



Capital Budget 2008/09 to 2010/11

SUMMARY

- 1.1 The report sets out the 2008/09 to 2010/11 capital programme for recommendation to Council. During the next three years, we propose to invest £281m on improving the city and our services through the programme, which includes:
- Our £50.8m corporate programme. This includes public realm improvement schemes such as the regeneration of Full Street and the creation of Castleward Boulevard. We will also contribute to a Lottery bid to refurbish the Silk Mill, and develop better alternatives to residential accommodation for older people;
 - Schools will be repaired and rebuilt through a £77.1m programme that will help create a modern learning environment where our children can thrive. This will include repairs, maintenance and improvements to the fabric of school buildings, devolved funding to schools, the completion of a new primary school in Normanton, the completion of a rebuilt Sinfin Community School and the rebuilding and relocation of Ivy House special school on the Derby Moor Community Sports College site;
 - £57.2m will be spent improving homes in Derby through our Housing programme. Many council-owned houses will get PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through the £33.7m Housing Revenue Account. Another £23.5m from the Housing General Fund will enable the continuation of schemes including the Rosehill pilot market renewal scheme, delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, the housing Private Finance Initiative scheme and other repair and assistance in the private sector;
 - The £17.8m Local Transport Plan (LTP) will help deliver improvements to integrated transport systems, including strategic public transport schemes, better traffic management and improvements to roads in neighbourhoods, and to maintain the transport infrastructure including money for carriageway and footway maintenance and to repair bridges and other structures;
 - £25m for a new waste disposal treatment plant due to be built in 2010/11 in partnership with Derbyshire County Council as we continue to strive towards our aim to make Derby a greener city;
 - The transformation and modernisation of Council buildings by earmarking £36.3m towards our accommodation strategy, to improve efficiency and enable

us to deliver even better customer service. In particular, our historic and iconic Council House will be overhauled through a £11.3m improvement programme that will see it transformed into a modern working environment of which Derby can be proud.

- 1.2 The commencement of new major schemes in the corporate programme is subject to the completion of a full business case and its approval by the Corporate Asset Management Group or Public Realm Board as appropriate.
- 1.3 Subject to any issues raised at the meeting, I support the following recommendations.

RECOMMENDATIONS

- 2.1 To recommend to Council the capital programme for 2008/09 and the indicative capital programme for 2009/10 and 2010/11 set out in the report, subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm board for major new schemes in the corporate programme identified in Appendix 2.
- 2.2 To delegate to the Public Realm Board the authority to agree other individual schemes or projects with a cost below £100,000, where these are fully funded from within existing approved allocations or from external sources such as section 106 funding, and do not commit the Council to ongoing additional net revenue costs in future years.
- 2.3 To agree that the schemes for Racecourse and Alvaston Park, and Chaddesden Library, should be on the reserve list should additional capital funding become available.



DERBY CITY COUNCIL

COUNCIL CABINET 19 FEBRUARY 2008

Report of the Corporate Director of Resources

Capital Budget 2008/09 to 2010/11

SUPPORTING INFORMATION

1. Development of the capital programme

- 1.1 The Council will be recommended to approve the capital programme for the 2008/09 financial year and the indicative programme for 2009/10 and 2010/11 at its budget setting meeting on 3 March 2008. This report proposes the capital programme to be recommended to Council. Reports have been taken to the Scrutiny Commissions as part of the consultation process for new schemes wholly funded from resources specific to those services, and for the corporate capital programme.
- 1.2 Cabinet approved the Council's capital strategy for 2008-11 on 2 October 2007. This indicated that there was potential corporate capital funding of £14m available in 2009/10 and £18.5m in 2010/11, after funding the estimated costs of the accommodation strategy and subject to the affordability of unsupported borrowing within the revenue budget. This unallocated £32.5m is the major source of corporate funding and needs to cover schemes within the corporate capital programme, whether within or outside the remit of the Public Realm Board.
- 1.3 Other corporate funding potentially available in 2008/09 includes uncommitted Public Realm funding of just over £1m from 2007/08, the newly announced Growth Points (Affordable Housing) allocation, Local Public Service Agreement (LPSA) reward funding, which is expected to be around £1.5m, remaining section 106 funding from Westfield of £1.6m, and funding from the Local Authority Business Growth Incentive scheme – LABGI - which has yet to be confirmed. It is not proposed to commit any LPSA or LABGI funding at this stage; further reports will be brought back to Cabinet when these have been confirmed and discussions have taken place with partners. LABGI funding can, in any case, be used either for revenue or capital expenditure.
- 1.4 The Growth Points allocation covers the Derby, Leicester and Nottingham Housing Market Areas. The total capital allocation across the three areas is £11.7m in 2008/09 and an indicative amount of £22.4m across 2009/10 and 2010/11. The proposed way of allocating this, based mainly on planned new housing numbers, would mean the Derby area receiving at least £2.3m in 2008/09 and at least £4.4m across the other two years. The Housing Market Area also covers parts of South Derbyshire and Amber Valley, so the allocation cannot be seen as exclusively for use in the city. The funding priorities will need to be discussed across the Housing Market Area and with partner local authorities.

