

The City of Edinburgh Council

10.00am, Thursday 20 February 2020

Capital Budget Strategy 2020 – 2030 – referral from the Finance and Resources Committee

Executive/routine	
Wards	All
Council Commitments	

1. For Decision/Action

- 1.1 The Finance and Resources Committee has referred a report on the Capital Budget Strategy 2020-2030 to Council as part of the budget-setting process.

Laurence Rockey

Head of Strategy and Communications

Contact: Veronica Macmillan, Committee Services

Email: veronica.macmillan@edinburgh.gov.uk | Tel: 0131 529 4283

Referral Report

Capital Budget Strategy 2020 - 2030

2. Terms of Referral

- 2.1 On 14 February 2020, the Finance and Resources Committee considered a report detailing priorities for Council capital investment over the medium to long-term and setting out a plan on how they could be funded.
- 2.2 These priorities included proposed additional funding for the Wave 4 schools programme, additional infrastructure required due to population growth and demography as well as increased investment in the Council's existing estate.
- 2.3 The Finance and Resources Committee agreed:
 - 2.3.1 To note the content of the report and refer it to the Council's budget meeting on 20 February 2020.
 - 2.3.2 To note the announcement of the provisional Local Government Finance Settlement on 6 February 2020 had been reflected in Appendices 1 to 3 to the report.
 - 2.3.3 To note that delivery of funded capital expenditure priorities was dependent on the achievement of a balanced medium-term revenue budget.
 - 2.3.4 To note the Council was governed by the Local Government in Scotland Act 2003 including the requirement to have regard to the Prudential Code and that capital plans were affordable, prudent and sustainable.
 - 2.3.5 To note the prudential borrowing requirement of up to £12.600m for Fleet Replacement vehicles.
 - 2.3.6 To note that budgets for lending to Edinburgh Living from 2020-21 onwards were based on the pipeline of development and would be subject to annual approval from Finance and Resources Committee and Council.
 - 2.3.7 To note the proposed use of contingency funding for Meadowbank and Boroughmuir High School extension, subject to approval by Council.

3. Background Reading/ External References

Minute of the Finance and Resources Committee of 14 February 2020

4. Appendices

Appendix 1 – report by the Executive Director of Resources

Finance and Resources Committee

10am, Friday, 14 February 2020

Capital Budget Strategy 2020 - 2030

Executive/routine Wards Council Commitments	Executive All
---	------------------

1. Recommendations

- 1.1 To note the contents of this report and refer to Council's budget meeting on 20 February 2020;
- 1.2 To note the announcement of the provisional Local Government Finance Settlement on 6 February 2020 has been reflected in Appendices 1 to 3;
- 1.3 To note that delivery of funded capital expenditure priorities is dependent on the achievement of a balanced medium-term revenue budget;
- 1.4 To note the Council is governed by the Local Government in Scotland Act 2003 including the requirement to have regard to the Prudential Code and that capital plans are affordable, prudent and sustainable;
- 1.5 To note the prudential borrowing requirement of up to £12.600m for Fleet Replacement vehicles;
- 1.6 To note that budgets for lending to Edinburgh Living from 2020-21 onwards are based on the pipeline of development and will be subject to annual approval from Finance and Resources Committee and Council; and
- 1.7 To note the proposed use of contingency funding for Meadowbank and Boroughmuir High School extension, subject to approval by Council.

Stephen S. Moir

Executive Director of Resources

Contact: Liam MacDonald, Senior Accountant,

Finance Division, Resources Directorate

E-mail: Liam.MacDonald@edinburgh.gov.uk | Tel: 0131 469 3174

Capital Budget Strategy 2020 - 2030

2. Executive Summary

- 2.1 The report details priorities for council capital investment over the medium to long-term and sets out a plan on how they could be funded. Priorities put forward for proposed additional funding include the Wave 4 schools programme, additional infrastructure required due to population growth and demography as well as increased investment in the Council's existing estate.
- 2.2 It is recognised that the Council's capital resources are limited. Borrowing carried out for investment must be repaid from increasingly limited revenue budgets. The budget strategy in this report can only be funded if the Council is able to balance its revenue budget over the medium to long term to comply with the terms of the Prudential Code. Moreover, the strategy assumes that some priorities, such as the City Centre Transformation and wider transport initiatives, will be funded from a combination of external funding and realignment of existing budgets.

