

## Summary of Capital Budget Re-profiles for all Directorates

<b>Schemes</b>	2008/09 Budget £'000	2009/10 Budget £'000	2010/11 Budget £'000	Total Changes £'000
<b>Reprofiles</b>				
Detailed Reprofiles in appendix 4 (over £50,000)	(336)	336		-
<b>Total Cultural Services</b>	<b>(336)</b>	<b>336</b>	-	-
<b>Finance &amp; Resources</b>				
Kensington Street	(19)	19		-
Energy Efficiency	(20)	20		-
Ovingdean Grange Farm	(34)	34		-
Legionella Works	(45)	45		-
Detailed Reprofiles in appendix 4 (over £50,000)	(985)	836	149	-
<b>Total Finance &amp; Resources</b>	<b>(1,103)</b>	<b>954</b>	<b>149</b>	-
<b>Adult Social Care &amp; Housing</b>				
Detailed Reprofiles in appendix 4 (over £50,000)	(1,422)	1,422		-
<b>Total Adult Social Care &amp; Housing</b>	<b>(1,422)</b>	<b>1,422</b>		-
<b>Adult Social Care &amp; Housing (HRA)</b>				
Mechanical & Engineering Work	(30)	30		-
Heating	(15)	15		-
Detailed Reprofiles in appendix 4 (over £50,000)	(533)	533		-
<b>Total</b>	<b>(578)</b>	<b>578</b>		-
<b>Children &amp; Young People's Trust</b>				
Aiming High for disabled children	(46)	46		-
Detailed Reprofiles in appendix 4 (over £50,000)	89	(89)		-
<b>Children &amp; Young People's Trust Total</b>	<b>43</b>	<b>(43)</b>		-
<b>Environment</b>				
Knoll Recreation Ground	(7)	7		-
Detailed Reprofiles in appendix 4 (over £50,000)	(1,691)	1,691		-
<b>Environment Total</b>	<b>(1,698)</b>	<b>1,698</b>		-
<b>Strategy &amp; Governance</b>				
Detailed Reprofiles in appendix 4 (over £50,000)	(800)	800		-
<b>Total Changes to Budgets</b>	<b>(5,894)</b>	<b>5,745</b>	<b>149</b>	-

## Re-profiles of over £50,000 for all Directorates

### Cultural Services

Re-profiling of major projects in total next year of £(469,440) is required across a number of schemes including the King Alfred and Brighton Centre redevelopments. Details are provided below of the main areas of capital spend.

Directorate: Cultural Services	Approved Budget:	£79,610
Project Title: Preston Barracks (Major Projects)	Revised Budget:	£27,860
	Variation:	(£51,750)

The Policy & Resources Committee granted landowner consent to the Preferred Developer scheme in September 2007. Expectation at that time was that an appropriate Development Agreement would be completed in early 2008, something that would have enabled preparation and submission of detailed proposals by mid-2008, leading to submission of a detailed planning application later that year. Whilst good initial progress was made, the declining economic climate necessitated a thorough review of the scheme's financial viability and this resulted in the developer putting forward revised proposals in September 2008. The proposals were assessed and the findings reported to the Project Board on 4 November 2008. The Board agreed to defer a decision to enable continued negotiations with the Preferred Developer, alongside exploration of other options for the redevelopment of the site. A further report to the Project Board is anticipated within the next two months, with a report then proceeding to Cabinet. This extended period, resulting from factors beyond the control of the city council, has had an impact on the timetable and, therefore, the level of specialist financial, legal, and design input needed. This specialist advice will however be required as the project progresses following Member approval in 2009/10.

Directorate: Cultural Services	Approved Budget:	£167,630
Project Title: Open Market (Major Projects)	Revised Budget:	£94,130
	Variation:	(£73,500)

Funding from the 2008/09 Approved Budget has been committed to support costs associated with achieving vacant possession of the site in accordance with Cabinet Member approval gained in 2008. Although agreement between the various parties has been reached, vacant possession is unlikely to be required until 2009/10, at which time funding will be required to complete the transactions.

