

ITEM 29

COUNCIL CABINET APRIL 1 2003

FINANCIAL AND PROCEDURAL MATTERS

Report of the Director of Finance

1. SUMMARY

- 1.1 Approval is sought for a scheme for Pastures Hill, Littleover. This scheme involves a study to investigate options for bus priority and safety/pedestrian improvements. The Council Cabinet on 4 March approved the allocation of the 2003/2004 Local Transport Plan (LTP) Capital Programme and the delegation to the Director of Development and Cultural Services to tender and place orders to implement the programme. This scheme was omitted from that report.
- 1.2 The 4 March report also proposed that a list of 2002/2003 capital scheme spend variations be reported to a future Cabinet for approval, together with a list for information of those variations approved within agreed approval limits by the Director of Development and Cultural Services. These are detailed in Appendices 1a, 1b and 2.
- 1.3 Approval is also required in relation to the following projects:
 - Derby Destination Management System.
This project will effectively modernise and improve the provision of tourist information and the tourism marketing. An ERDF Objective 2 bid has been submitted to support this project. £59,000 of corporate funding is required as matched funding for the bid, which Cabinet is asked to approve.
 - The new Alvaston Library alterations and refurbishment capital scheme, at an estimated cost of £450,000, now requires cabinet approval for commencement.
- 1.4 This report provides information on the latest capital programme and seeks approval for changes.
- 1.5 Approval is required for capital programme items financed by leasing.

2. RECOMMENDATIONS

- 2.1 To approve the addition of the Pastures Hill, Littleover scheme to the 2003/2004 LTP capital programme, at an estimated cost of £20,000

- 2.2 To approve the 2002/2003 LTP capital scheme cost variations detailed in Appendices 1a and 1b.
- 2.3 To note the 2002/2003 LTP capital scheme spend variations approved by the Director of Development and Cultural Services within agreed approval, and those schemes already approved by Cabinet at Appendix 2.
- 2.4 To approve the £59,000 capital funding request for Derby Destination Management System.
- 2.5 To approve commencement of work on the new Alvaston Library.
- 2.6 To approve the changes to the latest approved capital programme, and financing shown at Appendix 3.
- 2.7 To approve expenditure financed by leasing in the capital programme.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Financial Procedure Rules requires Council Cabinet approval to total capital scheme cost variations over certain limits. Approval was given to double these limits for the 2002/2003 LTP schemes to:
 - an increase of more than £10,000 in schemes of under £50,000 or
 - an increase of more than 20% in a scheme between £50,000 and £250,000
- 3.2 With reference to Alvaston Library, capital schemes over £100,000 require Cabinet approval for commencement
- 3.3 Financial procedure rules require Council Cabinet approval of changes to the 2002/03 Capital Programme.
- 3.4 With reference to items financed by operating leases financial procedure rules require Cabinet approval to commence spending on individual capital schemes which in total exceed £100,000.

4. MATTERS FOR CONSIDERATION

4.1 Pastures Hill, Littleover

- 4.1.1 The 2003/2004 programme omitted a scheme for Pastures Hill, Littleover. The study involves investigating options for bus priority and safety/pedestrian improvements
- 4.1.2 The scheme is contained within the Littleover Ward at an estimated cost of £20,000, funded by LTP. The scheme can be accommodated within existing LTP resources as part of the preparation pool. The investigation is planned to start quarter 3 and is estimated for completion by quarter 4 of 2003/2004.

- 4.1.3 This scheme was identified as a priority because of Member and public representation regarding safety and public transport issues. External contributions are also available for improvements along this corridor.

4.2 2002/2003 LTP Capital Programme Scheme Spend Variations

- 4.2.1 The 4 March Cabinet report proposed that a list of scheme spend variations be reported to a future Cabinet for approval together with a list for information of those variations approved within agreed approval limits by the Director of Development and Cultural Services.
- 4.2.2 Some scheme variations are due to insufficient carry forward of unspent 2001/2002 funding. They therefore require 2002/2003 funding to allow completion. Other variations highlight the increase required from the original 2002/2003 estimates approved by Cabinet on 23 April 2002. Details of variations requiring Cabinet approval are listed in Appendices 1a and 1b. Other scheme variations reported for information only are detailed in Appendix 2.
- 4.2.3 Delegated approval allowed the Director of Development & Cultural Services, in conjunction with the Cabinet Member for Planning and Prosperity, to set scheme implementation priorities to ensure effective delivery of the LTP programme 2002/03. In accordance with this, scheme spend variations have been funded through the overall management of the LTP programme 2002/03.

