



DERBY CITY COUNCIL

**SCRUTINY MANAGEMENT
COMMISSION**
31 January 2005

ITEM 8

Report of the Director of Finance

CAPITAL BUDGET 2005/06 TO 2007/08

RECOMMENDATION

1. To consider and comment on the report, in particular:
 - the content of funded departmental programmes other than those being given separate consideration by the relevant Commissions as detailed in Sections 2.12 - 2.14 and Appendices 3 and 4
 - the overall corporate programme as detailed in Sections 2.15 – 2.22
 - the content of the planned capital maintenance programme as detailed in Sections 2.23 – 2.25
 - the prioritisation of resources to new corporate allocations in Sections 2.26 – 2.39 and Appendices 5 and 6

SUPPORTING INFORMATION

- 2.1 The Council is developing its capital programme for 2005/06 to 2007/08 in line with the corporate capital strategy approved by Cabinet on 21 December 2004. Within this framework, there are two parts to the capital programme...
 - 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. This is described in section 2.8.
 - 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. The corporate programme exceeds the available funding and an initial officer driven process of prioritising schemes has been undertaken. This is described in section 2.15 onwards.

Resources

- 2.2 The Council receives Supported Capital Expenditure – SCE - allocations which attract revenue support for the borrowing costs. These are split into Supported Capital Expenditure (Revenue) - SCE-R - funding to fund revenue costs of capital

expenditure and Supported Capital Expenditure (Capital) - SCE-C - grants for specific schemes.

- 2.3 The main 2005/06 SCE funding announcements were made in December 2004 and earlier in January 2005. Announcements relating to future years will not be made until closer to the time.
- 2.4 In addition to SCE further unsupported borrowing is permitted. 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. 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.
- 2.5 New unsupported borrowing of £2m for each of the next three years has been assumed for the purposes of setting the capital programme. The annual full year revenue cost of this borrowing is £180,000 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.
- 2.6 The corporate capital strategy has determined that Housing, Education, Social Services, Highways and the flood defence programme should be permitted to retain their SCEs as allocated by Government, in cases where these 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 earmarked external resources such as Section 106 receipts and lottery funding
 - capital receipts that are not pooled for corporate reallocation
 - direct revenue contributions
 - leases provided they offer value for money compared against unsupported borrowing and where costs fall within controllable budgets.
- 2.7 The Council's general policy on the earmarking of s106 contributions is set to be reviewed further, as provided for in the capital strategy. This process is expected to affect mainly the treatment of newly negotiated contributions, and is not expected to impact on the budget proposals as they currently stand. The programme may, however, need to be amended later to recognise additional spending funded by s106 contributions.

Funded Programmes

- 2.8 Departments are drawing up funded programmes within the estimates of available service resources. A summary of the funded programme and associated funding is shown in Appendix 2. This shows a balanced programme as detailed in Table 1. The programme is based on resources which are anticipated to be available and may change as future announcements are made.

Table 1 – Summary of Funded Programme

2004/05	Service Area	2005/06	2006/07	2007/08	Future Yrs	Total
£'000		£'000	£'000	£'000	£'000	£'000
20,811	Education	11,816	9,088	9,310	TBC	30,214
56,199	Chief Exec - Housing	32,015	12,611	12,837	12,993	70,456
3,788	Chief Exec's excl Housing	170	0	0	0	170
848	Social Services	155	155	155	155	620
11,776	Development and Cultural Services	8,631	5,020	3,417	0	17,068
4,364	Commercial Services	2,303	2,750	352	2,880	8,285
97,786	Total	55,090	29,624	26,071	16,028	126,813

- 2.9 Some schemes included in the programme are reliant on external funding, and these will only be approved in principle at present pending approval for bid submission and successful outcomes of the bids. These schemes will be separately identified as part of the February Cabinet report.
- 2.10 In cases where leasing has been identified as a source of funding, this will only be undertaken after it has been confirmed by the Director of Finance that leasing offers better value for money than further unsupported borrowing, additional to that planned here.
- 2.11 The different elements of the funded programme will be subject to separate scrutiny and approval by Cabinet as outlined in Table 2. This is consistent with the practice in previous years, when the substantive funded service programmes have been considered by the relevant Commission, and the remaining relatively small elements were considered by Scrutiny Management Commission along side the corporate programme. The process is also consistent with the fact that the funded programme for these smaller elements can be topped up from the corporate programme, so it makes sense for Scrutiny Management Commission to consider both elements together.

Table 2 – Schedule of Funded Programmes to be considered by Commissions

Commission	Report Back to Cabinet	Programme
Scrutiny Management 31 January	8 February	Social Services Chief Execs – non Housing D&CS – non Transport Commercial Services
Community Regeneration 25 January	8 February	Chief Execs – Housing
Education 21 February	22 February	Education
Planning and Environment 24 Jan Special meeting	8 Feb	Transport

- 2.12 Details of schemes included in the smaller programmes not referred to other commissions are provided in Appendices 3 and 4. The major areas of spend within these service programmes and how they link towards departmental and corporate objectives are detailed below.

Social Services

The main driver behind the capital programme since 2004/05 has been the National Minimum Standards which are overseen by the National Care Standards Commission – NCSC. The NCSC regulates social care and independent healthcare services in accordance with statutory regulations and the National Minimum Standards issued by the Department of Health. 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.

Development and Cultural Services - Excluding Transport

Much of this programme is linked to the Local Transport Plan which is being considered by the Planning and Environment Commission on 3 March.