3. Background

- 3.1 The Council set its capital investment programme for the period 2019-24 at its budget meeting of 21 February 2019. This budget has subsequently been revised to reflect slippage from 2018/19 and up-to-date project cashflows, as reported to this committee on 15 August 2019.
- 3.2 Beyond this 5-year planning horizon, allocation of capital resources is based on a 10-year indicative programme approved by the former Policy and Strategy Committee in 2008, which has subsequently been rolled forward and adjusted to reflect new commitments. These include the allocation of 10% of transport budgets for cycling initiatives and the requirement to fund tram asset renewals on the current line. A summary of the current programme for the period 2020-2030 is included at Appendix 1.
- 3.3 The first iteration of the Capital Budget Strategy 2020-2030 was reported to Finance and Resources Committee on 10 October 2019.
- 3.4 This report details capital investment priorities for the next 10 years and sets out potential funding solutions. This report should be read in parallel with the revenue budget report elsewhere on this agenda as the revenue impact of additional capital expenditure needs to be contained within a balanced medium-term revenue budget.

- 3.5 The Council Change Strategy: Planning for Change and Delivering Services 2019-23 reported to Finance and Resources Committee on 10 October 2019 set out the intention to set a policy-based budget through the lenses of poverty, well-being and sustainability with key messages for the Council's three year revenue budget approach linked to these important issues.
- 3.6 Poverty and sustainability are also core themes of the 52 Council Commitments and are reflected in much of the work of this organisation. The climate emergency has led to the Council setting a new and ambitious target to be carbon neutral by 2030 within a legal context for Scotland being carbon neutral by 2045. This has already led to some significant strategic decisions in respect of the City Development Plan Choices document, the City Mobility Plan and specific investment programmes such as the plan to design and build Currie High School to Passivhaus certified standard.
- 3.7 The Council is being supported by the Edinburgh Centre for Carbon Innovation to develop a carbon scenario tool that will augment current business case analysis of major Council projects and capital investment. This strategy will continue to be review on the basis of this work and wider needs to deliver the 2030 zero carbon target.
- 3.8 Explicitly adopting these policy priorities as a focus for the development of the Council's capital budget is a helpful development of the Council's wider Change Strategy.
- 3.9 This report only covers the general fund capital investment programme. The capital expenditure requirements for the Housing Revenue Account is reported elsewhere on this agenda as part of the Housing Revenue Account business plan.

4. Main report

- 4.1 Priorities for capital expenditure, identified by officers and discussed through the operational Asset Management Board, are aligned to our statutory responsibilities to deliver services together with achieving our strategic objectives.
- 4.2 The Council's budget for 2020/21 will seek to improve the well-being of all citizens and ensure Edinburgh is a thriving, fair and sustainable city by prioritising decisions that have a positive impact on poverty, well-being and sustainability – particularly in delivering net zero carbon by 2030.
- 4.3 The budget will also continue to protect and evolve services connected to these policy priorities, while focusing on delivery of high-quality core services in the most efficient way possible.

Latest 2019/20 Capital Monitoring Position and Future Updates

- 4.4 Projected slippage in the 2019/20 programme is included in the Capital Monitoring 2019/20 – Period Eight Position report, elsewhere on the agenda, and has been built into the revised programme in Appendix 1. This slippage will be further amended after the final outturn for the financial year and thereafter reported to Finance and Resources Committee.

Local Government Finance Settlement

- 4.5 Appendices 1 to 3 have been updated to reflect the provisional Local Government Finance Settlement announced on 6 February 2020;
- the Early Years grant is included at £10.000m in 2020/21 in Appendix 1;
 - Cycling, Walking and Safer Streets (CWSS) is included in Appendix 2 at £0.851m;
 - Transfer of Management of Development Funding (TMDF) is included in Appendix 2 at £27.950m, however, it is understood this will be topped up from the Scottish Government More Homes (AHSP) budget to £48.209m at a later stage; and
 - the general capital grant has been decreased from an assumed £5.000m increase to a £0.225m increase in Appendix 2 to reflect the grant of £38.225m rather than £43.000m.
- 4.6 While a commitment was made in September for substantial extra capital spending in years ahead, very little was outlined at the time of the Spending Round announcement. Therefore, it is expected that some of this funding will be announced in March and so further Scottish Barnett consequentials can be expected. Any further changes will be reported to Finance and Resources Committee along with the 2019/20 final outturn.

