

10.00am, Thursday, 25 September 2014

Revenue Monitoring 2013/14 – Outturn Report – referral report from the Finance and Resources Committee

Item number	8.7
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 28 August 2014 considered a report that set out the provisional 2013/14 revenue outturn position for the Council based on the unaudited statement of accounts. The report was referred to Council to approve the set-aside of the surplus within the Council's Priorities Fund.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Revenue Monitoring 2013/14 – Outturn Report

Terms of referral

- 1.1 On 28 August 2014 the Finance and Resources Committee considered a report that set out the provisional 2013/14 revenue outturn position for the Council based on the unaudited statement of accounts. This showed an overall underspend of £0.64m, with all service areas having contained expenditure within the budget for the fifth successive year.
- 1.2 For the purposes of closing the 2013/14 accounts, the net underspend of £0.642m had been set aside within the Council Priorities Fund. Members were asked to refer the report to Council to secure approval for this set-aside.
- 1.3 The Finance and Resources Committee agreed:
 - 1) To note the report and the favourable provisional revenue outturn position for the year ended 31 March 2014.
 - 2) To refer the report to Council to approve the set-aside of the surplus indicated at paragraph 3.1 within the Council's Priorities Fund.
 - 3) To note the contributions to and from the General Fund as detailed in the report.
 - 4) To note that the Housing Revenue Account was balanced after making a contribution of £4.2m to the Renewal and Repairs Fund.
 - 5) To refer the report to the Governance, Risk and Best Value Committee as part of its workplan.

For Decision/Action

- 2.1 The City of Edinburgh Council is asked to approve the set-aside of the surplus indicated in the report within the Council's Priorities Fund.

Background reading / external references

[Revenue Monitoring 2013/14 - Outturn Report](#)

Carol Campbell

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday 28 August 2014

Revenue monitoring 2013/14 – outturn report

Item number	6.3
Report number	
Executive/routine	
Wards	

Executive summary

The report sets out the provisional 2013/14 revenue outturn position for the Council based on the unaudited statement of accounts. This shows an overall underspend of £0.64m, with all service areas having contained expenditure within budget for the fifth successive year.

Links

Coalition pledges	P30
Council outcomes	CO25
Single Outcome Agreement	All

Revenue monitoring 2013/14 – outturn report

Recommendations

- 1.1 Members of the Finance and Resources Committee are requested to:
- 1.1.1 note this report and the favourable provisional revenue outturn position for the year ended 31 March 2014;
 - 1.1.2 refer this report to Council to approve the set-aside of the surplus indicated at 3.1 within the Council's Priorities Fund;
 - 1.1.3 note the contributions to and from the General Fund as detailed in the report;
 - 1.1.4 note that the Housing Revenue Account was balanced after making a contribution of £4.2m to the Renewal and Repairs Fund;
 - 1.1.5 refer this report to the Governance, Risk and Best Value Committee as part of its workplan.

Background

- 2.1 The Council's statement of accounts for 2013/14 was passed to the external auditor in advance of the statutory deadline of 30 June. This report sets out the provisional outturn position for the revenue budget as detailed within this statement.

Main report

- 3.1 The unaudited outturn position for 2013/14 shows an overall underspend of £0.64m, equating to 0.07% of the Council's total net expenditure. The table below outlines the constituent elements of this variance, alongside the movement from the position projected at period eight, with additional details provided in Appendices 1 and 2.

	Outturn Variance £000	Period Eight Projected Variance £000	Movement from Period Eight £000
Service Variances			
Children and Families	(5)	-	(5)
Corporate Governance	(31)	-	(31)
Economic Development	(21)	-	(21)
Health and Social Care	0	-	0
Services for Communities	(24)	-	(24)
Total Service Variances	(81)	-	(81)

Other Variances			
Trams – pre-operation costs	967	-	967
Statutory Repairs	2,661	-	2,661
Total Other Variances	3,628	-	3,628
Corporate Variances			
Net Cost of Benefits	257	-	257
Council Tax Reduction Scheme	(1,598)	-	(1,598)
Non-Domestic Rates	611	-	611
Loan charges / Interest on Rev Bals	(4,280)	-	(4,280)
Prior-year and other adjustments	3,126	-	3,126
Council Tax / Community Charge	(2,305)	-	(2,305)
Total Corporate Variances	(4,189)	-	(4,189)
In-year (surplus)/deficit	(642)	-	(642)

3.2 For the fifth successive year, all service areas maintained expenditure within approved levels whilst addressing increased service demand resulting from both demographic changes and wider economic conditions. This position allowed the Council's unallocated General Fund reserve to be maintained at the level underpinning the reserves strategy.

3.3 For the purposes of closing the 2013/14 accounts, the net underspend of £0.642m has been set aside within the Council Priorities Fund. Members are asked to refer this report to Council to secure approval for this set-aside.

Children and Families

3.4 The service achieved an overall underspend of £0.005m, compared to a balanced position forecast at period eight.

Corporate Governance

3.5 The service achieved an overall underspend of £0.031m, equating to 0.04% of the net budget. A balanced position had been projected at period eight.

Economic Development

3.6 The outturn for the service showed an underspend of £0.021m, some 0.2% of the service's net budget, relative to the balanced position forecast at period eight.

Health and Social Care

3.7 The outturn for Health and Social Care showed a balanced position, consistent with the projection at period eight.

Services for Communities

- 3.8 Services for Communities achieved a small underspend of £0.024m compared to the balanced position forecast at period eight.

Other variances

- 3.9 In addition to the service-specific position summarised above, the overall outturn reflected a number of further variances, the main elements of which are summarised below:

- (i) **Edinburgh Trams** – as highlighted in the half-year revenue monitoring report and in accordance with accounting practice, an element of expenditure associated with the tram construction phase fell to be met from the revenue account and corresponding budgetary provision was thus made during the year. In addition, a three-month preparation for operations period (prior to passenger operations commencing in late May) began in March and the outturn therefore includes the agreed element of this cost to be met by the Council;
- (ii) **Statutory repairs** – following the appointment in March 2013 of an independent third party to undertake a review of all outstanding projects and oversee the issuing of accounts to relevant property owners for as-yet unbilled statutory repair work, steady progress has been made in invoicing sums due. There remains, however, an on-going need to review the appropriateness of the existing level of bad debt provision across both billed and unbilled sums. An increase in provision of £1.88m was therefore made in 2013/14, taking the overall bad debt provision to £10.92m excluding associated administration fees;
- (iii) **Council Tax Reduction Scheme** - following abolition of Council Tax Benefit with effect from April 2013, the majority of funding for delivery of the scheme is now included within the Local Government Finance Settlement, with amounts paid out no longer subject to reclaiming through the Department for Work and Pensions. While, in general terms, the entirely demand-led nature of this expenditure exposes the Council to increased risk, sums paid out in 2013/14 were some £1.6m lower than the level of budgetary provision made;
- (iv) **Non-Domestic Rates** - members may recall that the half-year report referenced anticipated savings of around £3m resulting from a back-dated assessment of the Council's rates and associated utilities liability. While substantial savings were identified, a shortfall of £0.6m against the earlier projection was apparent;
- (v) **Loans charges/interest on revenue balances** – the overall favourable variance of £4.28m was largely attributable to a reduced pool rate arising

from the Council's continuing strategy not to undertake external borrowing to finance capital investment, instead financing this from available cash balances. This, in turn, delivers a saving based on the difference between external interest avoided and investment income foregone;

- (vi) **Council Tax/Community Charge** – a combination of a slight increase in overall property numbers and a lower-than-anticipated level of exemptions contributed to an overall favourable variance of £2.3m. While the level of income reflected in the Council's accounts is a product of the cumulative, rather than in-year, collection rate, collection performance in 2013/14 was also the best since the Council's formation in April 1996.

Delivery of approved budget savings

- 3.10 Taking account both of sums approved as part of the 2013/14 budget motion and relevant amounts carried forward from previous years, savings of £19.0m required to be delivered during the year. Expressed by value, three-quarters of these were realised, with the remainder met through alternative measures within the context of a balanced overall position for each service.

Procurement

- 3.11 The approved 2013/14 budget also assumed delivery of £9m of additional corporate savings through improved procurement practices. In recognising the associated timing of delivery of the full benefits from the newly-established Commercial Procurement Service, however, in-year monitoring reports identified £4m of savings in loans charges as a means of managing the resulting pressure on a one-off basis.
- 3.12 Analysis of the year-end position indicates that, across the Council as a whole, over £20m of procurement-related savings, or avoided costs, were achieved during 2013/14. Complementary improvements to the control framework, including implementation of a mandatory purchase order policy from the end of April, provide the foundation to maximise the level of savings that can be derived from improved contract management going forward.

Housing Revenue Account (HRA)

- 3.13 The HRA contributed £4.2m to the Renewal and Repairs Fund, which represents sums set aside for service improvements, the provision of new affordable housing and as a contingency for welfare reform. This contribution was achieved after repaying debt of £6m and providing £3.8m of funding to the 21st Century Homes Programme.

Staff severance costs

- 3.14 Members may recall that Council, at its meeting on 16 September 2010, approved that the former Directors of Finance and Corporate Services be authorised to approve jointly the costs associated with voluntary measures to release staff under the scheme of delegation (in conjunction with the then Convener of the Finance and Resources Committee) and noted that these costs would be reported to a later meeting of Council.
- 3.15 Costs relating to voluntary severance in 2013/14 were met through a combination of central funding and provision made by service areas. Services were again given the option of having pension strain costs funded centrally by way of a budget virement, with any costs being repaid to the General Fund over a period of up to five years, or managing these within available resources. In all cases, full provision was made in-year to meet these costs.
- 3.16 The table below summarises voluntary severance and pension strain costs relating to the release of staff during the year to enable approved savings to be delivered. The number and associated cost of voluntary severance arrangements in 2013/14 was around a third lower than in 2012/13.

Service	Voluntary Severance Costs	Pension Strain Costs	Total	Met by service	Funded centrally	Number of staff
	£000	£000	£000	£000	£000	
Children and Families	457	193	650	193	457	21
Corporate Governance	1,442	1,138	2,580	501	2,079	52
Economic Development	36	3	39	9	30	2
Health and Social Care	168	76	244	59	185	11
Services for Communities	1,100	1,452	2,552	1,797	756	64
Total	3,203	2,863	6,066	2,559	3,507	150

Reserves

- 3.17 Details of the opening and closing amounts in the General Fund, including earmarked balances, are shown in Appendix 3. While the level of unallocated General Fund balance remained unchanged at £13.025m, there was a net increase of £17.525m in reserves held for specific purposes. The main elements of this movement were:

Net contributions to General Fund

- **Council Tax (reduced second home discounts)** - £2.561m. Council has previously reduced the level of discount on Council Tax for second homes, and this money is set aside for specific housing projects, including schemes by registered social landlords;
- **Dilapidations** - £0.561m. Additional provision was made at both corporate and service level during the year in anticipation of relevant liabilities resulting from vacating a number of corporate buildings, including Chesser House, Westwood House and Baileyfield Depot;
- **Spend to Save Fund** – £2.012m. A further contribution to the fund was made in 2013/14, with £2m due to be drawn down in 2014/15 to take forward investment in re-ablement and care at home to facilitate speedier discharge from hospital and reduce the need for boarding beds;
- **Savings set aside for IT-related projects** – although upfront investment was provided to the SEEMIS and e-HR projects, through a combination of additional efficiencies released through the Council's ICT contract and repayments from benefiting projects, the overall balance increased by £0.750m;
- **Contingent risks, including Equal Pay** – an increase in provision of £12.145m was made during the year, reflecting the net impact of changes to the level of provision made for Equal Pay and across the Council's internal improvement programmes.

Contributions from General Fund

- **Balances set aside for specific investment** – the net reduction of £2.871m comprised a combination of (i) service investment originally approved as part of the 2012/13 budget motion but not spent until 2013/14 and (ii) approved drawdowns of funding as part of the iPFM and improve It internal improvement plans;
- **Devolved School Management (DSM)** – following confirmation of year-end balances, a net transfer of £1.376m was made during the year, reducing the total DSM earmarked balance to £1.273m;

- **Older People's Change Fund** – £2.100m was drawn down from the fund during the year to take forward a number of initiatives targeted at prevention and early intervention. The remaining funds of £2.670m require to be utilised in full in 2014/15 pending creation of the Integrated Care Fund from April 2015.

3.18 In addition, there was a net overall decrease of £0.813m in the level of grants received by the Council that remained unspent as of the year-end.

Business Rates Incentivisation Scheme

3.19 Members will be aware that a Business Rates Incentivisation Scheme (BRIS) was introduced in April 2012, allowing those authorities collecting income in excess of their Non-Domestic Rates target to retain 50% of the sum concerned. While the precise form of the scheme going forward remains the subject of on-going discussion with the Scottish Government, no incentivisation payment has been assumed for 2013/14. As part of the scheme conditions, however, the Scottish Government underwrites the combined assumed level of funding support through Non-Domestic Rates and General Revenue Grant within the Local Government Settlement for each authority and, as such, the overall position is net-neutral to the Council.

Measures of success

4.1 The Council has a statutory duty to set a balanced budget each year and the Financial Regulations further set out Directors' responsibilities in maintaining expenditure within approved levels. That this has been achieved for the fifth successive year has allowed the level of unallocated reserves to be maintained in accordance with the Council's reserves strategy whilst also forming a solid basis from which to deliver subsequent years' savings.

Financial impact

5.1 There is no additional financial impact arising from the report's contents but a range of pressures and the corresponding ways in which they were managed during the year is set out.

Risk, policy, compliance and governance impact

6.1 Risk-based monitoring, including regular tracking of the delivery of approved savings and active management of risks and pressures, forms a key element of effective financial management. This, in turn, serves as a vital aspect of the Council's wider governance framework.

Equalities impact

- 7.1 There is no direct impact of the report's contents and recommendations to the three Public Sector Equality Duty general duties, nor to the ten key areas of rights set out within the Council's Equality and Rights Framework.

Sustainability impact

- 8.1 There is no direct relevance of the report's contents to sustainability-related issues. A carbon impacts assessment of those proposals comprising the budget framework will, however, be undertaken and reported to the Finance and Resources Committee.

Consultation and engagement

- 9.1 There is no direct relevance to the report's contents.

Background reading/external references

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

[Revenue Budget 2013/14 – nine-month position](#), Finance and Resources Committee, 16 January 2014

[Unaudited Financial Statements 2013/14](#), City of Edinburgh Council, 26 June 2014

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Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 – The Council has efficient and effective services that deliver on agreed objectives
Single Outcome Agreement	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential

SO4 – Edinburgh’s communities are safer and have improved physical and social fabric

Appendices

Appendix 1 - Unaudited outturn statement, 2013/14

Appendix 2 - Service outturn commentaries

Appendix 3 - General Fund – movements in usable reserves

The City of Edinburgh Council

Unaudited outturn statement, 2013/14

Service	Revised Budget £000	Outturn £000	Outturn Variance £000
Children and Families	395,039	395,034	(5)
Corporate Governance	78,552	78,521	(31)
Economic Development	12,664	12,643	(21)
Health and Social Care	199,870	199,870	0
Services for Communities	129,891	129,867	(24)
Valuation Joint Board requisition	3,746	3,746	0
General Fund services	819,762	819,680	(81)
Tram - pre-operation costs	4,019	4,986	967
Statutory Repairs - owners' recoveries	500	3,161	2,661
Other expenditure	4,519	8,147	3,628
Net Cost of Benefits	1,534	1,791	257
Council Tax Reduction Scheme	28,619	27,021	(1,598)
Equal Pay	(3,974)	(3,974)	0
Non-Distributed Costs	10,113	10,113	0
Rates	(2,749)	(2,137)	611
Dividends Receivable	(3,000)	(3,000)	0
Loans Charges / IoRB	116,984	112,704	(4,280)
Prior Year and Other Adjustments	(5,197)	(2,071)	3,126
Total Non-Service Specific	142,331	140,447	(1,884)
Total Expenditure to be Funded	966,612	968,274	1,663
Funded by -			
Revenue Support Grant	(402,364)	(402,364)	0
Non-Domestic Rates - Contribution from Pool	(334,630)	(334,630)	0
Council Tax / Community Charge	(232,641)	(234,946)	(2,305)
Contribution from Repairs and Renewals	(12,550)	(12,550)	0
Contribution from Capital Fund	(1,492)	(1,492)	0
Contribution from Earmarked Funds	17,066	17,066	0
Total Funding	(966,612)	(968,917)	(2,305)
In-year Surplus	(0)	(642)	(642)

Slight differences above are due to roundings.

