



## **Capital Budget 2010/11 to 2012/13**

### **SUMMARY**

- 1.1 The report sets out the 2010/11 to 2012/13 capital programme for recommendation to Full Council on 1 March 2010. The main areas of the £392.4m programme over the next three years are ...
- £31.7m for the Council's accommodation strategy funded from Corporate unsupported borrowing.
  - £11.8m capital implementation costs for computer applications and infrastructure to deliver the Council's one Derby one Council transformation programme funded from capital receipts.
  - £36m to deliver the Council's Leisure strategy which will include a new 50 metre swimming pool together with the creation of a Velodrome and new athletics track. A further £14m would be required in 2013/14 to complete the full £50m programme. The spending profile across years will need to be spread to avoid VAT costs within the VAT 'Partial Exemption' rules.
  - £25m to deliver the jointly funded waste disposal plant alongside Derbyshire County Council funded from service financed unsupported borrowing.
  - £174.1m Children and Young People's department programme including the Building Schools for the Future and Primary Capital programmes; repairs, maintenance and improvements to the fabric of school buildings and devolved funding to schools, of which the majority is funded from specific grants together with supported borrowing and external contributions.
  - £47m Housing programme. Many council-owned houses will get new PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through £34.6m from the Housing Revenue Account. A further £12.4m for the Housing General Fund mainly funded from government grants which will enable the continuation of schemes including the delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, other repair and assistance in the private sector and support for affordable housing.
  - £18.6m Local Transport Plan (LTP) of which £13.5m is funded from government grants to 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. As well as the block programme, a further £9.6m for Connecting Derby will be spent funded mainly from the Department for Transport grant. £4.5m for maintenance of the Council's buildings and infrastructure, including roof repairs - Market Hall and Wardwick museum, structural repairs, fire precaution works, window replacement programme and replacement air conditioning units

- £4.3m for dementia care and £1.6m for elderly extracare in our Adults Social Care and Housing service.
- In addition schemes funded from the corporate programme also include new changing rooms and other improvements on the Nottingham Road 'racecourse and Alvaston Park site, new cremators for the crematorium various public realm schemes, accommodation strategy, one council one derby, the leisure strategy and contribution to connecting derby and Friargate studios.

- 1.2 This report also outlines the potential financial risks relating to the Council's VAT partial exemption calculation arising from the leisure strategy. Delivery of the capital schemes within the strategy will need to be spread over a number of years to avoid us incurring significant VAT costs. Further work is needed to develop the options to alleviate this risk.
- 1.3 A number of potential schemes and capital programme aspirations included in Appendix 5 remain unfunded at this stage and are therefore not included in the corporate capital programme. A cabinet/COG workshop in March 2010 will consider the future strategy and priorities.
- 1.4 To note a report will be presented separately to this Cabinet on the Regeneration Fund detailed in paragraph 8. Should Cabinet approve, £600k of base budget revenue funding is to be included in the Regeneration Team's budget which would be able to fund up to £10m of capital expenditure through prudential borrowing. Any capital schemes would need approval of Full Council for inclusion in the capital programme so nothing has been included in the proposed capital programme at this stage.

<b>RECOMMENDATION</b>
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- 2.1 To recommend to Council on 1 March 2010 the capital programme for 2010/11 and the indicative capital programme for 2011/12 and 2012/13 set out in the report.
- 2.2 To note the capital receipts forecasts detailed in paragraph 3.6, Table 1 and paragraph 4.5 and 4.6.
- 2.3 To note the potential schemes and capital investment aspirations remaining unfunded to be considered through a Cabinet Member and Chief Officer workshop on the 12 March 2010 that is meeting to agree the future capital strategy and priorities.

- 2.4 To note the proposed corporate programme allocations as set out at Appendix 3 and included in the recommendations to Council on 1 March 2010.
- 2.5 To note the revenue budget implications.
- 2.6 To note the potential VAT partial exemption implications of the Leisure Strategy.
- 2.7 To approve the partial use of the single pot allocations for Children and Young People modernisation fund and Adult Social Care to part fund schemes within the corporate programme as set out at paragraph 4.7.

## **SUPPORTING INFORMATION**

### **3. Development of the capital programme**

- 3.1 Full Council will be recommended to approve the capital programme for 2010/11 and the indicative programme for 2011/12 and 2012/13 at its budget setting meeting on 1 March 2010. 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 to discuss the corporate capital programme proposals.
- 3.2 In March 2009, Council approved a £294m capital programme for the period from 2009 to 2012 with 2010/11 and 2011/12 as indicative allocations only. This indicatively allocated most of the corporate resources available in order to meet significant investment needs for service improvement including the Council's accommodation strategy, continue implementing the Public Realm Strategy and address the backlog of repairs and maintenance to Council buildings.
- 3.3 Full Council on 9 September 2009 approved the Capital Strategy for 2010/11 to 2012/13. The strategy identified a number of capital schemes requiring corporate capital funding included in the indicative budget and emerging other potential capital investment priorities for evaluation and prioritisation by the Asset Management group.
- 3.4 The Government's Comprehensive Spending Review (CSR07) 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. As 2011/12 and 2012/13 is beyond the current spending review period, assumptions have been made that certain funding streams will continue at their current level, though the likely squeeze on future public spending means that this may be too optimistic and therefore at risk.

#### **Service Funded Programmes**

- 3.5 Consistent with the principles previously agreed in the approved capital strategy, 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 after consultation through the commissions, cabinet and ward councillors.
- 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.

### 3.6 Specific points to note in relation to service funded programmes resources are ...

- The service capital receipts factored into the funded programmes total £1.9m all of which has already been received in previous years and is currently held in earmarked capital receipts reserves.
- At this stage no indicative New Growth Point grant funding has been included for 2011/12 or 2012/13.
- The New Deal for Schools Modernisation Fund and Adult Social Services Social Care and Mental Health funding allocations are classed as 'single capital pot' allocations which are unringfenced. Council could therefore decide which schemes to apply them to including those considered to be corporate capital programme priorities, particularly for capital investment in relation to the same service area.
- Departmental programmes consist of mainly specific capital grants and external contributions which have been awarded or levered in for specific projects and block programmes such as the transport programme. Departmental priorities are used to allocate the funding to specific schemes according to the funder's guidance.

## 4. Corporate Capital Programme

- 4.1 An evaluation against set criteria was carried out by the Asset Management group for those schemes where a bid for corporate capital programme funding was made and an evaluation form was submitted. The outcome of the evaluation and scheme rankings is provided in Appendix 2 together with the evaluation criteria used.
- 4.2 Table 1 below shows the latest estimate of corporate resources available to fund the corporate capital programme.

<b>Table 1 Estimated Corporate Resources</b>					
<b>Source of Funding</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>TOTAL £m</b>
Unsupported borrowing – Accommodation strategy	6.2	15.7	0	0	21.9
Unsupported borrowing – corporate programme	13.1	7.2	0	0	20.3
Capital receipts b/w/d	10.8	0	0	0	10.8
Future capital receipts	1.7	5.2	1.4	0	8.3
LABGI – allocated	1.5	0.1	0	0	1.6
LABGI unallocated	0.9	0	0	0	0.9
Corporate revenue budget	2.0	0.3	0	0	2.3
Housing and Planning Delivery Grant	0.3	0	0	0	0.3
Single Capital Pot from New Deal for Schools	0.8	0.5	0.5	0	1.8
Unallocated capital grants and contribution balances	0.5	0	0	0	0.5
Accommodation strategy – future capital receipts	0	0	0	4.6	4.6
Accommodation strategy unsupported borrowing from estimated rent savings of £650k per annum	0	0	10.0	0	10.0
Unsupported borrowing – Leisure Strategy	0	10.0	20.0	14.0	44.0
<b>TOTAL</b>	<b>37.8</b>	<b>39.0</b>	<b>31.9</b>	<b>18.6</b>	<b>127.3</b>