- 1.5 There is also some one-off revenue funding available because of the first year cost savings on new unsupported borrowing, subject to changes in interest rates. This will also be used to supplement the capital programme.
- 1.6 The total projected corporate funding available is shown in Table 1.

Table 1: Corporate Capital Resources Forecast – February 2008

	2007/8 £000	2008/9 £000	2009/10 £000	2010/11 £000
Capital receipts brought forward	10,619			
Unsupported borrowing:				
Core	4,178	1,500	1,500	1,500
Public Realm	10,232	4,263	21,505	19,000
Self-financing				5,500
Capital Receipts received	971			
Potential future capital receipts	4,677	2,003	1,942	663
Capital Reserves	999			
Government Grant	55			
Growth Points (note 1)	0	2,590	2,200	2,200
Revenue	50	0	1,525	1,525
Potential corporate capital resources each year	31,781	10,356	28,672	30,388
Commitments already approved	13,950	6,786	13,580	23,075
Balance to allocate	17,831	3,570	15,092	7,313
Potential Unallocated Surplus carried forward		21,401	36,493	43,806

Note 1: The Growth Points allocation is for the whole of the Derby Housing Market Area

- 1.7 The figures in Table 1 are based on the following assumptions
- There will continue to be a core commitment of £1.5m unsupported borrowing per annum, in support of the corporate capital programme, consistent with revenue budget planning.
 - Further funding from unsupported borrowing for the Public Realm strategy is deferred in 2008/09 and then reinstated within the revenue budget from 2009/10, allowing for approximately £19m capital expenditure from 2009/10 – funded by £2m revenue - as reflected in the revenue budget proposals.
 - The extent to which the Public Realm programme can be funded in future years is wholly dependent on achieving a balanced budget for 2009/10 and 2010/11, and is subject to Council approval of the revenue budget.
 - Capital receipts have only been included on a reasonably prudent basis and have been shared in accordance with the principles previously agreed. The

figures include future receipts and, therefore, cannot be absolutely relied upon, especially as a downturn in the property market is predicted. A new post has been established in Estates to progress sales to support the capital programme.

- The unsupported borrowing shown includes only public realm and corporate elements. Further unsupported borrowing is planned for waste disposal and may arise in other areas where spend to save or departmentally funded schemes are approved. More details about departmental programmes are shown in section 4 of this report.

- 1.8 The level of capital expenditure generated from the revenue budget forecast of unsupported borrowing and which can be afforded within the Council's balanced budget, is determined by interest rates and the period over which repayments are spread. The basis on which the calculation is done is set to change next year as the government has been consulting about a change in guidance on provision for repayment of debt. It appears likely – but not certain – that regulations will be placed in the near future which require authorities to provide for repayment of prudential borrowing in line with guidance from the government. These changes would allow authorities to spread the cost of longer term investments such as in land and buildings over a longer period, but require shorter term investments to be funded over the expected life of the asset, requiring higher amounts to be set aside in these cases. This is explained further in the Treasury Management report elsewhere on the agenda.
- 1.9 The capital programme has been constructed on the basis that the core capital programme support will have to fall from £2m to around £1.5m funded directly from the Treasury Management budget, and that a further £19m of capital expenditure can be supported by a further investment of £2m a year. If these new regulations are approved, the exact amount will have to be recalculated according to the actual proposed programme. For the moment, the current assumptions of a total of £20.5m unsupported borrowing have been maintained. Changes in interest rates could affect the revenue budget identified in paragraph 1.5. The Council approves its maximum level of unsupported borrowing each year, together with a range of indicators relating to debt and types of borrowing and investments, and a separate report is included on this agenda with recommendations.
- 1.10 The Corporate Asset Management Group has prioritised proposed schemes for existing Council assets according to:
- consistency with corporate priorities and the Corporate Asset Management Plan
 - deliverability
 - financial implications including revenue implications and efficiencies
 - environmental implications
 - the consequences of not undertaking the project
- 1.11 The Public Realm Board has also been considering its priorities for city centre developments over this period, consistent with the approved Public Realm Strategy.
- 1.12 The total submission for the Derby area within the Growth Points bid as agreed by Cabinet was £45.4m across the three years. Individual schemes were prioritised within this, but the total in the top priority still exceeds the funding available. Only priority one schemes have been proposed for funding from Growth Points.