4.3 Derby Destination Management System

- 4.3.1 Derby City Council has provisionally committed match funding up until 2007 to support the ERDF Objective 2 bid for the Derby Destination Management system. This will comprise £44,000 from the Tourism and Economic Development budgets and £59,000 from corporate funding.
- 4.3.2 A Destination Management System can effectively modernise and improve the provision of tourist information and the tourism destination marketing for a defined city or region. It utilises the latest information technology and is built around a central database which contains detailed information on all aspects of the local tourism product – accommodation, attractions, events, eating places, shopping, etc. This database underpins different access points including websites, remote access kiosks and computer stations in Tourist Information Centres and tourism marketing units.
- 4.3.3 The Derbyshire and Peak District Destination Management System will eventually link to similar information systems regionally and into the national englandnet system being established by the English Tourism Council

- 4.3.4 Costs of establishing a Destination Management System in Derby are estimated at £168,800 up to 2007. Some of the costs can be met from existing Tourism and Economic Development revenue budgets over this period, and a bid has recently been submitted for Objective 2 funding to support the project.

4.4 Alvaston Library

- 4.4.1 On its meeting of 12 March 2002, Cabinet approved proposals for leasing 1252/1254 London Road Alvaston as the new site.
- 4.4.2 The estimated cost of refurbishing the property ie. £450,000. This will be financed within the overall £850,000 of Neighbourhood Renewal funding. As the costs are greater than £100,000 Cabinet approval is required for commencement.

4.5 Changes to 2002/03 Capital Programme

- 4.5.1 A number of changes are required to the latest approved capital programme. The changes, if approved, will reduce the latest approved 2002/03 programme of £59.9m to £59.0m.
- 4.5.2 The most significant changes are due to slippage in the education programme totalling £0.9m.
- 4.5.3 The capital budget includes vehicles and plant which are financed by leasing, the related purchases are controlled by the Director of Commercial Services. The items are needed to meet contractual requirements and are bought throughout the year as required and when suitable items are available.
The expenditure in this year to date is £699,217 with an expected total for the year of £761,504.

- 4.5.3 Details are summarised in the table below and detailed in Appendix 3.

| Department | Latest Approved Programme £000 | Proposed Changes £000 | Revised Programme £000 |
|---------------------------------------|---|--------------------------------------|---------------------------------------|
| Education | 15,599 | (950) | 14,649 |
| Development & Cultural Services | 13,576 | | 13,576 |
| Housing | 22,017 | | 22,017 |
| Commercial Services | 1,525 | 84 | 1,609 |
| Chief Executives Department | 6,008 | | 6,008 |
| Social Services | 500 | (50) | 450 |
| Partnership | 705 | | 705 |
| TOTAL | 59,930 | (916) | 59,014 |

| Sources of Funding 2002/03 Capital Programme | Latest Approved Programme £000 | Proposed Changes £000 | Revised Programme £000 |
|---|---------------------------------------|------------------------------|-------------------------------|
| Borrowing – BCA | 11,323 | | 11,323 |
| Borrowing – SCA | 16,956 | | 16,956 |
| Housing MRA | 7,881 | | 7,881 |
| Capital Grant | 12,849 | (900) | 11,949 |
| Capital Receipts/Corporate Resources | 4,420 | (4) | 4,416 |
| Lottery/Other External Contributions | 1,871 | 20 | 1,891 |
| Revenue/Reserves | 3,738 | (32) | 3,706 |
| Operating Leases | 892 | | 892 |
| TOTAL | 59,930 | (916) | 59,014 |

5. FINANCIAL IMPLICATIONS

5.1 As detailed in the report

6. LEGAL IMPLICATIONS

6.1 None

7. PERSONNEL IMPLICATIONS

7.1 None

8. ENVIRONMENTAL IMPLICATIONS

8.1 None

9. EQUALITIES IMPLICATIONS

9.1 None

Background papers:

None.

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