Service outturn commentaries

Children and Families

Children and Families achieved an overall underspend of £0.005m for 2013-14 which is in line with the balanced budget position reported at month nine.

In arriving at this position a number of significant unbudgeted pressures were addressed including:

- a growth in fostering, kinship and adoption placements which was significantly in excess of expected levels;
- pressures within the educational support budget for children placed in other local authorities, reflecting increases in foster children placed outside Edinburgh; and
- increased costs associated with Additional Support Needs home-to-school transport.

These pressures were addressed in full through appropriate mitigating management action, including savings which arose from staff turnover and vacancy control. An additional allocation of funding was also received from the Scottish Government relating to residual sums from the teachers' induction scheme.

Corporate Governance

The Corporate Governance 2013/14 final outturn compared to budget reflected an underspend of £0.031m. Although a number of budget pressures emerged during the year, particularly surrounding the impact of welfare reform and staffing costs for the civic function and Organisational Development, management action was taken to contain these pressures within the overall available resources. This was achieved mainly as a result of savings from workforce management, recruitment controls and income maximisation.

Economic Development

The outturn position for the year showed an underspend of £0.021m relative to a balanced position forecast at period eight.

Health and Social Care

The 2013/14 net revenue budget of £199.9m required efficiency savings of £3.3m to be delivered.

A balanced position was achieved in 2013/14, with £0.7m of net pressures being offset by reductions in provisions and draw down from earmarked reserves.

The main variances remaining were as follows:

- (i) £0.8m additional expenditure in supplies and services - operational materials and equipment, computer equipment and legal fees;
- (ii) £0.6m saving relative to budget in third party payments - block contracts.

Services for Communities

Services for Communities achieved a small underspend of £0.02m in 2013/14. This position was the result of a number of variances, reflecting the significant financial challenges faced by the service. Challenges in delivering the internal improvement programmes and funding the property conservation service resulted in overspends for Corporate Property, Environment and Housing. These overspends were offset by additional income generated by Planning and Transport.

Appendix 3

General Fund – movement in usable reserves

	Balance at 31.3.13		Balance at 31.3.14	
	£m	£m	£m	£m
Unallocated General Fund		13.025		13.025
<u>Monies set aside for future risks</u>				
Contingent risks, including equal pay	8.625		20.770	
Contingency funding inc. workforce management	16.495		20.438	
Dilapidations fund	6.993		7.554	
Balances set aside for specific investment	8.229		5.358	
Insurance fund	10.675		11.928	
		51.017		66.048
<u>Monies received in advance of planned expenditure</u>				
Recycling initiatives	1.464		1.464	
PPP	1.327		1.455	
Licensing Income	1.591		1.820	
Council Tax for RSLs	13.774		16.335	
Unspent grants	5.423		4.610	
Police and Fire requisitions returned	3.407		3.445	
Lothian Buses	3.000		4.000	
Older People's Change Fund	4.770		2.670	
Other minor funds	0.117		0.198	
		34.873		35.997
<u>Monies for spend to save projects</u>				
Spend-to-save	3.001		5.013	
Energy efficiency fund	0.997		0.984	
Savings in the BT contract set aside for IT projects	0.433		1.183	
		4.431		7.180
Devolved school management		2.649		1.273
Total General Fund		105.995		123.521

Slight differences in totals due to effects of rounding

The City of Edinburgh Council

10.00am, Thursday, 25 September 2014

Capital Monitoring 2013/14 - Outturn and Receipts – referral report from the Finance and Resources Committee

Item number	8.8
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 28 August 2014 considered a report on the outturn of the Capital budget for 2013/14, and the Capital Programme for 2014/19. In particular, this proposed the realignment and transfer of existing Services for Communities capital budgets to fund a shortfall on the Water of Leith Phase 2 project. The report was referred to Council for approval to fund the shortfall for the Water of Leith Phase 2 project.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report



CEC02083198_0118

Capital Monitoring 2013/14 – Outturn and Receipts

Terms of referral

- 1.1 On 28 August 2014 the Finance and Resources Committee considered a report on the outturn of the Capital budget for 2013/14, and the Capital Programme for 2014/19. In particular, this proposed the realignment and transfer of existing Services for Communities capital budgets to fund a shortfall on the Water of Leith Phase 2 project. Following an overspend on the Water of Leith phase 1 project, there was now a funding shortfall to deliver phase 2.
- 1.2 The approved 2014-2019 Capital Investment Programme (CIP) presented to Council in February 2014 outlined an available capital budget of £20.383 million for the Water of Leith Phase 2. Adjusted for slippage brought forward from 2013/14, the available budget now stood at £20.539 million which left a shortfall of £4.702 million based on the proposed reconfigured scheme.
- 1.3 The Finance and Resources Committee agreed:
 - 1) To note the 2013/14 final unaudited capital positions on the General Fund (excluding the tram project) and the Housing Revenue Account (HRA).
 - 2) To approve the revised Capital Programme for 2014-19.
 - 3) To note the proposed realignment and transfer of existing Service for Communities capital budgets to fund the shortfall on the Water of Leith phase 2 and remit to Council for approval on 25 September 2014.
 - 4) To refer the report to the Governance, Risk and Best Value Committee as Part of its workplan.

For Decision/Action

- 2.1 The City of Edinburgh Council is asked to approve funding for the shortfall on the Water of Leith phase 2.

Background reading / external references

[Capital Monitoring 2013/14 - Outturn and Receipts](#)

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00a.m, Thursday, 28 August 2014

Capital Monitoring 2013/14 – Outturn and Receipts

Item number 6.5
Report number
Executive/routine
Wards

Executive summary

The final outturn shows that in 2013/14 the Council required to borrow £69.242m and was in receipt of grants and capital income net of the transfer to Capital Fund of £81.758m. Together this funded capital investment of £151m. The level of borrowing required was £2.533m greater than budget. This position is subject to the external audit process which will be completed in September 2014.

Links

Coalition pledges	P3; P8; P30; P31; P33; P42
Council outcomes	CO1; CO16; CO20; CO23; CO25
Single Outcome Agreement	SO3; SO4



CEC02083198_0121

Capital Monitoring 2013/14 – Outturn and Receipts

Recommendations

- 1.1 Finance and Resources Committee is requested to:
- 1.1 note the 2013/14 final unaudited capital positions on the General Fund (excluding the tram project) and Housing Revenue Account (HRA);
 - 1.2 approve the revised Capital Programme for 2014-2019;
 - 1.3 note the proposed realignment and transfer of existing Services for Communities capital budgets to fund the shortfall on the Water of Leith phase 2 and remit to Council, for approval on 25 September 2014; and
 - 1.4 refer the report to the Governance, Risk and Best Value Committee as part of its work-plan.

Background

- 2.1 This report presents the final outturn on the Council's Capital Programme for 2013/14, including details of capital receipts and slippage / acceleration on projects within the Capital Investment Programme.

Main report

- 3.1 The outturn position is summarised in the table below, while further details can be seen in Appendix 1. It should be noted that the outturn position reported excludes the tram project.

	Final Outturn Variance £000	Outturn Variance at Month Nine Restated £000	Movement from Month Nine £000
Net (slippage) / acceleration in gross expenditure	(47)	(4,061)	4,014
Net (surplus) / deficit in capital receipts / grant income	(5,420)	(2,882)	(2,538)
Capital receipts income transferred to Capital Fund	8,000	8,000	0
Net increase / (decrease) in borrowing requirement	2,533	1,057	1,476

- 3.2 As detailed in the table at 3.1 above, the final outturn position reports £0.047m of slippage on gross expenditure on projects, compared to an estimated £4.061m variance at month nine. Net capital receipts / grant income exceeded the budgeted level by £5.420m. Of the £12.092m capital receipts income generated from asset sales, £8.805m has been transferred to the Capital Fund. The net effect of these variances is an increase of £2.533m in the amount that the Council requires to borrow corporately to support its capital programme.
- 3.3 Explanations for significant slippage and accelerations in year are included in Appendix 2. Variances on individual projects have been categorised and summarised in order to provide further analysis of the minor net slippage position.
- 3.4 There are a small number of projects where delays or unforeseen circumstances out with the control of the Council have led to slippage (£3.887m). The remainder of slippage (£3.410m) has arisen due to over optimistic budget setting and programme design / delivery issues. This slippage has been matched by acceleration of projects / better than originally anticipated progress (£7.250m) resulting in a minor net slippage position of £0.047m.
- 3.5 The slippage on gross expenditure represents a 0.03% variance against budget compared with a 20.32% variance on the 2012/13 outturn position. This represents a major reduction in slippage on gross expenditure compared with last financial year and demonstrates the success of the centralised capital monitoring team in tackling optimism bias within the programme along with promoting improved delivery.
- 3.6 Although slippage has been drastically reduced, elected members should note that the nature of capital projects means that in any given year, variance against budget will occur due to delays or unforeseen circumstances out with the control of the Council. The impact of this type of slippage has been minimised this year due to acceleration / better than originally anticipated progress elsewhere in the programme. However, the ability to minimise this inherent slippage in future years will depend on how 'shovel-ready' projects are to allow for acceleration in year.
- 3.7 One area where delivery of projects has significantly improved is Asset Management Works. Following an internal review, whereby colleagues within the centralised capital monitoring team worked closely with those within Corporate Property, delivery and monitoring processes have been strengthened. In particular, Corporate Property now carries out the programming and design phases of projects in the preceding financial year so that they are ready to be delivered as soon as the current financial year begins. This has led to a marked improvement on delivery with the outturn expenditure in 2013/14 being £17.082m compared to £8.152m in 2012/13. A breakdown by establishment of the £17.082m spent is detailed within Appendix 3.

- 3.8 The final outturn shows that in 2013/14 the Council required to borrow £69.242m and was in receipt of grants and capital income net of the transfer to Capital Fund of £81.758m. Together this funded capital investment of £151m. The level of borrowing required was £2.533m greater than budget. This position is subject to the external audit process which will be completed in September 2014.

Revised Capital Investment Programme (CIP) 2014-2019

- 3.9 The CIP 2014-2019 approved by Council in February was based on an interim budget which included net slippage / acceleration at month nine.
- 3.10 The remainder of slippage / acceleration since month nine will be carried forward in the capital programme. The revised CIP for 2014-2019, including actual net slippage from 2013/14, but excluding the tram project, is shown in Appendix 4.
- 3.11 The revised CIP has been realigned and re-phased to ensure that project budgets reflect the most up to date cash flow projections. The centralised capital monitoring team within Finance has worked closely with project managers to ensure that optimism bias has been avoided where possible. Project managers have been asked to consider risk issues such as adverse weather or other uncontrollable factors and to build this into budgeted cash flows.
- 3.12 Where block budgets exist, Finance has sought evidence of the programme of works behind these and clarification of the stage they are at e.g. design, tender/procurement or construction stages. Project managers have then been asked to phase budgets accordingly based on the stage of individual projects within a block.
- 3.13 Through the processes described above, base budgets should reflect realistic spending patterns that take risk factors of delivery into account and avoid optimism bias. Through this process, slippage levels should continue to be reduced in 2014/15.

Realignment of programme to fund Water of Leith Phase 2 Shortfall

- 3.14 Members will recollect that following an over spend on the Water of Leith phase 1 capital project, there is now a funding shortfall to deliver phase 2. Officers have considered a reconfigured scheme which maximises the level of flood protection within the funding constraints faced. The most viable reconfigured scheme is estimated to cost a further £25.241m. Details of this proposed scheme will be subject to a separate report to Council.
- 3.15 The Approved 2014-2019 CIP presented to Council in February outlined an available capital budget of £20.383m for the Water of Leith Phase 2. Adjusted for slippage brought forward from 13/14, the available budget now stands at £20.539m leaving a funding shortfall of £4.702m based on the proposed reconfigured scheme (adjusted for expenditure incurred to date).

- 3.16 In rolling forward the revised CIP 2014-2019, Services for Communities have realigned budgets and transferred funds from previously approved projects to fund the shortfall on the reconfigured Water of Leith Phase 2. Full detail of this is set out within Appendix 5.
- 3.17 Members are asked to note this proposed realignment of the 2014 – 2019 CIP and remit to Council, for approval on 25 September 2014.

Capital receipts/grant income

- 3.18 A detailed list of capital receipts, including those ring-fenced for specific projects is shown in Appendix 6.
- 3.19 Of the £12.092m receipts income generated from asset sales, £8.805m has been transferred to the Capital Fund. This balance transferred to the Capital Fund allows future flexibility in realising capital procurement savings within the revenue general fund budget.

Housing Revenue Account (HRA)

- 3.20 As can be seen in Appendix 7, the HRA outturn position reports gross expenditure of £39.206m (£43.397m at month nine), grants and capital income of £15.543m (£13.107m at month nine) and prudential borrowing of £23.663m (£30.290m at month nine).
- 3.21 The final outturn reports £8.830m of slippage on gross expenditure on projects. This is largely down to a protracted process for awarding the required contracts for some elements of the programme, in particular, the multi-storey works. A contributing factor has been the additional rigour applied to Commercial Excellence processes that have led to procurement taking longer than originally anticipated.
- 3.22 Colleagues in Finance are now working alongside colleagues from within Housing to ensure that best practice principles adopted in the General Fund programme are, going forward, embedded into the HRA programme. Through this process, slippage levels based on optimistic budget setting should begin to be reduced in 2014/15.

Measures of success

- 4.1 Completion of capital projects as budgeted for in the 2013/14 capital programme.
- 4.2 Identifying slippage at the earliest opportunity and accelerating projects where possible to ensure best use of available resources.

Financial impact

- 5.1 The 2013/14 general fund outturn (excluding the tram project) outlines capital borrowing of £69.242m. The overall loan charges associated with this borrowing over a 20 year period are a principal amount of £69.242m, interest of £45.075m, resulting in a total cost of £114.317m based on a loans fund interest rate of 5.1%. The loan charges are interest only in the first year, at a cost of £1.777m, followed by an annual cost of £5.627m for 20 years. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy.
- 5.2 The loan charge costs outlined above have been met from this year's revenue budget for loan charges.

Risk, policy, compliance and governance impact

- 6.1 Significant budget virements have complied with relevant financial rules and regulations.
- 6.2 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.
- 6.3 Monitoring of major capital projects including risk assessment is carried out by the Council's Corporate Programmes Office.

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 Children and Families establishments and capital expenditure on Council housing stock.
- 7.2 There is little contribution with regard to capital expenditure and the duty to eliminate unlawful discrimination, harassment or victimisation.

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 proposals in this report will increase the city's resilience to climate change impacts because they are securing funding for flood prevention projects.

Consultation and engagement

- 9.1 Consultation on the budget will be undertaken as part of the budget process.

Background reading/external references

None.

Alastair D Maclean

Director of Corporate Governance

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Links

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>
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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 - Capital Monitoring 2013/14 – Final Position – General Fund</p> <p>2 – Slippage / Acceleration on capital projects 2013/14</p> <p>3 – Breakdown of Asset Management Works Spend 2013/14</p> <p>4 - Revised Capital Investment Programme 2014-2019</p> <p>5 – Realignment of existing programme to fund WOL phase 2 shortfall</p> <p>6 - Capital Receipts Schedule 2013/14</p> <p>7 - Capital Monitoring 2013/14 – Final Position - HRA</p>

Capital Monitoring 2013/14

General Fund Summary

Outturn Position-Unaudited

Expenditure	Revised	Adjusts	Total	Outturn	Variance	
	Budget	£000	Budget	2013/14	£000	%
	£000	£000	£000	£000		
Children and Families	14,946	2,019	16,965	15,670	(1,295)	-7.63%
Economic Development	53	-	53	1	(52)	-98.11%
Corporate Governance	6,477	83	6,560	4,211	(2,349)	-35.81%
Health and Social Care	5,321	(988)	4,333	4,160	(173)	-3.99%
Services for Communities	101,024	10,080	111,104	108,953	(2,151)	-1.94%
Services for Communities-Asset Management	11,617	(508)	11,109	17,082	5,973	53.77%
Council Wide / Corporate Projects	7,873	(6,950)	923	923	-	0.00%
Total Gross Expenditure	147,311	3,736	151,047	151,000	(47)	-0.03%

Resources

<i>Capital Receipts</i>						
General Services	6,435	-	6,435	5,607	(828)	-12.87%
Capital Receipts in lieu of prudential borrowing	-	-	-	3,657	3,657	n/a
Ringfenced Asset Sales to be provided as part of carryforward	-	-	-	1,969	1,969	n/a
Asset Sales to reduce Corporate borrowing	-	-	-	859	859	n/a
Less Fees Relating to Receipts	-	-	-	(237)	(237)	n/a
Less Transfer to Capital Fund	-	(805)	(805)	(8,805)	(8,000)	n/a
<i>Total Capital Receipts from Asset Sales</i>	<i>6,435</i>	<i>(805)</i>	<i>5,630</i>	<i>3,050</i>	<i>(2,580)</i>	<i>-45.83%</i>
Developer and other Contributions	3,531	6,070	9,601	9,601	-	0.00%
Capital Grants Unapplied Account drawdown	127	-	127	127	-	0.00%
Total Capital Receipts	10,093	5,265	15,358	12,778	(2,580)	-16.80%
<i>Grants</i>						
Scottish Government General Capital Grant	39,937	(38)	39,899	39,899	-	0.00%
Cycling, Walking and Safer Streets	519	-	519	519	-	0.00%
Management Development Funding	22,138	6,424	28,562	28,562	-	0.00%
Total Grants	62,594	6,386	68,980	68,980	-	0.00%
Total Resources	72,687	11,651	84,338	81,758	(2,580)	-3.06%

Balance to be funded through borrowing	74,624	(7,915)	66,709	69,242	2,533	3.80%
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CAPITAL MONITORING 2013/2014 - Outturn**Slippage and Acceleration on Projects**

Slippage on projects is shown as a negative value, while acceleration or overspends are shown as positive values.