Existing Capital Investment Programme

- 4.7 To work towards the target of being carbon neutral by 2030, there is a £29.520m capital contribution for the Zero Waste treatment site at Millerhill, £10.736m to complete the Energy Efficiency Street Lighting Project, £17.830m as part of the 10% Cycling Commitment and significant further investment in Active Travel and public transport.
- 4.8 In order to continue to deliver high-quality services, the Council needs to continue to invest in the condition and suitability of its assets. The existing capital plan, as set out in Appendix 1, includes £160.670m for the existing operational estate and £122.631m for roads and pavements as well as continuing investment in specific assets such as North Bridge at £12.602m.
- 4.9 Work has also continued on the development of masterplan for Wave 4 learning estate investment at Wester Hailes Education Centre (WHEC). As part of the masterplan, within the £160.670m for the existing operational estate, there is £1.500m allocated in 2020/21 and £2.500m in 2021/22 to support Phase 1 investment at Wester Hailes Education Centre. Opportunities to finalise the full funding package for Phase 1 are currently being explored.
- 4.10 In addition to this investment, there is significant investment in schools, including the Scottish Government funded requirement to complete its programme of new and extended early years facilities so that all 3- and 4- year olds receive 1140 hours per annum of free childcare. There is a further £113.506m within the existing

programme to complete existing plans to upgrade schools to deal with rising school rolls and modernise the learning estate whilst considering environmental factors.

- 4.11 Within the existing plan there is also £0.777m for Libraries in 2020/21. £0.350m of this is for the Open Libraries pilot and £0.365m for George IV Bridge Library enhancement works. The remaining £0.062m is for other small projects.
- 4.12 Edinburgh is a growing city and capital investment is required both to promote inclusive growth and to address its impacts on citizens and the city. The capital programme provides investment of £62.900m in public realm assets surrounding the new St James development as well as the extension of the tram line to Newhaven. The Tram to Newhaven will unlock a large swathe of the city for housing development and employment opportunities that would not be possible without high capacity public transport. It will also help to reduce air pollution by providing efficient, sustainable transport solutions while opening up people-friendly transport links for individuals and communities from all walks of life.
- 4.13 In response to the growth in the older age groups of the population, the Health and Social Care Partnership is following a transformative programme of people centred, community-based care. This requires alternative delivery models in addition to the traditional care home provision. The delivery of new intermediate care facilities is currently being scoped to meet this requirement, with the first phase utilising the £10.000m in the existing capital plan. Further requirements will emerge over forthcoming years.
- 4.14 Economic growth in Edinburgh has resulted in increased house prices and rent levels, making good quality housing unaffordable to many citizens. While additional social housing provision is financed by the Housing Revenue Account, the general fund capital programme provides £906.311m for lending to Edinburgh Living and National Housing Trust LLPs. These projects are self-financing as a result of income from affordable rents. However, it should be noted that at present the City of Edinburgh Council only has consent to borrow from the Scottish Government for Edinburgh Living LLP up to 2023-24 for a total of £248.000m.

Additional Priorities – Funding Opportunities and Expenditure

- 4.15 The Capital Budget Strategy 2020-30 report from Finance and Resources Committee on 10 October 2019 set out the new funding pressures.
- 4.16 These included Wave 4 schools at a projected cost of £259.380m and additional detail on the Council's learning estate was included elsewhere on the Finance and Resources Committee agenda on 10 October 2019. This has increased from the October 2019 report as the Currie High School costs have been updated to reflect the latest cost estimate which factor in attaining Passivhaus certified standards. There is a further £166.000m for schools under the heading 'infrastructure for population growth' as part of the Local Development Plan requirements. This will be kept under review to ensure that the timing of investment is aligned with wider development.
- 4.17 Current roll projections show that Liberton High School will be over capacity by August 2022 and will require new accommodation for catchment pupils. Based on Finance and Resources Committee – 14 February 2020

the time required to design, secure planning consent for and construct a new school, £1.684m of the Liberton High School budget has been brought forward to allow the design and planning process to proceed. Further work will need to be done by officers as part of a submission to the Scottish Government to develop a funding package that will ensure the necessary infrastructure can be delivered immediately following achievement of planning permission within the overall level of resources identified.

- 4.18 A further £30.859m has been included in the additional priorities for Rising School Rolls, to match the current projected requirement across the existing school estate.
- 4.19 The strategy allocates £48.000m for investment in assets with this split across investment in the Council's parks outdoor assets, additional investment in accessibility and investment of £42.600m in the existing operational estate above that within the existing programme.
- 4.20 Within the Capital Strategy in October there was a provision of £10m for pressures from the existing capital programme. £3.258m of that provision is recommended to be allocated to the Meadowbank Sports Centre to offset a shortfall in capital receipts and additional costs relating to asbestos work. This is in addition to the £7m contingency funding held for this project. A further £2.5m is recommended to be allocated to the Boroughmuir High School extension to match the revised cost estimate.
- 4.21 The Place Directorate require additional investment in roads, structures and street lighting infrastructure. A separate report on this agenda includes a proposal for £2m per annum for such investment, based on revised loan repayment periods.