Other schemes include the following:

- maintaining flood defence assets in order to reduce the danger of flooding and consequential impact on the prosperity of the City
- security grants for small businesses to improve the physical environment and enhance economic vitality by encouraging business development in the City
- completion of the Townscape Heritage project which is enhancing buildings that make up the historic fabric of the city centre.

Commercial Services

This programme includes several improvements to playgrounds and parks facilities, including Osmaston Park, Arboretum Park and Vicarage Road, which contribute to the safeguarding and enhancing of the natural environment. The programme also include for a major refurbishment of refuse and grounds maintenance vehicles.

Chief Executives – Excluding Housing

This programme includes the capital element of the e-Derby programme which enables the Council to move towards national targets and helps provide integrated, cost effective services.

The Chief Executive's programme excludes any provision for upgrading the Council's financial systems. It is intended that this need, which will occur no later than 2007/08, will be met by the commitment of unallocated corporate reserves or any reserves that can be earmarked for this purpose.

The air quality monitoring equipment scheme helps to monitor the progress in safeguarding and enhancing the natural environment.

- 2.13 When funding levels are confirmed, it may be necessary to adjust the programmes. Any such changes for the final budget or subsequent in year changes will be reported through to Cabinet.
- 2.14 Any further slippage from the 2004/5 capital programme will have the effect of increasing the funded programmes detailed in Table 1 for 2005/06, provided that allocations can be carried forward.

Corporate Programme

- 2.15 The funding available to fund corporate schemes has been updated since the Capital Strategy report and is shown in Table 3 together with planned commitments against this funding. These commitments are explained further in the subsequent text.

Table 3 – Summary of Proposed Corporate Programme and Funding

	2005/06 £'000	2006/07 £'000	2007/08 £'000
Funding:			
Unsupported Borrowing – New	2,000	2,000	2,000
Unsupported Borrowing – 2004/5 Slippage	700	0	0
Capital Receipts – Available	4,553	1,500	1,450
Capital Receipts – Reallocated to 2006/7	(267)	267	0
Planned Maintenance – Revenue Contrib.	333		
Available Capital Reserves	0	0	1,350
Total Funding for Corporate Programme	7,319	3,767	4,800
Planned Programme:			
Slippage from 2004/5 (2.17)	898	0	0
Contribution to E-Derby (2.18)	0	0	0
Accommodation Strategy (2.19)	4,000	1,485	515
Planned Maintenance Programme (2.20)	1,085	750	750
Corporate Allocation – Flood Defence (2.21)	195	0	0
New Corporate Allocations: Firm (2.22)	741	170	0
New Corporate Allocations: Indicative (2.22)	400	1,362	969
Balance Currently Unallocated	0	0	2,566
Total Corporate Programme	7,319	3,767	4,800

- 2.16 The assumptions made on available funding are relatively prudent. No non-housing receipts have been assumed to be available beyond 2005/6 at this stage. Further capital reserves will become available in 2007/8 when receipts temporarily allocated to support the Schools PFI is returned for corporate use. Resources potentially available from the Public Priorities Fund, £500k one-off and £200k ongoing, are not shown, but will be added to the corporate programme if allocated for capital schemes.
- 2.17 Slippage of £898k from 2004/5 built into the 2005/6 corporate programme is consistent with the monitoring report to Cabinet on 9 November. It relates to £700k of deferred expenditure to modernise Social Services residential establishments to meet higher national care standards, and £198k of slippage on the Vicarage Road Pavillion scheme.

- 2.18 An indicative contribution was planned for 2005/06 towards the capital costs of the e-Derby programme approved as part of the previous indicative programme. The capital strategy approved on 21 December 2004 concluded that a contribution was no longer considered necessary, on the basis that any investment should be funded on a 'spend to save' basis through generating equivalent revenue savings.
- 2.19 The Accommodation Strategy is still under development. The Council has previously planned on the basis of allocating capital receipts totalling £10m to contribute towards delivering the strategy, £4m in both of 2004/05 and 2005/06 and the £2m balance in 2006/07. Given the limited capital receipts to date identified in 2006/07, and the need to balance the remaining programme, the £2m balance is now shared between 2005/06 and 2006/07. Other than this slight reallocation, the programme is consistent with previous plans. These remain contingency sums until approval is given to full implementation, but for the purposes of planning the Treasury Management revenue budget only these funds are assumed to be spent once available.
- 2.20 The previously planned capital contribution to the Planned Maintenance programme of £750k a year is now assumed to continue to 2007/08. Further details of the 2005/06 programme are explained in later sections of this report. The total proposed expenditure on capital maintenance of £1.085m for 2005/06 includes a £333k contribution from the revenue budget, the contribution from capital funding alone being £752k. Sections 2.23 to 2.25 give further details.
- 2.21 Cabinet on 9 November approved a firm forward allocation of £90k from the 2005/06 capital programme in order to support a bid for flood defence funding of £1.2m from DEFRA for Markeaton Brook. The Asset Management Group is now recommending allocating a further £145k in 2005/06 for other minor 2005/06 flood defence schemes, which would lever in a further £125k of external funding. This has been assessed outside of the process for scoring other corporate capital bids and if approved will increase total 2005/6 corporate contributions to flood defence works to £195k.
- 2.22 The approved capital strategy provides for further new allocations of corporate capital funding to be informed by the recommendations of the Asset Management Group of officers. The AMG considered and prioritised a programme based on the availability of £1.1m of funds, additional to the prior allocations above, and details are explained from Section 2.26 onwards. The remaining £267k of receipts now expected to be available in 2005/6 has been reallocated to support the 2006/07 programme, given the current shortage of funding available for that year. Should the level of identified receipts increase, there is the potential to add to these allocations, using further funds as a contingency. Alternatively, further receipts might be applied to reduce the long term pressure on the future council tax by reducing borrowing.