Key to variance category*Type*

1. Slippage due to unforeseen delays

Explanation

Slippage that has occurred due to unforeseen circumstances or delays that for the most part, are out with the Council's control.

2. Slippage due to optimistic budget

Slippage that has occurred due to optimism bias when budget was set. Issues include projecting spend on block budgets when a programme of works has not been considered or designed, not applying a discount factor for adverse weather / risk issues, providing for too much contingency and predicting a optimistic works timetable.

3. Slippage due to timing of payments

Slippage that has occurred where a project is on time and schedule but is as a result of the timing of cash flows.

4. Acceleration on a project

Represents accelerated spend on a project / better than originally anticipated progress.

Note that a project will exhibit an element of all of the above but the over riding reason has been considered when applying a variance category.

	Outturn £000	Period 9 £000	Movement between periods £000	Explanations for Significant Slippage / Acceleration	Variance Category
<u>Children and Families</u>					
Rising school rolls - phase 2 extension	-767	-646	-121	Based on revised cash flow projections.	2
Boroughmuir New Wave 3 High School	-88	-327	239	Based on revised cash flow projections.	2
Net (slippage) / acceleration on various projects	-440	-413	-27	Based on revised cash flow projections.	2
Total Children and Families	-1,295	-1,386	91		
<u>Economic Development</u>					
CWSS - Promenade	-52	0	-52	Due to difficulties in obtaining external funding to take project forward.	1
Total Economic Development	-52	0	-52		
<u>Asset Management Works</u>					
Acceleration across the Asset Management Works programme	5,973	0	5,973	This represents better than anticipated progress on projects and acceleration of future projects across the asset management works programme. This represents a marked improvement in delivery on previous years.	4
Asset Management Works	5,973	0	5,973		

	Outturn	Period 9	Movement between periods	Explanations for Significant Slippage / Acceleration	Variance Category
<u>Corporate Governance</u>					
ICT transformational change investment	-1,610	0	-1,610	Based on revised cash flow projections.	2
Royal Commonwealth Pool	-445	0	-445	Difficulties in agreeing and finalising retention payment.	1
Net (slippage) / acceleration on various projects	-332	-306	-26	Based on revised cash flow projections.	2
<i>Underpinned by receipt that will not be realised until a future year</i>					
	38	38	0		4
Total Corporate Governance	-2,349	-268	-2,081		
<u>Health and Social Care</u>					
Net (slippage) / acceleration on various projects	-173	-25	-148	Based on revised cash flow projections.	2
Total Health and Social Care	-173	-25	-148		
<u>Services for Communities</u>					
Waverley Bridge / East Market Street	-1,100	-138	-962	Slippage due to project redesign. Project now scheduled to begin in 14/15 with completion by end of Autumn.	1
Street lighting columns	-1,035	0	-1,035	Due to procurement delays (Scotland Excel).	1
Lower Granton Road realignment	-617	-390	-227	Due to procurement delays.	1
Hermiston Park and Ride	-337	-11	-326	Due to delays in agreeing purchase of land from owner.	1
Parks and green spaces	-301	-310	9	Due to procurement delays.	1
Net (slippage) / acceleration on other projects	117	-156	273	Better than anticipated progress.	4
Carriageway and footway works	248	794	-546	Better than anticipated progress.	4
Zero waste - Millerhill	398	954	-556	Better than anticipated progress.	4
Net (slippage) / acceleration on various transport projects	476	875	-399	Better than anticipated progress.	4
Total Services for Communities	-2,151	1,618	-3,769		
Allowance for general slippage across programme	0	-4,000	4,000	This represents a slippage allowance factored in to the forecast projection at period 9 to take account of the possibility of inclement weather over the winter months and other unforeseen/uncontrollable issues that may affect progress on projects. This could not be quantified against specific projects so a general allowance across the programme was factored in.	1
Total for all Services	-47	-4,061	4,014		

Summary of Variance Category	Outturn	Period 9	Movement between periods	Explanations for Significant Slippage / Acceleration	Variance Category
	£000	£000	Movement between periods £000		
1. Slippage due to unforeseen delays	-3,887	-4,849	962		
2. Slippage due to optimistic budget	-3,410	-1,717	-1,693		
3. Slippage due to timing of payments	0	0	0		
4. Acceleration on a project	7,250	2,505	4,745		
	<u>-47</u>	<u>-4,061</u>	<u>4,014</u>		

Breakdown of Asset Management Works Spend 2013/14

	£000
Children And Families	
Abbeyhill Primary School	66
Balgreen Nursery	14
Balgreen Primary School	1
Benmore	55
Blackhall Primary School	81
Boroughmuir High School	1
Broughton Primary School	334
Brunstane Primary School	146
Bruntsfield Primary School	30
Buckstone Primary School	56
Calderglen Nursery	33
Cameron House Community Centre	48
Canal View Primary School	52
Carrickvale Community Centre	1
Castlebrae High School	11
Castleview Community Centre	46
Clermiston Primary School	3
Colinton Primary School	3
Corstorphine Primary School	12
Craigentenny Community Centre	1
Craiglockhart Primary School	44
Craigmillar Children and Family Centre	31
Crammond Primary School	143
Currie High School	123
Currie Primary School	214
Dalmeny Primary School	127
Dalry Primary School	100
Davidson's Mains Primary School	3
Dean Park Primary School	67
Duddingston Primary School	26
Duncan Place Resource Centre	6
Echline Primary School	1
Estate Wide Vehicles Plant and Equipment	482
Ferryhill Primary School	40
Fox Covert Primary School	192
Gilmerton Children Centre	44
Gilmerton Primary School	51
Gracemount Primary School	41
Granton Primary School	60
Grassmarket Nursery School	1
Greendykes Children and Family Centre	132
Gylemuir Primary School	2
Holy Cross Primary School	161
Inch House Community Centre	139
Jack Kane Centre	23
James Gillespie's Primary School	10
James Gillespie's High School	1
Kaimes Special School	66
Kirkliston Nursery	1

	£000
Kirkliston Primary School	7
Lagganlia	10
Leith Academy High School	31
Leith Primary School	42
Leith Walk Primary School	118
Liberton High School	127
Liberton Primary School	44
Lochrin Nursery	57
Longstone Primary School	4
Lorne Primary School	1
Magdalane Community Centre	16
Moffat Nursery	39
Murrayburn Primary School	48
Nether Currie Primary School	21
Newcraighall Primary School	9
Northfield Community Centre	75
Oaklands Special School	7
Panmure St Ann's Special School	57
Parsons Green Primary School	261
Pentland Community Centre	155
Pilrig Children and Family Centre	1
Pilrig Park	75
Portobello Community Centre	1
Portobello High School	838
Prestonfield Primary School	156
Queensferry High School	222
Queensferry Primary School	396
Rannoch Community Centre	87
Ratho Community Centre	19
Ratho Primary School	3
Roseburn Primary School	2
Royal High School	100
Royal Mile Primary School	132
Sciennes Primary School	17
Sighthill Primary School	7
South Bridge Community Centre	70
South Morningside Primary School	72
South Side Community Centre	31
Spinney Lane Nursery	18
St Bride's Community Centre	66
St Crispin's Special School	2
St Cuthbert's Primary School	13
St John Vianney	341
St Katherine's Secure Unit	3
St Leonard's Nursery	57
St Margaret Primary School	40
St Mark's Primary School	76
St Mary's (Leith) Primary School	46
St Mary's (Edin) Primary School	124
St Ninian's Primary School	9
Stanwell Nursery	2
Stenhouse Children and Family Centre	50

	£000
Stenhouse Primary School	50
Stockbridge Primary School	79
The Royal High School	2
Tollcross Primary School	170
Trinity Academy	121
Trinity Primary School	9
Tynecastle Nursery School	58
Victoria Primary School	99
Wellington School	10
Westburn Primary School	21
Wester Hailes Education Centre	436
Total	8,585

Corporate Governance

Broughton Museum	19
City Art Centre	159
City Observatory	134
Estate Wide Vehicles Plant and Equipment	10
Lauriston Castle	293
Lochend Boxing Club	22
Meadowbank Sports Centre	82
Museum Of Childhood	16
Museum Of Edinburgh	19
People's Story	7
Ratho Edinburgh International Climbing Arena	987
Ross Fountain	9
Ross Theatre	49
Tron Kirk	17
Usher Hall	92
Writers Museum	20
Total	1,935

Corporate Property

City Chambers	157
Lothian Chambers	280
Waverley Court	355
Westfield House	4
Woods Youth Centre	65
Total	861

Health And Social Care

Clermiston Home for Older People	32
Clovenstone Home for Older People	109
Colinton Mains Hostel	28
Craighall Day Centre	111
Deanbank Day Centre	1
Ferrylee Home for Older People	183
Firrhill Day Centre	218
Fords Road Home for Older People	337
Jewel Home for Older People	19
Marionville Home for Older People	1

	£000
Oaklands Home for Older People	111
Parkview Home for Older People	83
Porthaven Home for Older People	37
Portlee Day Centre	19
Silverlea Home for Older People	297
Total	1,586

Services For Communities

Balgreen Library	3
Bankhead Depot	156
Barnton Depot	79
Blackhall Library	62
Blackford Depot	70
Burgess Road Depot	42
Central Library	537
Colinton Library	38
Corstorphine Library	5
Craigmillar Depot	17
Currie Library	73
Drumbrae Library Hub	3
East Neighbourhood Office	4
Gilmerton Library	24
Granton Library	5
Inch Depot	32
Inverleith Depot	19
Kirkliston Library	6
Lauriston Castle	27
Leith Library	28
Mcdonald Road Library	4
Moredun Library	9
Morningside Library	288
Mortonhall Crematorium	788
Muirhouse Library	4
Murrayburn Depot	76
Newington Library	54
North Area Office	21
Oxgangs Library	2
Peffer Place Depot	276
Piershill Library	5
Portobello Library	6
Portobello Town Hall	86
Powderhall Depot	98
Russell Road Depot	103
Saughton Depot	40
Seafeld Laboratory	4
South Area Office	114
South Neighbourhood Office	890
South Queensferry Library	4
Wester Hailes Library	9
West Area Office	4
Total	4,115

£000
17,082

* It should be noted that in year expenditure below the Council's capital de minimus of £6,000 are the starting or finishing costs related to bigger projects spanning more than one financial year.

**REVISED
CAPITAL INVESTMENT
PROGRAMME 2014-2019**
(Incorporating full-year slippage from 2013/14)
(excluding tram project)

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

<u>HOUSING REVENUE ACCOUNT</u>	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Housing Investment, including SHQS work	27,560	22,755	23,255	23,255	23,255	120,080
Neighbourhood Environment Investment	2,150	2,150	2,150	2,150	2,150	10,750
Community Care	1,892	1,736	1,814	1,895	1,981	9,318
Regeneration	1,400	10	-	-	-	1,410
Homelessness Investment	50	-	-	-	-	50
Other Capital Expenditure	4,100	4,200	3,800	3,800	3,800	19,700
21st Century Homes Investment	9,990	16,561	12,547	16,648	7,235	62,981
Total Housing Revenue Account	47,142	47,412	43,566	47,748	38,421	224,289

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019SUMMARY OF EXPENDITURE AND RESOURCES - GENERAL SERVICES

2014-2019	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Expenditure	117,729	141,948	60,753	52,642	37,145	410,217
Resources						
Capital receipts						
General asset sales	8,000	8,000	8,000	8000	8,350	40,350
Less General asset sales for property rationalisation savings	(6,200)	(2,350)	-	-	-	(8,550)
Asset sales to reduce corporate borrowing	3,000	3,150	2,250	-	-	8,400
Ring-fenced asset sales	454	-	14,895	-	-	15,349
Developers and other contributions	6,561	2,491	194	173	-	9,419
Total receipts	11,815	11,291	25,339	8,173	8,350	64,968
Grants						
Specific Capital Grant	29,274	-	-	-	-	29,274
General Capital Grant	50,658	45,000	40,000	38,000	38,000	211,658
Total Grants	79,932	45,000	40,000	38,000	38,000	240,932
Borrowing						
Support brought forward	62,996	-	-	-	-	62,996
Prudential framework						
- Through council tax	9,247	4,458	120	-	-	13,825
- Departmentally supported	17,127	3,453	-	-	-	20,580
Total borrowing	89,370	7,911	120	0	0	97,401
Over / (under)-programming	(63,388)	77,746	(4,706)	6,469	(9,205)	6,916
Total Resources	117,729	141,948	60,753	52,642	37,145	410,217

Grant funding for 2015/16, 2016/17, 2017/18 and 2018/2019 is outside the current three year settlement and therefore the grant settlement figures for these years are based on estimates.

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019**SUMMARY OF EXPENDITURE AND RESOURCES - HOUSING REVENUE ACCOUNT**

2014-2019	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Expenditure	47,142	47,412	43,566	47,748	38,421	224,289
Resources						
Capital Receipts						
General Asset Sales	2,350	1,692	1,175	-	-	5,217
Developers and Other Contributions	7,522	16,021	12,851	5,387	5,077	46,858
Total Receipts	9,872	17,713	14,026	5,387	5,077	52,075
Grants						
Specific Gapital Grant	1,625	2,155	-	-	-	3,780
Total Grants	1,625	2,155	-	-	-	3,780
Borrowing						
Prudential Framework						
- House rents	35,645	27,544	29,540	42,361	33,344	168,434
Total Borrowing	35,645	27,544	29,540	42,361	33,344	168,434
Over / (Under)-Programming	-	-	-	-	-	-
Total Resources	47,142	47,412	43,566	47,748	38,421	224,289

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

<u>SUMMARY OF EXPENDITURE</u>	Revised Budget 2014/15 £000	Revised Budget 2015/16 £000	Revised Budget 2016/17 £000	Revised Budget 2017/18 £000	Revised Budget 2018/19 £000	Total Budget 2014-2019 £000
General Services						
Children and Families	17,985	62,072	15,111	18,060	6,204	119,432
Corporate Governance	5,946	5,707	165	165	165	12,148
Council Wide / Corporate Projects	683	-	-	-	-	683
Economic Development	52	-	-	-	-	52
Health and Social Care	2,985	5,626	120	-	-	8,731
Services for Communities	75,862	46,341	31,357	20,417	16,776	190,753
Services for Communities - Asset Management Works						
- Children and Families	7,451	9,516	-	-	-	16,967
- Corporate Property	2,513	3,115	-	-	-	5,628
- Corporate Governance	954	3,611	-	-	-	4,565
- Health and Social Care	918	3,194	-	-	-	4,112
- Services for Communities	2,380	2,766	-	-	-	5,146
- Not yet allocated to services	-	-	14,000	14,000	14,000	42,000
Total General Services	117,729	141,948	60,753	52,642	37,145	410,217

