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22 February 2012

*Maureen Watt*

Thank you for your letter of 2 February 2012. I am happy to provide the following breakdown and explanation of the proposed additional funding for Scottish Water and Housing and Regeneration contained in the Spring Budget Revision to the Scottish Government Budget for 2011-12.

### **£50m allocated to Scottish Water**

The Scottish Government and HM Treasury have agreed a programme for future investment in the Caledonian Sleeper Service. This funding will be absorbed into the Infrastructure and Capital Investment portfolio in 2011-12 and initially made available to support the acceleration of Scottish Water's investment programme. The subsequent loan repayments will then be made at the appropriate points associated with the expected payment profile for the upgrades to the service.

### **£12.9m allocated to Housing and Regeneration**

This will be allocated as follows:

#### **£10m for Housing Supply**

We will use the additional £10m for housing supply in 2011-12 to bring forward expenditure originally planned for payment in 2012-13.

This will increase our national uncommitted resources in 2012-13 by an equivalent £10m which will be added to the total sums available to allocate to councils for new projects through to March 2015.

We will notify each council of the amount of money we are making available to subsidise new affordable housing in their area through to March 2015. Each council has the strategic

role of deciding how this should be spent. It is then for the council to decide, in discussion with local RSLs, which projects should go forward. The council will propose to the Scottish Government a package of development projects, setting out the plans, who will be the developer in each case, and the amount of subsidy requested from the Government. Once the Government has agreed these plans with the council, that opens the way for the Government to agree the specific projects with the council or RSL, and the amount of subsidy we will put in for each.

### £2m for Adaptations

The additional £2m for RSL adaptations increases the budget to £10 million for 2011-12 and provides further resources for RSLs (outwith Glasgow and Edinburgh) to deliver housing adaptations for older and disabled tenants.

This supports the aim of the recently published national housing strategy for older people – "Age, Home and Community" – to help older people to live independently at home for as long as possible.

RSLs in Glasgow and Edinburgh receive funding for the provision of housing adaptations directly from the local authority through the Transfer of the Management of Development Funding (TMDF) arrangements.

### £0.35m for Clydebank Rebuilt URC

Affirming our support for Scotland's Urban Regeneration Companies, Clydebank Rebuilt URC will receive £0.35m to build much-needed workshops and serviced development plots for small factories in Clydebank East. This additional funding is expected to help create 20 new jobs in the area.

### £0.5m for Boiler Scrappage

The additional £0.5m is being used to allow the current boiler scrappage scheme for householders to remain open until the end of the financial year. Typically, £0.5m will allow support to be provided to around 1,250 applicants.

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**JOHN SWINNEY**