Directorate: Cultural Services	Approved Budget:	£202,090
Project Title: King Alfred Development (Major Projects)	Revised Budget:	£102,090
	Variation:	(£100,000)

Funding from the 2008/09 Approved Budget has been committed to support costs associated with achieving vacant possession of the site in accordance with Cabinet Member approval gained in 2008. Due to current economic conditions and the impact of this on the development, funding will be carried forward to 2009/10.

Directorate: Cultural Services	Approved Budget: £268,500
Project Title: Brighton Centre	Revised Budget: £150,000
Development (Major Projects)	Variation: (£118,500)

In June 2007 the SEEDA Executive Board gave their approval to contribute a funding grant of £18.5m towards the Brighton Centre Redevelopment. In cases where a Regional Development Agency funding intervention is between £10m and £20m applications are subject to final approval by the Central Projects Review Group (CPRG), which sits within the Department of Business, Enterprise and Regulatory Reform (BERR). SEEDA presented an Economic Appraisal to the CPRG at the end of October 2007, but in January 2008 CPRG requested additional independent advice from the Industrial Development Advisory Board (IDAB). IDAB is an independent panel of senior commercial, investment banking and industrial figures which regularly advises Ministers on Selective Finance for Investment in England and Launch Aid cases.

SEEDA's report was presented to IDAB on 13 March 2008. Although IDAB fully supported the project in principle, their advice to the Minister was that it should be re-appraised to reduce the level of SEEDA's proposed investment and therefore the Minister did not approve SEEDA's application for funding. This resulted in a series of meetings with SEEDA, Standard Life and CBRE to agree a strategy for unlocking a successful funding arrangement to ensure that the project moved forward to the next stage.

Standard Life have recently issued an OJEU Notice to initiate the procurement process to appoint the professional development team and to undertake a first stage feasibility study and design. The project budget now needs to be profiled in line with the indicative timetable for the next 12-15 months through to March 2010.

Directorate: Cultural Services	Approved Budget: £167,000
Project Title: New Historical Record	Revised Budget: £300,000
Office (The keep)	Variation: £133,000

On the 3<sup>rd</sup> April 2008 Policy & Resources Committee gave 'in principle' agreement to the proposed development of the Keep in conjunction with East Sussex County Council and the University of Sussex. At that time Brighton & Hoves share of the project development costs (which excludes the capital build costs) was estimated to be £345,000 of which £167,000 would fall in 2008/09. As the project has progressed the profile of expenditure has changed although the projected overall project costs have remained the same. It is now anticipated the costs in 2008/09 will be £300,000. The project budget originally included grant from the Heritage Lottery Fund (HLF) however the bid has been unsuccessful. The project team are working on a options appraisal for delivering the scheme without HLF funding and an update on the project and the options, including the financial implications, will be presented to the Culture Recreation & Tourism Cabinet Member meeting in the near future. The additional £133,000 will be funded by bringing forward part of the capital funding allocated to this scheme from the 2009/10 capital programme.

## Finance & Resources

Directorate: Finance & Resources	Approved Budget: £249,000
Project Title: Farming Diversification	Revised Budget: £ Nil
	Variation: (£249,000)

The regularisation of the existing diversification has taken longer than anticipated due partly to a change in personnel at our managing agents. It is our intention to complete this initial task next year.

Directorate: Finance & Resources	Approved Budget: £250,000
Project Title: Madeira Lift Refurbishment	Revised Budget: £125,000
	Variation: (£125,000)

Phase 1 of these works (funded from the Planned Maintenance Budget) to make safe the lift roof void and then undertake a full structural inspection is complete. Negotiations between Property & Design, our insurers Zurich and conservation planners to ensure agreement that the historic grade 2 listed lift could be adapted for safe operation to satisfy Zurich delayed the finalisation of the specification for Phase 2, the lift works. Phase 2 has been tendered but only a single tender was received, that is currently being analysed. A waiver of CSOs will be required. Subject to the lift contractor being appointed and their programme being agreed, it is now likely that works will span financial years.