Fleet Replacement

- 4.22 The Capital Budget Strategy also includes a proposal for capital investment for 213 vehicles, financed over a 5 to 10-year period at an overall estimated value of £12.564m. This will ensure the Council's vehicle fleet is fit for purpose and reduces emissions as much as possible. This replacement strategy will meet key service requirements delivering a modern fleet which complies with the impending low emission zone (LEZ) strategy.
- 4.23 This investment is to be funded through savings made through the fleet review, particularly a significant reduction in existing payments to external companies for hire of many of the vehicles which will be replaced, supplemented by third party grants towards electric vehicles and infrastructure.
- 4.24 A further report on Fleet Replacement will be presented to Finance and Resources Committee on 5 March 2020 with additional information.

Funding Pressure

- 4.25 The overall funding position of the additional funding opportunities and expenditure is summarised in Appendix 3.

Unfunded Capital Priorities and Pressures

- 4.26 In addition to the existing programme and additional priorities, we are developing a funding strategy to deliver City Centre Transformation and the wider City Mobility Plan. This will be reported at a later date to Committee.
- 4.27 Council is aware that community centres are greatly valued by their local communities. A report detailing the condition of the existing estate will be considered by the Finance and Resources Committee on 5 March 2020 with an indicative cost of £13.625m attached.
- 4.28 It should be noted that the proposed Capital Budget Strategy does not include the aspiration to accelerate a first phase of the redevelopment of Wester Hailes Education Centre (paragraph 4.9), to accelerate funding to replace and expand Liberton High School (paragraph 4.17), other than initial design funding, or to provide a dedicated Gaelic Medium Education Secondary provision by 2024. Should the Council wish to invest in these projects, the provision for additional financing and running costs will need to be met from revenue budgets, or as part of a successful submission to the Scottish Government for funding.
- 4.29 In a similar vein, a number of unfunded pressures have been put forward by the Place directorate, which cannot be funded from existing budgets. Appendix 4 sets out unfunded capital pressures.
- 4.30 Finally, there are a number of major projects in the current programme where there is a potential risk of expenditure exceeding budget and these will be reviewed as part of the Council's 2020 budget planning process. Further reports will be prepared, as required, for Council approval to allocate the remaining contingency of £4.242m.

Prudential Indicators

- 4.31 The Capital Budget Strategy 2020-30 will be reflected in the Council's prudential indicators, which accompany the Budget Motion.

5. Next Steps

- 5.1 The Capital Budget Strategy 2020-30 will be referred to Council as part of the Council's budget setting process in February 2020.

6. Financial impact

- 6.1 This report sets out additional capital expenditure of £556.748m, offset by additional income of £226.437m, resulting in a requirement of £330.311m in loans fund advances. The loans charges associated with this over a 30-year period would be a principal amount of £330.311m and interest of £288.985m, resulting in a total cost of £619.296m based on an assumed loans fund interest rate of 4.5%. This represents an annual cost of £20.643m.
- 6.2 Revenue budget planning assumptions mean that that costs associated with £78m of the loans fund advances will be met from savings initiatives and £43m can be met from Council Tax. This is contingent on the Council approving a balanced

medium-term revenue budget in February 2020. It is also assumed that £41m will be supported by the Scottish Government for investment in schools. A further £12.564m will be funded through the fleet review and third-party grants and £1.145m from temporary accommodation savings for the house share scheme. The remaining £154.602m is currently unfunded and will require the Council to find additional revenue savings. A profile of this additional funding pressure and revenue savings is set out in Appendix 3. In the event that the Council is unable to make the savings at that time, then capital expenditure will need to be reduced, potentially meaning that later phases of the Wave 4 Schools programme could not be delivered. Any additional capital resources received will be used to reduce this funding deficit.

- 6.3 Investment in additional assets is likely to result in increased running costs. A report on the associated cost implications of changes in the size and profile of the Council's operational property estate was considered by the Finance and Resources Committee on 23 May 2019. The report noted the need to provide for the additional revenue costs of a number of demand- and condition-led school replacements and new-builds. Based on the cost projections intimated in that report and sums provided within the budget framework in respect of known rising school rolls projects, the Wave Four schools programme (as set out in the original 2018 business case) and additional, or expanded, facilities linked to the Local Development Plan, this level of provision was anticipated to be sufficient to meet, in full, these additional costs at that time. There is, however, a continuing need to assess, based on best-available expenditure and income projections for the projects concerned, the adequacy of sums provided within the budget framework in respect of known and emerging potential commitments. As a result, all projects will be required to produce a detailed business case, setting out both capital and revenue costs and demonstrating how they will be funded prior to project commencement.

7. Stakeholder/Community Impact

- 7.1 Consultation on the capital budget was undertaken as part of the wider engagement on the Council's budget.
- 7.2 The stakeholder and community impact of individual projects within the Council's capital programme is considered as part of the business cases for those projects.

