



Capital Budget 2005/06 to 2008/09

SUMMARY

- 1.1 The report sets out the 2006/07 to 2008/09 capital programme for recommendation to Council. The main areas of the programme are:
- £24m Education programme which mostly consists of repair, maintenance and improvements to the fabric of school buildings plus funding to devolved schools.
 - £22m Housing programme made up of £10m Housing Revenue Account and £12m Housing General Fund.
 - £15m Local Transport Plan (LTP) to help deliver the Connecting Derby and Inner Ring Road maintenance scheme.
 - £10m Development and Cultural Services programme (excluding LTP) which includes the QUAD development.
- 1.2 The programme is divided into funded service and corporate elements, reflecting the decision making process approved as part of the December 2005 Capital Strategy report to Cabinet.
- 1.3 The 2005/06 programme has also been updated to reflect changes that have occurred since the monitoring reported to Cabinet in December 2005. Required changes total £200k. The main areas of change relate to the addition of the Rethink Rubbish project, some amendments to the Local Transport Plan and the slippage of various schemes into 2006/07 following the development of 2006/07 budgets. The restated 2005/06 Capital Programme now totals £80m.
- 1.4 Financial Procedure Rules require Cabinet approval for the commencement of schemes in excess of £100k. 3 schemes are included in this report for approval.
- 1.5 A further report will be presented to a proposed special Council Cabinet meeting on 1 March to finalise the allocation of the building maintenance programme and the outcome of any discussions on public priorities. This is to allow the Cabinet sufficient time to reflect on feedback from public consultation.
- 1.6 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATIONS

- 2.1 To approve the changes to the 2005/06 Capital Programme as detailed in Table 1 and Appendices 2 and 3.
- 2.2 To approve the commencement of schemes over £100k as set out in Appendix 4 subject to approval of the 2006/07 capital programme by Council on 1 March 2006.
- 2.3 To recommend to Council the 2006/07 to 2008/09 capital programme set out in the report.
- 2.4 To confirm that approval to proceed with individual capital schemes within this programme still depends upon compliance with scheme commencement procedures, in accordance with financial procedure rules.
- 2.5 That conditional authority be given to Council Cabinet on 14 March 2006 to approve any necessary changes to the Education programme following Education Scrutiny Commission on 6 March.
- 2.6 To agree that, all bids for capital schemes which will depend upon SCE-R funding, or which cannot otherwise be fully supported from capital resources already approved with this programme should require Cabinet approval.

REASON FOR RECOMMENDATIONS

- 3.1 Financial Procedure Rules require Cabinet approval for increases of more than £5,000 for schemes costing less than £50,000 and of more than 10% for schemes in excess of £50,000.
- 3.2 Cabinet approval is required for the commencement of schemes in excess of £100k.
- 3.3 Financial Procedures require that Council approve annual budgets as part of the Council Tax setting exercise.



Capital Budget 2005/06 to 2008/09

SUPPORTING INFORMATION

1. 2005/06 Revised Capital Programme

1.1 A report monitoring expenditure on the 2005/06 capital programme was approved at 20 December Cabinet and revisions to the programme were made at that stage. In order to ensure consistency with the proposals for 2006/07 budgets some further changes are now necessary to the programme. These changes are detailed in Appendix 2 and the main changes are summarised below:

- **Rethink Rubbish (+£939k):** Additional borrowing is to fund the purchase of bins and vehicles to support the roll out of the twin bin recycling scheme in 2006/07 and 2007/08, and the existing planned programme for 2005/06. It is self financing because the financing costs can be contained within the planned revenue budget provision for Rethink Rubbish in the previous indicative budget plans. The capital costs of the 2005/06 programme have not to date been reflected in the capital budget, although approval has been given to the scheme including the financing costs within the D&CS revenue budget.
- **Local Transport Plan (LTP) (+£109k):** Additional grant has been received for LTP schemes and the budget is being increased accordingly. There are also some amendments within the approved LTP involving the reallocation of £420k of funding between various schemes and variations above delegated limits which require Cabinet approval. Details are provided in Appendix 3.
- **Financial Systems Replacement (+£24k):** The replacement system is the subject of a separate report on this agenda, approving commencement of the scheme. The main capital costs fall in 2006/07 and 2007/08 and total costs are contained within the estimates provided in the Capital Strategy approved by Cabinet on 20 December 2005.
- **Grounds Maintenance Equipment (+£33k):** Due to reliability problems it has become necessary to replace three wood chippers which were originally scheduled for replacement in 2006/07. The equipment will be funded from self-financing prudential borrowing and the associated revenue costs will be contained within the Grounds Maintenance Trading Account.
- **Education schemes slippage (-£1.181m):** Net slippage on a variety of education and schools projects, including £742k of slippage on Reigate and Ashgate Nursery Children's Centres.

- 1.2 The total revised programme reflecting the above changes and funding for 2005/06 is summarised below:

Table 1 – Summary Capital Programme 2005/06

Programme	Latest Approved Programme £000's	Total changes £000's	Revised Programme £000's
Education	16,787	-1,181	15,606
Development and Cultural Services	16,091	1,371	17,462
Chief Executive's - Housing	37,040	30	37,070
Chief Executive's - Other	3,809	-21	3,788
Commercial Services	4,053	33	4,086
Social Services	2,357		2,357
Total	80,137	232	80,369
Funding 2005/2006	Latest Approved Programme £000's	Total changes £000's	Revised Programme £000's
Supported Capital Expenditure (Revenue)	14,422	-8	14,414
Supported Capital Expenditure (Capital)	8,419	-482	7,937
Supplementary Credit Approval	18,915		18,915
<i>Unsupported borrowing</i>			
Corporate Programme	3,121		3,121
Service Financing	1,752	972	2,724
Service Financing Spend to Save	1,417	-45	1,372
Housing major repairs allowance	10,932		10,932
Government grants	8,916	-107	8,809
Capital receipts	3,144	24	3,168
External contributions	1,513	-80	1,433
Lottery	1,945		1,945
Capital Reserves	900	28	928
Revenue/Revenue Reserves	2,131	30	2,161
S106	2,610	-100	2,510
Total	80,137	232	80,369

- 1.3 A further monitoring report against this programme will be brought to Cabinet on 14 March 2006.

Scheme Commencements

- 1.4 Financial Procedure Rules require Cabinet approval for the commencement of schemes over £100,000. Attached at Appendix 4 are three schemes requiring approval to commence. The 2005/06 elements of schemes and funding are included in the capital programme detailed above. The approval for the 2006/07 elements of these schemes is subject to approval of the 2006/07 capital programme by Council on 1 March 2006.

Capital Programme 2006/07 to 2008/09

- 1.5 The Council has developed its capital programme for 2006/07 to 2008/09 on a basis consistent with the corporate Capital Strategy approved by Cabinet on 20 December 2005. Within this framework, there are several distinct elements to the capital programme and this report is structured accordingly. A summary of the overall programme is given in Appendix 5. Full programme costs and supporting details are given in Appendices 6 and 7 respectively.
- The funded service programme, where service departments are drawing up a proposed capital programme, which balances to estimates of funding earmarked for use by each service (Sections 1.16 to 1.21)
 - The corporate programme, which consists of schemes which will need to be funded from available corporate resources, which are not earmarked for use by any one department and are allocated on principles set out in the corporate capital strategy (Sections 1.22 to 1.35)
 - Schemes funded from self financing prudential borrowing, where additional borrowing is allowed provided that departments can demonstrate that the financing costs can be funded from existing approved departmental revenue budgets (Sections 1.36 to 1.37)
- 1.6 Other expenditure of a capital nature that currently falls outside of the programme is reported on in Sections 1.41 to 1.44

Allocation of Resources

- 1.7 The Council receives Supported Capital Expenditure – SCE - allocations which provide financial support for the capital programme from Government. These are split into:
- Supported Capital Expenditure (Revenue) - SCE-R - funding through the revenue support grant system and HRA housing subsidy system to support the revenue costs of borrowing to fund capital expenditure
 - Supported Capital Expenditure (Capital) - SCE-C - grants which fund capital expenditure up front and which avoid the need to borrow.
- 1.8 Most 2006/07 allocations are now confirmed. Allocations for 2007/08 onwards are incomplete although allocations for specific schemes are generally set out over the project life.
- 1.9 In addition to SCE funding, further unsupported borrowing is permitted provided that compliance with the Prudential Code accompanying the Local Government Act 2003 can be demonstrated. Unsupported borrowing levels must be set within affordable limits to be identified using a set of prudential indicators. These limits have to be set by the Council and the Council has to demonstrate affordability. The cost of unsupported borrowing is included as part of the revenue budget process and is funded entirely by the council tax or housing rents, as appropriate.