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

CHILDREN AND FAMILIES	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Early years						
Early learning and childcare	-	2,510	-	-	-	2,510
Early years contingency	-	33	-	-	-	33
Fox Covert nursery	145	921	-	-	-	1,066
Early years total	145	3,464	0	0	0	3,609
Primary schools						
Corstorphine	113	-	-	-	-	113
Towerbank	126	-	-	-	-	126
Waterfront	-	19	-	-	-	19
Primary schools total	239	19	0	0	0	258
Secondary schools						
New high school for Craigmillar	-	-	-	618	-	618
Secondary schools total	0	0	0	618	0	618
Community centres						
Duncan Place	-	387	-	-	-	387
Royston / Wardieburn	246	-	-	-	-	246
Community centres total	246	387	0	0	0	633
Children's services						
Accommodation young person centre	-	408	-	-	-	408
Greendykes young person centre	116	884	-	-	-	1,000
Seaview replacement	70	-	-	-	-	70
Children's services total	186	1,292	0	0	0	1,478
Other projects						
Blackhall new gym	145	841	-	-	-	986
Duddingston nursery	145	878	-	-	-	1,023
Fees related to costs of sales	(45)	-	-	-	-	(45)
Kirkliston primary school - development works	1,228	1,025	-	-	-	2,253
Rising school rolls	4,803	6,557	2,301	-	-	13,661
Wardie nursery	145	629	-	-	-	774
Other projects total	6,421	9,930	2,301	0	0	18,652
Wave three school projects						
Boroughmuir high school replacement	4,900	21,300	1,000	6,583	-	33,783
Boroughmuir wave 3 enhancement	126	-	-	-	-	126
James Gillespies campus	425	806	512	-	-	1,743
Portobello high school replacement	4,638	23,374	5,272	5,203	-	38,487
St Crispin's special school replacement	-	-	726	5,656	-	6,382
St John's essential imp. works	275	-	-	-	-	275

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

<u>CHILDREN AND FAMILIES</u>	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
St John's new wave 3 School	200	1,500	5,300	-	-	7,000
Wave three inflation contingency	-	-	-	-	6,204	6,204
Wave three school projects total	10,564	46,980	12,810	17,442	6,204	94,000
Prudentially supported projects						
Fort shared services	31	-	-	-	-	31
Wester Hailes Living Centre	64	-	-	-	-	64
Prudentially supported projects total	95	0	0	0	0	95
Grant funded projects (School Fund)						
New Gaelic medium education school	89	-	-	-	-	89
Grant funded projects total	89	0	0	0	0	89
			-			
Total Children and Families	17,985	62,072	15,111	18,060	6,204	119,432

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

CORPORATE GOVERNANCE	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Museums and arts						
Calton Hill redevelopment	95	431	-	-	-	526
Museums and Arts Total	95	431	0	0	0	526
Edinburgh Leisure						
Edinburgh Leisure	165	165	165	165	165	825
Edinburgh Leisure total	165	165	165	165	165	825
Pavilions and pitches						
3G pitch Mallery Park	600	-	-	-	-	600
Pavilions,pitches and new sports facilities	-	1,199	-	-	-	1,199
Pavilions and pitches total	600	1,199	0	0	0	1,799
Major projects						
Royal Commonwealth Pool	490	-	-	-	-	490
Major projects total	490	0	0	0	0	490
Strategic support						
CATs ICT capital investment	860	1,200	-	-	-	2,060
City dressing programme	50	167	-	-	-	217
Core infrastructure improvements	30	-	-	-	-	30
ICT transformational change investment	3,500	1,935	-	-	-	5,435
Winter festival lighting	50	24	-	-	-	74
Strategic support total	4,490	3,326	0	0	0	7,816
Miscellaneous projects						
Contingency	50	586	-	-	-	636
Drylaw skate park	30	-	-	-	-	30
Fees related to future asset sales	(38)	-	-	-	-	(38)
Sale of Leith Waterworld	9	-	-	-	-	9
Webcasting upgrade	55	-	-	-	-	55
Miscellaneous projects total	106	586	0	0	0	692
Total Corporate Governance	5,946	5,707	165	165	165	12,148

<u>COUNCIL-WIDE PROJECTS</u>	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
EICC - AFS and office building	683	-	-	-	-	683
Total Council-wide Projects	683	0	0	0	0	683

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

HEALTH AND SOCIAL CARE	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Care homes						
New care home - Drumbrae	112	-	-	-	-	112
New care home 6 - net of other funding	500	4,046	120	-	-	4,666
Care homes total	612	4,046	120	0	0	4,778
Other projects						
Autism day and respite centre	1,662	59	-	-	-	1,721
Fees related to costs of sales	(68)	-	-	-	-	(68)
Leamington Terrace	17	-	-	-	-	17
Norton Place	5	-	-	-	-	5
Oxgangs day centre	227	110	-	-	-	337
Unallocated funding	-	1,061	-	-	-	1,061
Wester Hailes Living Centre	80	-	-	-	-	80
Wester Hailes Living Centre Underpass	450	350	-	-	-	800
Other projects total	2,373	1,580	0	0	0	3,953
Total Health and Social Care	2,985	5,626	120	0	0	8,731

ECONOMIC DEVELOPMENT	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
CWSS - Promenade	52	-	-	-	-	52
Total Economic Development	52	0	0	0	0	52

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

SERVICES FOR COMMUNITIES	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Environment						
<u>Waste services</u>						
Containers - CRC's	50	-	-	-	-	50
Containers - household waste	605	234	-	-	-	839
Containers - trade waste	370	212	-	-	-	582
Purchase of litter bins	130	268	-	-	-	398
Waste - service re-design	950	1,381	-	-	-	2,331
Waste disposal sites	16	-	-	-	-	16
Zero Waste: Millerhill	2,870	680	-	-	-	3,550
<u>Parks and green spaces</u>						
Drumbrae park (Buttercup Farm Pk)	196	-	-	-	-	196
Footway landslips	155	-	-	-	-	155
HAVS replacement equipment	100	-	-	-	-	100
Living landscapes	125	-	-	-	-	125
New allotments	-	120	-	-	-	120
New play areas	240	5	-	-	-	245
Parks and green spaces	-	207	-	-	-	207
Pitch and park drainage	268	135	-	-	-	403
Saughton winter walled garden	70	70	-	-	-	140
<u>Fleet</u>						
Electricity charge point	97	-	-	-	-	97
<u>Environment works</u>						
Env asset works order system	210	-	-	-	-	210
Refurbishment - public conveniences	19	-	-	-	-	19
Environment total	6,471	3,312	0	0	0	9,783
Community Safety						
CCTV - Telfer Subway	15	35	-	-	-	50
CCTV combine services	50	950	-	-	-	1,000
CCTV Reinstatement - TIE	45	61	-	-	-	106
Mortonhall Crematorium - mercury abatement	44	-	-	-	-	44
Libraries						
George IV Bridge Library-enhancement works	406	150	-	-	-	556
Peoples Network	247	-	-	-	-	247
Community Safety & Libraries total	807	1,196	0	0	0	2,003
Housing and Regeneration						
Commuted sums	159	-	-	-	-	159
Development Funding Grant	28,512	-	-	-	-	28,512
Home owners' adaptation grants	1,018	-	-	-	-	1,018
National Housing Trust	9,696	-	-	-	-	9,696
Neighbourhood env partnerships	902	1,319	814	-	-	3,035
Private Sector Housing Grant	-	2,492	-	-	-	2,492
Housing and Regeneration total	40,287	3,811	814	0	0	44,912

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

SERVICES FOR COMMUNITIES	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Projects Controlled by Corporate Property						
2 Peffer Place improvements	3	-	-	-	-	3
249 High Street advice shop	6	-	-	-	-	6
Castlebrae business centre	950	950	-	-	-	1,900
Craigmillar Hearts Social Club reinstatement	121	-	-	-	-	121
Grassmarket Nursery 6VT relocation	530	-	-	-	-	530
New Craigmillar Neighbour office	101	-	-	-	-	101
Projects Controlled by Corporate Property total	1,711	950	0	0	0	2,661
Transport and other infrastructure						
<i>Engineering</i>						
Braidburn	210	40	-	-	-	250
Bridge strengthening	640	677	-	-	-	1,317
Coastal protection [block]	9	36	-	-	-	45
Disabled parking bay signing	70	-	-	-	-	70
Flood prevention [block]	21	53	-	-	-	74
Lower Granton Road realignment	591	26	-	-	-	617
Reservoirs	131	103	-	-	-	234
St Andrew Square public realm	50	484	-	-	-	534
Traffic signals (renewal)	320	392	-	-	-	712
Transport asset management	-	-	1,000	1,000	1,000	3,000
UTMC and parking guidance	173	452	-	-	-	625
Water of Leith - phase 1	243	289	500	-	-	1,032
Water of Leith - phase 2	253	7,629	13,038	2,598	1,723	25,241
<i>Policy & planning</i>						
20mph speed limiting [block]	100	100	-	-	-	200
B924 pedestrian crossing	3	-	-	-	-	3
Bus lane camera enforcement	11	-	-	-	-	11
Bus priority schemes / bus shelters	304	136	-	-	-	440
Bus Tracker priority at signals	190	-	-	-	-	190
Bus Tram integration	223	9	-	-	-	232
Bustracker- RTI extension	151	50	-	-	-	201
Charlotte Square refurbishment	30	961	-	-	-	991
CWSS road safety	150	40	-	-	-	190
Cycle projects [block]	1,332	307	-	-	-	1,639
Cycling, Walking and Safer Streets	472	-	-	-	-	472
Design of future projects	1	-	-	-	-	1
Electric vehicles	5	10	-	-	-	15
Hermiston Park and Ride (land acq)	325	4	-	-	-	329
Park and Ride development	21	10	-	-	-	31
Road safety	647	296	-	-	-	943
Road safety, cycling and public transport	-	1,750	1,750	1,750	1,750	7,000
St Andrew Square bus station	106	50	-	-	-	156

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

SERVICES FOR COMMUNITIES	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
Sustrans	935	-	-	-	-	935
Walking projects [block]	160	75	-	-	-	235
<i>City centre - transport</i>						
City Centre public realm	72	9	-	-	-	81
George Street -festival works	250	50	-	-	-	300
Leith Walk Constitution Street	2,135	3,228	-	-	-	5,363
Roads ward allocation	289	-	-	-	-	289
Rose Street - public realm	32	213	-	-	-	245
Waverley Bridge / Market Street	1,335	365	-	-	-	1,700
West end public realm	357	13	-	-	-	370
<i>Roads</i>						
Carriageway / footway works [block]	13,204	16,215	12,755	13,569	10,803	66,546
Street lighting	1,035	3,000	1,500	1,500	1,500	8,535
Transport and other infrastructure total	26,586	37,072	30,543	20,417	16,776	131,394
Total Services for Communities	75,862	46,341	31,357	20,417	16,776	190,753

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
SERVICES FOR COMMUNITIES - ASSET MANAGEMENT WORKS						
Children and Families						
Boilers	322	-	-	-	-	322
Doors and windows	754	1,507	-	-	-	2,261
Early years property	139	24	-	-	-	163
Environmental improvements	50	-	-	-	-	50
Fabric enhancement	1,055	1,250	-	-	-	2,305
Fire safety	680	670	-	-	-	1,350
Integration works	46	8	-	-	-	54
Mechanical and engineering upgrade	663	2,642	-	-	-	3,305
Roof and rainwater	2,242	1,566	-	-	-	3,808
Stonework/masonry	786	406	-	-	-	1,192
Sustainability	26	6	-	-	-	32
Unallocated funding	-	231	-	-	-	231
Upgrade high schools	101	209	-	-	-	310
Upgrade primary schools	98	25	-	-	-	123
Water quality upgrading	489	972	-	-	-	1,461
Total for Children and Families	7,451	9,516	0	0	0	16,967
Corporate Governance						
Disability Discrimination Act works	20	20	-	-	-	40
Energy Efficiency	12	98	-	-	-	110
External fabric improvements	-	75	-	-	-	75
Fabric enhancement	406	1,624	-	-	-	2,030
Fire safety	30	30	-	-	-	60
Furniture, fittings and equipment upgrade	33	5	-	-	-	38
Improvement works	181	354	-	-	-	535
Mechanical and engineering upgrade	189	1,156	-	-	-	1,345
Roof and rainwater	47	179	-	-	-	226
Security works	6	40	-	-	-	46
Water quality upgrading	30	30	-	-	-	60
Total for Corporate Governance	954	3,611	0	0	0	4,565
Health and Social Care						
Bedroom upgrades	108	72	-	-	-	180
Doors and windows	49	32	-	-	-	81
External fabric improvements	7	-	-	-	-	7
Fire safety	90	60	-	-	-	150
Improvement works	477	223	-	-	-	700
Insulation enhancement	20	-	-	-	-	20
Lift upgrade	21	14	-	-	-	35
Lighting	4	-	-	-	-	4
Mechanical and engineering upgrade	60	250	-	-	-	310
Roof and rainwater	16	-	-	-	-	16
Unallocated funding	-	2,543	-	-	-	2,543
Water quality upgrading	66	-	-	-	-	66
Total for Health and Social Care	918	3,194	0	0	0	4,112

REVISED CAPITAL INVESTMENT PROGRAMME 2014-2019

	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019
	£000	£000	£000	£000	£000	£000
SERVICES FOR COMMUNITIES - ASSET MANAGEMENT WORKS						
Services for Communities						
Disability Discrimination Act works	43	105	-	-	-	148
Doors and windows	99	28	-	-	-	127
External fabric improvements	256	409	-	-	-	665
Fabric enhancement	340	84	-	-	-	424
Fire safety	205	121	-	-	-	326
Furniture, fittings and equipment upgrade	25	-	-	-	-	25
Improvement works	204	517	-	-	-	721
Internal fabric enhancements	597	242	-	-	-	839
Mechanical and engineering upgrade	430	233	-	-	-	663
Roof and rainwater	98	136	-	-	-	234
Security work	24	20	-	-	-	44
Unallocated funding	-	615	-	-	-	615
Water quality upgrading	59	256	-	-	-	315
Total for Services for Communities	2,380	2,766	0	0	0	5,146
Services for Communities - Corporate Property						
Boilers	365	91	-	-	-	456
Disability Discrimination Act works	30	-	-	-	-	30
Doors and windows	108	72	-	-	-	180
Fire safety	30	-	-	-	-	30
Heating upgrade	32	18	-	-	-	50
Improvement works	150	-	-	-	-	150
Internal fabric enhancement	979	537	-	-	-	1,516
Mechanical and engineering upgrade	415	475	-	-	-	890
Security work	20	-	-	-	-	20
Stonework/masonry	323	81	-	-	-	404
Unallocated funding	-	1,841	-	-	-	1,841
Water quality upgrading	61	-	-	-	-	61
Total for Services for Communities - Corp. Property	2,513	3,115	0	0	0	5,628
Funding not yet allocated to projects	-	-	14,000	14,000	14,000	42,000
Total Asset Management Works	14,216	22,202	14,000	14,000	14,000	78,418

Realignment of programme to fund Water of Leith (WOL) Phase 2 Shortfall

	Revised Budget 2014-15	Revised Budget 2015-16	Revised Budget 2016-17	Revised Budget 2017-18	Revised Budget 2018-19	Total Budget 2014-2019	Comment where applicable
	£000	£000	£000	£000	£000	£000	
WOL phase 2 - approved 2014-2019 CIP (adjusted for 2013/14 slippage b/f)	1,101	5,905	9,533	2,000	2,000	20,539	
<i><u>Capital budget transferred to fund shortfall</u></i>							
- SFC capital contingency		656				656	Amalgamation of various project under spends.
- Food waste		268				268	Under spend on project.
- West end public realm	230					230	Under spend on project.
- WOL phase 1		480				480	Transfer from project budget after considering future compensation events.
- Braidburn		302				302	Transfer from project budget after considering future compensation events.
- Carriageway / footway works [block]					2,766	2,766	Transfer from block budget with commitment that any future budget savings and under spends elsewhere in the Services for Communities capital programme will be used to reinstate this transfer.
Realignment of budget based on current WOL phase 2 cash flow projection	(1,078)	18	3,505	598	(3,043)	0	
Total revised WOL phase 2 budget following transfer and realignment	<u>253</u>	<u>7,629</u>	<u>13,038</u>	<u>2,598</u>	<u>1,723</u>	<u>25,241</u>	

CAPITAL MONITORING 2013/14
General Fund - Land and Property Asset Sales

	£000	£000
General asset sales		
West Approach Road	3	
Stanley Place	45	
150 Fountainbridge	25	
Bellevue Road	175	
34 Hamilton Place	700	
Westmill Road	40	
Bankhead Place	20	
1 Cockburn Street	2,248	
50 Greenbank Drive	243	
24/26 West Harbour Road	30	
Torphichen Place Lane	60	
3,4 and 5 Hunter Square	1,400	
Dr Bells Swimming Pool	35	
Craiglockhart Drive South	28	
Liberton Road	214	
3-5 Smiths Place	245	
Bio-quarter	10	
Bridge Street Kilns	9	
Various vehicle sales	77	
	<hr/>	5,607
Ring fenced asset sales to be provided as part of carryforward to 2014/15		
9 George IV Bridge	905	
102 Pilrig Street	451	
Dr Bells Swimming Pool	30	
Craigour Home for the Elderly	290	
Albion Terrace	111	
Containerisation Sales	182	
	<hr/>	1,969
Asset sales to reduce corporate borrowing on previous expenditure		
Tynecastle High School	600	
Former Oaklands Special School - 1st tranche payment	259	
	<hr/>	859
Capital receipts in lieu of prudential borrowing		
Former Oaklands Special School - 1st tranche payment	157	
City Park	3,500	
	<hr/>	3,657
Total Land and Property Asset Sales		<hr/> <hr/>
		12,092

