

CHILDREN & YOUNG PEOPLE CABINET MEMBER MEETING

Agenda Item 38

Brighton & Hove City Council

Subject:	Capital Resources & Capital Investment Programme 2010/2011		
Date of Meeting:	4 January 2010		
Report of:	Director of Children's Services		
Contact Officer:	Name:	Gillian Churchill	Tel: 29-3515
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Key Decision:	No	Forward Plan No. N/A	
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 In order to determine an overall Capital Investment Programme for Brighton & Hove City Council, each service is asked to consider its capital investment requirements, within the level of allocated resources for 2010/2011.
- 1.2 The purpose of the report is to inform Members of the level of available capital resources allocated to this service for 2010/2011 and to recommend to Cabinet a Capital Investment Programme for 2010/2011.
- 1.3 This report includes the use of revenue contributions to support capital investment and should be read in conjunction with the Revenue Budget 2010/2011 report for this service.

2. RECOMMENDATIONS:

- 2.1 That the level of available capital resources totalling £30.558m for investment relating to education buildings financed from supported borrowing, capital grant, revenue contributions and capital receipts be noted.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Cabinet approved the Capital Strategy as part of the Medium Term Financial Strategy (MTFS) on 12 June 2008. The strategy outlined the process for prioritisation and evaluation of capital investment projects.

- 3.2 The strategy included the pooling of all non-scheme specific capital resources that would be allocated to corporate priority areas of investment, taking into account the formula allocations included within the Single Capital Pot. (Education, Housing, Personal Social Services and Transport).
- 3.3 For 2010/2011 it is proposed to allocate capital resources to the level of the Government's Supported Capital Expenditure plus their scheme specific resources subject to the Council's overall financial position which will be determined at Cabinet on 11 February 2010 for recommendation to Council on 25 February 2010. These resources may be supplemented with additional revenue contributions from individual service revenue budgets.

Capital Finance Settlement

- 3.4 In October 2007, the Government announced the three-year capital allocations up to 2010 /2011. This included the capital expenditure relating to this service for the next financial year.
- 3.5 The table below shows a comparison between next year's settlement and the amount of resources allocated in 2009/10 for this service.

	2009/2010 Settlement £'000	2010/2011 Settlement £'000	Difference £'000
Supported Borrowing	2,348	1,253	-1,095
Capital Grant	8,882	27,385	18,503
Total	11,230	28,638	17,408

This table only includes funding allocated for building related work. It does not include budgets managed by others.

- 3.6 The overall level of capital funding available for expenditure on school buildings from the Government has **increased** this year by £17,408m, this is mostly as a result of the allocations received under the Primary Capital Programme, Targeted Capital Fund, Basic Need Safety Valve funding and the Co-location Grant. Increased Capital Grant funding of £4.0m Targeted Capital Fund and £2.378m Primary Capital Programme for 2010/11 together with and successful bids for Co-location Grant funding of £5.37m and Basic Need Safety Valve funding of £5.7m have contributed toward the significant increase in grant funding from the previous year. There has been a shift in funding from Supported Borrowing to Capital Grant for Modernisation which accounts for the decrease in Supported Borrowing.
- 3.7 Supported Borrowing, unlike Capital Grant, requires financing costs to be met from the council's revenue budget. The cost to be borne by the council for financing £1.253m borrowing is £0.107m within the first full year.
- 3.8 Additional grant funding may be made available to the Department throughout the forthcoming financial year.

Capital Resources

- 3.9 The level of projected resources must finance all capital payments in 2010/2011 including existing approved schemes, new schemes and future year commitments. A summary of the resources available to finance these payments is shown in the table below.

	Educatio n Buildings £000	Other Services £000	Total £000
Supported Borrowing	1,253	44	1,297
Capital Grant	27,385	3,026	30,411
Total Government Support	28,638	3,070	31,708
Capital Receipts	1,000		1,000
Revenue Contribution	920		920
Total Capital Resources	30,558	3,070	33,628

Note; The figures above include all capital budgets for 2010 /2011 for completeness, where as the figures in para 3.5 include only those budgets directly related to building fabric.

- 3.10 In addition to the resources identified above, the Department for Children, Schools and Families will allocate funding for expenditure at voluntary aided schools in Brighton & Hove under several programme headings.

Capital Investment Programme

- 3.11 A recommended Capital Investment Programme for 2010/2011 together with the impact in future years, by project, is shown in Appendix 1 to this report.
- 3.12 Capital slippage arising from the 2009/2010 capital programme will be incorporated into the 2010/2011 programme when the capital accounts are closed in May 2010 and will be funded from existing resources carried forward.
- 3.13 Under Financial Regulations, all new schemes require a detailed report to be submitted to Cabinet for final approval prior to their commencement. This ensures that Members have the opportunity to assess the outputs of individual projects against their strategic priorities and to ensure that all the legal, financial and cross-service implications are fully considered

4. CONSULTATION

- 4.1 There has been no specific consultation regarding the content of this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1.1 The report sets out the allocation of capital resources that were announced as part of the capital finance settlement in October 2007 in addition with further grant funding that has been announced during the current financial year. The revenue implications of any schemes will be met from existing education budgets.
- 5.1.2 It should be noted that the Final Business Case for Falmer Academy is expected to be approved by the Partnerships for Schools shortly. Should this scheme be approved it will be incorporated within the 2010-11 Capital Programme and will be reported in detail in due course

Finance Officer Consulted: Rob Allen

Date: 15/12/2009

Legal Implications:

- 5.2 There are no direct legal implications arising from this report. Individual projects may give rise to specific issues which will be covered by the individual reports referring to them

Layer Consulted: Serena Kynaston

Date: 14/12/2009

Equalities Implications:

- 5.3 The equality implications of individual schemes included within the Capital Investment Programme are reported to Members when the detailed report is submitted to Policy and Resources Committee for final approval. The detailed planning of projects at educational establishments will take account of the implications of Brighton & Hove's policies in relation to equality of access to learning.

Sustainability Implications:

- 5.4 There are no direct environmental implications arising from this report. The environmental impact of individual schemes are reported to Members when the detailed report is submitted to Policy and Resources Committee for final approval. The detailed planning of projects at educational establishments will take account of the implications of Brighton & Hove's policies in relation to Local Agenda 21 and sustainability issues generally.

Crime & Disorder Implications:

- 5.5 The prevention of crime and disorder implications of individual schemes included within the Capital Investment Programme are reported separately to Members when the detailed report is submitted to Policy and Resources Committee for final approval. The detailed planning of projects will take account of security issues.

Risk and Opportunity Management Implications:

- 5.6 There are no risk issues in terms of resources or risks to children as a result of this proposal.

Corporate / Citywide Implications:

- 5.7 The NDS funding identified in this report is evidence of the Government's continuing support, via the New Deals for Schools, for the Council's work as a Local Education Authority.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The only option available would be not to take up the supported borrowings approvals. This is not recommended as it would limit our ability to maintain, modernise and improve our school buildings property portfolio

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The proposed capital Investment programme will enable us to work towards meeting the aims of the Primary Strategy for Change. It will also enable us to continue to ensure that we provide school places in areas of the city where they are required

SUPPORTING DOCUMENTATION

Appendices:

1. Capital Investment Programme for 2010/2011

Documents In Members' Rooms

1. None

Background Documents

1. None