- 1.10 New unsupported borrowing of £2m for each of the next three years has continued to be provided for in planning the programme, in support of the corporate element of the programme funded from the General Fund Treasury Management budget. The initial annual full year revenue cost of this borrowing is £175,000 for each £2m of borrowing and then reduces slightly as principal is repaid, and will fall entirely on the council tax. This is consistent with the revenue budget proposals. Further unsupported borrowing is also provided for where it is self financing within previously planned service revenue budgets.
- 1.11 The corporate capital strategy determined that all services should be allocated their SCEs in full as allocated by Government, including those elements that are not ring fenced. Subject to affordability within revenue budgets, funded department programmes may also include:
- Supported Capital Expenditure grants specific to service programmes
 - other external resources such as Section 106 receipts and lottery funding that are earmarked to particular uses
 - capital receipts that are not pooled for corporate reallocation, as determined by the Capital Strategy principles
 - direct revenue contributions from service revenue budgets
 - additional prudential borrowing financed from service revenue budgets.
- 1.12 Given the need to demonstrate the affordability of additional self financing prudential borrowing, and to demonstrate control of its overall level, such schemes are referred to separately in this report.
- 1.13 The principle that, at the margin, the SCE – R borrowing costs are fully funded by the revenue support grant system was undermined by the changes to the grant system announced on 6 December. For all major authorities, allocations of revenue support grant above a 2% minimum floor are being scaled back by 85% in 2006/07. By contrast, in 2005/06, changes to SCE – R support was exempted from scaling, which was in any case minimal. This means that, at the margin, a decision to proceed to undertake capital investment which is subject to Government ‘support’ through SCE - R will result in an additional cost to council tax in 2006/07 and later years until the level of floor scaling is gradually unwound.
- 1.14 For the purpose of this programme, for 2006/07 revenue costs have been taken into account in the Treasury Management budget and it is in general intended to proceed as if the investment were fully supported. In planning future programmes, however, the approach of ignoring the corporate costs arising from spending SCE – R allocations will need to be reviewed.
- 1.15 This situation has potential implications for the general approach to authorising bids for capital schemes, where such allocations are not fully supported. It is proposed that all bids for capital schemes which will depend on additional SCE-R support, and any other bids which will require some capital funding from the Council should require Cabinet approval where such funding is not provided for with approved budget.

Funded Programmes

- 1.16 Funded programmes are presented for each department within the estimates of available service resources. These programmes are still being developed in some cases and may vary, for example when block allocations are allocated to projects within the Education programme. Council is being requested to approve the programme as it currently stands with Cabinet having delegated authority to approve any necessary changes at its meeting on 14 March 2006. The programme is based on resources which are anticipated to be available and may change as future announcements are made.
- 1.17 Some schemes included in the programme are reliant on external funding, and depending on there being a successful outcome to those bids.
- 1.18 Individual detailed reports for the Housing and Transport funded programmes have been considered by the relevant Overview and Scrutiny Commissions during January and February. The Education programme is being considered at the 6 March Education Commission. Any comments will be reported through to 14 March Cabinet.
- 1.19 The remaining funded programmes were considered at Scrutiny Management Commission on 24 January 2006.
- 1.20 The funded programmes are briefly summarised below. More details of individual schemes are provided in Appendices 6 and 7.

- **Education**

Much of the extensive Education programme consists of repairs, maintenance and improvements to the fabric of schools buildings, plus funding devolved to schools. New building provided for in 2006/07 includes the new Normanton Primary School, Ivy House replacement Special School, Pupil Referral Unit KS3 building, St Benedict's Multi-Use Games Area, and Asterdale and Becket Primary Children's Centres. The programme when reported to Education Commission will generally be shown in detail although some subsequent approvals may be needed for programmes that are only shown as a block allocation.

There is the potential for the programme to be extended if the Council secures funding under the Building Schools for the Future national programme. The Schools PFI scheme is also additional to this programme.

- **Housing**

The programme consists of private and public sector elements.

Private sector schemes are mainly concerned with improvements to secure housing, environmental and socio-economic improvements in deprived inner city areas. The programme for 2006/07 is significantly expended with the inclusion of the Rosehill Market Renewal area.

In addition, the housing programme includes a contribution of £200k in 2007/08 and 2008/9 from capital receipts that would otherwise be available to the corporate

programme. This is consistent with the Capital Strategy and reflects the decision to look to the resources available to the housing programme to deliver the housing elements of the Council's Supported Accommodation Strategy as it is developed.

Public sector schemes are mainly concerned with the maintenance of decency for all of the council owned stock, as the Derby Homes Pride programme is completed. The public sector programme as reported incorporates capital elements of the £15m Estates Pride programme which is aimed at securing the sustainability of the public sector housing estates over a five or six year period, through a mix of revenue and capital spending funded from the Housing Revenue Account. Details of individual schemes of the programme are being proposed separately.

- **Local Transport Plan**

This programme includes Connecting Derby and the Inner Ring Road.

The LTP settlement has been relatively favourable, reflecting the Government's assessment of the Council's approach to the programme.

Additional funding for Connecting Derby has been secured. However, there remains an estimated funding gap of up to £2m in the whole life cost of the Connecting Derby scheme. This is excluded from the costs of the scheme shown up to 2008/09. This may be found from other sources. If not, the assumption is that the balance of costs would be met in the 2009/10 programme or if earlier from further self financing unsupported borrowing additional to that shown in this report, funded from transportation revenue budgets. The Capital Strategy approved on 20 December confirmed that corporate support for the programme would not be available without varying the current principles for allocating resources.

- **Social Services**

The main driver behind the capital programme from 2004/05 onwards is the achievement of national minimum standards as used by the National Care Standards Commission (NCSC). The standards form the basis on which the NCSC will determine whether Social Services' establishments meet the needs and secure the welfare and social inclusion of service users. The funded programme is supplemented by the corporate programme allocations but does not include funding for works to Arthur Neal House.

The Electronic Social Care Record (ESCR) programme is designed to comply with Central Government directives whose aims are to modernise social care business processes. This scheme was approved by Cabinet on 29 November 2005 and will integrate departmental technology with corporate ICT developments and promote the modernisation agenda for social care. Efficiency savings will be released which will contribute to the Council achieving Gershon Review efficiencies and are reflected in the revenue budget proposals.

Mental Health schemes are funded by allocations from the Department of Health and will be used to improve facilities to service users.

- **Development and Cultural Services**

This programme is additional to the Local Transport Plan, the main elements of which are:

- Maintaining and enhancing the City's flood defence assets to reduce the danger of flooding and consequential impact on the prosperity of the City.
- Development of QUAD – a visual arts and media centre.
- Townscape Heritage Initiative which is a major regeneration scheme for the city centre, focusing on the historic townscape, which is a vital component of the centre's character and quality. It funds building repair and enhancement schemes. It will also enhance the City's economic vitality.

Although the Bramble Brook and Littleover Brook schemes are shown in the programme, it is unlikely that sufficient additional corporate funding can be found to allow both of these schemes to proceed, following an escalation of costs. Further Cabinet approval will be required before any further spending on these schemes is authorised in 2006/07.

- **Commercial Services**

The main areas of this programme relate to capital investment in the trading parts of Commercial Services, which is generally funded from self financing prudential borrowing and recovered from trading income and development and refurbishment of the city's parks, recreation grounds and play areas.

- 1.21 Any further slippage from the 2005/06 capital programme will have the effect of increasing the funded programmes for 2006/07, provided that the carry forward of allocations is approved.

Corporate Programme

- 1.22 Table 2 summarises the level of funding and planned expenditure within the corporate elements of the capital programme:

Table 2 – Summary of Funding for Corporate Programme

	2006/07 £'000	2007/08 £'000	2008/09 £'000
Funding:			
Unsupported Borrowing – New	2,019	2,000	2,000
Unsupported Borrowing – 2005/6 Slippage	221	35	0
Capital Receipts – Unused b/f from 2005/6	1,264	0	0
Capital Receipts – Corporate Sales	760	200	0
Capital Receipts – Housing Sales (net)	859	843	833
Capital Receipts – Unidentified Sources	9	0	0
Capital Receipts - to Housing (Supported Housing)	0	(200)	(200)
Capital Receipts – to/from Education (Schools PFI)	(1,406)	1,406	0
Revenue (Public Priority Fund)	50	50	0
Accommodation Strategy Capital Reserve	0	(2,000)	0
QUAD Capital Reserve	831	200	0
Total Funding for Corporate Programme	4,607	2,534	2,633

Planned Programme:			
Slippage from 2005/06	221	35	0
Allocated Corporate Programme (Table 3)	4,386	2,176	875
Accommodation Strategy	0	0	1,000
Unallocated Corporate Programme	0	323	758
Total Corporate Programme and Reserves	4,607	2,534	2,633

- 1.23 The funding available to fund corporate schemes has been reassessed since the 20 December 2005 Capital Strategy report to Cabinet. New corporate unsupported borrowing remains at £2m per annum, continuing the policy adopted since 2004/05. The volatile element of funding is that available from capital receipts. Note that ...
- Funding from capital receipts, net of those right-to-buy receipts earmarked for the housing capital programme, has fallen appreciable due to the low volume of housing sales in 2005, and is now well below levels that had been planned for one year ago.
 - From 2007/8 onwards, £200k of corporate capital receipts is being allocated back to the housing capital programme each year, and that programme will be looked to as the source of capital funds to deliver strategic changes to the provision of supported housing in Derby, including the housing element of Extracare schemes.
 - The Schools PFI scheme is being 'loaned' £1.406m of capital receipts in 2006/07 to bridge a timing difference between the expenditure being incurred and income coming in for Merrill School which forms part of the school PFI project. This is consistent with previous plans.
 - Corporate capital receipts, other than from housing sales, are being planned using reasonably prudent assumptions and the projected levels shown are in effect minimum levels that can be relied on from specific sales.
- 1.24 Cabinet is requested to approve a revised contribution of £3m to the Accommodation Strategy capital reserve in 2005/06, £1m below that previously planned. A further £2m will be contributed in 2007/08. £1m of capital expenditure on land assembly is allowed for in 2008/09. This means that by 2008/09, £10m of funding will have been allocated to support this programme. Decisions still need to be brought before Cabinet as to how the Accommodation Strategy is to be progressed in the context of the latest scheme costs. These remain contingency sums until approval is given to full implementation, and no account is taken of the reserves in revenue budget planning to ensure that their application does not compromise future affordability of replacement accommodation.
- 1.25 Funding for slippage from the 2005/06 approved programme reflects the latest monitoring and is matched by deferred spending on:
- Flood Defence - £109k
 - Alvaston Park Changing Rooms - £70k
 - Chaddesden Park Playground – Wheeled Sports - £77k.
- 1.26 Taking account of these changes, the balance of unapplied corporate resources expected to be carried forward into 2006/07 is £1.290m.