Planned Capital Maintenance Programme

- 2.23 It is recommended by the Asset Management Group of officers that £752k of corporate capital funding is allocated to support the repair and maintenance programme to fund the capital schemes identified in Table 4. This will take the full repair and maintenance programme including proposed revenue expenditure to £3.783m, of which £1.085m will be capital expenditure. In addition, the final revenue

budget proposals to Cabinet will consider the possibility of using reserves to further supplement this programme.

Table 4 – Planned 2005/06 Capital Maintenance Programme

	£'000
Buildings at Risk	175
Disability and Discrimination Act work	100
Boundary Walls and Fences	85
Asbestos Removal	50
Gas Pipework	35
Fire Evacuation	50
Boiler Replacement	150
Glazing Work	40
Lifts	100
Contingency	300
Total	1,085

- 2.24 An element of revenue funded expenditure is required out of the repair and maintenance budget in order to meet the Council's commitment to passport funding to schools. The amount required will not be known until all of the education financing announcements are made and budgets are finalised in March. At that point it may be necessary to amend the programme slightly in order to ensure that the passporting requirements are met.
- 2.25 £100k of Disability and Discrimination Act work is allowed for within this prioritised programme. This is less than the underlying allocation in 2004/05 of £150k. However, taking account of the Council's already considerable corporate investment to meet the DDA requirements, and the additional investment within the schools programme, it is considered that this allocation will enable the Council to demonstrate that it is making sufficient progress on the DDA programme to meet the legal requirement of making reasonable adjustments to Council buildings. There is in total still around £600k of DDA investment needs outstanding, but this needs to be balanced against other prioritised capital investment needs in buildings.

New Corporate Allocations

- 2.26 A total of 23 schemes seeking corporate funding were submitted to the Asset Management Group for evaluation, totalling £6.2m over the 2005/06 to 2007/08 period. Council departments were requested to restrict the number of schemes submitted to reflect the limited amount of funding available for allocation. Details of the prioritised schemes can be found in Appendix 5, and Appendix 6 shows the full cost of proposals submitted.
- 2.27 The schemes have been assessed by the AMG using the evaluation criteria attached at Appendix 7. These criteria formed part of the capital strategy approved by Cabinet on 21 December. The schemes were evaluated on the basis that £1.1m was available for allocation in 2005/06, but that some further indicative allocations for would also be made for 2006/07 and to a limited extent 2007/08.
- 2.28 The evaluation process has provided a prioritised list of schemes set out in Appendix 6. The purpose of this evaluation was to provide a starting point to enable Cabinet to determine a final prioritised list of schemes.

2.29 In order to enable the maximum number of schemes to be funded, consideration was given to whether funding could be reduced for individual schemes. As a result of this process...

- The playground improvement proposal was limited to those playgrounds where external funding could be attracted. This had the effect of reducing the proposal from £275k to £135k in 2005/06, although indicative allocations of £300k have been maintained for 2006/07 and 2007/08.
- Proposed 2005/06 investment to meet National Care Standards for residential homes was reduced from £485k to £134k. This was done to ensure that the programme was deliverable, taking account of the expected level of slippage from 2004/05 of £700k. The remainder has been allocated indicatively to 2006/07.
- The dam and reservoir maintenance work included £60k to improve fencing. This element of the bid was excluded as it was not considered to be of comparable priority to the remainder of the proposed scheme.

2.30 Some schemes were not scored as they were either deemed not to be of a capital nature or required further developmental work before the scheme could be given proper consideration. These schemes are identified in Appendix 6, and include the following...

- Urban Countryside Management Programme (formerly Project Riverlife) – this was not scored by the AMG as there were doubts over the capital nature of the scheme. However, it is of a high political priority and to ensure earmarking of funding to the scheme, £40k has been included in the corporate programme whilst this issue is being resolved.
- The feasibility study for Darley Abbey Park and Visitor Centre is not capital work and requires revenue funding. An option appraisal is still being drawn up for this project.
- The heating system at Ashgate Nursery School should be considered as part of the Schools programme under the treatment agreed in the capital strategy.
- The Spondon Community Centre scheme will be considered as part of a larger review of Community Centres which is currently taking place.

2.31 Several schemes were submitted to improve the Council's leisure facilities. These schemes are now being grouped together and considered as part of a wider option appraisal on improving sports facilities, which may identify further funding sources and also potentially spend to save elements. The schemes are the following:

- essential mechanical and electrical maintenance at sports centres
- Queens Leisure Centre entry barrier
- sports centre and activity centre security
- retexturing of the rubber crumb pitch at Springwood Leisure Centre
- Moorways Sports Complex synthetic pitch refurbishment.

- 2.32 The priorities arrived at by the AMG are set out in Appendix 6 together with the Urban Countryside Management Programme allocation (2.30). If the order of schemes remains unchanged, the available funding would be used to fund the schemes shown in Table 6.