CAPITAL MONITORING 2013/14**Housing Revenue Account Summary****Outturn Position - Unaudited**

	(re-stated) Revised Budget £000	Outturn £000	Variance	
			£000	%
Gross Expenditure	48,036	39,206	-8,830	-18.4%
Total Gross Expenditure	48,036	39,206	-8,830	-18.4%

Resources				
Capital Receipts	-2,146	-4,616	-2,470	115.1%
Developers and Other Contributions	-6,356	-4,874	1,482	-23.3%
Capital Grants Unapplied Account Drawdown	0	0	0	n/a
Specific Capital Grant	-4,509	-6,053	-1,544	34.2%
Total Resources	-13,011	-15,543	-2,532	19.5%

Borrowing				
Borrowing	35,025	23,663	-11,362	-32.4%
Total	35,025	23,663	-11,362	-32.4%

10.00am, Thursday, 25 September 2014

Currie Wind Turbine – Spend to Save – referral report from the Finance and Resources Committee

Item number	8.9
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 28 August 2014 considered a report on the work undertaken to identify a sustainable solution to the operation of the wind turbine at Currie High School. The report was referred to Council to use the Spend to Save fund to replace the existing wind turbine at Currie High School with a new turbine provided at 'cost price' by the turbine manufacturer.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Currie Wind Turbine – Spend to Save

Terms of referral

- 1.1 On 28 August 2014 the Finance and Resources Committee considered a report on the work undertaken to identify a sustainable solution to the operation of the wind turbine at Currie High School.
- 1.2 The purpose of the Spend to Save proposal was to review the options available to the Council to make the wind turbine operational and maximise the potential for revenue generation.
- 1.3 The Finance and Resources Committee agreed:
 - 1) To note the report and the work currently undertaken to identify a sustainable solution to the operation of the wind turbine at Currie High School.
 - 2) To refer the report to Council to approve the use of the Council's Spend to Save fund to replace the existing wind turbine at Currie High School with a new turbine provided at 'cost price' by the turbine manufacturer.
 - 3) To refer the report to the Governance, Risk and Best Value Committee to scrutinise the previous wind turbine installation arrangements.

For Decision/Action

- 2.1 The City of Edinburgh Council is asked to approve the use of the Council's Spend to Save fund to replace the existing wind turbine at Currie High School with a new turbine provided at 'cost price' by the turbine manufacturer.

Background reading / external references

[Currie Wind Turbine - Spend to Save](#)

Carol Campbell

Head of Legal, Risk and Compliance

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10am, Thursday, 28 August 2014

Currie Wind Turbine – Spend to Save

Item number	6.13
Report number	
Executive/routine	
Wards	Pentland Hills

Executive summary

In 2008, Currie High School installed an 11kW wind turbine, funded by the Energy Savings Trust Initiative, with support from the Sustainable Development Unit in Corporate Services.

Ongoing maintenance and servicing of the equipment was funded through the Sustainable Development Unit, but this arrangement ceased in 2012. Due to structural and health and safety issues the wind turbine is currently out of service and requires investment to secure its long term operation. The purpose of this Spend to Save proposal is to review options to make the wind turbine operational and maximise the potential for revenue generation.

Part of the options appraisal includes securing Feed in Tariff (FiT) revenues for the wind turbine. There will be a 10% reduction in FiT rates in October 2014. To benefit from the increased rate the replacement wind turbine would need to be installed and commissioned before the end of September 2014.

Links

Coalition pledges	P50
Council outcomes	C018,C025
Single Outcome Agreement	S03,S04

Currie Wind Turbine – Spend to Save

Recommendations

It is recommended that Committee:-

- 1.1 Notes the contents of this report and the work undertaken to identify a sustainable solution to the operation of the wind turbine at Currie High School.
- 1.2 Approves the use of the Council's Spend to Save fund to replace the existing wind turbine installation at Currie High School with a new turbine provided at 'cost price' by the turbine manufacturer.

Background

- 2.1 In 2008, Currie High School installed an 11kW wind turbine. The system was funded by an Energy Savings Trust grant with support from the Council's Sustainable Development Unit.
- 2.2 Ongoing maintenance and servicing of the equipment has, in the past, been supported by the Sustainable Development Unit, but this funding stream has proved inconsistent with funding unavailable in 2011, 2012 and 2013.
- 2.3 The turbine is currently out of service. The access ladder for the turbine is not compliant with current health and safety regulations and, therefore, needs to be upgraded to allow for ongoing maintenance and servicing requirements.
- 2.4 There is a further unforeseen maintenance pressure as the fixing mechanism applied to anchor the tower now requires ultrasonic inspection twice a year following problems with other installations of this type elsewhere in the country.
- 2.5 The purpose of the Spend to Save proposal is to review the options available to the Council to make the wind turbine operational and maximise the potential for revenue generation.

Main report

- 3.1 The current wind turbine is not eligible for Feed in Tariff (FiT) revenue (see Appendix 1) and relies solely on the energy saving produced from wind turbine generation. At current energy prices, the energy savings generated by the turbine will not be sufficient to meet costs. The Council would have to provide

an additional £100 a year on top of energy budget savings to keep the turbine operational.

- 3.2 In light of current issues with the anchoring method, the turbine manufacturer has offered to replace the turbine at cost price and carry out the necessary upgrading of the turbine tower. This would resolve the current maintenance and access issues. When installed, the turbine will be designated as a new installation and would therefore qualify for FiT revenue.
- 3.3 In order to assess the best course of action, the following options for the wind turbine have been considered:-
- Option 1** Do nothing;
 - Option 2** Remove the existing wind turbine completely;
 - Option 3** Install a new installation ladder and introduce a maintenance regime for the existing wind turbine installation; and
 - Option 4** Install a new turbine at a significantly reduced cost.
- 3.4 Option 1 does not involve an upfront capital cost and is the approach that has been adopted for the past couple of years. It does not solve current issues and does not eliminate the need to spend funds on the installation at some point in the future. Ongoing revenue costs to ensure that the turbine is maintained in a safe condition will continue.
- 3.5 Option 2 would incur a cost to remove the turbine and carry out remedial work to the ground. It may be possible to recover a portion of this cost from the salvage value of the existing turbine, however, this option delivers no benefit to the school, nor the wider energy and sustainability agenda, and does not maximise the potential for revenue generation.
- 3.6 Option 3 offers a short term solution to the ongoing maintenance issues with the existing turbine. It would be possible to make the turbine operational for around £5,000, however, this would not solve the problems with the anchoring mechanism. The annual energy savings from turbine generation (circa £1,800 when fully operational) would not be sufficient to cover annual servicing charges (circa £1,000) and the ongoing requirement to carry out ultrasonic testing on the fastening rods (circa £900 a year). There would be no payback on the £5,000 capital expenditure. Furthermore, there is the possibility that the Council would need to address the problems with the existing fastening rods in the future. If this were the case, to continue turbine operation the Council would need to pay to upgrade the existing tower to current standards (estimated at circa £10,000).
- 3.7 Option 4 involves replacing the existing installation with an entirely new turbine and foundation. It is the sole FiT eligible solution and therefore benefits from far greater revenue potential. The turbine installation has been offered 'at cost' by the wind turbine manufacturer. A typical installation of this type would cost

£50,000-£60,000 but has been offered to the Council at £22,500. Once ancillary works and contingencies have been added the cost is estimated to be £27,000.

- 3.8 Total revenue from the FiT eligible scheme is estimated at £5,600 annually, including any electricity savings on site. Once annual servicing requirements have been considered, the turbine would save approximately £4,600 annually offering payback on the investment in less than six years. The FiT revenue (circa £3,700 annually) would be guaranteed for 20 years assuming that the turbine remains operational.
- 3.9 Over the long term there is not a 'no cost' solution to this. Option 4 is the recommended solution as it meets the Council's objectives, creates a long term revenue stream for the Council and presents an opportunity to secure the future of the turbine. A contract for servicing and maintenance of the turbine would be put in place once the turbine is operational.
- 3.10 The nature of the works to replace the turbine will require moving heavy vehicles over soft ground which is prone to water retention. Therefore the best time to carry out the works is in the summer months to avoid the additional cost of laying supporting tracks. It is intended that these works will be carried out this summer, however, if this is not possible then the works may need to be rescheduled to a later date.

Measures of success

- 4.1 A fully functioning wind turbine at Currie High School.
- 4.2 Revenue generation of circa £4,600 annually from the wind turbine.
- 4.3 Wider educational and sustainability benefits gained from having a fully functioning wind turbine.

Financial impact

- 5.1 The new turbine installation will have a net revenue generation of £4,600 annually. FiT revenue would be guaranteed for 20 years. The initial investment of £27,000 would payback in less six years meaning that the Council would benefit fully from net revenue for the remaining 14 years of FiT revenue.
- 5.2 If the turbine is not installed before the FiT rate reduces in October 2014 the revenue generation from the turbine will reduce to £4,200 increasing the payback to 6.4 years. The manufacturer is keen to work with the Council to help meet the deadline but their ability to do so will depend heavily on both their availability and that of sub contractors and weather conditions.
- 5.3 Annual servicing and maintenance requirements will be met by a nominal £1000 allocation from the wind turbine revenue. This sum accounts for the service life of consumable items contained within the wind turbine installation. If additional and unforeseen works are required to the turbine then this would be funded

through the savings. This may impact on the payback if during the early years of operation.

Risk, policy, compliance and governance impact

- 6.1 The reinstatement of the wind turbine at Currie High School aligns with the aims and objectives of the Council's Energy Policy and Energy Policy Action Plan.
- 6.2 Legislation has been used as a means to drive forward change to reflect EU targets on emission reduction. Increasingly, legislators are looking towards public bodies adopting a planned response to energy efficiency and carbon reduction. It is important that the Council is receptive to the likelihood of increased legislation and develops plans and strategies to improve the efficiency of its built environment.
- 6.3 On rare occasions in the past, the turbine caused shadow flicker in 2-3 houses adjacent to the school due to specific seasonal weather conditions. This has been considered as part of the project and a proposal has been put forward to install an accessible override that would allow the school to switch off the turbine for an appropriate period of time if problems with shadow flicker arise.

Equalities impact

- 7.1 There are clear benefits to the right to Education and Learning through the reinstatement of the wind turbine. When the wind turbine was operational it was used to increase awareness of sustainability issues and also incorporated in educational materials. Through consultation with the school it is anticipated that these activities will be further developed once the turbine is operational.
- 7.2 The turbine will be a visible and accessible demonstration of renewable power. It will be accessible to pupils at Currie High School as well as pupils at the Woodlands School and has potential to be recognised by the wider community.
- 7.3 As explained in 6.3, there is the potential for shadow flicker to occur in 2-3 adjacent houses. This has been considered as part of the equalities and rights impact assessment and as part of the wider project and steps will be taken to reduce the impact on local houses.

Sustainability impact

- 8.1 There is significant potential for sustainability benefits through the delivery of a fully operational wind turbine at Currie High School. This includes both educational and environmental benefits.
- 8.2 The turbine will be of direct benefit to the school pupils and had been incorporated in to lesson plans when operational in the past. There is also potential for wider educational benefits if lesson plans are shared with other schools as part of the [Small Steps Awareness Campaign](#).

- 8.3 The turbine will generate an estimated 19,000 kWh of electricity per year and save 10.3 tonnes of associated CO₂ emissions per year.

Consultation and engagement

- 9.1 The original request to reinstate the turbine was received from the school. The school have been instrumental in gaining support for finding a fix for the turbine and are very keen to maximise the educational and sustainability benefits of an operational wind turbine. We have kept the school informed of progress to date on the reinstatement of the wind turbine.

Background reading/external references

None.

John Bury

Acting Director of Services of Communities

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Links

Coalition pledges	P50 – Meet greenhouse gas targets, including the national target of 42% by 2020.
Council outcomes	CO18 – Green – We reduce the local environmental impact of our consumption and production. CO25 – The Council has efficient and effective services that deliver on objectives.
Single Outcome Agreement	SO3 – Edinburgh's children and young people enjoy their childhood and fulfil their potential. SO4 – Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1 – Feed in Tarrifs

Appendix 1 – Feed in Tariffs

The Feed in Tariff (FiT) is a government payback scheme for electricity generated by renewables, and applies to a range of technologies including solar PV, wind turbines, hydro and combined heat and power systems. The feed in tariff is dependent on:

- the size of the system
- what technology is installed
- when the technology was installed
- who put the technology in place (certified installers)

There are two parts of the tariff; the generation tariff and the export tariff. The generation tariff is applied to all electricity generated by the renewable system, regardless of how much is consumed onsite. The export tariff is applied to any surplus electricity that has not been consumed onsite and is fed back into the grid. The FiT is based on a 20 year contract (or 25 year contract for solar panels), and generation and export tariff prices are fixed at the same rate for the duration of the contract.

The current rates for an 11kW wind turbine like the one at Currie are 17.78p/kWh, with an export rate of 4.77p/kWh. These rates are scheduled to run from 1st April 2014 to 31st April 2015; however it is widely expected that there could be an additional depression of 10% on the 1st October 2014. In the event of a change, new tariffs would be published on the 31st of July 2014.

Current and historic FiT rates for an 11kW Wind Turbine

Turbine Size	Tariff Period	Tariff (p/kWh)
Wind turbine with total installed capacity greater than 1.5kW but not exceeding 15kW	1 st March 2010 – 31 st March 2012	31.03
	1 st April 2012 – 30 November 2012	29.65
	1 st December 2012 – 31 st March 2014	22.23
	1 st April 2014 – 31 st March 2015	17.78*
Export Rate	Post 1 st December 2012	4.77

*Subject to Feed in Tariff review on the 31st July 2014

10.00am, Thursday, 25 September 2014

Stair Lighting – Energy Efficiency Proposal – referral from the Health, Social Care and Housing Committee

Item number	8.10
Report number	
Wards	All

Executive summary

The Health, Social Care and Housing Committee on 9 September 2014 considered a report on a proposal to introduce new energy efficient lighting systems in 14,000 tenemental blocks of flats across the city. The Committee agreed to refer the report to Council to approve the procurement of a contract for the introduction of the new lighting system.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report

Stair Lighting – Energy Efficiency Proposal

Terms of referral

- 1.1 On 9 September 2014, the Health, Social Care and Housing Committee considered the attached report by the Acting Director of Services for Communities on a proposal to introduce new energy efficient lighting systems in 14,000 tenemental blocks of flats across the city.
- 1.2 Replacing the existing light fittings and bulbs with a more efficient LED system could generate savings on existing costs of over 50% through reduced maintenance and electricity costs, as well as a reduction in carbon emissions.
- 1.3 It was projected that the work would take four years to complete (subject to the results of a procurement exercise) at an estimated capital cost of £9 million (£6 million for LED light fittings and £2.9 million in associated labour costs).
- 1.4 The project was not included in the Capital Investment Programme and thus requires Council approval to be taken forward.
- 1.5 The Health, Social Care and Housing Committee agreed:
 - 1.5.1 To seek approval from Council to procure a contract for the introduction of new energy efficient lighting systems in 14,000 communal stairs across the city.
 - 1.5.2 To note the final decision on the award of a contract would be taken by Council or the Finance and Resources Committee.
 - 1.5.3 To refer the report to the Transport and Environment and Finance and Resources Committees for information.
 - 1.5.4 To note that the Acting Director of Services for Communities would look at the possibility of including motion sensors or switches as part of the contract specification.

For Decision/Action

- 2.1 Council is asked to approve the procurement of a contract for the introduction of new energy efficient lighting systems in 14,000 communal stairs across the city.

Background reading / external references

Health, Social Care and Housing Committee 9 September 2014

Carol Campbell

Head of Legal, Risk and Compliance

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	Report by the Acting Director of Services for Communities

Health, Social Care and Housing Committee

10am, Tuesday, 9 September 2014

Stair Lighting – Energy Efficiency Proposal

Item number

Report number

Executive/routine

Executive

Wards

All

Executive summary

The Council provides a stair lighting service to 14,000 tenemental blocks of flats in Edinburgh, serving up to 84,000 residents. This costs the Council approximately £2.1 million per year in energy and maintenance costs. The Council is currently the only local authority in Scotland that provides such an extensive stair lighting service to residents, free of charge.