- 1.13 The Government's Comprehensive Spending Review (CSR) covers the 2008-11 period and has given some certainty to the Council's revenue and capital allocations over that period. The capital allocations have been incorporated in the departmentally funded programmes. The revenue budget proposals include the effect of supported borrowing. This is still not fully funded in Derby because we are contributing to the protection of those authorities which were losing through grant formula changes, though there have been favourable changes to the formula and there is a reduction in the extent of supported borrowing over the three year period. Supported borrowing affects mainly schools and highways schemes – the report is proposing not to scale back these programmes on the basis that it would not be fair to reduce spending in these areas purely because of the way in which they are funded.
- 1.14 Consistent with the principles previously agreed, funded service programmes will be financed mainly from the following resources:
- All Supported Capital Expenditure (Revenue) (SCE-R) allocations for borrowing from Government, including housing, schools, children's and adults services, highways, transport and flood defence. These will be spent on the service to which they are allocated.
 - Supported Capital Expenditure (Capital) (SCE-C) grants from Government specific to service programmes. Again, these will be spent on the service to which they are allocated.
 - Earmarked proceeds of Section 106 receipts.
 - Other external resources and grants in so far as these are earmarked for use by that service, for example specific European and lottery funds.
 - Service capital receipts available, other than those pooled for corporate reallocation.
 - Contributions to service capital from within service revenue budgets, either as direct contributions or to finance prudential borrowing.
 - Spend-to-save capital schemes funded through self-financing prudential borrowing
- 1.15 In some cases, allocations are only provisional at this stage. The reasons for this include:
- As a Council, we are being invited to submit bids to help in the delivery of Private Sector Housing Renewal. Priorities for this are expected to include affordable warmth programmes, independent living initiatives and the promotion of mixed communities. For example, our "Regional Housing Group" – RHG – bid was submitted on 12 January 2008 and our allocation for 2008/09 will not include a guaranteed allocation as has been the case for the past two years. The allocation received will rely entirely on the perceived quality of our bid. Also, the Regional Assembly will allocate resources on the basis of their determination of our ability to deliver value for money and best practice
 - The draft programme allows for the continuation of the "Decent and Safe Homes" and "Housing Intelligence for the East Midlands" regional projects for the next year. However the RHG has not as yet given any formal indication as to their future proposals for these projects.

- A number of schemes involving improvements to parks and the Silk Mill are dependent on external funding bids which have not yet been confirmed
- The funding for the Primary schools capital programme is dependent on the submission and approval of a strategy for change by 16 June 2008

These schemes will only be approved in principle at this stage pending confirmation of allocations or successful outcomes of bids. Further reports will be brought to Cabinet through capital monitoring or contract and financial procedures reports when confirmation of funding has been received.

1.16 Table 2 shows the overall summary of funding for the capital programme for 2008/09 to 2010/11.

Table 2 -Capital Programme Summary 2008/09 to 2010/11

2007/08 £000	Costs and Funding	2008/09 £000	2009/10 £000	2010/11 £000	Total cost £000
	Scheme Costs				
46,372	Children and Young People	37,686	19,530	19,897	77,113
26,641	Regeneration and Community	11,980	21,523	17,967	51,470
23,620	Corporate and Adult Services - Housing	21,732	18,007	17,487	57,226
6,597	Corporate and Adult Services - Other	6,012	18,448	29,114	53,574
794	Resources	250	250	250	750
5,093	Environmental Services	19,146	15,165	3,911	38,222
999	Corp Unallocated	2,341			2,341
110,116	Total Costs	99,147	92,923	88,626	280,696
	Funding				
11,440	Supported Capital Expenditure - SCE (R)	7,713	5,593	4,408	17,714
27,569	Supported Capital Expenditure - SCE (C)	37,596	21,714	24,527	83,837
	Unsupported Borrowing				-
10,535	Corporate Programme	21,718	34,531	36,963	93,212
2,252	Service Financed Unsupported Borrowing	1,987	281	1,195	3,463
863	Service Financed Spend to Save	620	1,000	-	1,620

