

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 refurbishment	838
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