

# **CHILDREN & YOUNG PEOPLE CABINET MEMBER MEETING**

## **Agenda Item 74**

Brighton & Hove City Council

<b>Subject:</b>	<b>Capital Resources &amp; Capital Investment Programme, 2009/2010</b>		
<b>Date of Meeting:</b>	<b>19 January 2009</b>		
<b>Report of:</b>	<b>Director of Children's Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Gillian Churchill</b>	<b>Tel: 29-3515</b>
	<b>E-mail:</b>	Gillian.churchill@brighton-hove.gov.uk	
<b>Key Decision:</b>	No		
<b>Wards Affected:</b>	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 2009/2010
- 1.2 The purpose of the report is to inform Members of the level of available capital resources allocated to this service for 2009/2010 and to recommend to Cabinet a Capital Investment Programme for 2009/2010.
- 1.3 This report includes the use of revenue contributions to support capital investment and should be read in conjunction with the Revenue Budget 2009/2010 report for this service.

#### **2. RECOMMENDATIONS:**

- 2.1 To note the level of available capital resources totalling £12.150m for investment relating to education buildings financed from supported borrowing, capital grant and revenue contributions.

#### **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 2009/2010 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 12 February 2009. 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 2008/09 for this service.

	<b>2008/2009 Settlement £'000</b>	<b>2009/2010 Settlement £'000</b>	<b>Difference £'000</b>
Supported Borrowing	3,002	2,348	- 654
Capital Grant	2,935	8,882	+ 5,947
<b>Total</b>	<b>5,937</b>	<b>11,230</b>	<b>+ 5,293</b>

- 3.6 This table only includes funding allocated for building related work. It does not include budgets managed by others.
- 3.7 The figures above need some further explanation since there has been a further change in the allocation of Capital Grant and Supported Borrowing. For the 2008/2009 year all funding other than Devolved formula capital was made available as Supported Borrowing. For 2009/10 the NDS Modernisation allocation is split between Supported Borrowing (41%) and Capital Grant (59%) whilst new Capital Grant funding of £2.0m Targeted Capital Fund and £3.075m Primary Capital Programme have increased the funding from grant significantly. The overall level of capital funding available for expenditure on school buildings from the Government has **increased** this year by £5.293m, this is mostly as a result of the allocations received under the Primary Capital Programme and the Targeted Capital Fund.
- 3.8 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 £2.348m borrowing is £202,600 within the first full year.

- 3.9 Additional grant funding may be made available to the Department throughout the forthcoming financial year.

### Capital Resources

- 3.10 The level of projected resources must finance all capital payments in 2009/2010 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.

	<b>Educatio n Buildings £000</b>	<b>Other Services £000</b>	<b>Total £000</b>
Supported Borrowing	2,348	43	2,391
Capital Grant	8,882	3,509	12,391
<b>Total Government Support</b>	<b>11,230</b>	<b>3,552</b>	<b>14,782</b>
Revenue Contribution	920		920
<b>Total Capital Resources</b>	<b>12,150</b>	<b>3,552</b>	<b>15,702</b>

- 3.11 Note; The figures above include all capital budgets for 2009 /2010 for completeness, where as the figures in para 3.5 include only those budgets directly related to building fabric.
- 3.12 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

- 3.13 A recommended Capital Investment Programme for 2009/2010 together with the impact in future years, by project, is shown in Appendix 1 to this report.
- 3.14 Capital slippage arising from the 2008/2009 capital programme will be incorporated into the 2009/2010 programme when the capital accounts are closed in May 2009 and will be funded from existing resources carried forward.
- 3.15 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

N/A

#### 5. FINANCIAL & OTHER IMPLICATIONS:

##### Financial Implications:

- 5.1 The report set outs the allocation of capital resources that were announced as part of the capital finance settlement in October 2007. The revenue implications of any schemes will be met from existing education budgets.

Finance Officer Consulted: Rob Allen, Strategic Finance

Date 08/12/08

##### 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: 10/12/08

##### 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 N/A

##### Corporate / Citywide Implications:

- 5.7 The NDS funding identified in this report is evidence of the Governments 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 2009/2010

### **Documents In Members' Rooms**

1. None

### **Background Documents**

1. None