8. Background reading/external references

- 8.1 [Wave 4 Infrastructure Investment Programme](#), Finance and Resources Committee, 11 October 2018
- 8.2 [Capital Investment Programme 2019-20 to 2023-24](#), The City of Edinburgh Council, 21 February 2019
- 8.3 [Housing Revenue Account Budget Strategy 2019-24](#), The City of Edinburgh Council, 21 February 2019, Item 4.3
- 8.4 [Coalition Budget Motion, The City of Edinburgh Council, 21 February 2019](#)

- 8.5 [Edinburgh Tram – York Place to Newhaven Final Business Case](#), The City of Edinburgh Council, 14 March 2019
- 8.6 [Capital Monitoring 2019/20 – Month Three Position](#), Finance and Resources Committee, 15 August 2019
- 8.7 [Capital Budget Strategy 2020-30](#), Finance and Resources Committee, 10 October 2019
- 8.8 [Communities and Families Learning Estate](#), Finance and Resources Committee, 10 October 2019
- 8.9 [Council Change Strategy: Planning for Change and Delivering Services 2019-23](#), Finance and Resources Committee, 10 October 2019
- 8.10 [Update on Short Window Improvement Plan](#), Policy and Sustainability Committee, 25 October 2019
- 8.11 [Half Year Capital Monitoring 2019/20 Position](#), Finance and Resources Committee, 6 December 2019

9. Appendices

Appendix 1 – Capital Budget Strategy 2020-30 – Existing Capital Investment Programme

Appendix 2 – Capital Budget Strategy 2020-30 – Additional Investment Proposals

Appendix 3 – Capital Budget Strategy 2020-30 – Funding Pressure

Appendix 4 – Unfunded Capital Priorities and Pressures

Appendix 5 - Capital Budget Strategy Unfunded Priorities – Prioritisation Criteria

CAPITAL BUDGET STRATEGY 2020-2030

Appendix 1

Existing Capital Investment Programme Summary (incorporating projected slippage from 2019/20)

	Total	Projected Slippage from 2019/20 £m	Indicative Budget 2020/21 £m	Revised Budget 2020/21 £m	Indicative Budget 2021/22 £m	Indicative Budget 2022/23 £m	Indicative Budget 2023/24 £m	Indicative Budget 2024/25 £m	Indicative Budget 2025/26 £m	Indicative Budget 2026/27 £m	Indicative Budget 2027/28 £m	Indicative Budget 2028/29 £m	Indicative Budget 2029/30 £m
Existing Programme - Expenditure													
Communities and Families													
Early Years	26.409	1.409	12.002	13.411	9.576	3.422	-	-	-	-	-	-	-
Primary Schools	36.507	7.325	27.640	34.965	1.542	-	-	-	-	-	-	-	-
Wave 3 Schools	13.783	0.717	14.500	13.783	-	-	-	-	-	-	-	-	-
Wave 4 Schools	21.454	2.454	19.000	21.454	-	-	-	-	-	-	-	-	-
Rising School Rolls	15.353	7.591	7.762	15.353	-	-	-	-	-	-	-	-	-
Libraries	0.777	0.127	0.650	0.777	-	-	-	-	-	-	-	-	-
Sports Facilities	6.301	3.249	1.065	2.184	0.165	0.165	7.165	0.165	0.165	0.165	0.165	0.165	0.165
Safer and Stronger Communities CCTV	1.145	0.145	1.000	1.145	-	-	-	-	-	-	-	-	-
Place													
Zero Waste : Millerhill	29.520	-	29.520	29.520	-	-	-	-	-	-	-	-	-
Depot Review	7.769	0.150	7.619	7.769	-	-	-	-	-	-	-	-	-
Parks and Greenspace	1.980	0.161	1.419	1.580	0.200	0.200	-	-	-	-	-	-	-
Home Owners Adaptation Grants	10.000	-	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Carriageway and Footways	122.631	1.861	10.727	12.588	12.227	12.227	12.227	12.227	12.227	12.227	12.227	12.227	12.227
10% Cycling Commitment	17.830	-	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783	1.783
North Bridge Major Refurbishment	12.602	1.670	5.830	7.500	5.102	-	-	-	-	-	-	-	-
Energy Efficiency Street Lighting Project	10.736	1.168	9.140	10.308	0.428	-	-	-	-	-	-	-	-
Street Lighting	13.415	0.184	1.449	1.265	1.350	1.350	1.350	1.350	1.350	1.350	1.350	1.350	1.350
Road Safety, Network, Cycling and Public Transport	59.278	2.440	15.313	17.753	10.975	13.225	2.475	2.475	2.475	2.475	2.475	2.475	2.475
Tram Life Cycle Replacement	10.000	-	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
IMPACT	5.000	0.500	-	0.500	4.500	-	-	-	-	-	-	-	-
Kings Theatre	9.000	-	2.000	2.000	1.000	6.000	-	-	-	-	-	-	-
Leith Theatre	0.648	0.648	-	0.648	-	-	-	-	-	-	-	-	-
Town Centre Fund	2.132	2.132	-	2.132	-	-	-	-	-	-	-	-	-
St James GAM/Picardy Place	62.900	-	62.900	62.900	-	-	-	-	-	-	-	-	-
Lending - Edinburgh Living LLPs	897.546	7.503	39.871	47.374	28.413	52.040	40.575	148.029	132.216	116.231	116.231	116.231	100.206
Lending - National Housing Trust (NHT)	8.765	4.723	4.042	8.765	-	-	-	-	-	-	-	-	-
Tram to Newhaven	157.836	4.217	74.318	70.101	58.004	29.731	-	-	-	-	-	-	-
Resources													
ICT	6.051	1.051	5.000	6.051	-	-	-	-	-	-	-	-	-
Asset Management Works	160.670	13.296	30.000	16.704	25.516	20.450	14.000	14.000	14.000	14.000	14.000	14.000	14.000
IJB													
New Care Home	10.000	-	-	-	5.000	5.000	-	-	-	-	-	-	-
Unallocated													
	30.000	-	-	-	-	-	-	5.000	5.000	5.000	5.000	5.000	5.000
Existing Programme - Expenditure Budget	1,768.038	21.395	386.550	407.945	167.781	147.593	81.575	187.029	171.216	155.231	155.231	155.231	139.206