- 1.27 Table 3 sets out in detail the current proposals for allocation of the corporate capital programme in 2006/07 and forward indicative allocations for 2007/08 and 2008/09.

Table 3 – Corporate Allocations from 2006/07 (excluding Slippage)

Scheme	2006/07 £'000	2007/08 £'000	2008/09 £'000	Total £'000
Planned Maintenance	775	800	825	2,400
Mickleover Library	930	32	0	962
QUAD	831	0	0	831
QUAD landscaping	0	200	0	200
New Financial System	374	475	0	849
Multi Storey Car Parks	400	0	0	400
Flood Defence	310	269	0	579
Eagle Centre Lifts	165	0	0	165
National Care Standards	351	0	0	351
Playground Improvements	200	350	50	600
Accommodation Strategy	0	0	1,000	1,000
Community Centres	50	50	0	100
Total	4,386	2176	875	8,437

- 1.28 The corporate capital programme for 2006/07 onwards is based on the forward plans set out in March 2005 which have been updated as appropriate. This reflects the early appreciation that uncommitted capital resources in 2006/07 were likely to be very limited. The officer Asset Management Group has concentrated on reviewing plans for existing schemes, in the knowledge that the Council's new administration would want the programme to be extended to reflect its new priorities.
- 1.29 More details of individual schemes within the Corporate Programme is provided in Appendix 7, consistent with the report previously taken to Scrutiny Management Committee on 24 January 2006.
- 1.30 The planned maintenance and playground improvement programmes are block allocations. The allocation of the capital (and revenue) maintenance budgets will require separate Cabinet approval. There are considerable pressures on these budgets and they will need to be prioritised should further corporate capital funding become available in 2006/07.
- 1.31 A fully committed corporate capital programme is shown for 2006/07, with a balance of funding of £323k in 2007/08 and a further £758k in 2008/09. There is the prospect of some further funding, particularly in 2007/08 and 2008/09 as the assumed availability of capital receipts from land sales has been planned relatively prudently.
- 1.32 The Council is currently at the early stages of planning, jointly with Derbyshire County Council, a county-wide procurement of a joint residual waste treatment plant for the south of Derbyshire. Cabinet on 20 December 2005 determined that it would be more economical to procure this through additional unsupported borrowing than PFI. This will be a more economical long term alternative than continuing landfill disposal in the context of the landfill tax. Substantial capital costs are now expected to be incurred from 2008/09 onwards. A full costing is not available at this stage, prior to a further report expected to be considered by Cabinet no earlier than March

2006. However, net capital costs in 2008/09 can be expected to at least exceed the £758k currently identified as uncommitted.

- 1.33 A further report will need to be brought back to Cabinet, informed by input from the Asset Management Group, that seeks to prioritise and address other competing future funding needs. Options for future investment are:
- the investment implications of the current review of existing sports facilities
 - possible investment in Children's and Adult Social Services facilities that might help to limit pressures on revenue budgets but would not be self financing within existing budgets
 - further funding to address the gap in the flood defence programme, if it is to progress in full
 - other smaller and medium scale priorities that may be identified by the Asset Management Group, particularly for 2007/08 and 2008/09.
- 1.34 In addition, there remains an uncommitted balance of £500k within the Public Priorities Fund, available for each of 2006/07 and 2007/08. This is available for one-off revenue or capital expenditure, or if necessary to assist in delivery of a low council tax increase. Use of the fund for further capital expenditure will be shown within the corporate programme once decisions are taken.
- 1.35 Other funding to deliver capital elements of the Council's commitment to its neighbourhood agenda are now expected to be delivered through external funding and/or the Public Priorities Fund.

Self Financing Unsupported Borrowing

- 1.36 The funded capital programme also includes schemes funded by prudential unsupported borrowing on a self financing basis. Spend-to-save schemes are those where the financing cost of the capital investment is matched or exceeded by direct revenue savings. Other self financing borrowing may occur where financing costs are funded by contributions from previously approved service revenue budgets. In both cases, there is a need for a revenue budget virement from specific service department budgets to the corporate Treasury Management budget to fund these schemes. The service department retains revenue savings over the financing costs.
- 1.37 Appendix 8 summarises how unsupported borrowing is being used in support of the capital programme, both for self-financing schemes and corporate unsupported borrowing.

Combined Programme

- 1.38 The combined programme reflecting both the departmental funded programme and corporate programme for 2006/07 to 2008/09 and related funding is summarised in Appendix 5 and set out in detail in Appendix 6. Brief details on all schemes included in the programme can be found in Appendix 7.

1.39 Members are now being asked to commit to the 2006/07 programme, subject to later detailed approval of scheme starts in accordance with the Council's contract standing orders and financial procedure rules. At the point that scheme commencement approval is given, Cabinet may agree to a firm commitment of this funding beyond 2006/07. Some such commitments have already been made where certain scheme commencement approval have already been given. Separate requests will be brought to Cabinet to allocate block programmes in more detail.

1.40 The 2005/06 to 2008/09 capital programme and funding is summarised in Table 4.

Table 4 – Summary Capital Programme 2005/06 to 2008/09

Department	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Education	15,606	24,647	18,549	12,250
Development and Cultural Services	17,462	24,472	20,522	18,679
Chief Exec - Housing	37,070	22,379	21,523	15,712
Chief Exec – Other	3,788	2,559	1,957	2,020
Commercial Services	4,086	2,962	2,732	250
Social Services	2,357	1,069	482	277
Unallocated Corporate Resources			323	758
Total	80,369	78,088	66,088	49,946
<i>Funded by:</i>				
Supported Capital Expenditure (Revenue)	14,414	16,390	9,568	8,704
Supported Capital Expenditure (Capital)	7,937	21,637	28,237	17,441
Supplementary Credit Approval	18,915			
Unsupported Borrowing				
Corporate Programme	3,121	2,240	2,035	2,000
Service Financing	2,724	2,117	1,108	200
Service Financing Spend to Save	1,372	1,308	812	120
Housing major repairs allowance	10,932	7,465	7,570	7,532
Government grants	8,809	8,782	7,556	9,577
External contributions	1,433	3,418	4,130	309
Lottery	1,945	812	195	
Revenue/Revenue Reserves	2,161	1,610	2,230	2,200
Capital Reserves	928	4,012	200	
Capital receipts	3,168	7,716	2,290	1,863
S106	2,510	581	157	
Total funding	80,369	78,088	66,088	49,946

Other Capital Expenditure Outside of the Current Programme

1.41 The Council's current PFI schemes are all progressing well ...

- Building works and interim facilities management services on the Grouped Schools PFI project commenced in January 2005. The first school, Sinfin Primary has been fully operational since October 2005, and the other four will be operational by start of the 2006/07 school term. The capital works value of this project is £36m.
- The street lighting PFI project, which includes the renewal and maintenance of the Council's street lights and highways signs, has reached the Invitation to Negotiate stage and is currently seeking best and final offers from the two remaining bidders. It is expected that services, which have an initial capital works cost of up to £45m over a 5 year period, will commence in the summer of 2006.
- The housing PFI scheme is currently at the Outline Business Case stage. It is expected that the project, which should provide 125 new build houses and refurbish a further 50 at a combined capital works and land purchase cost of £27m, will be approved by HM Treasury's Project Review Group in March 2006. If so, the project is scheduled to achieve financial close in October 2007, with the first houses being let towards the end of 2007/08.

1.42 None of the capital costs relating to the PFI schemes form part of the capital programme as each transaction is deemed to be 'off balance sheet', and accounted for as a service charge paid for from revenue. They nonetheless represent significant capital works which are for the benefit of Council service users. Details of provision for the revenue costs are contained in revenue budgets.

1.43 Proposals for the use of Neighbourhood Renewal funds, including the Safer and Stronger Communities Fund, are still being worked up by Derby City Partnership. £970k of this will take the form of a capital grant, targeted at schemes to deliver the neighbourhood agenda. Until those proposals are complete, they cannot be shown within the funded service programmes.