The delays could prevent the lift from opening at Easter as intended. Until a lift contractor is appointed the final programme of works can not be finalised. It may be possible to phase the works either side of Easter, to enable it to open during this period, but this will be dependant upon our insurers Zurich's requirements to ensure that the lift is safe to be operated.

## Appendix 4

Directorate: Finance & Resources	Approved Budget: £679,510
Project Title: DDA Access Works	Revised Budget: £619,510
	Variation: (£60,000)

Delays to this year's programme have been caused by a variety of factors – awaiting Landlord's consent for proposed changes, agreement from Conservation Planners for alteration works to historic listed buildings, clarification from the council's insurers Zurich regarding the change of use of a goods lift, other alteration works at one site that have delayed access improvement works and the extensive consultation required to ensure value for money and solutions to avoid / remove barriers.

The DDA Access Works is a rolling programme of improvements to meet Council targets. The target for 2008/09 will be met from the reduced spend. The removal of barriers to our services does not always involve spending money on building alterations. Smart management solutions can be implemented at little or no cost to remove barriers. Re-profiled funding will be used to further improve access to services.

Directorate: Finance & Resources	Approved Budget: £392,530
Project Title: Woodvale Cemetery Spire	Revised Budget: £276,530
	Variation: (£116,000)

Whilst undertaking the major structural repairs to the spire large volumes of defective stone and flintwork repairs were identified to the cemetery chapels. These were prioritised by an external Structural Engineer and worst areas removed to ensure the building could continue to operate safely. Phase 1 of the remedial works to address only the highest priority urgent repairs was estimated to be around £0.391 million in August. An external Quantity Surveyor was employed to ensure value for money. Phase 1 works progressed and it is currently estimated that £0.116 million will remain unspent in 08/09. This is required to help to fund phase 2 that can not start until the spring to ensure warm weather for the lime mortar repairs required on a historic grade 2 listed structure.

Extensive efforts have been made by Property & Design in consultation with the Client to ensure that the building remains in safe operation throughout phase 1 of the works and essential repairs were completed before the onset of winter weather. The option was provided of leaving the scaffold in place between phases 1 and 2 but due to Health & Safety concerns it was agreed to drop the scaffolding. Property & Design will consult fully with the Client regarding the programme for Phase 2 but it can not commence during cold weather due to the use of lime mortar repairs.

Directorate: Finance & Resources	Approved Budget: £1,025,000
Project Title: Royal Pavilion Partnership	Revised Budget: £725,000
	Variation: (£300,000)

The council is working in partnership with the contractor to deliver this scheme. Delays have been caused to the anticipated completion of Phase 5a within 2007/08 due to the partnership team identifying additional repairs, agreeing repair solutions, etc. It is estimated that £0.280 million of the £0.378 million of Phase 5a will be completed by 31<sup>st</sup> March 2009. The cost of structural repairs to Adelaide Balcony is currently estimated at £0.200 million and works were programmed for 2008/09. There has been a difference of opinion within the partnership's external specialist consultants regarding the best repair solution for the balcony with consideration to the grade 1 listing of the historic building. This is highly specialist, unusual work and needs very careful consideration, planning and specification to ensure value for money.

The partnership has made extensive efforts to avoid disruption to the ongoing opening of the Royal Pavilion. The structural repairs to the Adelaide balcony will prevent its use for functions whilst works are in progress. Further investigation needs to be undertaken of repair systems; the current proposal of carbon-fibre reinforcement is temperature sensitive and if this option is adopted works will be undertaken February 2010.