- 4.3 Within the total resources available, it has been assumed at this stage that the indicative level of corporate unsupported borrowing set in the 2009/10 budget process remains the same for 2010/11 and 2011/12. No new corporate unsupported borrowing has been included in the revenue budget proposed or the resources estimate included in this report for 2012/13 and 2013/14.
- 4.4 The exception to this is the corporate unsupported borrowing required for the Leisure Strategy, subject to affordability and approval of the cost of borrowing that has been built into the revenue budget proposals 2010/11 to 2012/13. A further £14m has been included in the forecast in table 1 as an estimate of the additional unsupported borrowing requirement in 2013/14. This is outside of the current three year revenue budget proposals and, at this stage it has been assumed that this would also be corporately funded unsupported borrowing, although it may be possible that some could be funded from service revenue budget savings and any external funding sources as a result of negotiations for the new leisure facilities.
- 4.5 The resources position includes the latest estimate of the level of capital receipts likely to be achievable based on current assumptions of market conditions and surplus land and buildings available for disposal. The £11.3m capital receipts brought forward comprises indicative allocations of £9.7m for the Accommodation strategy and £1.6m for the ICT Transformation contract.
- 4.6 The estimated £4.6m capital receipt in 2013/14 relates to the sale of Roman House and St Marys Gate, subject to the completion of the Accommodation strategy and future market conditions. In addition, it has been assumed that rent savings of £650k per annum from 2013/14, as a result of the vacating of administrative buildings as part of the Accommodation Strategy, would generate additional unsupported borrowing of £10m based on a 40 year life. The additional unsupported borrowing could be taken up in 2012/13 with repayments commencing in 2013/14
- 4.7 All service capital grant and supported borrowing allocations are being treated as departmental capital programme funds, in line with the approved strategy. The New Deal for Schools Modernisation Fund and Adult Social Services Social Care and Mental Health funding allocations shown below are classed as 'single capital pot' allocations which are un-ring fenced.
- New Deal for Schools – NDS - Modernisation Fund balance unallocated for 2010/11 is £1.4m and the indicative annual allocation for 2011/12 and 2012/13 is £2.8m.
  - Adult Social Services Social Care £122k and Mental Health £130k 2010/11. This could contribute to funding the dementia, elderly extracare or disabled facilities grants.

Of these, the following amounts have been treated as corporate and added to the corporate capital programme instead of being held in the service programmes:

- £0.5m in each of the three years from the NDS modernisation fund to fund highways related works arising from the BSF programme. The spend has been assumed for 2012/13.
- £0.252k Adult Social Care allocation to contribute to funding the elderly extracare. The slippage from 2009/10 will remain in the service programme.

- 4.8 £1.5m of allocated LABGI funds is made up of £1m for the Chaddesden Library scheme and £0.5m for the Nottingham Road 'racecourse' scheme. The Capital Strategy approved the use of the remaining £0.9m unallocated LABGI funds as corporate capital resources together with the unallocated £0.3m Housing and Planning Delivery Grant. The Housing and Planning Delivery Grant is purely the 2008/9 unallocated and as yet no other allocations have been included for 2009/10 – 2010/11 as a decision is awaited regarding the councils allocations for these years.
- 4.9 A number of indicative 2010/11 and 2011/12 schemes have already been approved for commencement or are sufficiently advanced to deliver the Council's priorities that they are to be treated as committed. Allocations to these schemes are therefore proposed in the 2010/11 to 2012/13 corporate capital programme, as at Appendix 3.
- 4.10 In addition, £11.8m is required to support the one Derby one council transformation programme to provide for investment in ICT and system improvements to support the transformation of services and delivery of financial savings and efficiencies. This will be funded from corporate capital receipts (including the 9.7m previously allocated to the accommodation strategy which will now all be funded from additional corporate unsupported borrowing).
- 4.11 There is also £581k unallocated funding from the Public Realm capital budget in 2009/10. It is proposed to use £216k of this to fund the following two small schemes:
- Theatre Walk improvements - £100k
  - Friargate Studios matched funding - £116k.

The balance of £365k has not been included in the corporate resources brought forward. It is proposed to hold this as a capital contingency at this stage.

- 4.12 Proposed allocations to schemes in Appendix 3 total £120.8m against total estimated resources of £125.10m, leaving £4.3m resources which may be available from 2013/14 for further capital investment priorities. It should be noted though that by 2012/13 almost all resources are allocated, and this includes placing reliance on achieving a forecast £8.3m in capital receipts and £600k rent savings from 2013/14 to fund £10m of new unsupported borrowing. This will require careful monitoring before spend commitments are made. Table 2 below summarises the position for each financial year.

<b>Table 2 Summary of the use of Available Resources for the Corporate Capital Programme</b>				
<b>Summary Corporate Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>
Resources brought forward	12.1	5.2	4.8	0.6
Add estimated resources in year	25.7	39.0	31.9	18.6
<b>Total Resources available</b>	<b>37.8</b>	<b>44.2</b>	<b>36.7</b>	<b>19.2</b>
<b>Total proposed allocations</b>	<b>32.6</b>	<b>39.4</b>	<b>36.1</b>	<b>14.9</b>
<b>Resources carried forward</b>	<b>5.2</b>	<b>4.8</b>	<b>0.6</b>	<b>4.3</b>

- 4.13 This leaves a number of schemes that were evaluated by the Asset Management Group together with new emerging capital investment aspirations not yet funded and included in the capital programme. These are detailed in Appendix 5. A joint Cabinet Member and Chief Officer workshop has been arranged for 12 March 2010 to consider these and develop the future capital investment strategy and priorities. This will then determine the future allocation of additional corporate capital resources as they become available. The criteria to be used will be based on the evaluation of the social, economic and environmental impacts including affordability in the revenue budget.
- 4.14 The revenue budget includes an annual £50k corporate budget to fund from revenue, small scale capital works to improve community centres. This is shown within the Environmental Services departmental capital programme. At this stage no specific schemes have been identified from 2010/11 in the Environmental Services capital programme. It is proposed that the use of this fund, for either annual small scale schemes or to create a larger one-off scheme funded from unsupported borrowing, will be considered at the workshop in March 2010.

## **5. Proposed Capital Programme 2010/11 to 2012/13**

- 5.1 Table 3 shows the overall summary of funding for the capital programme for 2010/11 to 2012/13.



**Table 3 - Capital Programme Summary 2010/11 to 2012/13**

2009/10 £000	Costs and Funding	Cost			
		2010/11 £000	2011/12 £000	2012/13 £000	Total cost £000
	<b>Scheme Costs</b>				
30,755	Children and Young People	24,848	51,237	98,021	174,106
26,948	Regeneration and Community	23,492	7,243	6,302	37,038
27,430	Corporate and Adult Services – Housing	22,197	13,279	11,610	47,086
6,615	Corporate and Adult Services – Other	8,750	5,708	1,377	15,835
631	Resources	1,651	0	0	1,651
	Chief Executives	12,754	22,375	8,560	43,689
5,253	Environmental Services	10,373	12,1391	50,517	73,029
<b>97,633</b>	<b>Total Costs</b>	<b>104,066</b>	<b>111,981</b>	<b>175,165</b>	<b>392,435</b>
	<b>Funding</b>				
6,067	Supported Capital Expenditure - SCE ( R )	5,057	7,387	4,485	16,929
31,267	Supported Capital Expenditure - SCE ( C )	24,357	18,304	18,764	61,426
5,281	Unsupported Borrowing				
	Corporate Programme	19,317	32,864	30,000	82,181
1,686	Service Financed Unsupported				
392	Borrowing	1,425	1,036	39,517	41,978
	Service Financed Spend to Save	1,785	152	0	1,937
	<i>External Funding Secured</i>				
22,943	Government Grant	15,627	12,318	26,499	54,444
4,123	External Contributions	1,866	100	100	2,066
1,517	Lottery	0	0	0	0
	<i>External Funding Bids</i>				
	Government Grant	2,418	22,125	42,802	67,344
	External Contributions	506	564	201	1,271
5,316	Capital Receipts	9,763	6,134	4,650	20,547
1,919	Section 106	881	0	0	881
4,298	Revenue Reserves	7,665	956	430	9,051
5,294	Service Revenue Reserves	4,039	1,309	0	5,348
168	Capital Reserves	1,088	500	500	2,088
7,364	Major Repairs Allowance - MRA (Housing)	8,273	8,232	8,439	24,944
<b>97,633</b>	<b>Total Funding</b>	<b>104,066</b>	<b>111,981</b>	<b>176,387</b>	<b>392,435</b>

- 5.2 In line with the forthcoming reorganisation a new Chief Executives department has been added into our analysis which consists of the accommodation strategy, one derby one council and capitalised valuer schemes originally shown in other departmental programmes. The whole programme will be re-profiled into the new departments for the published budget book in 2010/11.
- 5.3 Other significant changes from previous years' programme totals are as follows
- increased CYP programme from 2010/11 to 2012/13 due to the impact of the BSF schemes commencing.
  - Increased Environmental Services programme for 2010/11 to 2012/13 due to the addition of the Leisure strategy, the waste disposal plant and the school meal production facility schemes.

