

Capital Programme 2010/2011

Environmental, Protective, and Cultural Services (Other Services)

1. Introduction

1.1 Consideration has been given to the overall resource position facing the Council in respect of the Environmental, Protective and Cultural Services (Other Services Block), after taking account of the need to fund one off revenue spending pressures and also:

- the budget position of the Council following the Revenue Support Grant settlement for 2010/2011 and the outlook for the medium term;
- the need to provide for commitments arising from the 2009/2010 capital programme and variations thereto; and,
- the requirement to provide resources to address various spending pressures linked to strategic priorities;

resources have been identified for proposed new starts in the 2010/2011 capital programme.

2. Resources

2.1 Capital Receipts

The impact of the credit crunch has seen both a significant drop in the market price of developable land, and a withdrawal of market interest in purchasing new land sites. To mitigate this impact the Council has temporarily funded the gap in the funding of the capital programme by utilising earmarked sums within the Strategic Investment Reserve, and has adopted an approach of progressively earmarking resources as part of the final accounts and budget processes to gradually meet the gap in financing the capital programme.

It is intended to continue to seek to address the funding shortfall as the opportunity arises including through capital receipts as these are realised and as other funding opportunities become available.

In line with previous decisions of Cabinet, the position in relation to marketing of sites will be kept under review and sites marketed when appropriate.

2.2 Revenue Budget Savings

In assessing the overall resources available an assessment has been made of the savings which will accrue from a range of sources, including through additional contingency savings, interest and debt

charge savings and allocation of existing budgets for 2009/2010. It is proposed that a sum of £8.192 million will be used from these sources to support the capital programme for 2010/2011.

3. Proposed New Starts

3.1 After taking account of the commitments arising from the 2009/2010 and previous years capital programmes, resources are available to resource the following main schemes / projects at this stage. Schemes / projects are at various stages of development and subject to other processes e.g. external and other funding has yet to be confirmed for some projects, and these schemes / projects will therefore be brought forward for detailed approval when appropriate.

3.2 Blue Bin Recycling Scheme - £300,000

The Council is introducing a new kerbside collection scheme for recyclable materials. A total of £2.400 million has been allocated towards this scheme for the purchase of bins, however provision is required for a further £0.300 million following receipt of tenders and to make some allowance for lost bins in the early years of operating the revised collection arrangements.

3.3 Disabled Facilities Grants - £570,000

Disabled Facilities Grants, to support access within the home, amounting to £0.570 million are committed from the Council's revenue funding on an annual basis in addition to specific capital grants and supported borrowing allocations received each year.

3.4 Football Facilities Investment - £1,700,000

The Football Investment Strategy, presented to Cabinet on 13th January 2010, set out a clear 'vision' for football facilities and the 'player development pathway' in Sunderland, across public, private and school based provision. It established a clear approach to the level of provision including the implementation of local standards for playing fields and ancillary facilities. The Football Investment Strategy provides a framework from which to guide future investment, resources and subsequently increase satisfaction with, and participation in, football and physical activity in the city.

In order to implement the Football Investment Strategy, a £0.700 million Council capital allocation has been provided for from the funding allocated to fund the Strategic Investment Plan to match £1.000 million of 'in principle' funds from the Football Foundation.

3.5 Central Car Park - £1,400,000

On 9th September 2009, Cabinet approved the award of a contract for the demolition of the car park to levels A and B, retaining an operational indoor market throughout and after the works at an estimated scheme cost of £2.900 million. Cabinet recommended approval was given to a commitment of £1.400 million against

2010/2011 capital resources to add to the provision made in the 2009/2010 capital programme of £1.500 million.

3.6 Economic Development Block Provision - £800,000

The proposal seeks to continue the policy of providing funding for a range of capital projects and job creation and retention initiatives that support economic development and regeneration objectives in the city. The fund provides a resource to deal with unforeseen demands. It covers both strategic investments in infrastructure and facilities for business and direct support to business growth and investment activities.

3.7 Economic Development Support Provision - £3,000,000

Funding has been earmarked to support major economic development initiatives in conjunction with other bodies, including the Regional Development Agency, the government and the private sector. Further details will be submitted to Cabinet with the definitive proposals.

3.8 Strategic Land Acquisition - £4,000,000

It is proposed to earmark resources to support opportunity acquisitions of land and buildings assets in accordance with the recently agreed Land Acquisition Policy. It is proposed that this is funded from prudential borrowing where one-off resources are unavailable.