1.44 Funding regimes such as European funding and New Deal for Communities do not allocate funding until nearer the start of the new financial year. Where funding is anticipated for Council projects these have been included in the programme, although schemes will not commence until funding is confirmed. There will also be additional capital grants to external organisations that will need adding to the programme at a later stage.

Next Steps

1.45 The full programme will be considered for approval by Council on 1 March.

1.46 The approval to the Education element of the programme will be conditional on 1 March. An unconditional approval will be given to all other elements of the 2006/07 capital programme.

1.47 Subsequent to these decisions ...

- For block programmes, approval will be needed to the content of programmes, if this is not set out in the initial programme.
- Scheme commencement needs Cabinet approval, if schemes are over £100k, before individual schemes can proceed, as set out under the financial procedure rules. For schemes which need to commence early in the year, scheme commencement approval can be given at the same point at which funding is committed, to avoid undue delay. Monitoring of projects will be reported to Cabinet throughout the year.

1.48 If schemes do not progress to schedule, Cabinet approval will be required before slippage can be moved to future year budgets, and this may give rise to a reprioritisation of funding commitments.

For more information contact:	Philip Walker, AD Corporate Finance 01332 256288 Email: Philip.walker@Derby.gov.uk
Background papers:	Capital Strategy 2006/7 to 2008/9 - Cabinet 20 December 2005 Asset Management Plan 2005 Overview and Scrutiny reports for Scrutiny Management, Housing, Education and Transport programmes – January and February 2005
List of appendices:	Appendix 1 – Implications Appendix 2 – Changes to 2005/06 programme Appendix 3 – LTP changes – 2005/06 Appendix 4 – Scheme Commencements Appendix 5 – Capital Programme 2005/06 to 2008/09 – Summary Appendix 6 – Capital Programme 2005/06 to 2008/09 - Detail Appendix 7 – Scheme Details Appendix 8 – Unsupported Borrowing – Scheme Details

IMPLICATIONS

Financial

1. As detailed in this report.

Legal

- 2.1 The Council has to charge to its revenue budget capital expenditure that cannot be met from borrowing, capital receipts, contributions or grants.
- 2.2 The rules governing decisions on the capital programme are set out in the Local Government Act 2003 and in regulations and statutory guidance issued under that Act, including the Prudential Code for Capital Finance in Local Authorities issued by CIPFA.

Personnel

3. None directly arising.

Equalities Impact

4. None Directly Arising.

Corporate Objectives and priorities

5. The proposals are intended to be consistent with corporate objectives and priorities.

Changes to 2005/06 Capital Programme

Appendix 2

Summary of changes to the capital programme 2005/2006	Latest Approved Capital Programme 2005/06 £000s	Revised Capital Programme 2005/2006 £000's	Change £000's	Category (figures represent £'000)
Education				
Ravensdale Infants school – FS1 Unit	223	76	(147)	C3
Boulton – Corridor	93	0	(93)	S
Cherry Tree Hill replacement heating	194	188	(6)	S
Littleover Community sec – NOF PEA	1,374	1,310	(64)	S
Ashgate Nursery Childrens Centre	377	97	(280)	S
Asbestos Removal and Weatherfoil heater replacement	193	216	23	S
Brackensdale Junior – double classroom extension	49	56	7	S
Redwood Infants – Classroom	142	82	(60)	S
Boulton – Roof Repairs	355	346	(9)	S
Alvaston Junior – Disabled Toilet	8	0	(8)	S
Reigate Children's Centre	504	42	(462)	S
Woodlands – NOF PEA	249	167	(82)	S
Total changes to Education	3,761	2,580	(1,181)	
Development & Cultural Services				
LTP				
Cycle Derby	0	250	250	C2
Cycling – Derby Moor Cycle Path	0	40	40	A
Cycling Spondon	35	41	6	A
Area Wide Cycling	112	135	23	A
RSTA – Derby Moor Safer Routes to School	60	76	16	A
Chellaston Safer Routes to School	40	64	24	A
Non LTP				
Sinfin Lane – Site Remediation	0	28	28	C2
Rethink Rubbish	0	939	939	A
Supporting Derby Project	0	45	45	C3
Total changes to Development & Cultural Services	247	1,618	1,371	
Chief Executive's - Housing				
HGF				
Homelessness (Security Works)	0	30	30	C1
Total changes to Chief Executive's – Housing	0	30	30	
Chief Executive's - Other				
Corporate Programme				
Energy Management	120	75	(45)	S
e-Derby Programme				
Financial System Replacement	0	24	24	A
Total changes to Development and Cultural Services	120	99	(21)	
Commercial Services				
Grounds Plant & Equipment	480	513	33	R1
Total changes to Commercial Services	480	513	33	
TOTAL CHANGES TO PROGRAMME	4,608	4,840	232	

Key of Categories	
C1 Approved Council Cabinet 2 nd August 2005	A Additional schemes from new funding secured
C2 Approved Council Cabinet 20 th December 2005	R1 Other adjustments – scheme reductions/increases
C3 Approved Council Cabinet 17 th January 2006	S Re-phasing

LTP Reallocation of Capital Funding

Appendix 3

Strategy Area/Scheme	<u>Original Budget</u> £'000	<u>New Budget</u> £'000	<u>Reallocated Capital Funding</u> £'000	<u>Narrative</u>
<u>REALLOCATION OF CAPITAL FUNDING</u>				Opportunity has been taken to review and where appropriate reprogramme this element of the capital programme to provide savings.
<i>Structures</i>				}
Meadow Lane Footbridge Improvements	84,425	14,425	70,000	
<i>Highway Maintenance</i>				
Chaddesden Lane	165,000	117,000	48,000	
A516 Uttoxeter New Road	120,000	114,000	6,000	
Retention and Unallocated	257,000	126,000	131,000	
<i>Strategic Integrated Transport Schemes</i>				
A52 Nottingham Road	36,000	7,000	29,000	
A511 Outer Ring Road	36,000	0	36,000	
London Rd Corridor	36,000	26,000	10,000	
<i>Transport Management & Demand Restraint</i>				
Cordon Avenue Junction Improvement	200,000	110,000	90,000	
		Total Reallocation	420,000	

**LTP Capital Programme Scheme Spend
Variations**

SCHEMES REQUIRING CABINET APPROVAL

Strategy Area and Scheme	Original Pool Allocation	Revised Allocation	Increase £	Increase % OR above C.O.limit	Notes
<u>Highway Maintenance</u> A516 Uttoxeter New Road	55,000	114,000	59,000	107.27%	Increase in area of work required.
<u>Public Transport</u> Allocation for Retention and Minor Slippage from 2004/5	50,000	120,000	70,000	140.00%	Considerable additional work has taken place to complete bus improvements in Spondon and Chaddesden/Oakwood.
<u>Road Safety Travel Awareness</u> Safety Cameras Investigation and Delivery	0	30,000	30,000	-	- The work programme includes installation of new hardstandings and CCTV to help enforcement on Burton Road and Nottingham Road, signing on Blagreaves Lane and investigation of future routes. It is externally funded by the Derbyshire Safety Camera Partnership.
<u>Strategic Integrated Transport Schemes</u> Chaddesden Park Road & Nottingham Road Carriageway Maintenance & Bus priority	0	11,000	11,000	-	- Additional landscaping and planting works have been carried out to complete the scheme.
Osmaston Road - development of a major and future strategic integrated transport scheme	36,000	60,000	24,000	66.67%	The SITS programme has been reviewed to focus delivery on Osmaston Road and Uttoxeter Road transport corridors. This will help to develop bids for future funds within the LTP2 period.
Uttoxeter Road - development of a major and future strategic integrated transport scheme	36,000	50,000	14,000	38.89%	The SITS programme has been reviewed to focus delivery on Osmaston Road and Uttoxeter Road transport corridors. This will help to develop bids for future funds within the LTP2 period.

Capital scheme commencement Reports (schemes over £100,000) for schemes in the revised 2005/06 programme:

Education Capital Programme

1 Children's Centre at Asterdale Primary School

This scheme relates to the building of an extra block at Asterdale Primary School to create a children's centre for this area of the city. The scheme is funded from Children's Centre funding, school contributions and NDS modernisation fund.

Revised Budget	£
2004/05	15,000
2005/06	416,000
2006/07	871,500
2007/08	32,000
Total	1,334,500

2 Mackworth Morley Children's Centre – Reigate Primary School

It is necessary to progress the Reigate Children's Centre capital scheme as a matter of urgency in order to meet the specific Sure Start completion deadline of August 2006. The detailed design work has now been completed and funding of £422,441 allocated from the Mackworth Morley Sure Start local programme for this project subject to completion by August 2006.

The scheme involves remodelling existing classroom space and creating a small extension to provide a purpose built Children's Centre base in the Mackworth Morley area. The project will provide the main staff base for the Children's Centre and facilities for delivering core offer services, particularly support for parents, crèche and training activities and child and family health services. An additional £81,264 has been allocated from NDS Modernisation funds under the capital programme for work to improve the school's own nursery class provision as part of the overall scheme

In order to commence spending on this scheme, approval is sought for the scheme commencement report. The funding details are shown below.