- 5.4 The capital programme is consistent with the Council's corporate priorities for 2010-13. These are ...

A city that builds a brighter future for **children and young people** who enjoy a healthy, safe and happy childhood, with the opportunity to achieve their full potential.

A city of **growth**, opportunity and innovation, a thriving and attractive city for all, with an environment that we will sustain and protect for future generations. leading Derby towards a better environment

A city for **stronger, safer and cleaner communities** where everyone feels safe and confident in their daily lives.

A significant **cultural** city that inspires, engages and celebrates diversity giving you excellent services and value for money.

A **healthy** city where people enjoy long, healthy and independent lives.

- 5.5 Capital schemes are grouped below under these priorities. Further detail can be found in Appendix 3, which lists the complete programme for each department, together with the corporately funded programme.

- 5.6 A city for **stronger, safer and cleaner communities** where everyone feels safe and confident in their daily lives:

- **Programmes for playground improvements**
- **Housing renewal initiatives** - concerned with the achievement of decent homes for the vulnerable, improvement of the private rented sector, bringing empty homes back into use and residual area renewal work in the Rose Hill area.
- **The Public Sector Housing programme** proposed for 2010/11 totals 15.020m, including the capital elements of Estates Pride. There are one-off major projects to refurbish Exeter House and Rebecca House, started in 2009/10 and together costing a total of £1m. To improve energy efficiency, £1.7m is allocated for solid wall insulation and £1.5m for replacing electric storage heating and other inefficient heating systems – it is hoped to attract grant funding to make this money go further. The major Estates Pride project will be a street scene improvement scheme for Harvey Rd.

5.7 A city of **growth**, opportunity and innovation, a thriving and attractive city for all, with an environment that we will sustain and protect for future generations, leading Derby towards a better environment:

- **Connecting Derby** – completion of the inner ring road.
- **Surface car parks resurfacing/multi storey car parks/highways** – essential maintenance and improvement works to car parks within the city centre and highway maintenance.
- **Creative Industries Workspace** – improvement works to Friargate Studios
- **Derby LIVE Box Office** upgrade to the box office facility
- **Derby LIVE Assembly Rooms tannoy** upgrade
- **Full Street Corridor Phase 1 (Morledge) construction** – this scheme is within the approved Public Realm strategy and construction is scheduled to start April 2010
- **Wardwick Friar Gate and Cheapside construction** – full refurbishment of Wardwick Friar Gate and Cheapside to the agreed city centre Public Realm standards
- **Wayfinding Structures & MP3 Trails** – bespoke features which integrate maps, public art and information about Derby. The main aim of these features is as follows:
  - to aid pedestrian and cycling navigation in the city centre
  - to highlight core visitor destinations
  - to reinforce key visitor routes and spaces; and
  - to reinforce the identify of the city centre by the integration Wayfinding and public art
- **Shopfront improvements** – this grant scheme has been operating since 2008/09 and aids shop owners in making visual improvements to the frontage of city centre properties
- **Littleover Brook rehabilitation** – works for Littleover Brook that will create attenuation features and improve the watercourse in order to reduce the potential for flooding
- **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 £450k to the total cost.

5.8 A city that builds a brighter future for **children and young people** who enjoy a healthy, safe and happy childhood, with the opportunity to achieve their full potential.

- **Building Schools for the Future** - Derby is in wave 5 of Building Schools for the Future, a long-term national programme which will see all secondary schools across the city rebuilt or refurbished. The funding allocation is £204.5m, plus an additional £25m funding specifically for ICT. It is proposed that from the BSF funding available, two secondary schools and two special schools will be completely rebuilt, with the others undergoing major refurbishment. BSF is a long term project with the planned building work likely to take place from October 2010 to September 2014. The funding will be provided through a mixture of Private Finance Initiative (PFI) credits and grant funding. Due to changes in accounting regulations, most PFI schemes are likely to be on local authority balance sheets from 2010/11, so this report includes the capital expenditure funded by PFI. Formal approval to begin the procurement process was received from Partnerships for Schools, the Government body responsible for BSF funding, in February 2009 and bidders are due to submit their final proposals in March 2010. The formal evaluation of the proposals will then take place and the successful contractor is due to start the building work from October 2010
- **Extended Schools** – capital funding to enable support schools to provide access to high quality extended school activities that reflect local needs and priorities. All primary schools are required to deliver access to the extended services full core offer by 2010.
- **Youth Capital Fund** - to secure young people's access to positive activities.
- **Primary Capital Programme**- Extensive modernisation schemes at Arboretum Primary and Ravensdale Junior Schools.
- **Sure Start and Early Years capital funding** to support the phase 3 Children's Centre programme and significant capital funding to support provision within the private and voluntary sector.
- Extensive works to related to health and safety of schools in relation to fire precaution.
- **Chaddesden Library** – a new purpose built library in Chaddesden to replace the existing building which is reaching the end of its life.
- **Central Library improvements** – alterations and improvements to the internal layout of Central Library, including repositioning of the counter in order to improve customer service.

## 5.9 A **healthy** city where people enjoy long, healthy and independent lives

- **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 2007/08 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. The Council will also be opening a specialist day centre for adults with Autism early in 2010/11.

- **Cycle England** – Implementing cycling schemes across the city to improve safety and health.
- **Racecourse and Alvaston Park** – match funding contribution (£1m) to external funding for scheme for new changing rooms and facilities.
- **Gayton Swimming Pool** – new pool being built on the same site.
- **Leisure Centre Strategy** - commencement of design work and site identification for a major improvement in leisure centre provision

5.10 A significant **cultural** city that inspires engages and celebrates diversity giving you excellent services and value for money.

- **Planned maintenance** – The allocation for 2010/11 and 2011/12 will continue to address the high priority issues on the council's building stock. The latest round of condition surveys which are due in May 10 will update the planned maintenance programme and inform priorities, but key issues such as structural repairs and fire precaution works are likely to take the majority of the budget. Additional funds are required to address the increasing maintenance backlog to ensure buildings are maintained in a safe and operational condition.
- **Accommodation strategy** - There is £36.2m in the programme for the Council's accommodation strategy to both improve and rationalise the office accommodation. Also, to improve the condition of the remaining accommodation and the efficiency of the space used, so that an improved service can be provided to the public.
- **Transforming the Council's ICT infrastructure** – this will be in collaboration with SERCO, the Council's ICT contractor, to include minimal desktop refresh to satisfy the contract plus telephony Voice Over Internet Protocol phase 2, server and SAN Area refresh.

5.11 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.

5.12 Appendix 4 sets out information details of the self-financing prudential borrowing that has been approved for future years. This is in addition to those in progress in 2009/10. 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.

- 5.13 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. 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.
- 5.14 Subsequent reports will be brought during the course of the year where block allocations have not been fully distributed to schemes. The Public Realm Board have delegated 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.
- 5.15 The programme for 2011/12 and 2012/13 remains indicative, being set for planning purposes other than where a forward commitment is specifically required.

## **6. Revenue Implications**

- 6.1 The cost of the unsupported borrowing in the revenue budget is dependant on the profiled spends each financial year and the asset life of each capital scheme being funded. The revenue costs of the proposed capital programme have been included in the revenue budget on this agenda. Any changes to the recommendations could therefore have a revenue budget impact.
- 6.2 Approval of the prudential borrowing indicators and annual Treasury Management report will also be considered at this Cabinet.
- 6.3 A revenue budget provision to cover lifecycle and on-going maintenance costs should be provided from departmental revenue budgets for all schemes in the capital programme, where relevant. The availability of such revenue budgets for capital schemes will need to be confirmed before capital schemes can commence.