	External Funding Secured				
26,527	Government Grant	7,696	2,090	1,234	11,020
8,302	External Contributions	3,576	357	384	4,317
689	Lottery <i>External Funding Bids</i>	500	1,425	-	1,925
	Government Grant	2,042	2,375	2,360	6,777
	External Contributions	932	-	-	932
	Lottery	420	-	-	420
7,277	Capital Receipts	2,351	9,007	4,287	15,645
615	S106	615	760	300	1,675
938	Revenue Reserves	731	1,985	1,687	4,403
2,983	Service Revenue Reserves	2,921	3,938	3,299	10,158
2,284	Capital Reserves	-	20	-	20
7,842	Major Repairs Allowance - MRA (Housing)	7,729	7,847	7,982	23,558
110,116	Total Funding	99,147	92,923	88,626	280,696

2. Proposed capital programme schemes

2.1 The capital programme is consistent with the Council's corporate priorities for 2007-10. These are:

- Making us proud of our neighbourhoods
- Creating a 21st century city centre
- Leading Derby towards a better environment
- Supporting everyone in learning and achieving
- Helping us all to be healthy, active and independent
- Giving you excellent services and value for money

2.2 Capital schemes are grouped below under these priorities. Further detail can be found in Appendix 2, which lists the complete programme for each department, together with the corporate programme, and Appendix 3, which outlines the proposed new schemes. The total of specific schemes within the corporate programme total £2.3m less than the potential funding, but it would not be prudent to commit the whole funding in case receipts do not materialise or Growth Points funding is spent outside the city.

2.3 Making us proud of our neighbourhoods

- **Programmes for playground improvements and footway maintenance**
- **Housing Renewal initiatives** concerned with the achievement of decent homes for the vulnerable, improvement of the private rented sector, residual Area Renewal work in the Hartington Street Renewal Area and continuing work in Rose Hill.
- **Public sector housing programme** - Individual schemes already approved for 2008/09 include works at Sussex Circus and Sunny Hill Community Centre – total £500,000 and an allocation to Local Housing Boards – £300,000. Further schemes for approval proposed following further consultation with residents include Estate-based Environmental Improvements – £1.9 million, refurbishment of all play areas within Council estates – £200,000, and repairs to fencing and garden works to vacant homes – £200,000.
- **Junction improvements at Cummings Street**, identified through a pilot participative budgeting exercise with the neighbourhood boards

2.4 Creating a 21st century city centre

- **Full Street construction costs** – this scheme is within the approved Public Realm strategy and design work is under way
- **Castleward Boulevard construction costs** – this scheme is within the approved Public Realm strategy and feasibility work is under way. This is the key route between the city centre and railway station within a new mixed use development.
- **Victoria Street** – this scheme is for public art, paving and service provision, and building façade illumination. It is within the agreed Public Realm strategy.
- **Bus station enlargement** – this is to provide a larger concourse. It was a high priority within the Growth Points submission, so it is reasonable that this scheme should be funded through the Growth Points allocation
- **Silk Mill Museum upgrade** – Cabinet approved this allocation on 15 January 2008, and is subject to a Lottery Fund bid
- **Programmes for surface car parks resurfacing and improved city centre wayfinding signage**
- **Shopfront improvements** – this would supplement funding already agreed through Public Realm and was a high priority within the Growth Points bid.
- **Theatre Walk – contribution** - this would supplement funding already agreed through Public Realm and was a high priority within the Growth Points bid.

- **World Heritage Site** – improvements to parks, cycleways and signage in the Derwent Valley corridor.
- **Time and Place** – themed series of Public Art pieces in 12 locations in the city centre to link with the Public Realm strategy. It is proposed that half of the cost comes from the balance of Westfield section 106 funding.

2.5 Leading Derby towards a better environment

- **Crematorium** – we need to replace the cremators because of legislative requirements on mercury emissions risks. There is a reserve building up from the increase in fees which is expected to contribute £450,000 to the total cost.
- **City Park – Moorway Lane** – this was a high priority within the Growth Points bid. A new city park with recreational facilities would serve new housing developments at Rykneld Road and Mickleover. Developer contributions would fund the balance of costs.
- **Waste disposal** - The Council has earmarked £25m equally over 2008/9 and 2009/10 towards the new waste disposal treatment plant. This is a joint scheme with Derbyshire County Council and tenders are currently being considered as to the most appropriate option for the Council. It is also proposed to earmark £1.2m from the Waste Infrastructure Grant for 2008-2011 and the balance of the 2006/07 Waste Performance Efficiency Grant towards implementing the waste strategy including waste management contract. Full details of schemes will be sent to Cabinet for approval in due course.