## Appendix 4

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Directorate: Finance & Resources	Approved Budget: £175,170
Project Title: Replacement FIS	Revised Budget: £40,250
	Variation: (£134,920)

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The Authority Financials and Authority Purchasing systems have now been implemented for 2 years. The original capital programme included provision for investment in further development of the systems and other technologies to improve management reporting and generate efficiency savings in transaction services. This included the implementation of "Intelligent Scanning", new reporting technologies and user interfaces, and developing improved interfaces with other systems (e.g. CareFirst). However, these investments could only take place once the primary systems had bedded in and all significant performance issues were resolved with the supplier. This was achieved in the latter half of last year but the long lead-in times for such developments means that the majority of the budget requires reprofiling to 2010/11.

### Adult Social Care and Housing

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Directorate: Adult Social Care & Housing	Approved Budget: £125,000
Project Title: Craven Vale Conversion Works	Revised Budget: £13,000
	Variation: (£112,000)

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This capital project is linked to the refurbishment works at Beech Cottage. These works were only recently completed, which has meant that the homecare team were unable to move to Beech Cottage when originally planned. In addition to this delay there are currently issues with the tender of the proposed conversion works at Craven Vale which will result in the works not commencing until 1<sup>st</sup> April at the earliest.

The delays have meant that the 8 additional beds for short-term care use will not be available as quickly as originally planned. This has reduced the flexibility of options available to those service users who would benefit from the type of care offered after being discharged from hospital.

## Appendix 4

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Directorate: Adult Social Care & Housing	Approved Budget: £300,000
Project Title: Places for change programme	Revised Budget: £190,000
	Variation: (£110,000)

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Palace Place building work is not likely to start now until the spring (April 2009) as we have had to wait for building surveys, mechanical and electrical surveys and a lift feasibility survey following a request from the DCLG that we include installation of a lift to address DDA issues within the refurbishment of Palace Place. In addition, we are waiting on a level three asbestos survey to be carried out to identify the type and whereabouts of the asbestos in the building which will need removing prior to contractors undertaking any building work on site.

First Base: Building work will start in April 2009 whilst planning permission and plans are finalised and decant arrangements are put in place for service provision throughout build period. There is no impact on service users at this point as project completion dates remain on schedule at present.

Directorate: Adult Social Care & Housing	Approved Budget: £760,000
Project Title: Disabled Facilities Grant	Revised Budget: £560,000
	Variation: (£200,000)

Following Housing Cabinet Member approval, Cabinet on 20 November agreed expenditure within Brighton & Hove City Council of £2,776,000 of the 2008/09 Brighton & Hove East Sussex Together (BEST) Housing Renewal Grant allocation in accordance with the Housing Renewal Assistance Policy. Housing Committee also agreed payment of the remaining £2,397,000 of the £5,173,000 Housing Renewal Grant allocation for the BEST programme to the five East Sussex Authorities in accordance with an agreed distribution profile. A further £660,000 is the Government's contribution towards Disabled Facilities Grants or other works under the Regulatory Reform (Housing Assistance) Order 2002.

Expenditure on the disabled facilities grant budget is dependent upon private sector grant applicants arranging for works to be undertaken following assessment and approval. The council has no effective control over the time in which the adaptation works are carried out following grant approval. The 2008/09 Disabled Facilities Grant budget has been fully committed. However, we do not anticipate all of the approved work being completed before year end and it is unlikely that we will receive the information we need to process payments for all grants where work will be completed by year end. For this reason, it is proposed that we re-profile £200,000 from 2008/09 budget into 2009/10.

Directorate: Adult Social Care & Housing	Approved Budget: £1,000,000
Project Title: Housing Enabling (King Alfred Development)	Revised Budget: £ Nil
	Variation: (£1,000,000)

The Housing Enabling (King Alfred Development) will be re-profiled into 2009/10 following the withdrawal of private finance of the scheme.