## **7. Value Added Tax - VAT Partial Exemption**

- 7.1 The leisure centre strategy as proposed in the current capital programme potentially creates a financial problem with HMRC over VAT recovery. HMRC allow the Council to reclaim VAT where a charge is made to the customer for VAT, and for non-business activities. VAT cannot be reclaimed on designated exempt activities from VAT unless in HMRC's opinion it is less than 5% of **all** the VAT incurred. Leisure services have a substantial amount of exempt income, and the scale and timing of expenditure on the leisure centre strategy could exceed the limit, meaning significant amounts of VAT would be payable to HMRC.
- 7.2 Table 4 below shows forecast VAT payments on capital and revenue expenditure. Even without the leisure strategy proposal the council will be close to the 5% limit in 2010/11 (4.51%) but the trend is at least downwards. Adding in the leisure strategy proposal means the limit would be significantly exceeded in 2011/12 and 2012/13 requiring a potential £7.5m VAT cost to repay to HMRC over the 3 year period 2011/12 – 2013/14. The capital expenditure will be spread over a number of years in order to avoid incurring this cost.

<b>Table 4 Partial exemption Limits with and without the Leisure Strategy</b>			
	VAT on Exempt activities	VAT on Exempt activities	VAT on Exempt activities
	£'000	£'000	£'000
Revenue Expenditure	908	820	820
Capital Expenditure excluding Leisure Centre Strategy	731	615	602
Total Capital and Revenue	1,639	1,435	1,422
<b>Exempt VAT as a % of Total VAT</b>	<b>4.51%</b>	<b>4.34%</b>	<b>3.83%</b>
Leisure Centre Strategy	52	525	1,313
Total Capital and Revenue including Leisure Centre Strategy	1,691	1,960	2,735
<b>Exempt VAT as a % of Total VAT</b>	<b>4.63%</b>	<b>5.63%</b>	<b>6.59%</b>

7.3 To manage the potential material financial implications the options to be considered further are include ...

- a. Re-phasing the leisure strategy proposal could provide a solution if the construction period could be extended far enough. To give an indication of what is needed to not exceed 5%, the investment would need to reduce to a level of between £5m and £10m each year, subject to other influencing factors such as income levels.
- b. Creation of a leisure trust could take the percentage down to below 5%. Ownership of the facilities would be retained, which would be leased to the trust.

7.4 Further work is needed to develop the options for managing this financial risk and the impact on the proposed capital programme. This will be considered as part of the detailed planning for the Leisure Strategy and confirmed in a future Cabinet report.

## **8. Regeneration Fund**

8.1 A separate report on this agenda recommends the setting up of a Regeneration Fund from the Council from revenue budgets. This may generate capital schemes and further unsupported borrowing, which would require a report to Cabinet and approval by Full Council for inclusion in the capital programme. Nothing has been included at this stage in the proposed capital programme.

## **9. Consultation – feedback from Overview and Scrutiny Commissions**

9.1 Special meetings of the Council's Overview and Scrutiny Commissions have considered the capital programme report and Appendix 6 summaries the recommendations of the Community Commission and the Cabinet's response to them.

## **10. Next steps**

10.1 The full programme will be considered for approval by Council on 1 March 2010.

## 10.2 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 2009
- Scheme commencements need Cabinet approval if schemes are over £100,000 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, in the case of high risk schemes, through the quarterly performance report.
- Approval of the evaluation and prioritisation of schemes requesting corporate funding will be required at June Cabinet with recommendations to Full Council approval in July 2010.
- The updated capital receipts position will be monitored and reported quarterly in the performance management report.

**For more information contact:** Nicola Goodacre, Group Accountant Capital 01332 258461  
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**Background papers:** None

**List of appendices:** Appendix 1 – Implications  
Appendix 2 – List of Schemes evaluated and AMG evaluation criteria used  
Appendix 3 – Capital Programme Summary 2010/11 – 2012/13  
Appendix 4 - Summary of unsupported borrowing  
Appendix 5 – Schedule of unfunded schemes not included in the capital programme  
Appendix 6 - Budget consultation 2010/11 - schedule of recommendations



<b>IMPLICATIONS</b>
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**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. Funding from unsupported borrowing and revenue in 2011/12 and 2012/13 is subject to the affordability of these funding pressures 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 objectives and priorities for change**

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

Corporately Funded Capital Programme 2010-2013 – Stage 1 prioritisation Sept 2009

Scheme	Score Total
Repairs/Replacement of lantern light above gala pool Queens LC	88
Planned Maintenance	86
Market Hall Roof	86
Museum and central library roof repairs	84
Chad replacement library	82
Disabled Facilities Grant	79
Maintenance scheme on 3 multi storey car parks	76
Dementia Centre	70
Festive Lights	67
Theatre Walk Improvements	65
Cornmarket & St Peters St public realm improvements	63
Env Imps to Alvaston District shopping centre	61
Sadlergate public realm improvements	60
Extracare	59
Silk Mill	50
Castleward Phases 2 & 3 Public Realm Improvements	37
Full Street Corridor Ph 3	37
City Park	33
Littleover library	32
Entrance and internal layout Museum Art Gallery & Central Library	22

Current AMG Evaluation Criteria
• Justification – total possible score 20
• Consequences of Not Doing – total possible score 20
• Option Appraisal – total possible score 10
• Alternative Funding – total possible score 10
• Revenue Implications – total possible score 10
• Deliverability – total possible score 10
• Environmental Implications – total possible score 15
• Ranked out of overall score of 95

**Capital Programme 2010-2013 – Stage 1 prioritisation Sept 2009**

Scheme	Asset Life, years	Score Total	Included in Indicative Programme Yes/ No?	CORPORATE FUNDING REQUESTED					Supporting Information
				2010/2011	2011/2012	2012/2013	2013/2014 Onwards	Total	
ES 1 Crematorium - cremators	20	0	Yes	925,000	550,000			1,475,000	
CYP 2 Childrens social services - improvement prog		0	No					0	
ES 2 racecourse/alvaston football changing		0	Yes	512,000	38,000			550,000	
CAS 7 LD Day Centre		0	Yes					0	
CYP 1 BSF community facilities		0	No			500,000	1,000,000	1,500,000	
ES 5 playground improvement programme	20	0	Yes	115,000	275,000			390,000	
RC 4 surface car parks resurfacing	15	0	Yes	562,000				562,000	
ES 8 - Darley Abbey Yard		0	No					0	
RC 2 highway depot replacement		0	No					0	
Moorways Track ES1		0	No					0	
Repairs/Replacement of Vic Hallam Schools CYP1		0	No	815,000	250,000			1,065,000	
Derwent Youth Centre Main hall heating CAS 4		0	No					0	
Corporate Asset Management Software CAS 5	3	0	No	20,000	20,000			40,000	
Connecting Derby RC7	40	0	Yes	384,000				384,000	
ICT transformation project (DECATS) RES1	3	0	Yes	3,779,000	1,460,000			5,239,000	
				<b>7,112,000</b>	<b>2,593,000</b>	<b>500,000</b>	<b>1,000,000</b>	<b>11,205,000</b>	

