Capital Resources

The council's Capital Investment Programme for 2009/10 will be financed using the resources shown in the table below.

| Brighton & Hove City Council 2009/10 | £'000 |
|--|---------|
| Supported Borrowing | 8,107 |
| Capital Grants | 32,169 |
| Total Government Allocations | 40,276 |
| Capital Receipts | 3,273 |
| Potential Capital Receipts from LDV to improve council housing stock (up to £45m over 5 years) | 15,663 |
| Capital Reserves | 3,277 |
| Specific Reserves | 615 |
| External Contributions | 983 |
| Direct Revenue Funding–Major Repairs Allowance | 9,352 |
| Direct Revenue Funding – Housing Revenue Account | 4,854 |
| Direct Revenue Funding – Service Departments | 1,758 |
| Unsupported Borrowing | 3,995 |
| Capital Resources to Invest in Capital Programme | 84,046 |
| Possible Unsupported Borrowing to support LDV (for the reasons described in paragraph 3.8) | 23,219 |
| Total Capital Resources | 107,265 |

Supported Borrowing

In December 2007 government departments announced details of their assessment of local authorities' relative need to incur capital expenditure. A total of £8.107m Supported Borrowing was allocated across the service areas of Education, Transport, Housing and Personal Social Services for 2009/10. A summary of these allocations and the split across directorates is shown below:

| Brighton & Hove City Council 2009/10 | Government Allocation £'000 | Service Allocation £'000 |
|--------------------------------------|-----------------------------------|--------------------------------|
| HRA Regional Housing Board | 1,230 | 1,230 |
| Transport & Road Maintenance (LTP) | 4,485 | 4,237 |
| Education | 2,349 | 2,349 |
| Children's Social Services | 43 | 43 |
| Corporate Investment Funds | | 248 |
| Total Capital Resources | 8,107 | 8,107 |

The proposed reduction to the Local Transport Plan (LTP) will reduce the LTP programme in 2009/10 from £6.04m to £5.79m; and in 2010/11 from £6.5m to £3.02m. It is possible these reductions to planned expenditure could result in the government reducing funding allocations for the LTP in future years.

Capital Grants

In addition to supported borrowing, the government distributes capital grants towards the financing of certain capital expenditure. In 2009/10, the council anticipates that it will receive new capital grants of £25.514m. A summary of these grants is shown in the table below:

| Grant | £'000 |
|---|--------|
| Schools Devolved Capital | 2,885 |
| Primary Capital Programme | 3,075 |
| Targeted Capital Fund | 2,000 |
| Education Modernisation Grant | 922 |
| Surestart Early Years | 1,062 |
| Children's Centres | 908 |
| Extended Schools | 354 |
| Education Technology Grant | 616 |
| Aiming High for Disabled Children | 313 |
| Youth Capital Fund | 122 |
| General Fund Housing* | 3,513 |
| Disabled Facilities Grant | 660 |
| Extra Care Housing Grant | 500 |
| Places for Change – Hostel Refurbishments | 550 |
| Transport and Maintenance | 1,659 |
| Falmer Infrastructure Grant | 3,828 |
| Waste Infrastructure | 447 |
| Gypsy & Traveller Sites Grant | 1,740 |
| Adult Social Care | 360 |
| | |
| Total | 25,514 |

^{*} Estimate only - awaiting confirmation

It is expected that other capital grants may be received during the year and these will be reported through Quarterly Capital Monitoring to Cabinet. Grants decided by the Regional Housing Board were announced in March of last year and a similar arrangement is expected for this year.

Capital Receipts and Reserves

The council's internal resources are generated from capital receipts and capital reserves. The council monitors these resources over a rolling three-year period, by continually updating projections and comparing these against the level of commitments within the approved Capital Investment Programme. The allocation of these resources is through the Corporate Capital Funds. Further details of these allocations are contained within the body of the report.

Specific Reserves

The introduction of a communal bin scheme in central areas of Brighton and Hove requires investment of £0.615m to fund communal bin containers and an additional vehicle. The investment will be met from the Waste PFI reserve. The savings generated by the introduction of communal bins will then reimburse the reserve.

External Contributions

The council will receive external contributions totalling £0.983m in 2009/10. These are scheme specific resources and include a European Union grant to deliver transport projects (City Vitality Sustainability) which is up to £2.2m of investment over a four-year period, for 2009/10 a sum of £0.976m has been identified. An additional sum of £0.007m will be used for investment in the Knoll Recreation Ground.

Direct Revenue Funding

The council will finance capital expenditure in 2009/10 from the General Fund and Housing Revenue Account of £15.964m. A summary of the allocations by service is shown below:

| Funding | £'000 |
|---|--------|
| Finance & Resources - planned maintenance & Madeira lift | 838 |
| refurbishment | |
| Children and Young Peoples Trust – structural maintenance | 920 |
| Total General Fund Services | 1,758 |
| Housing Revenue Account | 4,854 |
| Major Repairs Allowance | 9,352 |
| Grand Total | 15,964 |

Other Capital Investment

The council has also developed ways of providing capital investment in the city without having to use all of its own capital resources. It has achieved this by working in partnership with the private sector and public bodies (i.e. Lottery, Sports Council etc) whereby the capital investment is undertaken and accounted for by the private sector.

The table below identifies capital investment projects and proposed funding arrangements.

| Project | Procurement Route | Investment |
|--|--|---|
| Black Rock | Private Sector Partnership | Circa £80m total development |
| Brighton Centre | In conjunction with Standard Life Investment | £100m to £150m for centre. Total development of £350m to £450m |
| Circus St Development | Joint development with the University of Brighton | Circa £100m Development |
| City College Capital Strategy | City College four site strategy with Sussex LSC funding bid | Circa £80m development |
| Edward Street / American Express | Private Sector Partnership | To be determined |
| Falmer Academy | Partnership for Schools Design and Build Framework | Circa £28m |
| Falmer Community Stadium | Through Brighton & Hove Albion Football Club | Circa £50m development |
| Falmer Released Land | To be determined | To be determined |
| Historical Records Centre | East Sussex County Council and Sussex University partnership | Circa 23m |
| i360 / West Pier | Private Sector Partnership | Circa £20m |
| Integrated Waste Management Project | Private Finance Initiative | Circa £300m |
| King Alfred development | To be determined | To be determined |
| London Road | Private Sector Partnership | To be determined |
| Open Market | Open Market Traders Association and enabling development | Circa £15m development |
| Preston Barracks | Regeneration through SRB and also with SEEDA | Circa £120m development |