Directorate: Adult Social Care & Housing (HRA)	Approved Budget: £838,440
Project Title: Disabled Adaptations	Revised Budget: £738,440
	Variation: (£100,000)

The 2008/09 HRA adaptations capital budget has been fully committed. Commitments include three large scale projects, for which funding has been reserved. Not all of these projects are likely to complete by year end because it has become necessary for properties to be vacated temporarily for all the work to be carried out. Suitable alternative accommodation had to be identified for the families concerned and it was necessary to carry out some adaptation work to another property before it could be used for this. As a result of this we need to re-profile £100k of 2008/09 budget into 2009/10 to account for these works being completed in the coming financial year.

Directorate: Adult Social Care & Housing (HRA)	Approved Budget: £219,970
Project Title: Adaptations	Revised Budget: £159,970
	Variation: (£60,000)

The tenant of the property concerned has been reluctant to move temporarily in order for works to progress. The family has young children and work was unable to progress whilst they are in residence due to health and safety concerns. Officers have now successfully re-housed the family temporarily, but the difficulty in doing so has caused significant delay to the project.

Directorate: Adult Social Care & Housing (HRA)	Approved Budget: £2,196,350
Project Title: General Refurbishment	Revised Budget: £1,883,050
	Variation: (£313,300)

### **Somerset & Wiltshire Structural Repairs (£283,300)**

This project is now subject to the planning process following the change in specification reported to Cabinet at quarter two. Consultation with leaseholders of Wiltshire House cannot progress, as the nature and scope of the project is entirely dependent on whether planning permission is granted.

Tenders are being sought from constructors, specifying them to price different options in order to commence the work as soon as possible, with mobilisation complete within this financial year, with works scheduled to start early in the 2009/10 financial year.

### **Window Installation £50,000**

Additional Decent Homes work has been identified that the contractors are able to resource and implement in this financial year. This draws forward £50,000 from the approved 2009/10 budget of £150,000.

### **Citywide Door Installation (£80,000)**

Following the statutory Fire Risk Assessments on common ways of blocks of flats, the planned programme for the citywide door replacements was altered to take into account fire risks in blocks, and mitigate those risks by prioritising these works. A change in the programme midway through has slowed the constructor, and delayed approximately 5% of work into 2009/10.

The remaining £1,460,050 of the two year programme is expected to complete within 2009/10



Directorate: Adult Social Care & Housing (HRA)	Approved Budget:	£154,000
Project Title: Housing ICT	Revised Budget:	£94,000
	Variation:	(£60,000)

At month 4, cabinet approved moving the majority of the Housing ICT budget into 2009/10 to align the ICT spend with the Housing Repairs Procurement Strategy.

The Procurement process for the new long term Repairs Maintenance and Refurbishment Strategic Partnership has taken longer than expected due to its complexity. This has impacted on the ICT strategy, and as a result a further £60,000 is requested to be moved into 2009/10 to assess system requirements in line with the expected contract award in summer 2009.

### Children & Young People Trust

Directorate: CYPT	Approved Budget:	£334,510
Project Title: Extended services	Revised Budget:	£73,000
	Variation:	(£261,510)

There are two reasons for the delay in Extended Schools capital. The majority of funding has been committed to a capital project at Queens Park School to enable out of school and holiday provision to be provided on the school site. The feasibility study identified that this would cost £365,000, and the proposal was for the project to span two financial years beginning in January 2009 and finishing by the end of May 2009. However, the recent extreme bad weather has slightly delayed the project so the majority of the work will take place next financial year. The budget for the Queen's Park project was made up of £150,000 from the 2008-9 budget and £215,000 from the 2009-10 budget. This has therefore caused the unavoidable delay in the commencement of the project requiring the carry forward of the funding.

In addition to this, two projects in the central area have been delayed, lighting at Downs Junior has been delayed because of planning problems, this had a budget of £10,000 and although £5,000 of this funding will be used on lighting projects at other schools in this financial year, £5,000 will need to be carried forward. In addition, a project renovating Turner Play base has been delayed due to problems identifying ownership of the building. The budget for this project is £50,000. A feasibility study has now been commissioned and we are now awaiting the outcome. However, the budget for this project work will need to be carried forward, as well as the contingency funding of £52,200.