## Capital Programme Summary 2010/11 to 2012/2013

For Info 12/01/09 cabinet  2009/10 £'000	Costs and Funding	Cost			
		2010/11 £'000	2011/12 £'000	2012/2013 £'000	Total cost £'000
	<b>Scheme Costs</b>				
30,755	Children and Young People	24,848	51,237	98,021	174,106
26,948	Regeneration and Community	23,492	7,243	6,302	37,038
27,430	Corporate and Adult Services - Housing	22,197	13,279	11,610	47,086
6,615	Corporate and Adult Services - Other	8,750	5,708	1,377	15,835
631	Resources	1,651	-	-	1,651
5,253	Environmental Services	10,373	12,139	50,517	73,029
	Chief Executive's Department	12,754	22,375	8,560	43,689
<b>97,633</b>	<b>Total Costs</b>	<b>104,066</b>	<b>111,981</b>	<b>176,387</b>	<b>392,435</b>
	<b>Funding</b>				
6,067	Supported Capital Expenditure - SCE ( R )	5,057	7,387	4,485	16,929
31,267	Supported Capital Expenditure - SCE ( C )	24,357	18,304	18,764	61,426
	Unsupported Borrowing				-
5,281	Corporate Programme	19,317	32,864	30,000	82,181
1,686	Service Financed Unsupported Borrowing	1,425	1,036	39,517	41,978
392	Service Financed Spend to Save	1,785	152	-	1,937
	<b>External Funding Secured</b>				-
22,943	Government Grant	15,627	12,318	26,499	54,444
4,123	External Contributions	1,866	100	100	2,066
1,517	Lottery	-	-	-	-
	<b>External Funding Bids</b>				-
-	Government Grant	2,418	22,125	42,802	67,344
-	External Contributions	506	564	201	1,271
					-
5,316	Capital Receipts	9,763	6,134	4,650	20,547
1,919	S106	881	-	-	881
4,298	Revenue Reserves	7,665	956	430	9,051
5,294	Service Revenue Reserves	4,039	1,309	-	5,348
168	Capital Reserves	1,088	500	500	2,088
7,364	Major Repairs Allowance - MRA (Housing)	8,273	8,232	8,439	24,944
<b>97,633</b>	<b>Total Funding</b>	<b>104,066</b>	<b>111,981</b>	<b>176,387</b>	<b>392,435</b>

**Details of Scheme Costs**

<b>Key</b>	
<b>Source of Funding</b>	
SCE®	Supported Capital Expenditure - Revenue
SCE©	Supported Capital Expenditure - Capital
UBC	Unsupported Borrowing Corporate
UBSF	Unsupported Borrowing Service Financed
UBSS	Unsupported Borrowing Service Financed Spend to Save
GG	Government Grant
CR	Capital Receipts
EC	External Contributions
S106	Section 106's
L	Lottery
RR	Revenue Reserves
SRR	Service Revenue Reserves
CRS	Capital Reserves
MRA	Major Repairs Allowance
<b>Status of External Funding</b>	
C	Confirmed
P	Pending

## Children and Young Peoples Department - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011 External	Cost					
			2010/2011 £000	16th Feb Cabinet £000	Slippage from 2009/2010 £000	Restated 2010/2011 £000	2011/2012 £000	2012/2013 £000
<b>09/10 - Rephased Schemes</b>								
St Giles Special School - create	UBSS	P		-		333	17	-
Roe Farm Primary School Heating	SCE@,EC	C		93		93	-	-
Ashgate Primary School -	SCE@	C		50		50	-	-
Derwent Youth Centre - NDC - to	SCE@	C		38		38	-	-
Peartree Junior School	RR	C		57		57	-	-
Murray Park SAI Creation of very-	SCE@	C		15		15	-	-
Devolved formula VA Schools (funding source)	GG	C	338			338	562	562
Voluntary Aided Programme (funding source)	GG	C	672			672	672	672
NDS Modernisation (funding source)	SCE@, SCE@	C C	930			930	2,306	2,318
Short breaks for disabled children	SCE@	C	266			266	-	-
Basic Needs (funding source)	SCE@	C	1,888			1,888	153	843
Devolved Funding (funding source)	SCE@	C	2,455			2,455	4,071	4,071
Devolved Funding - Academies (funding source)		C	116			116	116	116
Devolved Funding - Non Maintained Special Schools (funding source)	SCE@	C	22			22	38	38
Schools Access Initiative (funding source)	SCE@	C	505			505	360	505
Extended Schools (funding source)	SCE@	C	150			150	232	232
ICT Harnessing Technology Grant (funding source)	SCE@	C	875			875	875	875
BSF preparation costs	GG	C	418			418	464	471
Primary Capital programme (funding source)	SCE@	C	-			-	3,786	3,786
Youth Capital Fund (funding source)	SCE@	C	130			130	130	130
Capitalisation of salaries	SCE@	C	60			60	-	-
BSF Programme	GG	C	-			-	-	19,484
<b>NDS Modernisation projects 08/09</b>								
Two classroom extension to provide replacements for life expired Vic Hallam classrooms at Chellaston Infant School.	EC	C	15			15	-	-
Two classroom extension to provide replacements for life expired classrooms at Shelton Infant School.	SCE@, SCE@, EC	C	549			549	20	-
Various schools - encapsulation/removal of asbestos containing materials from boiler houses	SCE@	C	150			150	-	-
Various schools - fire precaution works following fire risk assessments	SCE@, SCE@	C	200			200	-	-
Fire risk assessment works	SCE@	C	20			20	-	-
Markeaton Primary School	SCE@	C	100			100	-	-
Nightingale Infants/Junior School - fire alarm	EC	C	2			2	-	-
Alvaston Junior School - replacement of defective North lights to roof of main building & replacement felt covering	SCE@	C	70			70	-	-
Ashcroft Primary School - rewiring of electrical srvs & new fire alarm	SCE@	C	6			6	-	-
<b>NDS Modernisation projects 09/10</b>								
St Andrews' Special School - provide two additional temporary classrooms	SCE@	C	12			12	-	-
Springfield Primary School - school reception area and enlarged heads office.	SCE@	C	4			4	-	-
Grampian Primary School replacement of defective pitched and flat roof coverings	SCE@, EC	C	150			150	-	-
Borrow Wood Junior School Re-wire	SCE@	C	297			297	-	-

## Children and Young Peoples Department - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011 External	Cost					
			2010/2011 £000	16th Feb Cabinet £000	Slippage from 2009/2010 £000	Restated 2010/2011 £000	2011/2012 £000	2012/2013 £000
Beaufort Primary School - Phase 3 structural repairs, ceiling replacement and upgrading lighting. FPA	SCE@, SCE@	C	253			253	-	-
Bemrose School - New Enhanced Resources (ER) Unit for Autistic Spectrum Disorder (ASD) Pupils.	SCE@	C	364			364	13	-
Becket Primary Playing Field reinstatement	SCE@, EC	C	400			400	20	-
<b>NDS Modernisation projects 10/11</b>								
Brackensdale Infant replacement boiler & controls	SCE@	C	300			300	25	-
Various schools Fire Precaution Works following FRA	SCE@	C	1,500			1,500	500	500
Lawn Primary School refurb / toilet redesign and FPW	SCE@	C	350			350	50	-
vic hallam repairs at various schools. Urgent structural repairs	SCE@	C	300			300	815	150
Boiler Replacement Programme - various Schools	SCE@	C	400			400	400	400
Roe Farm Primary School refurbishment / toilet redesign and FPW	SCE@	C	300			300	-	-
Oakwood Junior School replace clearstorey windows & leaking flat roof	SCE@	C	75			75	-	-
Homefield Primary School replace defective rooflights	SCE@	C	40			40	-	-
<b>NDS Modernisation projects 07/08</b>								
Chaddesden Park Infant - Deflecting roof deck, structural support <b>Scheme scaled back</b>	SCE@, SCE@, EC	C	53			53	-	-
<b>Primary Capital Programme Schemes</b>								
Arboretum Primary Capital Programme	SCE@	C	2,306			2,306	2,106	123
Ravensdale Junior Primary Capital Programme Scheme		C	310			310	1,700	85
<b>BSF Pathfinder</b>								
Replacement Sinfon Community School	SCE@	C	21			21	-	-
<b>BSF Programme Phase 1a</b>								
Noel-Baker Community School & Language College - New Build	GG					-	-	2,250
St. Martin's School - New Build	GG					-	-	116
Derby Moor Community Sports College - Major refurbishment	GG	C	5,310			5,310	10,620	5,310
<b>BSF Programme Phase 1b</b>								
Lees Brook Community Sports College - New Build	GG					-	-	1,523
<b>BSF Programme Phase 2</b>								
Bemrose Community School - Major refurbishment	GG					-	7,023	12,040
Littleover Community School - Major refurbishment	GG					-	6,637	11,378
Saint Benedict Catholic School & Performing Arts College - Major refurbishment	GG					-	5,130	8,795
St. Clare's School - New Build	GG					-	2,396	4,108
Kingsmead School - Bateman Street site - New Build	GG					-	-	2,374
<b>BSF Programme Phase 3</b>								
Chellaston School - Minor Refurbishment	GG					-	-	2,286
Murray Park Community School - Minor Refurbishment	GG					-	-	2,894
Sinfon Community School sixth form centre - New Build	GG					-	-	1,076