Revised Budget	£
2005/06	42,000
2006/07	538,000
2007/08	14,000
Total	594,000

3 Approval of Scheme Commencement Report – Darley Park Barn

- 3.1 It is necessary to progress the Darley Park Barn capital scheme. The detailed design work has now been completed and funding allocated for this project.
- 3.2 The scheme involves dismantling the existing barn and rebuilding a new outdoor and environmental education centre. Facilities to include canoe store & drying facility, classroom size meeting room, toilets & changing facilities (including those for disabled persons), refreshment area/kitchen & small office area, additional storage in former pumping station, ramped access into river.
- 3.3 In order to commence spending on this scheme, approval is sought for the scheme commencement report. The funding details are shown below.

Revised Budget	£
2004/05	17,500
2005/06	17,500
2006/07	704,000
2007/08	20,000
Total	759,000

APPENDIX 5

Summary Capital Programme Summary 2006/07 to 2008/09

For Info	Costs and Funding	Cost			
		2006/2007 £'000	2007/2008 £'000	2008/2009 £'000	Total cost £'000
	Scheme Costs				
15,606	Education	24,647	18,549	12,250	55,446
17,462	Development and Cultural Services	24,472	20,522	18,679	63,673
37,070	Chief Executive - Housing	22,379	21,523	15,712	59,614
3,788	Chief Executive - Other	2,559	1,957	2,020	6,536
4,086	Commercial Services	2,962	2,732	250	5,944
2,357	Social Services	1,069	482	277	1,828
	Unallocated Corporate Resources	0	323	758	1,081
80,369	Total Costs	78,088	66,088	49,946	194,122
	Funding				
14,414	Supported Capital Expenditure - SCE (R)	16,390	9,568	8,704	34,662
7,937	Supported Capital Expenditure - SCE (C)	21,637	28,237	17,441	67,315
18,915	Supplementary Credit Approval	0			0
	Unsupported Borrowing				0
3,121	Corporate Programme	2,240	2,035	2,000	6,275
2,724	Service Financed Unsupported Borrowing	2,117	1,108	200	3,425
1,372	Service Financed Spend to Save	1,308	812	120	2,240
8,809	Government Grant	8,782	7,556	9,577	25,915
1,433	External Contributions	3,418	4,130	309	7,857
2,510	S106	581	157	0	738
1,945	Lottery	812	195	0	1,007
	Revenue Contributions	1,610	2,230	2,200	6,040
10,932	Major Repairs Allowance - MRA (Housing)	7,465	7,570	7,532	22,567
928	Capital Reserves	4,012	200	0	4,212
2,161	Service Revenue Reserves	0			0
3,168	Capital Receipts	7,716	2,290	1,863	11,869
80,369	Total Funding	78,088	66,088	49,946	194,122

Education - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
<i><u>Service Financed Spend to Save</u></i>				
Da Vinci telecommunications Equipment	190			
<i><u>Modernisation Schemes</u></i>				
Alvaston Infant/Junior School	6			6
Asbestos	205			205
Beaufort Primary	10			10
Beaufort Primary	2			2
Borrow Wood Junior	1			1
Boulton Primary	25			25
Boulton Primary	108			108

Education - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
Brookfield Primary	1			1
Derby Moor Community School	50			50
Gas Mains	80			80
Markeaton Primary	10			10
Newtons Walk	2			2
Oakwood Junior	2			2
Reigate Primary	4			4
West Park Community	170			170
New Schemes	3,719	4,453	4,453	12,625

Education - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
NDS Modernisation projects 05/06				
Asterdale - Demolition of building	35			35
School glazing repair and replacement programme	137			137
Mechanical and Electrical				
Bemrose - Sports Hall Boiler	2			2
Ivy House - Heating replacement	5			5
Normanton Village Infant - Heating	2			2
Cherry Tree Hill Junior - replacement heating	6			6
Modernisation Project				
Portway Jnr - new classroom extension	183	11		194

Education - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
New Oppourtunity Funf (NOF) PE and Arts Projects				
Darley Abbey - NOF PEA	704	20		724
Littleover Community sec - NOF PEA	73	2		75
Roe Farm Primary - NOF PEA	12			12
Woodlands - NOF PEA	309	16		325
Devolved formula (funding source)	565	595		1,160
Voluntary Aided Programme (funding source)	509	544		1,053
Devolved Funding	4,658	5,382	4,382	14,422
Targeted Funding				
Pupil Referral Unit - KS3 Building target Funding	2,079	1,109	120	3,308

Education - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
Ivy House School - replacement PMLD Special School	1,466	2,931	1,466	5,863
New Normanton School	1,396	2,792	1,396	5,584
Youth Services	99	99		198
Schools Access Initiative	433	433	433	1,299
Standards Fund projects				
Lees Brook Mobile Classrooms	5			5
Alvaston Junior - Disabled Toilet	8			8
SureStart projects				
Brackensdale Infant & Nursery	4			4
Reigate Childrens Centre	538	14		552
PFI Projects				
Merrill Behavioural Improvement Programme Unit	1,406			1,406

Education - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
Capital Receipts				
St Benedicts - MUGA and changing rooms	2,548			2,548
<i>Prior Year Projects</i>				
Allenton Com Prim Remodelling	10			10
Ashgate Nursery Childrens Centre	280	15		295
Asterdale Prim Childrens Centre	872	32		904
Becket Primary Childrens Centre	645	15		660
Brackensdale Junior - double classroom ext	518	16		534
Ravensdale Inf school - FS1 Unit	328	13		341
Redwood Inf - Classroom	161	7		168
St Giles - classroom extension	14			14
West Park Community School - Curtain Walling				
	2			2
Corporate Programme				
Community Centres	50	50		100
Total	24,647	18,549	12,250	55,256

Development & Cultural Services - Details of Scheme Costs Excluding Transport

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
<u>Service Financed Spend to Save</u>				
Friargate Studios	32			32
<u>Service Financed Unsupported Borrowing</u>				
Rethink Rubbish	562	908		1,470
Planning - Townscape Heritage Initiative	584	-	-	584
Museum Military Gallery Refurbishment	671		-	671
Security Grants	66			66
Grove St Car Park Security Improvements	48			48
Magistrates Court	36			36
Supporting Derby - Equipment	45			45
<u>Flood Defence</u>				
Markeaton Brook Catchment Action Management Plan (CAMP) Phase 1	400			400
Markeaton Brook CAMP Phase 2 & 3	243	1,722	1,400	3,365
Culvert Screens	28	26	25	79
Bramble Brook Culvert	91	900	1,600	2,591
Littleover Brook Culvert	681	445	1,700	2,826
<u>Corporate Programme</u>				
Multi Storey Car parks	400			400
Mickleover Library	930	32		962
QUAD Landscaping Project		200		200
QUAD	5,127	2,683	59	7,869
Total	9,944	6,916	4,784	21,644

Development & Cultural Services - Details of Scheme Costs Transport

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
Integrated Transport including maintenance	5,220	4,417	4,618	14,255
Detrunked Roads Inner Ring Roads Maintenance Scheme	671			671
Connecting Derby	4,442	3,331		7,773
Cycle Derby	3,695	5,358	8,992	20,365
	500	500	285	1,285
Total	14,528	13,606	13,895	44,349

Chief Executive - Housing - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
Housing Revenue Account				
Kitchens and Bathrooms - post war	1,500	1,200	500	3,700
Kitchens and Bathrooms - pre war	100	1,000	1,500	4,100
Electrical Upgrades	500	500	500	2,000
Re-roofing	50	-	-	50
Asbestos Removal	100	100	200	600
Major Refurbishments/Alterations	250	250	250	1,000
Refurbishment of Unity and Wimpey No Fines	530	-	-	530
PVCu Windows & Doors	2,500	2,250	2,250	9,250
Gas Central Heating	1,200	1,200	1,200	4,800
City Housing Improvement Plans (CHIPs)	400	400	400	1,600
Adaptations for Disabled People	600	600	700	2,600
Replacement of Smoke Alarms	50	50	50	200
Door Entry Systems - communal	150	150	150	600
Home Essentials for Life Programme (HELP) -	50	-	-	50
Capitalised Salaries	680	680	700	2,770
Contingency	189	190	132	706
SP Projects	100	-	-	100
Estates Pride	1,140	2,150	2,200	7,690
Total Housing Revenue Account	10,089	10,720	10,732	42,346
Housing General Fund				
Acquisition/Demolition of Unfit Properties	5	5	5	20
Area Renewal Programme	440	500	600	2,240
Rosehill Market Renewal	5,425	5,375	-	10,800
Decent Home Assistance	955	500	500	2,455
Housing Needs Challenge Fund	300	250	150	750
Empty Property Assistance	350	350	350	1,400
Disabled Facilities Grants	1,400	1,400	1,400	5,600
Minor Repairs Grants	520	520	520	2,080
Capitalised Salaries	140	150	150	590
Facilitation Fund	475	500	1,105	3,215
PFI Scheme	500	1,023	-	1,523
Supported Accommodation Strategy	-	200	200	600
Assessment Centre	1,750	-	-	1,750
Homelessness - Security Works (LPSA2)	30	30	-	60
	12,290	10,803	4,980	33,083
Total	22,379	21,523	15,712	75,429