On 18 March 2014, a presentation on the options for improving the energy efficiency of stair lighting by installing and fitting LED lighting systems, was discussed at the Transport and Environment Policy Development and Review Sub Committee. It was requested that a business case be developed to provide further details on the costs of an LED replacement programme. The outcome of which would be reported to a future Health, Social Care and Housing Committee.

This report advises that upgrading approximately 90,000 light fittings to LED on a 'spend to save' basis will generate savings on existing costs of over 50%, through reduced maintenance and electricity costs, as well as a reduction in carbon emissions.

Links

Coalition pledges

[P8, P50](#)

Council outcomes

[CO16, CO18, CO19](#)

Single Outcome Agreement

[S04](#)

Stair Lighting – Energy Efficiency Proposal

Recommendations

It is recommended that Health, Social Care and Housing Committee:

- 1.1 Agrees to seek approval from Council to procure a contract for the introduction of new energy efficient lighting systems in 14,000 communal stairs across the city.
- 1.2 Notes the final decision on the award of a contract will be taken by Council or Finance and Resources Committee.
- 1.3 Refers the report to Transport & Environment Committee and Finance and Resources Committee for information.

Background

- 2.1 On 18 March 2014, a presentation on the options for improving the energy efficiency of stair lighting by installing and fitting LED lighting systems, was discussed at the Transport and Environment Policy Development and Review Sub Committee. It was requested that a business case be developed which considered the cost and viability of installing LED technology, the outcome of which would be reported to a future Health, Social Care and Housing Committee.
- 2.2. Most private housing developments, built since mid 1970, do not benefit from this free service. These newer developments pay for their stair lighting through factoring arrangements. The Council is currently the only local authority in Scotland, and possibly the UK, which provides free stair lighting to residents living in flats, accessed by communal stairs.

Main report

- 3.1 The stair lighting service costs the Council approximately £2.1 million each year. This is split between electricity costs of approximately £0.9 million and maintenance, bulb replacement and reactive repair costs of approximately £1.2 million.
- 3.2 Rather than replacing current bulbs with like for like, it is proposed to replace around 90,000 fittings and bulbs with more energy efficient lighting systems. This would lead to reduced energy and maintenance costs, as well as a reduction in carbon emissions.

- 3.3 A pilot installation in six stairs, containing 62 homes, was carried out and completed in July 2014. All those residents were asked to complete a questionnaire on the quality of the work and the level of light in the stair after the installation. To date 12% of the questionnaires issued have been returned, all of which reported 100% satisfaction with the installation and the quality of light.

Measures of success

- 4.1. The measures of success are:
- Reduced maintenance and replacement costs.
 - Reduced energy costs.
 - Reduced carbon emissions.
 - Customer Service Satisfaction.

Financial impact

- 5.1. The capital cost for upgrading the light fittings is estimated to be approximately £9 million (£6 million for LED light fittings and £2.9 million in associated labour costs).
- 5.2. It is projected that the work will take four years to complete, subject to the results of a procurement exercise. Following the completion of the upgrade it is estimated that the annual cost of the service will reduce by 52%, from £2.1 million to £0.9 million. The upgrade will achieve significant savings in both maintenance and energy costs. It is anticipated that maintenance costs will reduce from £1.2 million to approximately £0.4 million and energy costs will reduce from £0.9 million to approximately £0.5 million, based on current prices. This calculation does not take energy price inflation into account, so the financial benefit to the Council could be significantly higher.
- 5.3. Current analysis of the Energy Market predicts that costs will double over the next 10 years, therefore, without the upgrade it is anticipated that energy costs for stair lighting would increase to £1.8 million by 2025, compared to an anticipated £1.1million, following the LED upgrade. The upgrade could therefore deliver an additional savings of £0.7 million.
- 5.4. The capital costs required to fund the LED lighting upgrade would be met from prudential borrowing, borrowed over a period of 10 years. It is anticipated that the savings in running costs would meet the £1.2 million a year borrowing costs, over the term of the loan. In addition other funding options will be explored.
- 5.5. The current business case is based on the best available market information for the supply of such systems and the Council's current borrowing rate of 5.25%. This business case will be refined to reflect the results of the

procurement exercise and any changes to borrowing assumptions. The refined business case will be presented to Finance and Resources Committee for approval, along with the results of the procurement exercise.

Risk, policy, compliance and governance impact

- 6.1 As this project is not contained within the agreed capital programme approval from Council will be required to procure and thereafter to award the contract and agree the capital programme.
- 6.2 This policy will help contribute to the Council's target of reducing energy consumption in its own buildings by 20% by 2020, as set out in its Energy Policy approved at Transport and Environment Committee on 27 August 2013.
- 6.3 By improving the energy efficiency of existing homes, the LED light replacement programme also contributes to the Council's objectives identified in the Sustainable Edinburgh 2020 plan and its Homes and Energy Strategy.
- 6.4 The use of prudential borrowing to fund this programme will be subject to approval of Finance and Resources Committee and full Council.

Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

Sustainability impact

- 8.1. The impacts of this report have been considered in relation to the Climate Change (Scotland) Act 2009 Public Bodies Duties. The proposals in this report will reduce carbon emissions. The installation of LED lighting systems would save approximately 2,100 tonnes of CO2 each year.

Consultation and engagement

- 9.1 The business case for installing LED light fittings has been produced in conjunction with Financial Services.
- 9.2 Consultation was carried out with the 62 residences within the pilot installation project. All residents were asked to complete a questionnaire on the quality of the work and the level of light in the stair after the installation.

Background reading/external references

[Climate Change \(Scotland\) Act 2009: Public Bodies Duties](#)

[Energy Policy, Transport and Environment Committee, 27 August 2013](#)

[Sustainable Edinburgh 2020 Annual Report, Corporate Policy and Strategy Committee, 10 June 2014](#)

John Bury

Acting Director of Services for Communities

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Links

Coalition pledges	P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities starting with brown field sites. P50 - Meet greenhouse gas targets, including the national target of 42% by 2020
Council outcomes	CO16 – Well Housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood. CO18 – Green – We reduce the local environmental impact of our consumption and production CO19 - Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm.
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	None

The City of Edinburgh Council

10.00am, Thursday, 25 September 2014

Free School Meals – referral from the Education, Children and Families Committee

Item number	8.11
Report number	
Wards	All

Executive summary

The Education, Children and Families Committee on 11 September 2014 considered a report outlining a number of financial and practical issues arising from the commitment to give all primary 1 to 3 children the option of a free school meal from January 2015. The Committee agreed to refer the report to Council for approval of immediate capital expenditure of £1,414,944.

Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Appendices

Free School Meals – report by the Director of Children and Families



Terms of Referral

Free School Meals

Terms of referral

- 1.1 The Education, Children and Families Committee on 11 September 2014 considered a report outlining a number of financial and practical issues arising from the commitment to give all primary 1 to 3 children the option of a free school meal from January 2015.
- 1.2 The Scottish Government has confirmed that all reasonable capital costs associated with the introduction of the new policy will be met and are currently in the process of working with COSLA to reach agreement about the level and distribution of capital investment needed to deliver the commitment across Scotland.
- 1.3 Whilst the Scottish Government has advised that there is a willingness to reach an agreement as soon as possible at the present time no decision has yet been reached.
- 1.4 There is an immediate requirement for capital expenditure of £1,414,944 to address issues of capacity and production in the school estate to allow the extended free meal policy to be implemented with effect from January 2015. While there is no capital funding available to meet these costs, it is the expectation that the Scottish Government will fully fund this expenditure.
- 1.5 **Motion**
 - 1.5.1 To note the progress made towards the implementation of the extended entitlement to free school meals which will apply from January 2015.
 - 1.5.2 To note the immediate requirement for capital expenditure of £1,414,944 to address issues of capacity and production in the school estate to allow the extended free school meal policy to be implemented with effect from January 2015 and to remit this requirement to Council for approval on 25 September 2014.
 - 1.5.3 To note that the detailed assessment of costs, and sources of funding, relating to the more substantive works identified as being necessary at Cramond, East Craigs, Sciennes and Towerbank Primary Schools (for which the total further capital expenditure required is estimated to be £3,257,243) will be clarified and taken to the Education, Children and Families Committee for consideration on 9 December 2014.

- 1.5.4 To note that the further report to the committee on 9 December 2014 would fully outline the interim measures for the four schools requiring substantive works.
- 1.5.5 To request an annual progress report on the School Meals service including:
- Details of accommodation for pupils;
 - A quality assessment of the provision of school meals, including those from remote kitchens;
 - Uptake levels by year group;
 - Customer feedback (school, parent and pupil) on the school meals service and lunchtime environment; and
 - An update on the food for life project.

. - Moved by Councillor Godzik, seconded by Councillor Fullerton

1.6 Amendment

- 1.6.1 Regrets that the Council has been placed in this invidious position, given meetings between Council and the Scottish Government since May 2014 and the potential significant impact on other services if funding from Scottish Government is not forthcoming. Request precise details of where within Council budgets this financial support would be coming from, in the event that Scottish Government funding does not materialise.
- 1.6.2 Given the unbudgeted capital commitment request an accurate time scale from the Scottish Government and detail of funding to meet this is requested in advance of September Full Council.
- 1.6.3 Calls for a report to be brought before the Education, Children and Families Committee on 9th December 2014 detailing the impact on all schools, including (a) concerns about delivering physical education requirements due to pressures, (b) impact on requirement for additional supervisory staff, (c) any staggering of school lunch breaks and (d) the displacement of those not partaking in free school meals.

- Moved by Councillor Rust, seconded by Councillor Aitken

1.7 Voting

- For the motion – 16 votes
- For the amendment – 9 votes

1.8 Decision

To approve the motion by Councillor Godzik.

For Decision/Action

- 2.1 The City of Edinburgh Council is asked to approve the requirement for capital expenditure of £1,414,944 to address issues of capacity and production in the school estate to allow the extended free school meal policy to be implemented with effect from January 2015.

Background reading / external references

Education, Children and Families Committee 11 September 2014.

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Ross Murray, Assistant Committee Clerk

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Links

Coalition pledges

Council outcomes

Single Outcome Agreement

Appendices

Free School Meals – report by the Director of Children and Families

Education, Children and Families Committee

10am, Thursday, 11 September 2014

Free School Meals

Item number

Report number

Executive/routine

Executive

Wards

All

Executive summary

On 7 January 2014 the Scottish Government announced its intention, and gave its commitment, to give all children in primary 1 to 3 the option of a free school meal from January 2015. On 17 July 2014 the Scottish Government wrote to all Local Authorities to confirm its expectation that this policy would be delivered.

The purpose of this report is inform Committee of a number of practical and financial issues which arise as a consequence of the introduction of this policy and the current position regarding their resolution.

Links

Coalition pledges

Council outcomes

C01, C04, C06

Single Outcome Agreement

S03



CEC02083198_0178

Free School Meals

Recommendations

- 1.1 Note the progress made towards the implementation of the extended entitlement to free school meals which will apply from January 2015.
- 1.2 Note the immediate requirement for capital expenditure of £1,414,944 to address issues of capacity and production in the school estate to allow the extended free school meal policy to be implemented with effect from January 2015 and remit this requirement to Council for approval on 25 September 2014
- 1.3 Note that the detailed assessment of costs, and sources of funding, relating to the more substantive works identified as being necessary at Cramond, East Craigs, Sciennes and Towerbank Primary Schools (for which the total further capital expenditure required is estimated to be £3,257,243) will be clarified and taken to the Education, Children and Families Committee for consideration on 9 December 2014.

Background

- 2.1 On 7 January 2014 the Scottish Government announced its intention, and gave its commitment, to give all children in primary 1 to 3 the option of a free school meal from January 2015. On 17 July 2014 the Scottish Government wrote to all Local Authorities to confirm its expectation that this policy would be delivered.
- 2.2 The purpose of this report is to inform Committee of a number of practical and financial issues which arise as a consequence of the introduction of this policy and the current position regarding their resolution.

Main report

- 3.1 The current criteria for qualification for a free school meal (FSM) are shown on the [Council website](#).
- 3.2 The number of pupils entitled to, and registered for, free school meals from the 2014 census compared to that in the 2013 census is shown in the following table.

	Number of pupils from 2013 census	Percentage of school roll	Number of pupils from 2014 census	Percentage of school roll
Primary	5,144	19.9%	4,900	18.2%
Secondary	2,628	14.5%	2,492	13.8%

3.3 As can be seen from the table above, both the number and percentage of pupils entitled to, and registered for, a free school meal have decreased in both sectors. At a national level, the overall average percentage of primary school pupils entitled to, and registered for, a free school meal fell from 19.6% in 2013 to 18.8% in 2014 with the average percentage for secondary school pupils remaining at 15.5% in each year.

3.4 Although entitlement to free school meals is well publicised, not all pupils who are eligible for free school meals register to receive them. Similarly, not all children registered to receive free school meals actually take them. The Annual School Meals Census is the only opportunity to receive comprehensive data regarding this area albeit this is based on a snapshot taken on a single day. The position at the last 2014 Census date was as follows:

	Pupils entitled and registered for free meals	Registered pupils present on Census day	Pupils present and taking free meals
Primary	4,900	4,326	4,072
Secondary	2,492	1,823	1,440

3.5 In previous years it had been the intention to extend the entitlement to free school meals to all children within P1 to P3 classes. In 2009 the Scottish Government proposed that the commitment to the further expansion of free school meals would be that "Councils will provide a nutritious free meal to all children in primaries P1 to P3 in those schools that are in the 20% most deprived communities in a Council area".

3.6 The City of Edinburgh Council considered the existing legislation governing free school meals based on directing entitlement to the needs of specific families to be the most appropriate targeting scheme to be applied in determining the achievement of the 20% target rather than a wider definition based on a community area.

3.7 At the time of the 2014 census in early March there were 12,933 pupils in primaries P1 to P3 in Edinburgh of which 2,171 were registered as entitled to receive FSM which equates to 16.8%. In addition to the provision of FSM, we also operate many breakfast clubs in a variety of primary schools throughout the

City, many in the more deprived areas. At these clubs children benefit from a free nutritious breakfast. These are generally very well attended; although detailed attendance records are not maintained we fully expect that a significant number of children in P1 to P3 classes will benefit from these clubs including those who do not also benefit from a FSM. This additional provision will bring the overall uptake up to the 20% target.

Extended Entitlement to Free School Meals

- 3.8 On 7 January 2014 the Scottish Government announced its intention, and gave its commitment, to give all children in primary 1 to 3 the option of a free school meal from January 2015. On 17 July 2014 the Scottish Government wrote to all Local Authorities to confirm its expectation that this policy would be delivered.
- 3.9 In the 2013/14 school year there were approximately 13,000 pupils in primary 1 to 3 classes in Council schools; this number is expected to increase in coming years due to the continued impact on the primary school population of high births.
- 3.10 A survey of all schools which have children in the P1 to P3 year stages was undertaken in the week commencing 4 March 2014. The survey provided information regarding the actual uptake by year stage and, within each year stage, between free and paid meals which was critical as that is not data which is collected as a matter of routine. The majority of schools confirmed that this represented a typical week.
- 3.11 Uptake levels in many cases varied between different days and were invariably lower on Friday due to the asymmetric week albeit the reduction in uptake on a Friday was considerably higher for paid meals than for free school meals. The daily average uptake of school meals between Monday and Thursday of that week was 47.4% falling to 17.2% on the Friday.
- 3.12 What the actual level of uptake will be in primary 1 to 3 following the introduction of the extended eligibility cannot be predicted with any degree of certainty. We know from previous experience that not all pupils who are registered for, and are entitled to receive, a free school meal will take one. For example, as shown earlier in this report, in the 2014 census only 83.1% of those primary school pupils who were entitled to a free school meal on the census day were present and actually took one. The costings undertaken by the Scottish Government assume that the rate of take-up of free school meals will be 75% of relevant pupils; this assumption being based on the results of a pilot exercise undertaken in five Council areas in 2007/08.
- 3.13 Even if the uptake level in primary 1 to 3 was 75% the number of additional school meals which would require to be delivered across all Council primary schools would be very significant, perhaps in excess over 900,000 over the course of a full year, which would represent an increase of around 45% in the total number of meals served in primary schools.

3.14 The requirement to deliver this significant volume of additional school meals presents a number of issues. There are practical issues associated with both accommodating and producing the extra volume of meals which are considered in detail below. The financial issues and implications which arise as a consequence of the extended entitlement to free school meals are considered in the Financial Impact section later in this report.

Accommodating the Additional Meals

3.15 Whilst the levels of increased uptake of school meals within each school will obviously vary as each will start from a different baseline, it is clear that in every school this will be significant. In addition, the spaces within which school meals are taken in schools vary considerably throughout the estate.