## Children and Young Peoples Department - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011 External	Cost					
			2010/2011 £000	16th Feb Cabinet £000	Slippage from 2009/2010 £000	Restated 2010/2011 £000	2011/2012 £000	2012/2013 £000
West Park - Minor Refurbishment	GG					-	-	2,053
Woodlands School - Major Refurbishment	GG					-	-	2,885
St. Andrew's School - Minor Refurbishment	GG					-	-	1,057
<b>BSF Programme ICT only</b>								
da Vinci	GG					-	-	317
Merrill	GG					-	-	583
Ivy House	GG					-	-	32
Kingsmead	GG					-	-	19
Lees Brook sixth form	GG					-	-	64
<b>BSF associated highways works</b>	SCE©	C						1,500
<b>Childrens Centre Capital</b>								
Unallocated Childrens Centre Capital Funding (Phase 3)	SCE©	C	376			376	-	-
Unallocated Sure Start Early Years Capital Grant	SCE©	C	913			913	-	-
Sure Start Early Years Capital Grants to DCC Children's Centres						-	-	-
Chellaston Children's Centre	SCE©	C	99			99	-	-
Oakwood Children's Centre	SCE©	C	37			37	-	-
Chaddesden Children's Centre	SCE©	C	35			35	-	-
Childrens Social Services	SCE®	C	46			46	-	-
Redwood Infants improved foundation stage area accomodation - including SAI contribution	EC	C	10			10	-	-
<b>Targeted Capital funding for School Kitchens</b>								
Merrill College Foundation School	SCE©	C	20		-	20	-	-
St Benedicts VA School	SCE©	C	27			27	-	-
<b>SAI Schemes:</b>								
<b>Prior Year 07/08 Projects</b>								
Learn Derwent NDC (Roe Farm)	SCE©, SCE®	C	17			17	-	-
<b>Total Children &amp; Young People</b>			<b>24,262</b>	<b>253</b>	<b>-</b>	<b>24,848</b>	<b>51,237</b>	<b>98,021</b>



**Regeneration and Community Department- Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011	16th Feb Cabinet	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	Slippage	£000	£000	£000	£000
<b>Existing Approved Schemes</b>								
<b>Non Local Transport Plan Schemes</b>								
<b>Regeneration</b>								
Chaddesden Park Library	RR,UBC	Confirmed	960	173		1,133	90	-
Surface Car Parks resurfacing	RR	Confirmed	562	-		562	-	-
Littleover Brook Rehabilitation	UBC	Confirmed	167	-		167	-	-
Central Library Improvements	GG	Confirmed	84	-		84	-	-
	GG, UBC,							
Friargate Creative Industries Workspace	RR	Confirmed	231	35		266	-	-
Housing & Planning Delivery Grant								
Capital schemes incl. New IT software for GIS, mapping & record keeping		Confirmed	-	-		-	-	-
Derby Live - Box Office upgrade	CRS	Confirmed	155	-		155	-	-
Derby Live - Assembly Rooms tannoy upgrade	SRR	Confirmed	62	-		62	-	-
CCTV Renewal programme		Pending	10	-		10	-	20

**Regeneration and Community Department- Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011	16th Feb Cabinet	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	Slippage	£000	£000	£000	£000
<b>Public Realm</b>								
<b><u>09/10 - Rephased Schemes</u></b>	UBC							
East Street				10		10	-	-
Castleward Boulevard - Construction Costs Phase 1	UBC			68		68	-	-
Wayfinding public art masterplan	UBC			37		37	-	-
Project Management and minor miscellaneous environmental improvements	CR		55	-		55	60	65
Wardwick, Friargate & Cheapside detailed design & construction (including Museum Square)	UBC		1,785	-		1,785	-	-
Building Frontage Enhancement Scheme	UBC,GG	English Heritage & New Growth Points - C						
			377	-		377	36	-
Full St Corridor / Heritage Walk (Ph1 is Morledge/Corporation Street) - Detailed Design	UBC		17	122		139	-	-

**Regeneration and Community Department- Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011 £000	16th Feb Cabinet Slippage	Slippage from 2009/2010 £000	Restated 2010/2011 £000	2011/2012 £000	2012/2013 £000
Full St Corridor / Heritage Walk (Ph1 is Morledge/Corporation Street) - Construction Costs	UBC	New Growth Points - C New Growth Points - C	1,228	-		1,228	-	-
Castleward Boulevard - Detailed Design	UBC		219	-		219	-	-
Wayfinding Structures - Design & Construction Costs	UBC, S106		466	-		466	117	-
Roundhouse	GG		77	-		77	-	-
PR Portfolio - NGP's	GG		456	(392)		64	-	-
Sadler Gate Design Vision & Detailed Design	GG			192		192		
Cornmarket & St Peter's St. Design Vision	GG			200		200		
PR Contingency	UBC		226.737	157		750	-	-
<b>Total Public Realm and R&amp;C excluding LTP</b>			<b>7,138</b>	<b>602</b>	<b>-</b>	<b>8,106</b>	<b>303</b>	<b>85</b>

Regeneration and Community Department - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost				
			2010/2011	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000
<b>Local Transport Plan (LTP) Block Allocation</b>							
LTP allocation still to be distributed							
Strategic Integrated Transport	SCE©		4,519		4,519	4519	4519
Highways Maintenance	SCE®		1,698		1,698	1698	1698
<b>Local Transport Plan - Other</b>							
Connecting Derby	UBC,SCE ©, GG,EC	C					
Specific Road Safety Grant	SCE©		8,994 75		8,994 75	648 75	- -
<b>Other Transport Schemes</b>							
Cycle England	GG	C	100		100	-	-
<b>Total Regeneration &amp; Community Services - Local Transport Plan</b>			<b>15,386</b>	<b>-</b>	<b>15,386</b>	<b>6,940</b>	<b>6,217</b>
<b>Total Regeneration &amp; Community Services - excluding LTP</b>			<b>7,138</b>	<b>-</b>	<b>8,106</b>	<b>303</b>	<b>85</b>
<b>Total Regeneration &amp; Community Services</b>			<b>22,524</b>	<b>-</b>	<b>23,492</b>	<b>7,243</b>	<b>6,302</b>

**Corporate and Adult Services Department - Housing - Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost				
			2010/2011	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000
<b>Existing Approved Schemes</b>							
<b>Housing Revenue Account</b>							
Kitchens and Bathrooms - post war	MRA		500		500	500	500
Kitchens and Bathrooms - pre war	MRA		1,900		1,900	1,700	1,700
Electrical Upgrades	MRA		600		600	750	900
Re-roofing	MRA		900		900	900	900
Major Refurbishments/Alterations	MRA		600		600	550	550
PVCu Windows & Doors	MRA		1,800		1,800	500	500
Gas Central Heating	MRA		650		650	1,500	1,600
Adaptations for Disabled People	SRR		700		700	700	700
Replacement of Smoke Alarms	SRR,MRA		250		250	250	250
Door Entry Systems - communal	MRA		200		200	200	160
Capitalised Salaries	MRA		720		720	730	730
Home Essentials for Life Programme - HELP	MRA,EC,RR		1,700		1,700	100	100
Rebecca House	SRR		300		300	-	-
Learning Disability Housing							
Reprovision	GG		1,500		1,500	-	-
Estates Pride	SRR		2,450		2,450	1,159	-
Exeter House	SRR		250		250	-	-
Storage heating replacement	RR		1,500		1,500	-	-
<b>Total Housing Revenue Account</b>			<b>16,520</b>	<b>-</b>	<b>16,520</b>	<b>9,539</b>	<b>8,590</b>