Table 6 – Prioritised Schemes for New Corporate Funding

Scheme	2005/06 Corporate Funding £'000	2006/07 Corporate Funding £'000	2007/08 Corporate Funding £'000	Total Corporate Funding £'000
DEFRA Flood Defence Bids	0	271	229	500
National Care Standards Residential Establishments	134	351	0	485
Playground Improvements	135	300	300	735
Market Hall Roof Repairs	167	5	0	172
Multi-storey Car Parks	400	400	400	1,200
Dam and Reservoir Maintenance	125	0	0	125
Eagle Centre Lifts	140	165	0	305
Urban Countryside Mgmt Prog	40	40	40	120
Total	1141	1,532	969	3,642

- 2.33 It must be stressed that this prioritisation has the status of an officer group appraisal and that the Cabinet has yet to consider this prioritisation. The prioritisation was not informed by the findings of the latest round of budget consultation. Further means are being explored to assess whether resources can be found to proceed with the Mickleover Library scheme in addition to schemes prioritised in Table 6. Given that the current profile of spend requires £151k in 2005/06 with the remainder in 2006/07, it is likely that, subject to consultation resources will be found to deliver this scheme.
- 2.34 Consistent with this prioritisation, there would be potential future year commitments of £1,532k in 2006/07 and £969k in 2007/08, if similar priority allocations in 2005/06 were repeated where schemes are ongoing over several years. Playground improvements are shown at the level of the funding sought by Commercial Services for 2006/07 and 2007/08, rather than at the level of the proposal made for 2005/06.
- 2.35 The nature of the expenditure for the Market Hall Roof repairs and the Eagle Centre lifts is such that it represents a firm commitment on the 2006/07 budget of £170k.
- 2.36 Proposed expenditure to support bids for DEFRA flood defence funding in 2006/07 and 2007/08 are additional to the proposed spending of £195k for 2005/06 (section 2.21). These further allocations are indicative at this stage but Cabinet approval is likely to be sought in 2005 to confirm some of the 2006/07 allocation as a firm approval, as part of a report to approve these bids in detail. Without a firm commitment, the success of bids to DEFRA may be impaired.
- 2.37 It is considered that better value for money can be obtained if the multi storey car park scheme is contracted over a two year period rather than several one year contracts. Given that the total cost of work will be in the region of £2m over 5 years, including £400k in the 2004/05 programme, it is proposed that a separate report be

submitted to Cabinet in the near future in order to commit expenditure in both 2005/06 and 2006/07, and this will include at least a limited option appraisal given the scale of this expenditure. Pending this approval, the scheme remains indicative in the 2005/06 as well as later years.

- 2.38 It should be noted that the priority given to work to achieve Social Services National Care Standards in 2006/07 may need to be reassessed in future, should the potential for capital schemes be identified that will assist Social Services to achieve as yet unidentified savings necessary to meet its future revenue budget targets. It is not a statutory requirement to meet these care standards for existing homes. There is therefore the potential to reassign this funding for other uses within Social Services, should this be considered unavoidable if the revenue budget targets are to be met.
- 2.39 The remaining prioritised allocations for 2006/07 and 2007/08 remain indicative and will be reassessed. This treatment will allow other schemes to be reconsidered for funding in 2006/07. It should also be noted that over £2.6m of capital funding potentially available from 2007/08 onwards has yet to be allocated.

Further Issues

- 2.40 **PFI.** The current schools, street lighting and housing PFI schemes are progressing and will result in new facilities being available. These do not form part of the capital programme as expenditure is deemed to be 'off balance sheet', but nonetheless represent capital works to the benefit of the Council's service users.
- 2.41 **External Funding.** 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.
- 2.42 **Quad.** A firm commitment to the Quad project is not included in the revenue budget proposals, and consequently it does not feature in the capital programme at this stage. The scheme is still subject to further option appraisal and will be the subject of further reports to Cabinet and Council. Any capital expenditure would be likely to rely initially upon external funding commitments, and corporate contributions would be necessary only when these were exhausted in later years.
- 2.43 **Spend to Save Schemes.** As explained in the capital strategy, there is the potential to supplement the corporate or service capital programme should a case for self-financing capital investment be identified, subject to further scheme approval following independent evaluation by an officer panel. As such approved schemes will be self-financing, and can utilise additional borrowing subject to Council approval, funding does not need to be allocated before council taxes are set for 2005/06.

Next Steps

- 2.44 The departmental funded programmes plus a number of schemes funded from corporate resources will comprise the future capital programme to be submitted to Cabinet on 22 February for recommendation for approval by Council on 2 March.

This will be informed by views of the Overview and Scrutiny Commissions although the final decisions will rest with Cabinet and Council.

- 2.45 It is now envisaged that full approval will be given to all elements of the capital programme by Council on 2 March, upon the recommendation of Cabinet. Subsequent to this, approval may still be needed for the content of schemes within block programmes, depending on how programmes are presented. It is not however currently expected that Cabinet will need to consider the corporate programme further on 15 March before a full commitment is made to schemes, except in cases where approval is conditional as explained earlier.
- 2.46 Once a scheme forms part of the committed capital programme, it will still be subject to a scheme commencement report being completed and approved by Cabinet, if over £100k, before it 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.
- 2.47 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: Carolyn Wright 01332 255349
Email: Carolyn.wright@Derby.gov.uk

Background papers: Corporate Capital Strategy Cabinet Report 21 December 2004
Asset Management Plan 2004
Scheme Evaluation forms for bids to corporate programme
Overview and Scrutiny reports for Housing, Education and Transport programmes

List of appendices: Appendix 1 – Implications
Appendix 2 – Funded Scheme Summary
Appendix 3 – Details of Funded Scheme Costs
Appendix 4 – Details of Funded Schemes
Appendix 5 – Details of Schemes Requiring Corporate Funding
Appendix 6 – Prioritised List of Schemes Requiring Corporate Funding
Appendix 7 – Scoring Criteria for Individual Capital Schemes

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 for change

5. The proposals are intended to be consistent with corporate objectives and priorities. However, the recommended prioritisation of the corporate capital programme is still subject to review by Cabinet, and will also need to be evaluated in the context of the results of overall consultation on the budget.