CAPITAL BUDGET STRATEGY 2020-2030

Appendix 1

Existing Capital Investment Programme Summary (incorporating projected slippage from 2019/20)

	Total	Projected	Indicative	Revised	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative	Indicative
		Slippage from 2019/20	Budget 2020/21	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Existing Programme - Funding													
Asset Sales (Unringfenced)	18.000	-	3.000	3.000	3.000	3.000	3.000	1.000	1.000	1.000	1.000	1.000	1.000
Developers contributions	1.890	-	0.750	0.750	0.380	0.380	0.380	-	-	-	-	-	-
Capital Grants Unapplied Account	14.894	1.409	2.002	3.411	9.576	1.907	-	-	-	-	-	-	-
General Capital Grant	380.000	-	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000	38.000
Specific Capital Grant - Town Centre	2.132	2.132	-	2.132	-	-	-	-	-	-	-	-	-
Specific Capital Grant - Early Years	10.000	-	10.000	10.000	-	-	-	-	-	-	-	-	-
Loans Fund Advances	1,341.122	17.854	332.798	350.652	116.825	104.306	40.195	148.029	132.216	116.231	116.231	116.231	100.206
Existing Programme - Funding Budget	1,768.038	21.395	386.550	407.945	167.781	147.593	81.575	187.029	171.216	155.231	155.231	155.231	139.206

CAPITAL BUDGET STRATEGY 2020-2030

Appendix 2

Additional Investment Proposals

	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Additional Priorities - Expenditure											
Existing programme - Contingency	4.242	4.242	-	-	-	-	-	-	-	-	-
Meadowbank Sports Centre	3.258	3.258	-	-	-	-	-	-	-	-	-
Boroughmuir High School Extension	2.500	2.500	-	-	-	-	-	-	-	-	-
Wave 4 Schools											
Currie High School	50.927	1.421	1.502	22.994	24.090	0.919	-	-	-	-	-
Trinity Academy Phase 2	42.065	-	1.688	1.784	22.304	14.106	1.092	1.092	-	-	-
Wester Hailes Education Centre	36.001	-	-	-	-	-	1.233	1.283	19.247	13.468	0.770
Liberton High School	49.140	1.684	-	-	-	-	-	1.751	26.271	18.383	1.050
Balerno High School	57.667	-	-	-	-	-	1.976	2.055	30.830	21.573	1.233
Wave 4 Contingency	23.580	0.310	0.319	2.478	4.639	1.503	0.430	0.618	7.635	5.342	0.305
Infrastructure for Population Growth											
Builyeon Road Primary School (S Queensferry)	16.000	-	0.865	6.299	8.835	-	-	-	-	-	-
New Brunstane/Newcraighall Primary School	16.000	-	-	0.900	6.551	8.549	-	-	-	-	-
Maybury Primary School	16.000	0.800	5.600	6.400	3.200	-	-	-	-	-	-
Kirkliston/West Edinburgh Secondary Provision	50.000	-	-	2.812	20.473	24.333	2.382	-	-	-	-
Gilmerton Station Road Primary School	16.000	-	-	0.900	6.551	7.787	0.762	-	-	-	-
Granton Waterfront Primary School	16.000	-	-	-	0.936	6.813	8.098	0.153	-	-	-
East of Milburn Tower Primary School	16.000	-	-	-	-	0.973	7.086	7.941	-	-	-
Unallocated	20.000	-	-	-	-	-	-	-	-	10.000	10.000
Rising School Rolls	30.859	4.509	8.950	3.400	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Transfer of Management of Development Funding (TMDF)	27.950	27.950	-	-	-	-	-	-	-	-	-
Cycling, Walking and Safer Streets (CWSS)	0.851	0.851	-	-	-	-	-	-	-	-	-
Parks - Outdoor Assets Programme	1.800	-	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Fleet Replacement	12.564	12.564	-	-	-	-	-	-	-	-	-
Properties for House Share	1.145	1.145	-	-	-	-	-	-	-	-	-
Increased Investment in Council Buildings											
Investment in accessibility	3.600	-	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.400	0.400
Asset Management Works	42.600	-	-	4.800	5.400	5.400	5.400	5.400	5.400	5.400	5.400
Additional Priorities - Expenditure	556.748	61.234	19.524	53.367	105.580	72.983	31.060	22.892	91.983	76.767	21.358