3.9 Seafront - £1,848,000

The Council has been successful in bidding for £1.000 million CABE Sea Change funding to refurbish and remodel Marine Walk at Roker. This followed extensive public consultation on the Seafront Strategy. The grant award requires matched funding of £0.500 million. In addition funding is provisionally earmarked as follows:

- £168,000 contributions from Area Committees to address public realm improvements at the seafront at Seaburn
- £120,000 is available from the 2008/2009 Highways Maintenance Budget.
- £60,000 is anticipated to be available from capital receipts associated with this scheme.

It is proposed to utilise these sums to refurbish and enhance the facilities of the Seafront Toilets. In addition, an ongoing revenue budget provision of £12,000 has been made to secure the opening of the Seafront toilets on a year round basis.

3.10 Houghton Primary Care Centre - £2,400,000

This project will provide a physical link with Houghton Sports Centre and a new build Wellness Centre, café and support facilities. Total capital development cost for the project is estimated to be £21.653 million. It is proposed that the Council contribute £2.400 million resources towards this project (£2.000 million from resources available to finance new starts in 2010/2011 and £0.400 million from prudential borrowing in 2011/2012). The prudential borrowing will be funded on an 'invest to save' basis through increased leisure income.

3.11 City Centre Customer Service Centre - £150,000

The proposed project for the further development of the Civic Centre Customer Service Centre reception for visitors is aimed at rationalising the existing customer service facilities at the civic centre, provide a better utilisation of staff resource, increasing the security for staff working at Civic Centre complex, and improve customer, staff and Member satisfaction.

3.12 Automated Court Bundle System - £30,000

Currently the production of court bundles is completed manually for delivery to judges, courts, barristers and other parties. These typically can run to hundreds of pages. An electronic system will allow all case documents to be scanned, securely stored, ordered, paginated and updated as cases progress. Moving from a manual to an electronic system will allow for more efficient and effective use of staff time in bundle preparation and provision, and in accessing archived cases and will substantially reduce future storage requirements. At this stage, pending an evaluation of the efficiency savings arising, it is proposed to earmark the sum of £30,000. It is anticipated that this will be funded on an 'invest to save' basis with a limited payback period.

3.13 City Centre - £1,000,000

It is proposed to continue to provide a sum of £1.000 million to support projects to generate outputs and outcomes quickly and clearly demonstrate the Council's support for the growth and vitality of the City Centre and the businesses that operate within it.

Proposed schemes will be brought forward for 2010/2011 with the aim being to meet the objectives of;

- growing the city centre economy with the underlying objective of creating more jobs and improving the offer to Sunderland residents and visitors;
- demonstrating our commitment to the public realm and the environment within the city centre to grow and develop the business community's confidence and encourage private sector investment in the city centre;
- increase the number of users and visitors to the city centre with a view to increasing spend in the city centre increase the profitability of businesses based in the city centre which should lead to expansion of existing businesses.

Whilst no definitive proposals are made as part of this report, proposals will be brought forward over the next couple of months and are likely to include:

- Festivals and Events;
- Street Scene Improvements;
- Marketing and Promotion;
- Business Support.

An evaluation is currently being undertaken of the projects which have been delivered this year and this will be used to inform any proposals for a programme of projects to be delivered during 2010/2011.

3.14 CISCO Call Manager System Replacement - £491,000

The current CISCO telephony system was installed six years ago. The data network underpinning the system is becoming unreliable and requires replacement to allow integration with the Council VOIP system and to enable efficiencies through better use of more up to date telephony solutions, economies of scale and reduced maintenance costs.

3.15 Other Issues

Resources have been provisionally allocated as a capital contingency to schemes relating to a number of outline infrastructure schemes which it is intended, will be brought forward on an invest to save or income generating basis, and where external and other funding remains to be confirmed. With regard to the invest to save and income generating schemes, it is anticipated that funding for these schemes will be met through prudential borrowing, subject to the consideration of the individual business cases.

3.16 In considering this area of the programme, the latest allocations of Single Programme funding for specific schemes have been incorporated. Taking account of the latest revised allocations of funding from the government, and the latest guidance from government regarding the determination of priorities, the Regional Development Agency has confirmed its intentions to fund specific schemes up to the end of 2010/2011. This has resulted in some schemes being ineligible for funding, including the Cultural Interpretation Centre Scheme. Accordingly a review is being undertaken, taking account of the objectives of the scheme, so that a revised proposal, or proposals can be brought forward for inclusion in the capital programme.