Funded Scheme Summary

For Information	Costs and Funding	Cost						
		2005/2006			2006/2007 £'000	2007/2008 £'000	Future yrs £'000	Total cost £'000
		Approved Slippage £'000	New	Total £'000				
2004/05 £'000								
	Scheme Costs							
	Schemes included in this report							
3,788	Chief Executive - Other	0	170	170	0	0	0	170
848	Social Services	0	155	155	155	155	155	620
3,423	Development and Cultural Services - non LTP	0	600	600	663	0	0	1,263
4,364	Commercial Services	140	2,163	2,303	2,750	352	2,880	8,285
	Schemes to be reported separately							
20,811	Education	2,389	9,427	11,816	9,088	9,310	0	30,214
56,199	Chief Executive - Housing	0	32,015	32,015	12,611	12,837	12,993	70,456
8,353	Development and Cultural Services - LTP	0	8,031	8,031	4,357	3,417	0	15,805
97,786	Total Costs	2,529	52,561	55,090	29,624	26,071	16,028	126,813
	Funding							
54,595	Supported Capital Expenditure - SCE (R)	0	34,970	34,970	10,191	8,055	4,305	57,521
5,560	Supported Capital Expenditure - SCE (C)	1,570	5,031	6,601	7,393	8,877	0	22,871
5,243	Unsupported Borrowing	0	1,855	1,855	345	0	100	2,300
12,898	Government Grant	819	1,492	2,311	435	475	450	3,671
6,425	External Contributions	0	480	480	2,540	317	2,780	6,117
459	Revenue Contributions	0	486	486	0	0	0	486
7,630	Major Repairs Allowance - MRA (Housing)	0	7,221	7,221	7,247	7,297	7,293	29,058
1,455	Capital Reserves	140	0	140	0	0	0	140
-	Service Revenue Reserves	0	81	81				81
45	Leasing	0	0	0	0	0	0	0
3,476	Capital Receipts - Housing	0	945	945	1,473	1,050	1,100	4,568
97,786	Total Funding	2,529	52,561	55,090	29,624	26,071	16,028	126,813

Note: The Corporate Programme will result in additional schemes and funding as set out in Table 3 of the report.

Chief Executive - Other - Details of Funded Scheme Costs

APPENDIX 3

Scheme	Cost							Comments
	2005/2006			2006/2007 £000	2007/2008 £000	Future yrs £000	Budgeted Cost £000	
	Approved Slippage £000	New Schemes £000	Total £000					
e-Derby Air Quality Monitoring		150 20	150 20	0	0	0	150 20	
Total	0	170	170	0	0	0	170	

Social Services - Details of Funded Scheme Costs

Scheme	Cost							Comments
	2005/2006						Total Budgeted Cost	
	Approved Slippage £000	New Schemes £000	Total £000					
	£000	£000	£000	£000	£000	£000	£000	
National Care Standards	0	155	155	155	155	155	620	
Total	0	155	155	155	155	155	620	

Development & Cultural Services - Details of Funded Scheme Costs Excluding Transport

Scheme	Cost							Comments
	2005/2006			2006/2007	2007/2008	Future yrs	Total Budgeted Cost	
	Approved Slippage £000	New Schemes £000	Total £000					
Planning - Townscape Heritage Initiative	0	450	450	0	0	0	450	
Security Grants	0	75	75	0	0	0	75	
Museum Military Gallery Refurbishment	0	60	60	658	0	0	718	
Corporate Funding Previously Approved								
Destination Management System at TIC	0	15	15	5	0	0	20	
							0	
Total	0	600	600	663	0	0	1,263	

Commercial Services - Details of Funded Scheme Costs

Scheme	Cost							Comments
	2005/2006			2006/2007 £000	2007/2008 £000	Future yrs £000	Total Budgeted Cost £000	
	Approved Slippage £000	New Schemes £000	Total £000					
Grounds Plant & Equipment	0	750	750	45	0	0	795	
Refuse Vehicles & Plant	0	1,000	1,000	300	0	0	1,300	
Replacement Buildings Maintenance IT System	140	0	140	0	0	0	140	
Other misc vehicles	0	20	20	0	0	0	20	
Street Lighting Vehicles	0	25	25	0	0	0	25	
Street Cleaning Vehicles & Plant	0	50	50	0	0	0	50	
Arboretum Park	0	50	50	0	0	0	50	
Osmaston Park Facility Improvements	0	150	150	445	202	0	797	
Rowditch Rec Improvements	0	50	50	550	0	0	600	
Moorway Lane Park	0	0	0	10	100	2,880	2,990	
King George V Playing Fields Improvements	0	10	10	0	0	0	10	
Bendall Green Play Area	0	30	30	0	0	0	30	
Handford Street Playground	0	2	2	0	0	0	2	
Vicarage Road Pavilion	0	0	0	0	0	0	0	
Willowcroft Rec - Play Facilities	0	5	5	0	0	0	5	
Racecourse Improvements	0	0	0	1,400	50	0	1,450	
Vicarage Road Sportswall	0	21	21	0	0	0	21	
Total	140	2,163	2,303	2,750	352	2,880	8,285	

