



DERBY CITY COUNCIL

**CHILDREN AND YOUNG PEOPLE
COMMISSION
22 JANUARY 2008**

Report of the Corporate Director -
Resources

ITEM 6 b)ii

Corporate Capital Programme 2008/09 – 2010/11

RECOMMENDATION

1. To recommend to Council Cabinet the corporate Capital Programme for 2008/09 to 2010/11.

SUPPORTING INFORMATION

- 2.1 The Council will approve the capital programme for the 2008/09 financial year at its budget setting meeting on 3 March 2008 after consideration of the final proposals by Cabinet on 19 February 2008. This report deals with the proposed uses of available funding. Separate reports are being presented to the relevant Commissions for schemes wholly funded from resources specific to those services.
- 2.2 Cabinet approved the Council's capital strategy for 2008-11 on 2 October 2007. This indicated that there is potential 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 prudential borrowing within the revenue budget. This unallocated sum is the only source of funding and has to cover all schemes within the corporate capital programme, whether within or outside the remit of the Public Realm Board.
- 2.3 There is no funding available in 2008/09 other than uncommitted Public Realm funding of just over £1m from 2007/08 plus the newly announced Growth Points (Affordable Housing) allocation.
- 2.4 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 £4.5m 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.

- 2.5 There is also some one-off revenue funding available because of the first year cost savings on new unsupported borrowing. This could also be used to supplement the capital programme.
- 2.6 The total projected funding available is shown in Table 1. This excludes 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.

Table 1 Corporate capital programme –sources of funding				
	2008/09	2009/10	2010/11	Total
Source of Funding	£000	£000	£000	£000
Public Realm – uncommitted (as per capital strategy)	1220	14000	18500	33720
Growth Points	2340	2242	2242	6824
Treasury Management revenue savings	0	1525	1525	3050
Total available	3560	17767	22267	43594

Note: £1.220m Public Realm in 2008/09 is estimated unspent balance from 2007/08.

- 2.7 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
 - environmental implications
 - the consequences of not undertaking the project
- 2.8 The Public Realm Board has also been considering its priorities for city centre developments over this period, consistent with the approved Public Realm Strategy.
- 2.9 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.

Spending plans (New Schemes only)

- 2.10 The proposed specific schemes are shown in Table 2. These total £1.8m 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 in following years reduces.

2.11 The schemes proposed are:

- **Full Street construction costs** – this scheme is within the approved Public Realm strategy and design work is already under way
- **Castleward Boulevard construction costs** – this scheme is within the approved Public Realm strategy and feasibility work is already 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.
- **Crematorium** – we have no option but to replace the cremators because of legislation on mercury emissions. There is a reserve building up from the increase in fees which is expected to contribute £450,000 to the total cost.
- **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.
- **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 for adult social care services
- **Silk Mill** – a report is going to Cabinet on 15 January 2008 recommending that this allocation is confirmed, because of the imminent need to submit the Lottery application
- **Planned maintenance** – although there will be no new allocation in 2008/09, there will be a substantial amount of slippage from 2007/08. There is additionally £12m in the programme for the Council House refurbishment and £25m for the next phase of the accommodation strategy. The allocations for 2009/10 and 2010/11 would need to include provision for a programme to improve children's homes.
- **Schemes funded from revenue savings on Treasury Management budget** – these could include programmes for playground improvements, footway maintenance, surface car parks resurfacing and wayfinding (improved city centre 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.

- **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. The conditions of grant deadlines need to be clarified in view of the time delay between plans being submitted and construction taking place.
- **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 Mickelover. Developer contributions would fund the balance of costs.
- **Older People's Drop-In Centre** – funding to convert the existing law centre in the Guildhall Market to an older people's drop-in centre has already been agreed through Public Realm, but this could be switched to Growth Points
- **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.

2.12 A full options appraisal would need to be completed for each 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.

2.13 Should additional capital funding become available, then it would be possible to extend this list. The next highest priorities identified by Corporate Asset Management Group were:

- **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
- **Learning Disability Day Centre** (£4m)
- **Building Schools for the Future** (up to £3m contribution to community facilities, with the potential for leveraging in partnership match funding)

2.14 These priorities would need to be evaluated against other schemes within the agreed Public Realm Strategy, including improvements to the Market Place, Memorial Gardens, Osnabrick 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.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Details of Funded Scheme Costs and Scheme Priorities

IMPLICATIONS

Financial

1. These are contained within 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. There are no direct legal implications.

Personnel

3. The estimated costs of delivering the programme have been included.

Equalities impact

4. None

Corporate objectives and priorities for change

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