**Corporate & Adult Services Department - Housing - Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost				
			2010/2011	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000
<b>Existing Approved Schemes</b>							
<b>Housing General Fund</b>							
Contribution to HGF	CR		200		200		
Acquisition/Demolition of Unfit Properties	SCE@		700		700	200	200
DASH	SCE@		385		385		
Hi4EM	SCE@		400		400		
Empty Property Assistance	SCE@		100		100	100	
Disabled Facilities Grants	GG,CR,CRS		1,400		1,400	1400	1400
Minor Repairs Grants	SCE@		250		250	250	250
Capitalised Salaries	SCE@, RR		450		450	440	440
Group Repair programme	SCE@,EC		1,792		1,792	1350	730
					-		
<b>Total Housing General Fund</b>			<b>5,677</b>	<b>-</b>	<b>5,677</b>	<b>3,740</b>	<b>3,020</b>
<b>Total Housing Revenue Fund</b>			<b>16,520</b>		<b>16,520</b>	<b>9539</b>	<b>8590</b>
<b>Total Resources Housing</b>			<b>22,197</b>	<b>-</b>	<b>22,197</b>	<b>13,279</b>	<b>11,610</b>

## Corporate and Adult Services Department - Other - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011	16th February Cabinet	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000	£000
Adult Social Care	GG	C	14	100	-	114	122	122
Mental Health	SCE®, GG	C	130	122	-	252	116	130
Extra Care Development	UBC, GG	GG C	1,300	-	-	1,300	300	-
Dementia Care	UBC	C	500	-	-	500	3,858	-
ASPECT (Derwentio)	CR	C	326	-	-	326	14	-
National Care Standards	UBC	C	-	100	-	100	-	-
						-	-	-
<b><u>Property Services</u></b>					-	-	-	-
Planned Maintenance (PM)	UBC		0	-	-	-	825	825
PM: Multi Storey Car Parks - structural repairs	UBC		550	250	-	800	300	300
PM:Central Museum - disabled lift to military gallery	UBC		4	117	-	121	-	-
PM:Children's Homes - essential repairs	UBC		8	168	-	176	-	-
PM:Essential Boundary Wall Repairs	UBC		50	50	-	100	-	-
PM:Rolling Prog Fire Alarm & Emergency lighting	UBC		300	-	-	300	-	-
PM:Fire Precaution Works from FRAs	UBC		300	-	-	300	-	-
PM:Nottingham Road Cemetery - Walpole Street			3	115	-	118	-	-
PM:Replace obsolete boiler plant	UBC		100	-	-	100	-	-
PM:Central Museum / Library - roofs & lantern lights	UBC		550	-	69	619	-	-
PM:London Road depot - structural repair to Vic Hallam building	UBC		0	40	-	40	-	-
PM:Stores Road Depot - structural repair to stable block	UBC		1	29	-	30	-	-
PM:Programme of replacing air con units	UBC		130	30	-	160	-	-
PM:Market Hall - replacement roof covering	UBC		500			500		
PM:Demolition of Unsafe Buildings	UBC		100	160	-	260	-	-
PM:Stores Road Depot Garage Roof repairs	UBC		1	48	-	49	-	-
PM: Moorways Swimming Pool - replacement defective pool filters	UBC		25	-25	-	-	-	-

**Corporate and Adult Services Department - Other - Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011	16th February Cabinet	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000	£000
PM:Window replacement programme	UBC		50	-	-	50	-	-
PM:Flat roof replacement programme	UBC		70	-	-	70	-	-
PM:Community Centre Refurbishment programme	UBC		50	-	-	50	-	-
PM:Contingency Budget	UBC		233	-	(69)	164	-	-
Energy Management	UBSS		0	225	-	225	-	-
Theatre Walk	UBC		300		-	300	-	-
Disposal Officer	CR		37	-	-	37	38	-
	UBC,UBSS,E							
Hydro Electric Power Station	C	P	1,292	-	-	1,292	135	-
Climate Change	RR		160	138	-	298	-	-
<b>Total Corporate &amp; Adult Services</b>			<b>7,084</b>	<b>1,667</b>	<b>-</b>	<b>8,750</b>	<b>5,708</b>	<b>1,377</b>



Chief Executive's Department - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011  External Funding	Cost				
			2010/2011	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000
<b>Existing Approved Schemes</b>							
Accommodation Strategy PH 2	UBC	GG C	16,000	(7,560)	8,440	17,139	6,175
One Derby One Council	CR, GG		4,277		4,277	5199	2348
Capitalised Valuer	CR		37		37	37	37
<b>Total Resources</b>			<b>20,314</b>	<b>(7,560)</b>	<b>12,754</b>	<b>22,375</b>	<b>8,560</b>

Resources Department - Details of Scheme Costs

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost				
			2010/2011	Slippage from 2009/2010	Restated 2010/2011	2011/2012	2012/2013
			£000	£000	£000	£000	£000
<b>Existing Approved Schemes</b>							
ICT Infrastructure	CR		250		250	0	
ICT Transformation Contract	CR		2,000	(599)	1,401	0	
<b>Total Resources</b>			<b>2,250</b>	<b>(599)</b>	<b>1,651</b>	<b>-</b>	<b>-</b>

**Environmental Services Department - Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011 £000	16th Feb Cabinet Slippage	Slippage from 2009/2010 £000	Restated 2010/2011 £000	2011/2012 £000	2012/2013 £000
<b><u>09/10 - Rephased Schemes</u></b>								
Racecourse Play Area	EX	C	-	50		50	-	-
Roe Farm Play Area	EX	C	-	25		25	-	-
Grounds Plant & Equipment	UBSF		110	-		110	250	200
Refuse Vehicles & Plant	UBSF		375	-		375	460	135
Street Cleaning Eqt	UBSF		350	-		350	326	182
Rowditch Rec Improvements	CRS		66	-		66	-	-
Nottingham Road Racecourse Improvements	GG, RR	C	1,290	-		1,290	38	-
Arboretum Park	SRR, CR		30	-		30	-	-
Chaddesden Park Wheeled Sports & Refurbishment of play area	EX	C	4	-		4	-	-
Playground Improvements (corp)	RR		115	-		115	275	-
Alvaston Park Changing Rooms	CR, EC, S106	C	1,434	-		1,434	40	-
Crematorium (corp)	GG		1,125	-		1,125	700	-
Waste Disposal - Waste Strategy Implementation	GG	C	483	-		483	-	-
Communal bins - Derby Homes properties		C	30	-		30	-	-
Raynesway HWRC - traffic access	GG	C	475	-		475	-	-
Riverside Path	UBC, GG, S106	C	376	-		376	-	-
Community Centres	RR		50	-		50	50	-
Gayton Swimming Pool	UBC		600	-		600	-	-
Racecourse Cycle Routes	EC	C	128	-		128	-	-
Bass Recreation Ground Skate Park	GG, S106	C	213	-		213	-	-
Springwood Leisure Centre & Library	UBC		25	-		25	-	-
Markeaton park	S106	C	159	-		159	-	-

**Environmental Services Department - Details of Scheme Costs**

Scheme	Source of Funding	Status of 2010/2011 External Funding	Cost					
			2010/2011 £000	16th Feb Cabinet Slippage	Slippage from 2009/2010 £000	Restated 2010/2011 £000	2011/2012 £000	2012/2013 £000
10/11 Play areas Fullens Lock - Chellaston	GG, RR	C	80	-		80	-	-
10/11 Play areas South Ave - Spondon	GG, RR	C	80	-		80	-	-
10/11 Play areas Brunswood Rec - Spondon	GG, RR	C	80	-		80	-	-
10/11 Play areas Queensferry Gdns - Chellaston	GG, RR	C	80	-		80	-	-
10/11 Play areas Quarn Park- Allestree	GG, RR	C	80	-		80	-	-
10/11 Play areas Havenbault Rec- Littleover	GG, RR, S106	C	80	-		80	-	-
10/11 Play areas Sunnysdale Pk - Blagreaves	GG, RR, S106, EC	C & P	80	-		80	-	-
School Meal Production Facility	EC, UBSF, RR	C	1,300	-		1,300	-	-
Leisure Centre Strategy	UBC		1,000	-		1,000	10,000	25,000
Waste Disposal Plant	UBSF		-	-		-	-	25,000
<b>Total Environmental Services</b>			<b>10,298</b>	<b>75</b>	<b>-</b>	<b>10,373</b>	<b>12,139</b>	<b>50,517</b>