2.6 Supporting everyone in learning and achieving

- **New Village Learning Store for Adult Learning** - refurbishment of Normanton Village infant school to ensure that there is a permanent centre for adult learning in Normanton, an area of high socio-economic deprivation and high unemployment.
- **Building Schools for the Future** - Derby is in wave 5 of Building Schools for the Future (BSF), a long-term national programme which will see all secondary schools across the city rebuilt or refurbished. The funding allocation is likely to be around £150m, plus an additional £20m funding specifically for ICT. It is likely that from the BSF funding available, two secondary schools will be completely rebuilt, with the others undergoing major refurbishment. BSF is a long term project with building work likely to take place between 2011 and 2014. Schools which are completely rebuilt are likely to be funded through Private Finance Initiative (PFI) credits, while refurbishment costs are likely to be funded through grant or supported borrowing. The preparatory and planning work for this huge investment programme is now well underway.
- **Sinfin Community School** was partly destroyed by a fire in March 2006. The government agreed to fund the total cost of rebuilding up to £19m, less the insurance settlement, and is treating this as a BSF Pathfinder project. The school is planned to open in September 2008.

- **Village Primary School** - work is progressing well to build a new school in Normanton, to replace Normanton Village Infant School, Normanton Junior and Sunnyhill Infant Schools. The new facility is scheduled to open in September 2008.
- **Ivy House Special School** – the school's re-location on the site of Derby Moor Community Sports College is also underway and is due for completion in December 2008.
- **Replacement of life-expired classrooms** at Chellaston Infants School and Shelton Infant School
- **Primary school capital programme** – a new capital funding stream to ensure that primary schools also benefit. The commitment is to renew at least half of all primaries nationally by 2022/23.
- **Children's centres** - develop a further 4 Children's Centres in Derby. The intention is to carry out works to extend or refurbish existing premises to achieve universal coverage across the city. There are also plans to extend Stonehill Nursery School to form Babington Children's Centre
- **Specialist children's home** - a purpose built five-bedded home specifically to meet the needs of autistic children aged 11 to 17 years

2.7 Helping us all to be healthy, active and independent

- **Adult social care schemes** – The schemes will allow the required development of alternatives to residential care and increase intensive support at home for older people in line with the improvements noted on the 2006/07 annual review of adult social care services by the Commission for Social Care Inspection (CSCI). The schemes are part of the modernisation of services and critical to the council retaining its 2 star rating and aspirations for 3 star rating for adult social care services
- **Affordable housing** – this would supplement existing housing capital funding and was a high priority within the Growth Points bid. It would assist key city centre sites which have abnormal costs and/or viability difficulties, but which are not likely to receive other forms of support.
- **Supported Accommodation** including the funding of very sheltered Extra-care schemes, which are often Housing Association schemes. A project to re-model Rebecca House, a former Council sheltered housing scheme, has been approved starting in the current financial year and scheduled for completion in 2009/10 at a total cost of £0.85m.
- **Grant-aided adaptations** to private sector dwellings for the benefit of disabled occupants

2.8 Giving you excellent services and value for money

- **Planned maintenance** – although there will be no new allocation in 2008/09, there will be a substantial amount of slippage from 2007/08. The allocations for 2009/10 and 2010/11 would need to include provision for a programme to improve children's homes. There is additionally £11.3m in the programme for the Council House refurbishment and £25m for the next phase of the accommodation strategy to both improve and rationalise our office accommodation. Also, to improve the condition of our remaining accommodation and the efficiency of the space used, so that an improved service can be provided to the public.
- **Replacement of current website development software.** The current system is expensive to maintain, and does not allow additional web sites to be easily developed

2.9 A full business case will need to be completed for each new major scheme before approval is given for work to commence. This is to ensure that all implications have been considered, such as the impact on the revenue budget and on carbon emissions. Schemes requiring this are identified within Appendix 2.

2.10 During consultation, the Planning and Transportation Commission recommended that "the Council Cabinet to look again...to see if half of the proposed £300,000 funding for 'Way Finding design and construction costs' could be spent on Footway Maintenance in 2008/09". It is proposed to remain with the existing allocations because of the importance of providing clear directions within the city centre, but to change the phasing between these schemes as recommended should it not prove possible to spend all the Way Finding allocation during 2008/09.