Chief Executive - Other - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
<i><u>Service Financed Spend to Save</u></i>				
Revs and Bens System	370			370
Home Computing Initiative	280	487		767
Energy Management	165	120	120	405
Air Quality Monitoring	75	75	75	225
E Derby	355			355
Financial System Replacement	374	475		849
Corporate Programme				
Chief Executives - Property				
Planned Maintenance	775	800	825	2,400
Eagle Centre Lifts	165			165
Accommodation Strategy			1,000	1,000
Total	2,559	1,957	2,020	6,536

Commercial Services - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
<i><u>Service Financed Unsupported Borrowing</u></i>				
Grounds Plant & Equipment	345	50	50	445
Refuse Vehicles & Plant	1,010	100	100	1,210
Street Cleaning Eqt	200	50	50	300
Highview Neighbourhood Park	46			46
Arboretum Park	215			215
Osmaston Park Facility Improvements	100	397		497
Rowditch Rec Improvements	300	300		600
Moorway Lane Park	10	100		110
Nottingham Road Racecourse Improvements	100	1,350		1,450
Ryknel Recreation Ground Landscaping	184			184
Cheviot Street Recreation Ground Landscaping	100			100
Corporate Programme				
Playground Improvements	200	350	50	600
Alvaston Park Changing Rooms	35	35		70
Chaddesden Park Wheeled Sports	117			117
Total	2,962	2,732	250	5,944

Social Services - Details of Scheme Costs

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
<u>Service Financed Spend to Save</u>				
Electronic Social Care Records	443	205		648
Corporate Programme				
National Care Standards	505	154	154	813
Mental Health	121	123	123	367
Total	1,069	482	277	1,828

Corporate Programme - Details of Scheme Costs

For information only - total scheme costs are included in service departments

Scheme	Cost			
	2006/2007 £000	2007/2008 £000	2008/2009 £000	Total Budgeted Cost £000
Education				
Community Centres	50	50		100
Chief Exec - Property				
Planned Maintenance	775	800	825	2,400
Eagle Centre Lifts	165			165
Financial System Replacement	374	475		849
Accommodation Strategy			1,000	1,000
Commercial Services	-			
Playground Improvements	200	350	50	600
Alvaston Park Changing Rooms	35	35		70
Chaddesden Park Wheeled Sports	77			77
Social Services	-			
National Care Standards	351	-		351
D&CS				
<i>Flood Defence</i>				
Markeaton Brook CAMP Phase 2 & 3	243	222	-	465
Culvert Screens	4	2	-	6
Bramble Brook Culvert	91	-	-	91
Littleover Brook Culvert	81	45	-	126
Multi Storey Car parks	400			400
Mickleover Library	930	32		962
Quad	831			831
Quad Landscaping		200		200
Unallocated Funding				
Unsupported Borrowing		156	175	331
Capital Receipts		167	583	750
Total	4,607	2,534	2,633	9,774

Scheme Details - Education

Appendix 7

Scheme Title	2006/07 £'000	Detail
Da Vinci telecommunications Equipment	190	Relocation of the telecommunications equipment due to the demolition of the existing building upon which the equipment is currently situated.
Modernisation Schemes		
Alvaston Infant/Junior School	6	Replacement of life expired heating system. Potential heating failure. AMP priority.
Asbestos	205	To continue the removal programme for materials already identified as being in need of removal. This round of funding will be spent on Weatherfoil heater replacement work and on replacing asbestos ceilings.
Beaufort Primary	10	Major project to replace significant areas of flat roof in main school building. Water ingress in various areas of the school damaging structural frame. AMP priority.
Beaufort Primary	2	Concrete repairs to underpass used by parents/pupils to access school. Health and Safety work required. AMP priority.
Borrow Wood Junior	1	Repairs to roof following CLASP survey.
Boulton Primary	25	Phase 1 – roof replacement main school. Major leaks and water ingress in classrooms. D2 AMP priority.
Boulton Primary	108	Replace temporary wooden corridor between Infant/Junior building with permanent structure. AMP priority.
Brookfield Primary	1	Roofing work to replace eaves and re-felt area of leaking flat roof. AMP priority.
Derby Moor Community School	50	Phase 2 - replacement of deteriorated external cladding/windows. Structural health and safety concerns. Phase 1 completed last year. D1 AMP priority.
Gas Mains	80	Replacement of failing / obsolete gas mains
Markeaton Primary	10	Urgent repairs to slate roof and replacement of cast iron gutters. AMP priority.
Newtons Walk	2	Building at risk. Replacement of life expired toilet block.
Oakwood Junior	2	Repairs to roof lights in main school building and reinforcement of CLASP panels. Health and Safety concerns. D1 AMP priority.
Reigate Primary	4	Replace surface water drainage system. Significant flooding issue. D1 AMP priority.
West Park Community	170	Phase 2 - replacement of external cladding to gym. Health and Safety concerns. Phase 1 is currently underway and due to be completed this summer. D1 AMP priority.
New Schemes	3,719	
NDS Modernisation projects 05/06		
Asterdale - Demolition of building	35	Demolition of life expired temporary building. D2 AMP priority.
School glazing repair and replacement programme	137	Works required to upgrade existing glazing in critical locations as required under the Workplace (Health ,Safety and Welfare) Regulations: 1992. AMP priority in line with DfES requirements.

Scheme Details - Education

Appendix 7

Scheme Title	2006/07 £'000	Detail
Mechanical and Electrical		
Bemrose - Sports Hall Boiler	2	Replacement of failing boilers in the Sports Hall
Ivy House - Heating replacement	5	Replacement of heating pipework and heat emitters
Normanton Village Inf - Heating	2	Replacement of life-expired boiler
Cherry Tree Hill Jnr - replacement heating	6	Replace failed heating system
Modernisation Project		
Portway Jnr - new classroom extension	183	New classroom extension with caretaker's store
NOF PE and Arts Projects		
Darley Abbey - NOF PEA	704	Outdoor Adventure Project. Conversion of existing building to provide briefing room, two changing rooms with facilities for people with disabilities, first aid area, reception area and storage facility.
Littleover Community sec - NOF PEA	73	Extension to existing sports hall to provide gymnastics/dance area, weights/fitness area, upgraded changing rooms for school and community use and purchase of fitness and weights equipment.
Roe Farm Primary - NOF PEA	12	A new multi-use games area, 40m x 30m, with floodlighting and upgraded changing for school and community use
Woodlands - NOF PEA	309	Upgraded changing rooms, new reception area, new lecture room for delivery of courses and upgraded pool surrounds (windows to reduce draughts) for school and community use.
Devolved formula (funding source)	565	
VA Programme (funding source)	509	
Devolved Funding	4,658	
Targeted Funding		
Pupil Referral Unit - KS3 Building target Funding	2,079	Build a new 45 Place School - Pupil Referral Unit by September 2007.

Scheme Details - Education

Appendix 7

Scheme Title	2006/07 £'000	Detail
Ivy House School - replacement PMLD Special School	1,466	To create a new replacement 75 place school for pupils with profound and learning difficulties.
New Normanton School	1,396	To create a new primary school for 525 pupils replacing three existing schools.
Youth Services	99	
Schools Access Initiative	433	
Standards Fund projects		
Lees Brook Mobile Classrooms	5	Provision of a temporary two-classroom block with lobby and storage.
Alvaston Junior - Disabled Toilet	8	School Access Initiative project
SureStart projects		
Brackensdale Infant & Nursery	4	Extension for SEN KS1 annexe for provision for pupils with autism, learning difficulties and challenging behaviour. To provide purpose built soft play facility for physical activity, exploration of environment and time out. Area currently used will then be used for parent groups.
Reigate Childrens Centre	538	Mackworth Morley Children's Centre Scheme – new training room, crèche facility, family room, toilets and kitchenette. This projects includes new build and re-modelling of existing accommodation.
PFI Projects		
Merrill BIP Unit	1,406	Construction of lower school site.
Capital Receipts		
St Benedicts - MUGA and changing rooms	2,548	Construction of all weather hock pitch, changing rooms, learning centre and management suite.
Prior Year Projects		
Allenton Com Prim Remodelling	10	Significant Internal remodelling of infant area to provide 5 class bases and a learning mentor area.
Ashgate Nursery Childrens Centre	280	Large extension to the existing nursery building, which will provide a unit for 0-2 year old children with additional toilet and utility facilities.