Details of Schemes Included in 2005/06 Capital Programme**Department: Chief Executive – Other (non Housing)**

Scheme Title	2005/06 £'000	Scheme Description
Air Quality Monitoring	20	This scheme relates to the purchase of air quality monitoring equipment. The funding is subject to the successful application for grant.
e Derby	150	Capital cost of e Derby programme.
Total	170	

Department: Social Services

Scheme Title	2005/06 £'000	Scheme Description
National Care Standards	155	<p>This will increase to £1,124 if the bid for corporate funding is approved.</p> <p>A total of £2.2m has been 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).</p> <p>If the Department cannot meet the requirements of the Care Standards Commission, this could result in the enforced closure of homes.</p>
Total	855	

Department: Development & Cultural Services

Scheme Title	2005/06 £'000	Scheme Description
Planning – Townscape Heritage Initiative	450	Major regeneration proposal for the city centre, focusing on the historic townscape, which is a vital component of the centre's character and quality. Funds building repair and enhancement schemes, 50% funded by National Lottery Commission.
Security Grants	75	Grants to small businesses to improve property and environmental security. Allowed 75% of total cost up to a maximum of £3k.
Destination Management System at Tourist Information Centre	15	The DMS system is a system to modernise and improve the provision of tourist information and the tourism destination marketing for Derby by use of web sites, remote access kiosks and computer stations.
Refurbishment of the Military Gallery at Derby Museum and Art Gallery	60	To provide the infrastructure and services for the refurbished military gallery (9th/12th Lancers Museum) at the Museum & Art Gallery
Total	600	

The Local Transport Plan schemes totalling £8.031m are subject to a separate report to the Planning and Environment Overview and Scrutiny Commission.

The DEFRA flood bid is covered in the corporate part of the programme until funding is approved. Details can be found in Appendix 5.

Department: Commercial Services

Scheme Title	2005/06 £'000	Scheme Description
Grounds Plant and Equipment	750	Renewal of ageing plant and equipment.
Refuse Vehicles & Plant	1,000	Renewal of ageing fleet and equipment.
Replacement Buildings Maintenance IT System	140	Replacement of computer software for repair order jobs.
Other Miscellaneous Vehicles	20	Renewal of aging fleet.
Street Lighting Vehicles	25	Renewal of aging fleet.
Street Cleaning Vehicles & Plant	50	Renewal of aging fleet.
Arboretum Park	50	Retentions & snagging on the restoration of listed buildings and artefacts, renovated landscaping, new play and sport facilities.
Osmaston Park Facility Improvements	150	Complete renovation of park over a number of years. Youth facilities improvements in 2005/06.
Rowditch Recreation Ground Improvements	50	Initial works to create new play area and ball courts, refurbish existing buildings.
King George V Playing Fields Improvements	10	Retentions and snagging to changing room improvements
Bendall Green Play & Park Improvements	30	Completion of new toddlers playground plus teenage play area.
Handford Street Playground	2	Completion of playground improvements
Willowcroft Rec – Play Facilities	5	Completion of playground improvements
Vicarage Road Sportswall	21	Introduction of new sportswall facility.
Total	2,303	

A number of these projects are subject to successful bids for external funding.

Please note These totals are for 2005/06 only please refer to Appendix 3 for the full 3-year total.

Applications for Corporate Funding - Scheme Details

This Appendix provides details on the schemes prioritised for corporate funding by the Asset Management Group.

Rank 1 - Specialist design work to enable DEFRA bid for flood defence work

Derby has already been successful in securing £1.2m of funding from DEFRA to carry out the first phase of the Markeaton Brook Catchment Action Management plan. This proposal is for further capital funding to pay for both the drawing up of further grant bid submissions together with the management & site supervision of the £1.2m scheme.

Note - the future years corporate funding required figure of £275k is ongoing per year.

Reason for prioritisation

The consequence of not undertaking this project could be substantial flooding of the city. The scheme lever in significant levels of funding from DEFRA. Development and Cultural Services have ranked this scheme as their top priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	0	271	229	275	775
Other identified Council funding	195	0	0	0	195
External Funding	1,325	2,725	2,125	1,925	8,100
Total	1,520	2,996	2,354	2,200	9,070

As work commences on the bid, these figures are being revised and may change for the Cabinet report in February.

Rank 2 - National Care Standards/DDA Residential Establishments

The aim of this scheme is to meet the needs of both Care Standards & DDA by the deadline of 1 April 2007. The 2005/06 funding will be utilised to bring Arboretum House, Merril House and Raynesway View homes for older people up to the required standard. Work includes fitting wider doors, installing ramps, rewiring, fire regulation work and fitting handrails. The corporate funding would supplement the Social Services funded programme.

Reason for prioritisation

This work forms part of a programme to bring homes up to the standard required by the National Care Standards Commission. It has a major impact on the quality of life

of residents of the homes. Social Services have ranked this scheme as their top priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	134	351	0	0	485
Other identified Council funding	149	0	0	0	149
External Funding	0	0	0	0	0
Total	283	351	0	0	634

Rank 3 – Playground Improvements

The Council's playgrounds received funding in 2004/05 for the first time in a number of years. The lack of funding prior to 2004/05 meant that faulty or unsafe equipment has been removed rather than replaced. The majority of play areas owned by the Council now fall well below best practice standards.