2.11 Should additional capital funding become available within the programme as a whole, then it will be possible to extend this list. The schemes on the reserve list are:

- **Racecourse and Alvaston Park** – match funding contribution (£1m) to external funding for scheme for new changing rooms and facilities. If these schemes do not progress, then we could lose up to £2m funding from the Football Foundation
- **Chaddesden Library** – the structural condition of the existing building is poor and the library might have to close within the next three years if deterioration continues. The new building would be more centrally located relative to other amenities. The cost of a new library would be between £1.1m and £1.6m, depending on its size

Full business cases will also need to be completed for these two schemes.

2.12 The Building Schools for the Future project has to submit a Strategy for Change Part 2 by May 2008 and an Outline Business Case by October 2008. If the Council is to make a contribution to community facilities, with the potential for leveraging in partnership match funding, then a decision in principle will need to be made by that stage. This will need to be considered in the next review of the capital strategy.

2.13 These priorities would need to be evaluated against other schemes within the agreed Public Realm Strategy, including improvements to the Market Place,

Memorial Gardens, Osnabruck Square and the Spot, and pathways within the city centre. It may also be possible to accelerate the improvements to Alvaston district centre currently funded solely through the Local Transport Plan. Other unfunded high priority schemes within the Growth Points bid related specifically to infrastructure and improvements alongside the river Derwent, and complement those in the Public Realm Strategy.

- 2.14 In addition to the corporate programme, allocations of additional prudential borrowing may be made available to support additional capital schemes 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 existing core 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 where these exceed the financing costs. Other future schemes may be self-funding through rationalising property holdings and reinvesting the receipt into refurbishing retained property or new developments.
- 2.15 Appendix 4 sets out for information details of the self-financing prudential borrowing that has been approved for future years. This is in addition to those in progress in 2007/08. It should be noted that some of this investment replaces schemes that were originally scheduled in the capital programme as being financed from leasing, a more expensive funding route. It therefore demonstrates that the Council has been active in using its powers under the Local Government Act 2003.
- 2.16 More schemes are expected to be brought forward for approval. Self-financing schemes can be approved at any point in the financial year, on a case-by-case basis, as they are not competing for finite corporate resources. As noted in paragraph 1.8, the recent increases in interest rates will impact on the total spending which can be funded from a given amount of resources.
- 2.17 Departments are being encouraged as part of service savings option appraisals to consider the use of self-financing unsupported borrowing to re-shape service delivery. The Corporate Asset Management Group is considering property solutions and opportunities as part of the property review programme.
- 2.18 Subsequent reports will be brought during the course of the year where block allocations have not been fully distributed to schemes. It is proposed to delegate to the Public Realm Board the authority to agree other individual schemes or projects with a cost below £100,000, where these are fully funded from within existing approved allocations or from external sources such as section 106 funding, and do not commit the Council to ongoing additional net revenue costs in future years.
- 2.19 The programme for 2009/10 and 2010/11 remains indicative, being set for planning purposes other than where a forward commitment is specifically required.

3. Next steps

- 3.1 The full programme will be considered for approval by Council on 3 March.

3.2 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. This will include the Local Transport Plan, detail of which will be reported to Cabinet in March 2008
- Scheme commencements need 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 and through "Performance Eye", the Council's performance management system

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Background papers: None

List of appendices: Appendix 1 – Implications
Appendix 2 – Proposed capital programme 2008/09-2010/11
Appendix 3 – New capital schemes proposed
Appendix 4 - Summary of unsupported borrowing

IMPLICATIONS

Financial

1. As set out in the report. Revenue implications of capital schemes will need to be considered as part of the options appraisal undertaken before each scheme commences, and will be built into future revenue budgets as appropriate. The funding for Public Realm in 2009/10 and 2010/11 is subject to the affordability of unsupported borrowing within the revenue budget.

Legal

2. Capital expenditure that cannot be met from borrowing, capital receipts, contributions or grants has to be charged to the revenue budget. The rules governing decisions on the capital programme are set out in the Local Government Act 2003 and in regulations and guidance issued under the Act, including the Prudential Code for Capital Finance in Local Authorities issued by CIPFA. This allows for additional unsupported borrowing provided that this is consistent with the Prudential Code, particularly in terms of affordability.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate priorities

5. The process set out for approval is intended to deliver a capital programme that is consistent with corporate objectives and priorities.