3.16 To ensure that we can be prepared in advance to accommodate the increased level of uptake which is expected a survey was undertaken in the week commencing 4 March 2014 of the existing dining arrangements in all primary schools and special schools with primary age children to get an understanding of the current dining facilities and management arrangements and any changes which might be required in order to accommodate the potential increased uptake.

3.17 A considerable amount of data was collected on uptake, existing accommodation and capacity, dining patterns and what scope there was in each school for providing any additional capacity which might be required. The survey also provided information regarding where pupils currently took meals (both school meals and packed lunches) including the capacity of any area used together with the number of sittings. Whilst the number of sittings was identified this was treated with caution as, for example, having three sittings does not necessarily mean that the full capacity of that area can be used three times. The speed at which children eat can be variable and can have an impact on throughput with the lower year stages being slower to eat their lunch.

3.18 The latest school roll projections were then used to forecast what the maximum daily uptake level would be at each school over the next six school years. The uptake for each school was calculated by taking the projected roll in each year group and applying the following assumptions:

- For the P1 to P3 year stages an overall uptake level of 85% was used;
- For the P4 to P7 year stages an uptake level was used which took the existing uptake level for each school (from the survey week) and uplifted this by 15% recognising that the trend for school meals in Edinburgh is upwards and it has been suggested that the extended eligibility for free school meals in P1 to P3 would increase uptake in higher year stages;
- Each total was then increased by a further 10% to allow for contingency and also provide a degree of headroom to cater for any variations in the capacity data (such as identified above relating to the number of sittings).

- 3.19 The maximum uptake (uplifted by 10% for contingency) was then compared with the calculated capacity for each school which resulted in there being either estimated spare capacity or a deficit. It should be noted that the assessment of demand relative to capacity did not take into consideration packed lunches and assumes that these would be taken elsewhere in the school if there was no capacity available in any of the specified dining areas. In other words, it assumes that we must provide dining capacity only for school meals. This may be an issue in some schools.
- 3.20 A number of schools were identified as having potential capacity issues which were then subject to detailed consideration (in consultation with school management) to assess the extent to which solutions may already exist to address the projected capacity issue such as changing lunchtime arrangements, increasing the number of sittings, simply by adding further tables and chairs or (very much as a last resort) if physical changes to the existing accommodation may be required if they are not already under consideration (which is the case in some schools).
- 3.21 Management solutions were identified for the majority of the schools identified as having a possible issue with capacity, in many cases drawing on the very efficient lunchtime practices which are already in operation in most of the schools in the Council estate.
- 3.22 There are, however, a few remaining schools where the necessity for capital investment was identified to allow the school to accommodate the significant increase in the uptake of school meals which would arise following the extension of the free school meal eligibility criteria from January 2015.
- 3.23 The schools involved and the capital investment required is detailed in Appendix 1; the total investment required was estimated to £3,344,342. This is based on Q1 2014 prices and excludes any future cost inflation which could be significant. At the time of producing these estimates in May the BCIS all in tender price index forecast estimated that cost inflation of 7.79% will arise between Q1 2014 and Q1 2015 which would increase costs to an estimated £3,604,866.
- 3.24 It was necessary to provide indicative cost information in fairly short timescales to inform the discussions which COSLA was progressing with the Scottish Government therefore, in many instances, the costs identified were very much guesstimates. The further detailed assessment which is necessary to determine accurate costs is now being undertaken by colleagues in Services for Communities who have been commissioned to undertake the detailed feasibility assessment and costing which is required in advance of any works being progressed.
- 3.25 It is the intention that the relatively minor works would be progressed during the October school break however the more substantive works which have been identified as being necessary at Cramond, East Craigs, Sciennes and Towerbank Primary Schools will take far longer to progress and will not be completed in advance of January 2015.

3.26 Discussions are being progressed with each of the four schools to establish what interim solutions might be available to accommodate the increased volume of school meals until the permanent solution, in each case the necessity for additional physical space, can be delivered. This may require an extension to be made regarding the time during which the existing space used for dining continues to be used for that purpose beyond the current lunch time arrangements. For three of these schools this would have a further impact on their ability to meet the requirement to deliver 2 hours of PE as the dining space is, by necessity at present, also used for that purpose.

Producing the Additional Meals

3.27 There are 88 primary schools and seven special schools in the Council school estate which have primary 1 to 3 pupils. The meals in these schools are delivered by three different catering providers.

3.28 In the PPP (Public Private Partnership) contract schools these are provided by either Amey for the ten primary schools and two special schools in the PPP1 contract or by Chartwell for the two primary schools in the PPP2 contract. In all PPP schools meals are cooked on site in a production kitchen. No issues are anticipated in being able to accommodate the expected increased volume of meals in any of the PPP contract schools.

3.29 Catering in all non-PPP schools is provided by the Council directly under the Integrated Property and Facilities Management (IPFM) service which superseded what was previously known as Edinburgh Catering Services. There are 42 non-PPP primary schools for which school meals are not cooked on site but are prepared in another school kitchen and then transported to the relevant school to be served in their dining centre.

3.30 There is no change assumed to the current business model configuration of production centres supplying dining centres across the city. A project team has been established in Corporate Property to assess, plan and implement the works required to increase volume based upon the projections elsewhere in this report.

3.31 Each production and feeder production kitchen has been assessed in terms of current output and existing capacity which, in turn, has allowed for the net spare capacity to be established. Working with kitchen and field supervisors the projected volume increase has been assessed across the estate and deficit capacity addressed in terms of kitchen equipment. The conclusions from this analysis are attached as Appendix 2 which has an estimated cost of £1,067,621.

Measures of success

4.1 The successful implementation of the revised policy with all children in primary 1 to 3 who wish to take up the option of a free school meal from January 2015 being able to do so with there being no additional cost to the Council as a consequence.

Financial impact

- 5.1 The introduction of the extended entitlement to free school meals from January 2015 will have a number of significant financial implications, both revenue and capital, which are set out below.

Revenue Costs

- 5.2 The Scottish Government has made a commitment to fully fund the revenue costs arising from the commitment to provide a school meal to children in primary 1 to 3. An overall allocation of additional funding has been made of £16.5m in 2014/15 and £54m in 2015/16 which will be added to the relevant year's General Revenue Grant figures and paid as part of the block grant.
- 5.3 The distribution of this funding has been based on the overall number of primary school children not registered for free school meals which has been taken from the 2014 Healthy Living Survey data. The proportion which has been allocated to the City of Edinburgh Council is 7.3% which results in additional funding of £1,202,000 in 2014/15 and £3,933,000 in 2015/16. The Scottish Government has advised that once the 2016 Healthy Living Survey data can be incorporated into the GAE distribution, the distribution mechanism will be revisited.
- 5.4 The costings undertaken by the Scottish Government assume that the rate of take-up of free school meals will be 75% of relevant pupils. This assumption is based on the results of a pilot exercise undertaken in five Council areas in 2007/08. This is a significant assumption which will need to be monitored once implemented.
- 5.5 The Scottish Government has agreed to review funding for additional costs and actual take-up rates for free school meals will be monitored from the start of the implementation of the extended entitlement in January 2015 to compare against the existing assumptions made.
- 5.6 An assessment has been undertaken of the adequacy of the additional revenue funding which has been allocated to the Council which is summarised in the following table.

	2014/15 Financial Year (£'000)	2015/16 Financial Year (£'000)
Projected future costs for school meals P1-P3	1,497	5,380
Estimated current costs for school meals P1-P3	(370)	(1,321)
Net additional costs from extended FSM eligibility	1,127	4,059
Additional funding provided by Scottish Government	(1,202)	(3,933)
(Surplus)/deficit in funding	(75)	126

- 5.7 The projected future cost of delivering free school meals in primary 1 to 3 has been calculated based on the projected primary school pupil rolls in these year stages to which an assumed uptake level of 75% was applied to mainstream primary schools being consistent with the assumption used in determining the allocation of additional funding. For special schools an assumed uptake level of 100% has been applied. This uptake has been applied to each school day except Fridays when, due to the asymmetric week, it is expected that the level of uptake would be slightly lower. Existing external contract, and internal recharge, rates were then applied to derive the projected cost; no provision has been included for any inflationary increase which might arise.
- 5.8 It has not been possible to accurately assess the existing cost of delivering school meals in primary 1 to 3 as there is no robust data available regarding the current uptake of school meals for different year stages and between paid and free school meals. The information from the survey of current primary school meal provision undertaken earlier this year, which did include uptake by year stage and differentiated between paid and free meals, was used to calculate, by extrapolation, the existing costs of school meal provision in primary 1 to 3. This comprises a combination of free school meals which are already being provided and paid meals for which a net subsidy is currently being met by the Council.
- 5.9 The analysis undertaken suggests that, in the fifteen month period up to 31 March 2016, there may be a slight deficit of £51,000 in the additional funding provided to meet the additional revenue costs which are expected to arise from the introduction of the extended entitlement to free school meals in primary 1 or 3. However, this equates to only 0.74% of the total cost over that period which is subject to a number of variable elements in any event, not least of which is what the actual uptake rate will be. The position will be closely monitored on an ongoing basis.

Capital Costs – Additional Capacity

- 5.10 As has been highlighted earlier in this report there are a number of schools where the necessity for capital investment has been identified to allow the school to accommodate the significant increase in the uptake of school meals which would arise following the extension of the free school meal eligibility criteria from January 2015. The capital investment required has been estimated to be £3,604,866 inclusive of assumed cost inflation.
- 5.11 The Scottish Government has confirmed that reasonable capital costs associated with the introduction of the new policy will be met and are currently in the process of working with COSLA to reach an agreement about the level and distribution of capital investment needed to deliver the commitment across Scotland. Council officers have contributed to this process by providing detailed information, through COSLA, regarding the capital investment required and the supporting rationale and also hosting visits to two primary schools to exemplify the issues first hand.

- 5.12 The Scottish Government has advised that there is a willingness on both sides to reach an agreement as soon as possible however, whilst they hoped that these negotiations could be completed soon, at the time of writing this report no decision has yet been reached. Council officers have recently met again with representatives from the Scottish Government and COSLA on several occasions to consider the details of the request for capital funding and have stressed the necessity for the funding to be approved at the earliest opportunity to allow the necessary works to be progressed.
- 5.13 The Council has no capital funding available to meet the additional capital investment of £3,604,866 which it is estimated will be required to address issues of capacity in the school estate to allow the extended free school meal policy to be implemented. The absence of an agreed position on the availability of additional capital funding from the Scottish Government poses a timing difficulty as these works require to be undertaken in advance of the implementation date for the new policy of January 2015.
- 5.14 The window of opportunity to progress the minor works required is during the forthcoming October 2014 school break therefore it is proposed that approval be granted for these minor works to be undertaken on the basis and understanding that these costs will be funded by the Scottish Government which is the expectation.
- 5.15 The estimated cost of these minor works, including inflation, is £347,623 which includes all works identified in Appendix 1 other than the more substantive works identified as being necessary at Cramond, East Craigs, Sciennes and Towerbank Primary Schools. It is not possible to deliver these more substantive works in advance of January 2015 in any event therefore it is proposed that the detailed assessment of costs, and sources of funding, be clarified and taken to the Education, Children and Families Committee for consideration on 9 December 2014.

Capital Costs – Producing the Extra Meals

- 5.16 As indicated earlier in this report the Council has no capital funding available to meet these costs and it is expected that they will be met in full as part of the Scottish Government allocation of capital funding. The estimated cost of the additional equipment is £1,067,321 (as detailed in Appendix 2) which will be required now so that purchase and installation can take place prior to commencement of the extended entitlement policy on 1 January 2015.

Capital Costs – Overall Summary

- 5.17 The total capital investment which has been identified as being necessary to facilitate the implementation of the extended entitlement to Free School Meals which will arise from January 2015 is £4,672,187. This is summarised in the table below with the costs to provide additional capacity including estimated future cost inflation which is not reflected in those costs shown in Appendix 1.

	Approval Sought Now (£)	To Be Reported to Future Committee (£)	Total (£)
East Craigs Primary School	-	1,195,762	1,195,762
Cramond Primary School	-	1,195,762	1,195,762
Sciennes Primary School	-	459,704	459,704
Towerbank Primary School	-	406,015	406,015
Other Schools	347,623	-	347,623
Total Providing Additional Capacity	347,623	3,257,243	3,604,866
Total Producing the Extra Meals	1,067,321	-	1,067,321
Overall Total	1,414,944	3,257,243	4,672,187

- 5.18 As outlined earlier in this report there is an immediate requirement for capital expenditure totalling of £1,414,944. If this expenditure is approved and Scottish Government funding is not received until the next financial year, the short term loan charge implications can likely be managed by slippage elsewhere in the capital investment programme. However approval for this expenditure, in advance of confirmation of the funding level to be received from Scottish Government, needs to be considered within the context of the risk that a potential shortfall to the Council could be created. Conversely, if this expenditure is not approved there is a risk that there will be insufficient capacity in the schools in which the works are planned to allow the extended free school meal policy to be implemented by the agreed timescale of January 2015.

Loans Charges

- 5.19 This report seeks approval for capital funding of £1,414,944 which is required immediately to address issues of capacity and production in the school estate to allow the extended free school meal policy to be implemented with effect from January 2015. It is the expectation that the Scottish Government will fully fund this expenditure however, if this expenditure were to be funded fully by borrowing, the overall loan charges associated with this expenditure over a 20 year period would be a principal amount of £1,414,944 and interest of £943,329, resulting in a total cost of £2,358,273 based on a loans fund interest rate of 5.1%. The annual loan charges would be £117,914.
- 5.20 It should be noted that the Council's Capital Investment Programme is funded through a combination of General Capital Grant from the Scottish Government, developers and third party contributions, capital receipts and borrowing. The borrowing required is carried out in line with the Council's approved Treasury Management Strategy and is provided for on an overall programme basis rather

than for individual capital projects. The loan charge estimates above are based on the assumption of borrowing in full for this capital project.

Risk, policy, compliance and governance impact

- 6.1 The recommendations in this report do not impact on an existing policy of the Council and there are no health and safety, governance, compliance or regulatory implications that elected members need to take into account when reaching their decision.
- 6.2 There are several risks associated with the recommendation to approve capital investment of expenditure of up to £1,414,944 to address issues of capacity and production in the school estate to allow the extended free school meal policy to be implemented with effect from January 2015:
- (i) If the recommendation is approved there is a risk that the expected funding from the Scottish Government is not then forthcoming which would mean that the cost would have to be financed directly by the Council.
 - (ii) If the recommendation is not approved there is a risk that there would be insufficient capacity in the schools in which the works are planned to allow the extended free school meal policy to be implemented.

Equalities impact

- 7.1 There are no negative equality or human rights impacts arising from this report.

Sustainability impact

- 8.1 There are no sustainability impacts arising from this report.

Consultation and engagement

- 9.1 An extensive survey of all schools which have children in the P1 to P3 year stages was undertaken in the week commencing 4 March 2014.

Background reading/external references

None.

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Links

Coalition pledges

Council outcomes

C01 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.

CO4 - Our children and young people are physically and emotionally healthy.

CO6 - Our children and young people's outcomes are not undermined by poverty and inequality.

Single Outcome Agreement

S03 - Edinburgh's children and young people enjoy their childhood and fulfil their potential.