This scheme forms part of a larger programme to improve the equipment and replace old surfacing with more modern material in order to improve safety. This work will bring the play areas up to recognised current best practice standards and minimise the Council's liability in respect of playground accidents.

The playgrounds to be included in the 2005/06 programme are:

- Allestree Recreation Ground
- Chaddesten Park play area
- Sinfin Recreation Ground
- Roe Farm Recreation Ground
- Osmaston Park Play area

These schemes fall in areas where it has been possible to draw in external regeneration funding to match Council expenditure. In order to bring parity to the city, any future year's programmes will need to concentrate on areas where it will be more difficult to draw in external funding.

Reason for prioritisation

The consequence of not making improvements could be closure of the play areas on the grounds of Health & Safety. This would impact on the quality of life of local users. Commercial Services have ranked this scheme as their top priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	135	300	300	0	735
Other identified Council funding	0	0	0	0	0
External Funding	245	0	0	0	245
Total	380	300	300	0	980

Rank 4 – Market Hall Roof Repairs

To undertake phase 2 to replace the copper sheet roof covering to the domed roof of the Market Hall. Phase 1 resulted in only part of the covering being undertaken with the funds available.

Reason for prioritisation

Failure to repair the roof will result in damage to the structure of this Grade 2 listed building. In addition, tenants property is at risk of being damaged. This could result in tenants submitting compensation claims and/or relocating to other premises, impacting on the income potential of the property.

Corporate Services have ranked this scheme as their top priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	167	5	0	0	172
Other identified Council funding	0	0	0	0	0
External Funding	0	0	0	0	0
Total	167	5	0	0	172

Rank 5 – Multi-storey Car Parks

To begin Phase 1 Structural repairs to Assembly Rooms and Chapel Street Car Parks of essential structural repairs to bring them into a safe and useable condition for up to another 20 years.

This scheme will be the subject of a separate report to Cabinet in order to gain approval to let a 2 year contract.

Reason for prioritisation

If these car parks were to close it would result in a major decrease to revenue income. Development & Cultural Services have ranked this scheme as their second priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	400	400	400	400	1600
Other identified Council funding	0	0	0	0	0
External Funding	0	0	0	0	0
Total	400	400	400	400	1600

Rank 6 – Dam and Reservoir Maintenance

The aim of this scheme is to carry out essential statutory repairs to structures coming under the Reservoirs Act 1975, namely Markeaton Reservoir (Mill Pond) & Allestree.

Reason for prioritisation

Two years ago an inspection by DEFRA resulted in faults being found with these waterways. If these faults are not rectified the Council could be at risk of prosecution resulting in a fine and an enforcement to undertake the necessary maintenance works.

Mill Pond is in a worse state of repair and if it gave way would flood the surrounding area. Commercial Services have ranked this scheme as their second priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	125	0	0	0	125
Other identified Council funding	0	0	0	0	0
External Funding	0	0	0	0	0
Total	125	0	0	0	125

Rank 7 – Eagle Centre Service Lifts

The objective of this scheme is to refurbish the Eagle Centre service lifts & replace the Theatre Walk service lift. Both these lifts are crucial to service delivery and are in a bad state of repair. Should they fail the Council would be under an obligation to replace them in order to comply with DDA regulations.

Reason for prioritisation

If refurbishment works do not take place then the lifts will eventually need to be completely replaced, this would result in an even greater cost to the Council. Corporate Services have ranked this scheme as their third priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	140	165	0	0	305
Other identified Council funding	0	0	0	0	0
External Funding	0	0	0	0	0
Total	140	165	0	0	305

Rank 9 – Micklegate Library & Learning Centre

The existing Micklegate Library will need to be relocated in the near future. It currently operates from a small single room in the Memorial Hall that is held on an expired lease. In terms of its size, condition and location it is totally unsuitable as a modern local library serving Micklegate and the west of the city. It is proposed to construct a new library on the site of the Vicarage Road Children's Home that is due to close in 2005.

Reason for prioritisation

There are many Health & Safety issues with the current building. The lease has expired and at any given time a six weeks notice could be served to vacate the building. It is the only library west of the city. Development & Cultural Services have ranked this as their fourth priority.

Micklegate Library is the first unfunded priority for capital funding, and the scheme would only commence in 2005/6 with the bulk of resources required the following year. The Cabinet is seeking to find a means to fund the inclusion of this scheme in addition to those already in the priority list, either through additional funding or a reassessment of priorities within the corporate programme..

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	151	577	0	0	728
Other identified Council funding	39	385	0	0	424
External Funding	0	0	0	0	0
Total	190	962	0	0	1152

Rank 12 – Wholesale Market Resurfacing

Derby Wholesale Market was constructed in 1967. The original tarmac surface has been repaired numerous times, but is now past the end of its economic life and the whole area needs resurfacing.

Reason for prioritisation

Health and Safety issues, the forklift truck used on site has tipped over and resulted in an insurance claim being submitted to the Council. The financial risks are nonetheless quite limited by comparison to other schemes – for example the Eagle Centre Lifts, and consequently this was not considered a high priority.

