected Outturn

Water of Leith Flood Protection Phase 2

	£m	£m
Approved Budget		25.48
Reallocated at Council February 2018		<u>-5.00</u>
Revised Budget		20.48
Actual Spend to Period 9	18.68	
Projected Expenditure		
January – March 2019	0.07	
2019/20 - retentions	0.61	
Total Projected Expenditure		<u>19.36</u>
Projected Underspend		<u>1.12</u>