CAPITAL BUDGET STRATEGY 2020-2030
Additional Investment Proposals

Appendix 2

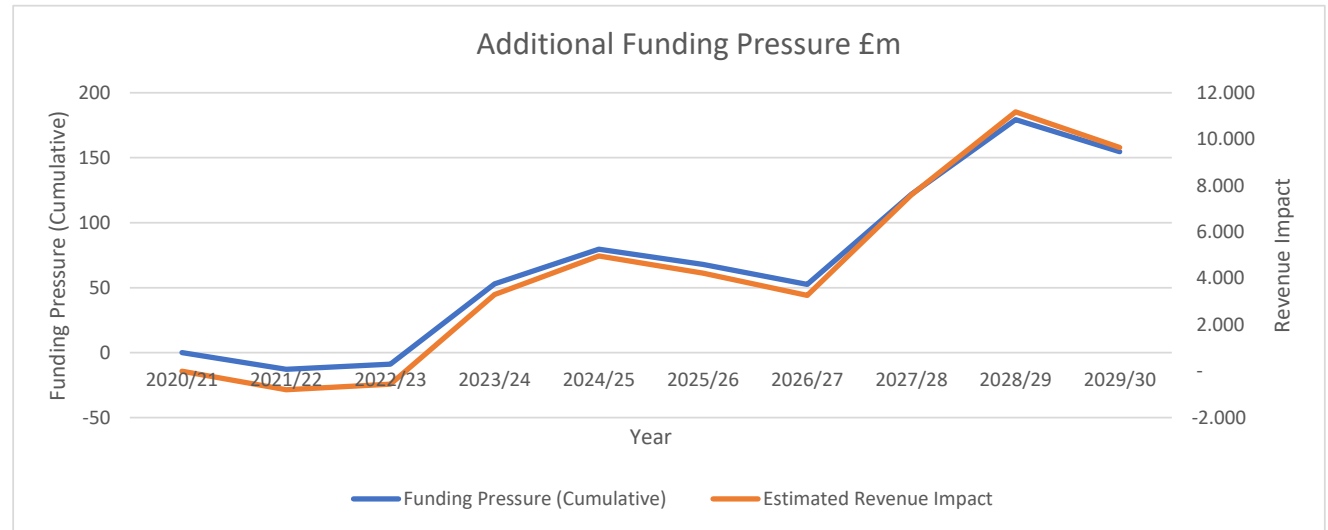
	Total	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Additional Priorities - Funding Opportunities											
<i>Income</i>											
Existing Programme - Unallocated Funding											
Asset Sales (Unringfenced)	12.000	-	-	-	-	2.000	2.000	2.000	2.000	2.000	2.000
External Funding											
Increased general capital grant	67.725	0.225	5.500	6.000	6.500	7.000	7.500	8.000	8.500	9.000	9.500
Developers contributions (Wave 4)	12.514	0.004	0.056	0.499	0.307	5.114	-	4.582	0.370	0.827	0.756
Developers contributions (LDP)	58.400	-	-	0.320	2.586	6.924	18.619	19.382	7.331	3.237	-
Asset Sales (Wave 4)	19.997	-	-	-	-	-	10.489	-	-	-	9.508
Transfer of Management of Development Funding (TMDF)	27.950	27.950	-	-	-	-	-	-	-	-	-
Cycling, Walking and Safer Streets (CWSS)	0.851	0.851	-	-	-	-	-	-	-	-	-
Reserves											
Capital Fund Drawdown	27.000	14.195	-	12.805	-	-	-	-	-	-	-
	226.437	43.225	5.556	19.624	9.393	21.038	38.608	33.964	18.201	15.065	21.764
<i>Supported Borrowing</i>											
Borrowing supported by											
Fleet Review and Third Party Grants	12.564	12.564	-	-	-	-	-	-	-	-	-
Properties for House Share	1.145	1.145	-	-	-	-	-	-	-	-	-
Scottish Government Schools Funding	41.000	-	-	-	-	21.000	-	-	-	-	20.000
Revenue Budget Framework	78.000	-	22.500	25.500	30.000	-	-	-	-	-	-
10% of Increased Council Tax take	43.000	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300	4.300
	175.709	18.009	26.800	29.800	34.300	25.300	4.300	4.300	4.300	4.300	24.300
Additional Priorities - Funding Opportunities	402.146	61.234	32.356	49.424	43.693	46.338	42.908	38.264	22.501	19.365	46.064