Appendices

1 - Capital Investment Required – Additional Capacity
2 - Capital Investment Required – Additional Production

APPENDIX 1

Capital Investment Required – Additional Capacity

School	Work Required	Estimated Cost
Abbeyhill Primary School	Remove wall units to free up space for additional tables.	£10,000 (guesstimate)
Balgreen Primary School	Work required in current kitchen/servery area to be able to serve the number of pupils required.	£25,000 (guesstimate)
Buckstone Primary School	Reconfiguration of the servery counter to allow it to open into the existing gym hall which would allow more tables to be accommodated in the larger area.	£25,000 (guesstimate)
Cramond Primary School	This is a double stream school but is one of several primary schools in the city which have only a single hall which must be used for both dining and gym. The hall is only 131m ² which makes the issue at this school particularly acute. There is already significant pressure on the school to accommodate school meals and also comply with the target to deliver two hours of PE and the increase in the uptake of school meals which will arise will make this unsustainable. Whilst it <i>might</i> be possible to extend the existing area to provide additional capacity during the existing lunch break this has been discounted as the optimal solution is to provide a new gym hall and the associated ancillary functions and accommodation. No feasibility study has been undertaken however initial consideration has been given to possible locations which identified two possible locations for a new gym (i) in the corner of the school playground that is in line with the existing hall and (ii) in the courtyard which was the school's preferred option. In the absence of a feasibility study having been undertaken the best proxy is the cost identified in the feasibility study for a new hall at East Craigs of £1,109,344.	£1,109,344
Dalmeny Primary School	Servery requires adaptation to speed up service.	£25,000 (guesstimate)
East Craigs Primary School	This is a double stream school but is one of several primary schools in the city which have only a single hall which must be used for both dining and gym. The hall is only 110m ² which makes the issue at this school particularly acute.	£1,109,344

School	Work Required	Estimated Cost
	<p>There is already significant pressure on the school to accommodate school meals and also comply with the target to deliver two hours of PE and the increase in the uptake of school meals which will arise will make this unsustainable. Whilst it <i>might</i> be possible to extend the existing area to provide additional capacity during the existing lunch break this has been discounted as the optimal solution is to provide a new gym hall and the associated ancillary functions and accommodation regarding which a feasibility study was undertaken during 2013. This identified an option to extend the existing building at an estimated cost of £1,109,344.</p>	
Gilmerton Primary School	<p>Currently use mobile counters in the dining space. Could reinstate area for additional tables by refurbishing the old servery counter and removing the wooden panelling.</p>	<p>£25,000 (guesstimate)</p>
Hermitage Park Primary School	<p>Additional space for extra tables and a quicker service could be achieved by changes to the servery counter.</p>	<p>£25,000 (guesstimate)</p>
Leith Primary School	<p>Adaptations are required to the servery in order to increase speed of service; the existing servery is insufficient to accommodate the expected throughput necessary.</p>	<p>£25,000 (guesstimate)</p>
Sciennes Primary School	<p>There is a particular issue with this school. The limited circulation space within the dining hall with shared entry and exit reduces the throughput of pupils and packed lunches are already located in other areas throughout the school. There are no management solutions which can be identified to create additional capacity within the existing areas therefore additional space is required. The deficit in capacity is 189 which, based on an assumed two sittings, means that space for an estimated additional 90 pupils is required in the school. Using a metric of 1.16m²/pupil (taken from South Morningside) results in a space requirement of 105m². However, where this space would be located within the school has not been identified and requires a feasibility study to be undertaken. Recognising that this additional area may require circulation space the space requirement has been uplifted by 30% to 137m². It is very difficult to estimate potential construction costs therefore an assumption of £3,113/m² has been used which represents a</p>	<p>£426,481</p>

School	Work Required	Estimated Cost
	20% uplift on the current SFT base cost metric for building a new primary school of £2,594 as adjusted for inflation to Q1 2014. This produces an estimated cost of £3,113 x 137m ² = £426,481.	
South Morningside Primary School	Works are required to both the main building to allow an increase in capacity and at the Cluny Annexe building to provide capacity.	£40,000 (guesstimate)
Stenhouse Primary School	Very small serving counter requires alteration.	£25,000 (guesstimate)
Towerbank Primary School	There is a particular issue with this school which has a very high roll and already very constrained dining facilities. There are no management solutions which can be identified to create additional capacity within the existing areas therefore additional space is required. The deficit in capacity is 165 which, based on an assumed two sittings, means that space for an estimated additional 80 pupils is required in the school. Using a metric of 1.16m ² /pupil (taken from South Morningside) results in a space requirement of 93m ² . However, where this space would be located within the school has not been identified and requires a feasibility study to be undertaken. Recognising that this additional area may require circulation space the space requirement has been uplifted by 30% to 121m ² . It is very difficult to estimate potential construction costs therefore an assumption of £3,113/m ² has been used which represents a 20% uplift on the current SFT base cost metric for building a new primary school of £2,594 as adjusted for inflation to Q1 2014. This produces an estimated cost of £3,113 x 121m ² = £376,673.	£376,673
Across a range of schools including those identified as having potential capacity issues	It has been estimated that approximately 150 additional 12 seat SICO table units (with chairs) would be required throughout the school estate at a cost of £650 each.	£97,500

APPENDIX 2

Capital Investment Required – Additional Production

Kitchen Capital Requirement with Geo Crossover July 2014 SECOND BID

Area	School Name		Total Uptake w/c 3 March 2014	Projected Meal Volumes	Projected Total Production kitchen Meals	Combi Oven Large	Combi Oven Medium	Dishwasher Medium	Fridge Medium	Food Mixer Large	Food Mixer Medium	Blast Chiller	Range Medium	Satalite Counter	Freezer Medium	Wash up Sink	Fryer Medium	Hot Trolley	Heavy Equipt Total	Light Equip	Estimate for SFC funding bid May 2014	Cost per Pupil Meal 1.1.15
Estimate						£9,450	£5,510	£4,500	£1,349	£2,081	£900	£4,783	£3,155	£2,460	£1,817	£566	£2,545	£1,959				
1	Balerno High	FP	107	107	518														0	0		
1	Balgreen Primary	DC	174	297				1						1					£6,960	£2,784	£9,744	
1	Blackhall Primary	DC	208	323				1											£4,500	£1,800	£6,300	
1	Boroughmuir High	FP	66	66	473														£0	£0		
1	Bruntsfield Primary	P	303	429	429		1			1		1	1	1	1				£19,806	£7,922	£27,728	Phase 1
1	Buckstone Primary	DC	97	223				1											£4,500	£1,800	£6,300	
1	Canal View Primary	FP	165	248	516		1				1	1			1				£13,010	£5,204	£18,214	Phase 1
1	Carrick Knowe Primary	DC	161	318										1		1			£3,026	£1,210	£4,236	
1	Clermiston Primary	FP	154	301	619	1			1	1		1		1	1				£21,940	£8,776	£30,716	Phase 1
1	Clovenstone Primary	FP	124	198	484		1		1	1			1	1	1		1		£18,917	£7,567	£26,484	Phase 1
1	Corstorphine Primary	FP	222	366	401						1	1							£5,683	£2,273	£7,956	Phase 1
1	Craiglockhart Primary	DC	157	275				1						1		1			£7,526	£3,010	£10,536	
1	Cramond Primary	DC	161	283										1		1			£3,026	£1,210	£4,236	
1	Currie High	FP	168	168	512				1	1					1		1		£7,792	£3,117	£10,909	
1	Currie Primary	P	182	279	279		1					1	1		1				£15,265	£6,106	£21,371	Phase 1
1	Dalmeny Primary	DC	33	76															£0	£0	£0	Project C&F
1	Dalry Primary	DC	156	286				1						1					£6,960	£2,784	£9,744	
1	Davidson's Mains Primary	FP	207	358	641	1			1				1	1	1		1		£20,776	£8,310	£29,086	Phase 1
1	Dean Park Primary	FP	220	331	331		1				1			1					£8,870	£3,548	£12,418	Phase 1
1	East Craigs Primary	DC	124	286										1				1	£4,419	£1,768	£6,187	
1	Echline Primary	FP	100	190	420	1		1	1		1	1		1	1				£25,259	£10,104	£35,363	Phase 1
1	Fox Covert Primary	FP	179	367	367	1			1	1		1	1	1				1	£25,237	£10,095	£35,332	
1	Gorgiemills	FP	54	66	229														£0			
1	Gylemuir Primary	FP	168	367	505	1						1			1				£16,050	£6,420	£22,470	Phase 1
1	Hillwood Primary	DC	19	118				1										1	£6,459	£2,584	£9,043	
1	Kirkkiston Primary	FP	122	273	513	1		1	1			1	1	1	1		1		£32,018	£12,807	£44,825	Phase 1
1	Longstone Primary	DC	75	217				1						1					£6,960	£2,784	£9,744	
1	Murrayburn Primary	DC	168	268										1					£2,460	£984	£3,444	

Kitchen Capital Requirement with Geo Crossover July 2014 SECOND BID

Area	School Name		Total Uptake w/c 3 March 2014	Projected Meal Volumes	Projected Total Production kitchen Meals	Combi Oven Large	Combi Oven Medium	Dishwasher Medium	Fridge Medium	Food Mixer Large	Food Mixer Medium	Blast Chiller	Range Medium	Satalite Counter	Freezer Medium	Wash up Sink	Fryer Medium	Hot Trolley	Heavy Equipt Total	Light Equip	Estimate for SFC funding bid May 2014	Cost per Pupil Meal 1.1.15
1	Nether Currie Primary	DC	71	127															£0	£0	£0	
1	Pentland Primary	P	176	315	315									1					£2,460	£984	£3,444	
1	Queensferry High	FP	226	226	419				1						1				£3,166	£1,266	£4,432	
1	Queensferry Primary	DC	98	230				1						1					£6,960	£2,784	£9,744	
1	Ratho Primary	DC	37	122				1										1	£6,459	£2,584	£9,043	
1	Redhall Special	FP	48	61	284		1		1	1		1			1				£15,540	£6,216	£21,756	
1	Roseburn Primary	DC	87	163															£0	£0	£0	
1	Sighthill Primary	FP	96	209	506		1					1	1						£13,448	£5,379	£18,827	Phase 1
1	St Cuthbert's RC Primary	DC	75	138				1											£4,500	£1,800	£6,300	
1	St Margaret's RC Primary	DC	39	117										1					£2,460	£984	£3,444	
1	St Mark's RC Primary	DC	98	140				1						1					£6,960	£2,784	£9,744	
1	Stenhouse Primary	DC	169	411				1	1					1		1			£8,875	£3,550	£12,425	
1	Tollcross Primary	DC	64	132															£0	£0	£0	
1	Woodland Special	FP	87	102	242														£0			
1	WHEC	FP	156	156	765														£0	£0	£0	
	Totals		5,046	9,733	9,768	£ 56,700	£38,570	£ 63,000	£ 13,490	£ 12,486	£ 3,600	£ 52,613	£ 22,085	£ 51,660	£ 21,804	£ 2,264	£ 10,180	£ 9,795	£353,247	£143,299	£501,545	£37
2	Brunstane Primary	FP	135	182	535	1		1							1				£15,767	£6,307	£22,074	Phase 1
2	Castlebrae High	FP	74	521	595	1						1							£14,233	£5,693	£19,926	Phase 1
2	Colinton Primary	DC	70	157															£0	£0	£0	
2	Craigentenny Primary	DC	109	234															£0	£0	£0	
2	Duddingston Primary	FP	140	229	473		1			1		1			1				£14,191	£5,676	£19,867	Phase 1
2	Gilmerton Primary	P	234	403	403	1			1	1									£12,880	£5,152	£18,032	Joint project with C&F
2	Gracemount Primary	FP	197	358	543		1			1					1		1		£11,953	£4,781	£16,734	Joint project with C&F
2	James Gillespie's High	P	154	154	154																	
2	James Gillespie's Primary	P	155	328	328	1							1		2		1		£18,784	£7,514	£26,298	Phase 1
2	Kaimes Special	FP	45	45	195														£0	£0	£0	
2	Liberton High	FP	184	184	573	1													£9,450	£3,780	£13,230	Phase 1
2	Liberton Primary	DC	173	295															£0	£0	£0	
2	Newcraighall Primary	DC	61	119														1	£1,959	£784	£2,743	

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Kitchen Capital Requirement with Geo Crossover July 2014 SECOND BID

Area	School Name		Total Uptake w/c 3 March 2014	Projected Meal Volumes	Projected Total Production kitchen Meals	Combi Oven Large	Combi Oven Medium	Dishwasher Medium	Fridge Medium	Food Mixer Large	Food Mixer Medium	Blast Chiller	Range Medium	Satalite Counter	Freezer Medium	Wash up Sink	Fryer Medium	Hot Trolley	Heavy Equipt Total	Light Equip	Estimate for SFC funding bid May 2014	Cost per Pupil Meal 1.1.15
2	Nid/st Francis Primary	P	310	504	504												1		£2,545	£1,018	£3,563	
2	Parsons Green Primary	FP	157	255	500	1		1	2						1				£18,465	£7,386	£25,851	Phase1
2	Portobello High	FP	186	186	615	1		1				1						2	£22,651	£9,060	£31,711	Phase1
2	Preston Street Primary	DC	117	206				1						1					£6,960	£2,784	£9,744	
2	Prestonfield Primary	DC	99	163										1					£2,460	£984	£3,444	
2	Sciennes Primary	P	273	429	429	1						1					1		£16,778	£6,711	£23,489	Phase 1
2	South Morningside Primary	DC	182	389				1										2	£13,338	£5,335	£18,673	
2	St Catherine's RC Primary	DC	123	185															£0	£0	£0	
2	St Crispin Special	P	69	80	80														£0			
2	St John Vianney RC Primary	FP	136	274	569		1				1	1							£13,010	£5,204	£18,214	Joint project with Property
2	St John's RC Primary School	DC	121	244										1					£2,460	£984	£3,444	
2	St Ninian's RC Primary School	DC	105	245				1										1	£6,459	£2,584	£9,043	
2	The Royal High Primary School	P	179	252	252		1			1		1						1	£14,333	£5,733	£20,066	
2	Towerbank Primary	DC	193	429				1										1	£6,459	£2,584	£9,043	
	Totals		1,309	7,050	6,748	£ 75,600	£22,040	£ 31,500	£ 4,047	£ 8,324	£ 900	£ 28,698	£ 3,155	£ 12,300	£ 12,719	£ -	£ 10,180	£ 15,672	£225,135	£90,054	£315,189	£33
3	Abbeyhill Primary	DC	74	144				1						1					£6,960	£2,784	£9,744	
3	Broughton Primary	DC	144	259				1						1					£6,960	£2,784	£9,744	
3	Ferryhill Primary	FP	141	263	706	1							1		1				£14,422	£5,769	£20,191	Phase 1
3	Flora Stevenson Primary	FP	243	417	417		1				1	1							£15,470	£6,188	£21,658	Phase 1
3	Granton Primary	DC	224	443				1						1					£6,960	£2,784	£9,744	
3	Hermitage Park Primary	DC	139	287															£0	£0	£0	
3	Holy Cross RC Primary	DC	122	285				1						1					£6,960	£2,784	£9,744	
3	Leith Academy	FP	196	196	566														£0	£0	£0	
3	Leith Primary	FP	121	329	614	1		1	1			1			1				£21,899	£8,760	£30,659	Joint Project with C&F
3	Leith Walk Primary	DC	95	260				1						1					£6,960	£2,784	£9,744	
3	Lorne Primary	FP	134	253	790	1			1	1			1		1				£17,852	£7,141	£24,993	Phase 1
3	Oaklands Special	FP	63	69	169																	
3	Parkside Primary	DC	116	315										1					£2,460	£984	£3,444	

Kitchen Capital Requirement with Geo Crossover July 2014 SECOND BID

Area	School Name		Total Uptake w/c 3 March 2014	Projected Meal Volumes	Projected Total Production kitchen Meals	Combi Oven Large	Combi Oven Medium	Dishwasher Medium	Fridge Medium	Food Mixer Large	Food Mixer Medium	Blast Chiller	Range Medium	Satalite Counter	Freezer Medium	Wash up Sink	Fryer Medium	Hot Trolley	Heavy Equipt Total	Light Equip	Estimate for SFC funding bid May 2014	Cost per Pupil Meal 1.1.15
3	The Royal Mile Primary	DC	78	134															£0	£0	£0	
3	Pilrig Park Special	DC	103	110																		
3	Prospect Bank Special	FP	56	56	85																	
3	St Mary's RC Primary (Ed)	P	192	282	282		1	1	1		1								£12,259	£4,904	£17,163	Phase 1
3	St Mary's RC Primary (Leith)	DC	131	283				1										1	£6,459	£2,584	£9,043	
3	St Thomas of Aquin's RC.High	FP	147	147	182																	
3	Stockbridge Primary	P	92	176	178		1								1				£7,327	£2,931	£10,258	Phase 1
3	The Royal Mile Primary	DC	78	134																		
3	Trinity Academy	FP	110	110	628	1			1		1	1			1				£18,299	£7,320	£25,619	Phase 1
3	Trinity Primary	FP	238	394	677	1			1		1			1					£14,159	£5,664	£19,823	Phase 1
3	Victoria Primary	DC	91	179				1						1					£6,960	£2,784	£9,744	
3	Wardie Primary	FP	228	376	661	1			1		1	1		1	1				£20,759	£8,304	£29,063	Phase 1
	Totals		3,138	5,901	5,955	£ 56,700	£16,530	£ 40,500	£ 8,094	£ 2,081	£ 4,500	£ 19,132	£ 6,310	£ 24,600	£ 12,719	£ -	£ -	£ 1,959	£193,125	£71,682	£250,887	£32
	Totals		8,634	22,684	22,471	£189,000	£77,140	£135,000	£25,631	£22,890	£9,000	£100,443	£31,550	£88,560	£47,242	£2,264	£20,360	£27,426	£776,506	£305,034	£1,067,621	£35