**Corporate Funding - Details of Scheme Costs**

Scheme	Cost		
	2010/2011 £000	2011/2012 £000	2012/2013 £000
<b><u>For information only - Schemes &amp; funding already included in individual departmental programmes</u></b>			
<b><u>Resources - Housing</u></b>			
Contribution to HGF	200	-	-
<b><u>E Services</u></b>			
ICT Transformation Contract	1,651	-	-
<b><u>Corporate &amp; Adult Social Services</u></b>			
Planned Maintenance (PM)	3,207	825	825
Multi Storey Car Parks/Highways	800	300	300
Dementia Centre	500	3,858	-
Theatre Walk (CASS )	100	-	-
Extra Care Development	1,300	300	-
Hydro Electric Power Station	40	-	-
National Care standards	100	-	-
<b><u>Chief Executive</u></b>			
Accommodation Strategy	8,440	17,139	6,175
One Derby One Council	4,277	5,199	2,348
Capitalised Valuer	37	37	37
<b><u>Environmental Services</u></b>			
Leisure Centre Strategy	1,000	10,000	25,000
Playground Improvements	115	275	-
Nottingham Road Racecourse Improvements	512	38	-
Crematorium	925	550	-
Gayton Swimming Pool	600	-	-
Riverside Path	68	-	-
Springwood Leisure Centre & Library	25	-	-
<b><u>Regeneration &amp; Community</u></b>			
Connecting Derby	2,267	648	-
Chaddesden Park Library	1,133	90	-
Littleover Brook Rehabilitation	167	-	-
Surface Car Parks resurfacing	562	-	-
Friargate Creative Industries Workspace	116	-	-
<b><u>Public Realm</u></b>			
Wardwick, Friargate & Cheapside Feasibility	1,785	-	-
East Street	10	-	-
Castleward Boulevard - Construction Costs Phase 1	68	-	-
Castleward Boulevard - Detailed Design	219	-	-
Wayfinding Public Art Masterplan	37	-	-
Full St Corridor / Heritage Walk Ph 1 (Ph1 is Morledge/Corporation Street) - Detailed Design	139	-	-
Full St Corridor / Heritage Walk Ph 1 (Ph1 is Morledge/Corporation Street) - Construction Costs	1,228	-	-
Building Frontage Enhancement Scheme	132	36	-
Wayfinding - design and construction costs	116	117	-
PR Contingency	750	-	-
<b><u>Children &amp; Young People</u></b>			
BSF associated highways work	-	-	1,500
<b>Total</b>	<b>32,627</b>	<b>39,412</b>	<b>36,185</b>

## Unsupported Borrowing Schedule 2010/11 - 2012/13

Scheme	Asset Life (years)	2010/11 £000	2011/12 £000	2012/13 £000	Future Years £000	Total £000
<b>Corporate</b>						
Chaddesden Library	50	1,133	90	-	-	1,223
Gayton Swimming Pool	25	600	-	-	-	600
Planned Maintenance	Various	-	279	47	-	326
Accommodation Strategy	25/50	8,440	17,139	6,175	-	31,754
Leisure Centre Strategy	50	-	10,000	23,778	14,000	47,778
Extra Care Development	50	1,048	300	-	-	1,348
Dementia Care	50	500	3,858	-	-	4,358
Crematorium	20	599	550	-	-	1,149
National Care Standards	25	100	-	-	-	100
Connecting Derby	40	2,267	648	-	-	2,915
Springwood Leisure Centre - Gym & Library Extension	50	25	-	-	-	25
Littleover Brook Rehabilitation	40	167	-	-	-	167
Riverside Path	40	68	-	-	-	68
Friargate Creative Industries Workspace	50	116	-	-	-	116
East Street	40	10	-	-	-	10
<b>Public Realm</b>						
Hydro Electric power station	25	40	-	-	-	40
Wardwick, Friargate & Cheapside Feasibility	1	1,785	-	-	-	1,785
Full St Corridor / Heritage Walk (Phase 1 is Morledge/Corporation Street) - Detailed Design	40	139	-	-	-	139
Full St Construction Costs	40	1,228	-	-	-	1,228
Castleward Boulevard Construction Costs	40	68	-	-	-	68
Castleward Boulevard Detailed Design	40	219	-	-	-	219
Wayfinding - Public Art Masterplan	1	37	-	-	-	37
Wayfinding - design and construction costs	10	-	-	-	-	-
Theatre Walk	40	100	-	-	-	100
Public Realm Contingency	1	627	-	-	-	627
<b>Total Corporate Unsupported Borrowing</b>		<b>19,317</b>	<b>32,864</b>	<b>30,000</b>	<b>14,000</b>	<b>96,181</b>
<b>Service Financed</b>						
Grounds Plant & Equipment	5	110	250	200	-	560
Refuse Vehicles & Plant	7	375	460	135	-	970
Street Cleaning Equipment	5	350	326	182	-	858
School Meal Production Facility	25	590	-	-	-	590
Waste Disposal Plant	50	-	-	25,000	-	25,000
Building Schools for the Future	50	-	-	14,000	-	14,000
<b>Total Service Financed Unsupported Borrowing</b>		<b>1,425</b>	<b>1,036</b>	<b>39,517</b>	<b>-</b>	<b>41,978</b>
<b>Service Financed Spend to Save</b>						
Hydro Electric Power Station	25	1,227	135	-	-	1,362
Energy Management	25	225	-	-	-	225
St Giles Special School - create additional capacity for children with Autistic Spectrum Disorder	50	333	17	-	-	350
<b>Total Service Financed Spend to Save Unsupported Borrowing</b>		<b>1,785</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>1,937</b>
<b>Grand Total Of Unsupported Borrowing</b>		<b>22,527</b>	<b>34,052</b>	<b>69,517</b>	<b>14,000</b>	<b>140,096</b>

### Bids to Asset Management Group Scored but no Corporate Funding Allocated

Scheme
Planned Building Maintenance – Additional Allocation
Disabled Facilities Grant
Festive Lights – City Centre and Normanton Peartree
Silk Mill
City Park – Corporate Allocation to support the £400k S106 contributions
Littleover library

### Other Emerging Capital Investment Aspirations

Scheme
Local Studies Library – link to the Accommodation Strategy
Public Realm Schemes – Cornmarket Detailed Design and Construction Costs, St. Peters Street, Sadlergate Construction Costs, Castleward phases 2 and 3, Full Street corridor phase 3
Further Investment in the Regeneration Fund to support capital investment.
Creation of a Highways capitalised maintenance fund
Improvements to district centres – Alvaston District Centre next Phase
Museum and Central Library strategy and urgent repairs not covered by the Repair and Maintenance budget
Leisure facility repairs and improvements not addressed by the leisure strategy and the Repair and Maintenance budget, including Markeaton Park and Bass's Recreation ground
Darley Abbey mills and stable block regeneration – World Heritage Site
Highways and footway works associated with Building Schools for the Future - BSF - Schemes
Local investment plan – Housing
Osmaston master plan

Depots replacement/rationalisation if not self-financing

CCTV replacement and upgrade

Investment in Children's centres – if not self-financing

Climate change investment if not self-financing, such as the addition to the BSF programme to enhance the energy efficiency of buildings and street lighting



**Budget consultation 2010/11 - schedule of recommendations – from Scrutiny Commissions**

<b>Recommendation</b>	<b>Estimated Cost £</b>	<b>Response of Cabinet</b>
<b>Community Commission</b>		
<b>1. Capital spending proposals for Markeaton Crematorium</b> To recommend this capital scheme of £1.9m only be finalised by Cabinet following the report of the sub-group established by the Community Commission.		Agreed
<b>2. Housing Capital Programme for 2010/11 – 2012/13</b> To a) endorse the Housing Capital Programme in respect of the private sector and b) to recommend the use of HRA reserves to fund further capital investment in public sector housing.		a) Noted. b) Disagree. It is prudent to retain the amount held in reserves to support the HRA Business Plan.