Scheme Details - Education

Appendix 7

Scheme Title	2006/07 £'000	Detail
Asterdale Prim Childrens Centre	872	Two major new-build extensions, one to the existing nursery and the other to the main school building.
Becket Primary Childrens Centre	645	Significant new-build extension to the existing school building.
Brackensdale Junior - double classroom ext	518	Double classroom extension.
Ravensdale Inf school - FS1 Unit	328	New Foundation Stage 1 Unit
Redwood Inf - Classroom	161	Additional classroom linked to main building classroom to address suitability issues.
St Giles - classroom extension	14	There are significant suitability issues at St Giles School with the complex needs of SEN pupils. This project is to target a wide range of issues and ensure accommodation is suitable for pupils with severe learning difficulties. The project is for a double classroom extension linked to main school building, including medical room and toilets.
West Park Community School - Curtain Walling	2	Replace curtain walling to 3-storey elevation. Urgent Health and Safety issue.
Corporate Programme		
Community Centres	50	Funding is a prior commitment on the Public Priority Fund for 2006/7 and 2007/8.
Total	24,647	

Scheme Details - Development & Cultural Services

Appendix 7

Scheme Title	2006/07 £'000	Detail
LTP		
Integrated Transport Programme including maintenance	5,220	Integrated Transport schemes including local safety and accessibility improvements, strategic public transport improvements and transport management and demand restraint
Detrunked Roads	671	Maintenance works on A6 Duffield Road and A52 Ashbourne Road
Inner Ring Road Maintenance Scheme	4,442	Continuation of the maintenance programme onto the main stretch of St Alkmunds Way
Connecting Derby	3,695	Continuation of the programme to complete the inner ring road and enhance accessibility to the city centre
Cycle Derby	500	To bring about a step change in cycle numbers and increase cycle patronage amongst young people, primarily through promoting cycling in schools
Non LTP		
Planning - Townscape Heritage Initiative	584	Major regeneration proposals for the city centre, focusing on the historic townscape, which is a vital component of the city centre's character & quality. Funds building repair and enhancement schemes
Supporting Derby - Equipment	45	Equipment for training centre to maximise employment opportunities for Derby residents arising from the redeveloped Eagle Centre.
Mickleover Library	930	The development of this scheme started in 2005/06 and it is now progressing.
Flood Defence	1,443	The corporate programme for flood defence is the residual Council contribution to meet the costs ineligible for DEFRA funding. The costs of the programme are now anticipated to be higher than originally reported. The programme needs to be reviewed by the Asset Management Group and reported separately back to Cabinet with proposals on how the programme is to be re-prioritised. The 2007/08 allocation for this scheme will need to be reviewed once this exercise has been undertaken
Multi Storey Car Parks	400	As part of the 2004/05 capital budget process a potential £2m of essential maintenance was identified for Chapel Street, Bold Lane and Assembly Rooms car parks. The work was profiled in equal instalments of £400k over 5 years. Cabinet on 6 September 2005 agreed commencement of works up to a total of £1.2m to the end of 2006/7, and this remains in the programme. There is no continuing approved provision beyond the initial three year allocation ending in 2006/7. As the highest priority works have been addressed by the £1.2m existing allocation, it is considered timely to undertake a review in 2006 to establish the priority and scale of what potential works remain.
Refurbishment of the Military Gallery & Art Gallery, Derby Museum	671	To provide the infrastructure and services for the refurbished military gallery (9th / 12th Lancers Museum) at the Museum and Art Gallery
QUAD	5,127	Visual arts and media centre including the provision of 2 cinemas and high quality exhibition space

Scheme Details - Development & Cultural Services

Appendix 7

Friargate Studios	32	Completion of the Creative Industries managed workspace
Normaton Rd & Grove St Car Park Security	48	CCTV and security improvements to the car parks
Magistrates Court CCTV	36	Installation of CCTV cameras around St Mary's Gate, funded from developers' contributions
Security Grants	66	Grants to small businesses to improve property and environmental security. Property owners are allowed 75% of total cost up to a maximum of £3k
Rethink Rubbish	562	Purchase of bins & vehicles to support the roll out of the twin bin recycling scheme
Total	24,472	

Scheme Details - Housing

Appendix 7

Scheme Title	2006/07 £'000	Detail
Housing Public Sector		
Kitchens and Bathrooms - post war	1,500	Installation of new kitchens and bathrooms to post-war homes
Kitchens and Bathrooms - pre war	100	Installation of new kitchens and bathrooms to pre-war homes
Electrical Upgrades	500	Upgrades to electrical systems to the current regulations including some rewires
Re-roofing	50	Replacement roof coverings to pre-war homes owing to age and to some post-war homes owing to poor roof design
Asbestos Removal	100	Detailed surveys to identify locations of asbestos to keep the asbestos register up to date and the selective removal of any presenting a risk to tenants
Major Refurbishments/Alterations	250	Major capital works to modernise, refurbish, convert or extend homes, usually on a one-off basis while vacant and not part of any large programme or area scheme.
Refurbishment of Wimpey No Fines Dwellings	110	External wall insulation, attractive render system and new PVCu double glazing
Refurbishment of Unity Dwellings	420	Replacement of external walls with brick/block construction and full internal refurbishment
PVCu Windows & Doors	2,500	Installation of PVCu double glazed windows to all dwellings
Gas Central Heating	1,200	Installation of energy efficient gas central heating systems in all dwellings that either do not have an existing heating system. Replacement of electric storage heater systems and old, inefficient, communal heating systems.
City Housing Improvement Plans (CHIPs)	400	Customer identified environmental improvement work to public sector housing estates
Adaptations for Disabled People	600	Adaptations to the homes of disabled people to enable them to live independently and avoid the need for residential or hospital care.
Replacement of Smoke Alarms	50	Installation of replacement hard-wired smoke alarms.
Door Entry Systems - communal	150	Replacement of communal door entry systems at sheltered schemes, flats.
Home Essentials for Life Programme (HELP)	50	Energy efficiency improvements and free benefits advice where required following the achievement of decency – normally includes increasing loft insulation to 250mm and provision of free low energy light bulbs.
Capitalised Salaries	680	Capitalisation of salaries of staff involved in the development/implementation of public sector housing programmes.
Contingency	189	Contingent sum to cover un-foreseen expenditure
SP Projects	100	Improvements to Sheltered Housing schemes, for example improving communal kitchens
Estates Pride	1,140	5 year estate improvement programme to include works such as tree planting, landscaping, street lighting and parking improvements.

Scheme Details - Housing

Appendix 7

Scheme Title	2006/07 £'000	Detail
Total Public Sector	10,089	
Housing Private Sector		
Acquisition/Demolition of Unfit Properties	5	Acquisition and making safe of single dwellings together with payments to previously untraceable recipients of Compulsory Purchase Orders.
Area Renewal Programme	440	Declarations of Renewal Areas or non-statutory Housing Improvement Zones to secure housing, environmental and socio-economic improvements in deprived areas.
Rosehill Market Renewal	5,425	Market renewal for the Rosehill district of the city including the area around the Baseball Ground
Decent Home Assistance	955	Project to target vulnerable people in non-decent homes for assistance.
Housing Needs Challenge Fund	300	Project will target non-decent properties for acquisition and refurbishment for use by vulnerable households. The project, in particular, supports the Homelessness Strategy in assisting with the reduction in use of Bed and Breakfast accommodation and in making greater use of the private rented sector for discharging homelessness duties.
Empty Property Assistance	350	Empty Property Assistance provides loan funding for the refurbishment and return to use of long term, dilapidated empty properties. It is generally only available to new, or potential new owners of such properties where renovation without aid would not be viable
Disabled Facilities Grants	1,400	Grant aided adaptations to private sector dwellings for the benefit of disabled occupants. Programme delivered in conjunction with Social Services as part of Care in the Community.
Minor Repairs Grants	520	Grant aided repairs improvements to dwellings occupied by older low-income homeowners to enable them to stay put.
Capitalised Salaries	140	Charging to the capital programme the salaries of the staff directly involved in the development and implementation of private sector housing programmes.
Facilitation Fund	475	First created in the early 1990s following the government's desire for councils to take an enabling role rather than direct provision. It has been used to help finance a number of schemes, mainly in partnership with Housing Associations, for example a self-build scheme at Sinfen, the provision of new homes at Bedford Street and schemes to provide additional affordable housing at Mickleover, Radbourne Gate, and Littleover, Heatherton. Other activity has included working in partnership with Social Services to provide extensions to make homes suitable to be used for fostering children. A part of this funding in 2006/07 is committed for Home Loss payments to residents at the Derbyshire Blocks in Spondon, the Isle of Wight Blocks in Alvaston and at Britannia Court.
PFI Scheme	500	Currently, a scheme is under consideration for the building of 150 new units of social housing under the government's Private Finance Initiative.
Assessment Centre	1,750	Construction of a new Night Shelter together with an Assessment Centre for people with alcohol dependency

Scheme Details - Housing

Appendix 7

Scheme Title	2006/07 £'000	Detail
Homelessness - Security Works (LPSA2)	30	Security works being carried out to 60 properties per year. These works will include a menu of different security measures to fit the situation and include where necessary new front and or back doors, spy holes, lifelines, panic alarms, fireproof letter boxes, PIR alarms.
Total Private Sector	12,290	
Total	22,379	

Scheme Details - Chief Executives (Other)