The Queen's Park project will improve the service to parents and children as there is currently no afterschool or holiday scheme on site, as the current building is unsuitable without the capital works. A need has been demonstrated through consultation and at present those parents are being signposted to other services.

The Turner Playbase does need urgent building work and the provision of childcare services run from the setting is being affected by the current state of the premises, however we have been unable to proceed with the building plan this year without identifying who is responsible for the building. This has been raised with the relevant

Assistant Directors and the Head of Capital Strategy and Development Planning and a feasibility study has been commissioned.

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Directorate: CYPT	Approved Budget: £375,000
Project Title: Early Years Capital Grant	Revised Budget: £158,000
	Variation: (£217,000)

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There were five main elements to the funding: feasibility studies, grants for improvements to buildings and adaptations for children with disabilities, equipment grants and an extension to Peter Gladwin School to house a playgroup. It is expected that the equipment grant funding will be spent this financial year.

Feasibility studies have taken longer to complete than expected. External surveyors have needed to be used because of the large amount of work involved. In addition, it has been decided to complete as many feasibility studies as possible so that informed decisions can be made about priorities for the future.

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Directorate: CYPT	Approved Budget: £216,000
Project Title: Children's Centres	Revised Budget: £20,000
	Variation: (£196,000)

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There were three main elements to the funding: buggy parks, planned maintenance and minor adaptations and creating and equipping outside areas. It is now likely that only one of the buggy parks will go ahead following local consultation. Feasibility studies for both the planned maintenance and outside areas have taken longer than expected to complete which has meant that work will not be completed this financial year.

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Directorate: CYPT	Approved Budget: £2,749,330
Project Title: Devolved capital	Revised Budget: £3,512,770
	Variation: £763,440

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Devolved Formula Capital is a financial resource that is devolved to schools by the Local Authority. Schools have the option to accrue the money for a maximum of 3 years. However, accrued funds are normally retained by the Local Authority. The current projected outturn figures represent the amount schools are anticipated to request by the end of the financial year. Should any school projects run faster than anticipated, funding would have to be made available.

**Environment**

Directorate: Environment	Approved Budget: £75,000
Project Title: Downland Initiative	Revised Budget: £ nil
	Variation: (£75,000)

LDF delayed, which includes proposals for a Green Network (beyond council control?). Downland Initiative delayed due to focus on successfully securing LEADER European funding (beyond council control). Open Spaces Strategy nearing completion (council control). Key farm tenancies expire in 2009 & 2010 providing opportunities to secure strategic Green Networks (beyond council control). BHCC / National Trust / Sussex Wildlife Trust / South Downs Joint Committee partnership project at Ditchling Beacon has been delayed (beyond council control).

Directorate: Environment	Approved Budget: £2,000,000
Project Title: Ex leased Car Parks	Revised Budget: £1,383,600
	Variation: (£616,400)

Complex negotiations relating to the ex-leased car parks have delayed the project. The will be re-profiled into 2009/10 and used for refurbishment.

Directorate: Environment	Approved Budget: £1,000,000
Project Title: Sustainable Transport (King Alfred)	Revised Budget: £ nil
	Variation: (£1,000,000)

The budget of £1,000,000 relating to sustainable transport connected with the King Alfred development will be re-profiled into 2009/10 following the withdrawal of private finance of the scheme.

**Strategy & Governance**

Directorate: Strategy & Governance	Approved Budget: £910,000
Project Title: Human Resources System	Revised Budget: £110,000
	Variation: (£800,000)

On 15 January 2009, a report to seek the award of the contract for the provision of an integrated HR/Payroll Management Information System were presented to Cabinet. It is expected that £60,000 legal costs and £50,000 costs incurred in letting the contract will be spent in 2008/09 but due to a delay in appointing the project manager £800,000 of this year's allocation needs to move forward into 2009/10.