CAPITAL BUDGET STRATEGY 2020-2030

Additional Funding Pressure

Additional Expenditure Priorities
 Additional Funding Opportunities
Funding Pressure (Incremental)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
Total	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Additional Expenditure Priorities	556.748	61.234	19.524	53.367	105.580	72.983	31.060	22.892	91.983	76.767	21.358
Additional Funding Opportunities	402.146	61.234	32.356	49.424	43.693	46.338	42.908	38.264	22.501	19.365	46.064
Funding Pressure (Incremental)	154.602	-	- 12.832	3.943	61.887	26.645	- 11.848	- 15.372	69.482	57.402	- 24.706
Funding Pressure (Cumulative)		-	- 12.832	- 8.888	52.999	79.644	67.796	52.424	121.906	179.308	154.602
Estimated Revenue Impact		-	- 0.800	- 0.554	3.304	4.964	4.226	3.268	7.599	11.177	9.637



UNFUNDED CAPITAL PRESSURES	Total Cost (including Third Party)	Total Funding Gap	Priority Score
Projects	£m	£m	
Bridge Structure	9.000	7.050	35
Parks and Greenspace Infrastructure Upgrade	2.100	1.900	33
Hostile Vehicle Mitigation	3.000	3.000	30
West Princes Street Gardens (including Ross Theatre)	30.000	5.000	28
Parking Pay and Display Ticket Machines	2.300	2.300	23
Craigmillar Cemetery Extension	0.850	0.850	22
Cramond Chain Ferry / Promenade	1.100	1.100	21
Allotments	0.400	0.400	19
Pentland Paths	3.130	0.400	17
Community Centres	13.625	13.625	TBA
	65.505	35.625	

Appendix 5: Capital Budget Strategy Unfunded Priorities – Prioritisation Criteria

All bids for the 2020 capital budget setting process have been assessed against a series of criteria to determine their priority for funding, as described below.

All bids have been assessed on a scale of 0-5 points against the following criteria to determine their relative merits. The first three criteria are considered to be particularly important, and have accordingly been given a weighting of three to reflect their importance, allowing a maximum score of 15 per criterion. The remaining criteria are of lesser importance and a maximum score of 5 per criterion is possible. Those projects delivering a statutory function have been accorded greater weight in the scoring.

1. Health and Safety – poor condition buildings or equipment score highly as they pose a risk to health and safety (max points 3x5 = 15);
2. Statutory Requirement – where the Council is obliged to make provision under statute – for example having sufficient school places (max points 3x5 = 15);
3. Risk of operational failure – where an existing asset is at risk of failing, requiring the closure of the asset and stopping the delivery of the service (max points 3x5 = 15);
4. High reputational risk – where national media coverage is a risk, this scores 5; local coverage (Evening News) scores 3 (max points =5);
5. Fulfils Council commitment – contributes to delivering one of the 52 Council commitments from the Business Plan (max points =5);
6. Significant income implication – projects may generate higher income (e.g. increased footfall in commercial venues), or may expose the Council to increased revenue costs if the project is not delivered – in either case they would score highly on this criterion (max points =5);
7. Sustainability benefits – may deliver benefits such as increased recycling, improved public transport use or building fabric upgrade, all scoring high points. New buildings which increase the Council's estate size and carbon footprint score 0. Buildings which replace existing buildings score some points for allowing a more sustainable design to be achieved (max points =5).

A total score of 65 is achievable.

The initial scores were undertaken by each service department however, these were moderated by Strategic Asset Management to ensure consistency across the application of the scoring methodology.

It is recognised that the standardised scoring methodology can only provide an initial starting point and further information on the circumstances of a project may increase its priority.