Appendix 7

Scheme Title	2006/07 £'000	Detail
Air Quality Monitoring	75	This scheme relates to the purchase of air quality monitoring equipment. The funding is subject to the successful application for grant.
Revenues and Benefits system	370	New Revenues and Benefits IT system.
Home Computer Initiative	280	2006/07 part of ongoing scheme to provide home computers to staff.
Energy Management	165	Investment into energy saving measures for corporate buildings for, example efficient lighting
Financial System Replacement	374	The tendering process for the new financial system is currently underway and a recommendation enabling scheme commencement is a further item on the agenda for this meeting. Replacement of the current system is unavoidable but a new system will also facilitate the delivery of potential savings from accompanying reviews of business processes across departments, which will be necessary to help address revenue budget shortfalls in the medium term.
Planned Maintenance	775	This block allocation for capitalised building works across the Council's entire non-schools building stock has been increased by £25k per year over its current 2005/06 base. This reflects inflationary pressures. The capital programme is supplemented by the corporate revenue maintenance budget and by a contribution from revenue reserves in 2006/07 and 2007/08. The total repair and maintenance budget for 2006/07 is £4,536 made up of £775k Capital and £3,761k revenue. The 2007/08 and 2008/09 programme will be reviewed as part of the budget process for these years.
Eagle Centre Lifts	165	This scheme is a 2005/06 scheme that will be completed in 2006/07.
e Derby	355	Capital cost of e Derby programme - main programmes being Sharepoint roll out, the Customer Services Information System (CSIS), AAA compliance and the Integrated Public Sector Vocabulary (IPSV) implementation.
Total	2,559	

Scheme Details - Commercial Services
Appendix 7

Scheme Title	2006/07 £'000	Detail
Grounds Plant and Equipment	345	Renewal of ageing plant and equipment.
Refuse Vehicles & Plant	1,010	Renewal of ageing fleet and equipment.
Street Cleaning Vehicles & Plant	200	Additional equipment required for operations.
Arboretum Park	215	Retentions & snagging on the restoration of listed buildings and artefacts, renovated landscaping, new play and sport facilities.
Osmaston Park Facility Improvements	100	Complete renovation of park over a number of years.
Rowditch Rec Improvements	300	Initial works to create new play area and ball courts, eventually refurbish existing buildings.
Highview Neighbourhood Park	46	Toddlers play are pending local consultation
Alvaston Park Changing Room	35	Initial works to refurbishment changing rooms.
Moorway Lane Park	10	Initial works on creation of new park
Nottingham Road Racecourse improvements	100	Initial works towards development of play area facilities.
Chaddesden Park Wheeled Sports	117	Installation of a wheeled sports area and play area. Total size of scheme dependent of successful external funding bids.
Playground Improvements	200	Following new opportunities for additional lottery funding for playground improvements, £100k of corporate funding for this scheme has now been reprofiled into 2007/08 and 2008/09. It is anticipated that the programme will be significantly increased if bids for external funding are successful and the programme will be increased when details surrounding bidding opportunities become available. The planned spend profile is for six schemes additional to those shown in Commercial Services funded programme supplemented by external funding.
Rykeld Recreation Ground Landscaping	184	Upgrades to play area, sports pitch drainage, fencing and car park surfacing
Cheviot Street Recreation Ground Landscaping	100	Youth facilities improvements
Total	2,962	

Scheme Details - Social Services

Appendix 7

Scheme Title	2006/07 £'000	Detail
National Care Standards	505	<p>The Department of Health have provided £154k of funding and this will increase to £505k if the bid for corporate funding is retained.</p> <p>A total of £2.2m was estimated as needed to be spent on Social Services' care establishments (e.g. homes for older people) in order to meet Care Standards and Disability Discrimination Act requirements within deadlines (i.e. Care Standards by 1 April 2007). £1,226 was spent in 2005/06.</p> <p>If the Department cannot meet the requirements of the Care Standards Commission, this could result in the enforced closure of homes.</p> <p>Funding from the Department of Health to improve the facilities for service users.</p> <p>Responding to Department of Health initiatives to modernise social care business processes by facilitating mobile working for staff and use within the department of e-forms. Cost savings allowed by this scheme will contribute the Gershon efficiency requirements.</p>
Mental Health	121	Mental health schemes are funded by allocations from the Department of Health and will be used to improve facilities to all users.
Electronic Social Care Record (ESCR)	443	The Electronic Social Care Record (ESCR) programme is designed to comply with Central Governmnet directives whose aims are to moderise social care business processes. This scheme was approved by Cabinet on 29 November 2005 and will integrate departmental technology with corporate ICT developments and promote the modernisation agenda for social care. Efficiency savings will be released which will contribute to the Council achieving Gershon Review efficiencies and are reflected in the revenue budget proposals.
Total	1,069	

Scheme Details - Corporate Programme

Appendix 7

For information only - total scheme costs are included in service departments

Scheme Title	2006/07 £'000	Detail
Community Centres (E)	50	Funding is a prior commitment on the Public Priority Fund for 2006/7 and 2007/8.
Flood Defence (D)	419	The corporate programme for flood defence is the residual Council contribution to meet the costs ineligible for DEFRA funding. The costs of the programme are now anticipated to be higher than originally reported. The programme needs to be reviewed by the Asset Management Group and reported separately back to Cabinet with proposals on how the programme is to be re-prioritised. The 2007/08 allocation for this scheme will need to be reviewed once this exercise has been undertaken
Multi Storey Car Parks (D)	400	As part of the 2004/05 capital budget process a potential £2m of essential maintenance was identified for Chapel Street, Bold Lane and Assembly Rooms car parks. The work was profiled in equal instalments of £400k over 5 years. Cabinet on 6 September 2005 agreed commencement of works up to a total of £1.2m to the end of 2006/7, and this remains in the programme. There is no continuing approved provision beyond the initial three year allocation ending in 2006/7. As the highest priority works have been addressed by the £1.2m existing allocation, it is considered timely to undertake a review in 2006 to establish the priority and scale of what potential works remain.
Mickleover Library (D)	930	The development of this scheme started in 2005/06 and it is now progressing.
QUAD (D)	831	The project has now received planning permission and the detailed design is in the process of being signed off. It is anticipated that the project will be going out to contract in the spring with an expected start date on site of August 2006. Total corporate funding for this scheme is £1.031m of which £200k is spending in 2005/06.
Planned Maintenance (Ch)	775	This block allocation for capitalised building works across the Council's entire non-schools building stock has been increased by £25k per year over its current 2005/06 base. This reflects inflationary pressures. The capital programme is supplemented by the corporate revenue maintenance budget and by a contribution from revenue reserves in 2006/07 and 2007/08. The total repair and maintenance budget for 2006/07 is £4,536 made up of £775k Capital and £3,761k revenue. The 2007/08 and 2008/09 programme will be reviewed as part of the budget process for these years.
Eagle Centre Lifts (Ch)	165	This scheme is a 2005/06 scheme that will be completed in 2006/07.
Financial System Replacement (Ch)	374	The tendering process for the new financial system is currently underway and a recommendation enabling scheme commencement is a further item on the agenda for this meeting. Replacement of the current system is unavoidable but a new system will also facilitate the delivery of potential savings from accompanying reviews of business processes across departments, which will be necessary to help address revenue budget shortfalls in the medium term.
National Care Standards (S)	351	This is a programme of work required to ensure that the Council's residential homes meet minimum standards.

Scheme Details - Corporate Programme

Appendix 7

For information only - total scheme costs are included in service departments

Chaddesden Park Wheeled Sports (Cm)	77	Installation of a wheeled sports area and play area. Total size of scheme dependent of successful external funding bids.
Playground Improvements (Cm)	200	Following new opportunities for additional lottery funding for playground improvements, £100k of corporate funding for this scheme has now been reprofiled into 2007/08 and 2008/09. It is anticipated that the programme will be significantly increased if bids for external funding are successful and the programme will be increased when details surrounding bidding opportunities become available. The planned spend profile is for six schemes additional to those shown in Commercial Services funded programme supplemented by external funding.
Alvaston Park Changing Room (Cm)	35	Initial works to refurbishment changing rooms.
Total	4,607	

Key denotes which service department

- (E) Education
- (D) Development & Cultural Services
- (Ch) Chief Executive - Other
- (S) Social Services
- (Cm) Commercial Services

Unsupported Borrowing

Appendix 8

Scheme name	2006/07	2007/08	2008/09
Corporate Resources			
Flood Defence	419,000	269,000	
Multi Storey Car Parks	400,000		
Planned Maintenance	775,000	800,000	825,000
Eagle Centre Lifts	165,000		
Chaddesden Park - wheeled sports	77,000		
Alvaston Park Changing Rooms	35,000	35,000	
Playground Improvements	18,000	300,000	
National Care Standards	351,000		
Financial Systems Replacement		475,000	
Accommodation Strategy			1,000,000
Unallocated Funding		156,000	175,000
Total Corporate Resources including Slippage	2,240,000	2,035,000	2,000,000
Service Financing			
Waste Management/Rethink rubbish	562,000	908,000	
Grounds Plant & Equip	345,000	50,000	50,000
Refuse Vehicles & Plant	1,010,000	100,000	100,000
Street Cleaning Plant & Equip	200,000	50,000	50,000
Total Service Financing	2,117,000	1,108,000	200,000
Service Financing Spend to Save			
Da Vinci telecommunications equipment	190,000		
Electronic Social Care Records (ESCR) ICT Programme	283,000	205,000	
Creative Industries/Frigate Studios	20,000		
Energy Policy for Buildings	165,000	120,000	120,000
Home Computing Initiative Scheme	280,000	487,000	
Revenues & Benefits System Replacement	370,000		
Total Service Financing Spend to Save	1,308,000	812,000	120,000
Total Unsupported Borrowing	5,665,000	3,955,000	2,320,000