Funding Table

	2005/06	2006/07	2007/08	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Corporate Capital Resources	125	0	0	0	125
Other identified Council funding	0	0	0	0	0
External Funding	0	0	0	0	0
Total	125	0	0	0	125

List of Schemes as Prioritised by the Asset Management Group
APPENDIX 6

Department	Scheme Title	Rank	2005/06 Cumulative Funding £'000	2005/06 Corporate Funding £'000	2006/07 Corporate Funding £'000	2007/08 Corporate Funding £'000	Total 3 yr Corporate Funding £'000	Notes
D&CS	Specialist design work to enable DEFRA bid Flood Defence Works	1	0	0	311	269	580	Funding already found for the £235k costs in 2005/06
Social Services	National Care Standards/DDA Residential Establishments	2	134	134	351	0	485	
Commercial Services	Playground Improvements	3	269	135	300	300	735	Original bid requested £285k in 2005/06, but funding has been limited to those schemes attracting external funding.
Corporate Services	Market Hall Roof - Repairs	4	436	167	5	0	172	
D&CS	Multistorey Car Parks	5	836	400	400	400	1,200	Further £400k anticipated in 2008/09
Commercial Services	Dam and Reservoir maintenance	6	961	125	0	0	125	Original bid was for £185k which included £60k for fencing work. This element was excluded as was considered to be of lesser priority
Corporate Svcs	Eagle Centre Service Lifts	7	1,101	140	165	0	305	
Cut off point for £1.1m available funding								
Education	Essential mechanical & electrical maintainance at sports centres	8	1,101	0	228	0	228	Now being considered as part of wider option appraisal on improving sports facilities
D&CS	Mickleover Library & Learning Centre	9	1,252	151	577	0	728	Assumes use of the capital receipt for remainder of this site
Education	Queens Leisure Centre entry barrier	10	1,262	10	0	0	10	Now being considered as part of wider option appraisal on improving sports facilities
Education	Sports Centre & Activity Centre Security	11	1,322	60	0	0	60	Now being considered as part of wider option appraisal on improving sports facilities
Corporate Svcs	Wholesale Market Resurfacing	12	1,447	125	0	0	125	Review of market required
Education	Springwood Leisure Centre retexturing rubber crumb pitch	13	1,457	10	0	0	10	Now being considered as part of wider option appraisal on improving sports facilities
Education	Moorways Sports Complex synthetic pitch refurbishment	14	1,592	135	0	0	135	Now being considered as part of wider option appraisal on improving sports facilities
Education	Ashgate Nursery School - replacement heating system	Not Scored	1,767	175	0	0	175	To be included as part of Education programme
D&CS	Urban Countryside Management Programme	Not Scored	1,807	40	40	40	120	Capital nature of project is being investigated
Education	Kedleston Road Training & Development Centre - Roofing	Not Scored	1,907	100	0	0	100	Pending option appraisal
Corporate Services	Wholesale Market Re-wire	Not Scored	2,007	100	0	0	100	Review of market required
Commercial Services	Darley Abbey Park and Visitor Centre	Not Scored	2,047	40	50	200	290	Option appraisal & feasibility works have not yet been done. 1st 2 years of scheme involves preparing bid to submit, deemed revenue costs.
D&CS	Refurbishment & upgrade of Museum & Art Gallery Foyer	Not Scored	2,197	150	0	0	150	
Education	Repairs to Boundary Walls at Moorways Sports Centre	Not Scored	2,222	25	0	0	25	Property manitenance deemed revenue costs
D&CS	Development of Major Transport Schemes	Not Scored	2,322	100	100	100	300	Cannot classify this expenditure as Capital - needs to be revenue funded.
Education	Spondon Community Centre - Replacement roof &	Not Scored	2,415	93	0	0	93	Pending overall review of Community Centres
TOTAL				2,415	2,527	1,309	6,251	

Appendix 7

Scoring Criteria for Corporate Capital Schemes 2005/6 and 2006/7

All schemes must form part of the Asset Management Plan or other relevant corporate or service plans.

Schemes will not be considered if the revenue implications are considered to be prohibitive

Criteria	Maximum Score
Consequences of Exclusion Risk to services or budgets if scheme not undertaken or a requirement to meet legislation (e.g. Health and Safety) <i>Consideration should be given to risk levels and implications of prosecution – if risk levels are low and would result in a limited level of fine a lower mark should be awarded</i>	30
Priority Within the Service The schemes given the highest priority with each department's strategy will attract the highest scores for that department, subject to this prioritisation being <ul style="list-style-type: none"> consistent with the ranking of any related plans such as the AMP shared by other departments where objectives are cross cutting 	10
Corporate Priority Schemes given the highest score will be directly related to specific objectives within the current Corporate Plan or otherwise priority corporate objectives expected to be reflected in revisions to the Plan.	10
Option Appraisal Evidence that option appraisal has taken place with alternative options evaluated before recommending capital investment, including alternative sources of funding.	10
Scale of Available Service Resources Higher scores will be given to services which do not have the ability to fund priority schemes from other sources without a corporate contribution. This includes earmarked capital resources and any resources likely to be available to the department from service underspending.	10
Revenue Implications Additional net revenue costs of the scheme (if any) are affordable and consistent with service revenue budget plans submitted for the 2005/6 to 2007/8 period.	10
Wider Resource Benefits The level of leverage of external resources attributable to the scheme or the extent to which service or corporate revenue savings will be obtained, relative to the corporate contribution.	10
Deliverability Evidence that the level of proposed expenditure is achievable in the year for which resources are sought, taking account of both the specific scheme and the track record of the service. <i>Evidence for schemes to include reference to bidding processes for external funding, design, tender and site periods and to be confirmed by Property Services if appropriate. Proper consideration of disruption to the service to be demonstrated if applicable – such as closure periods and decanting arrangements.</i>	10
TOTAL	100