



Leicester
City Council

Overview Management Board
Cabinet
Council

13 March 2008
17 March 2008
27 March 2008

Capital Programme – Overall Strategy

Report of the Chief Finance Officer

1. Introduction

- 1.1 The purpose of this report is to describe the approach to planning the corporate, transport and children's capital programmes.

2. Summary

- 2.1 The capital programme is divided into four elements:

- (a) A **transport** programme, which delivers the local transport plan;
- (b) A **housing** programme;
- (c) A **children's services** programme, which principally covers spending on schools, and children's centres;
- (d) A **corporate** programme, covering all other services.

- 2.2 This four-fold division is a result of government policy, and substantial government expectations that capital monies are ringfenced for specific purposes. Whilst this means that individual elements of the programme are, of necessity, planned on a departmental basis, it is still essential that we look strategically at the capital programme as a whole. This will enable us to use all our resources to best effect.

- 2.3 The Council's priorities for its capital programmes flow from the draft 25 year vision for Leicester, which is currently the subject of consultation; and the approved 3 year financial strategy which supports it. The 25 year vision has, at its core, four priorities:

- (a) **Great People** – a caring city where people feel safe and at home;
- (b) **New Prosperity** – a prosperous city where everyone meets their potential;
- (c) **Beautiful place** - a beautiful, quiet, clean and green city;
- (d) **Quality Services** – which promote equality and accessibility.

- 2.4 These priorities support an overall aim for Leicester to become Britain's most sustainable city.

- 2.5 The housing programme was approved by the Council in January. It is substantially targeted at achieving the key financial priority of improving the standard of decency of houses in the city. This is one of the financial commitments made under the “great people” theme.
- 2.6 Other key priorities for capital in the Council’s financial strategy are:
- (a) Improving our schools and colleges, with particular reference to Building Schools for the Future;
 - (b) The development of choice based provision for the elderly, including extra care;
 - (c) Physical regeneration of the city centre;
 - (d) (As a longer term aim) improving transport connectivity and city gateways;
 - (e) (As a longer term aim) complementing existing investment resources to transform services to the public.
- 2.7 Additionally, the financial strategy anticipates that capital resources will assist in the delivery of statutory needs and national expectations. The full financial strategy is attached as Appendix One (pink).
- 2.8 To enable capital resources to be used as effectively as possible in support of the 25 year vision, the following process has been followed in the preparation of the three programmes:
- (a) Work which clearly meets the aims of the financial strategy and needs early commitment is proposed for approval now;
 - (b) The balance of resource has been held back pending completion of the corporate plan. Once the plan is complete, further work will take place to consider how our capital resources can best be used to achieve it. This work will include consultation with our partners on Leicester Partnership.
- 2.9 In the case of the children’s programme, there is a further reason for this approach: the government is expecting the Council to resubmit its strategic plan for BSF, and to submit a new strategic plan for primary schools. Substantial resources hinge on these plans, which we will wish to prepare in parallel with the corporate plan. In the case of primary school capital, this includes an anticipated £12m of new money from 2009/10 to 2010/11.
- 2.10 Attached to this summary report, therefore, are three further reports for Members approval:
- (a) The proposed corporate programme at Appendix Two (blue);
 - (b) The proposed transport programme at Appendix Three (green);
 - (c) The proposed children and young peoples services programme at appendix Four (yellow).
- 2.11 Between them, these programmes will commit the following resources, and leave the following amounts uncommitted:

	<u>Resources Committed</u>	<u>Uncommitted Balance for subsequent Review</u>	
	£m	£m	
Corporate programme	16.1	11.9	(to 11/12)
Transport programme	16.9	7.6	(to 10/11)
Childrens and Young People's programme	14.2	42.8	(to 10/11)
Total	<u>47.2</u>	<u>62.3</u>	

- 2.12 Work will take place to programme the uncommitted balance in the Spring.
- 2.13 It is important to note that there are significant demands against the uncommitted balance, and the forthcoming review does not start with a clean sheet. In particular:
- (a) significant elements of the uncommitted children's services programme (around two thirds) is ringfenced;
 - (b) review of the allocation of transport resources has to have cognisance of the need to deliver the LTP, which is an existing, statutory plan;
 - (c) bids for corporate capital resources exceeded the amount available by a factor of 5 to 1.

3. Recommendations

- 3.1 Recommendations are included in the three reports attached.
- 3.2 The Cabinet is also asked to note the "prudential indicators", which were agreed as part of the revenue budget in February, and demonstrate that the programme is affordable and prudent. The indicators are attached as Appendix Five (orange).

4. Financial and Legal Implications

- 4.1 These are included within the reports themselves.

Mark Noble
Chief Finance Officer
Extn: 297401

& Steve Charlesworth
Head of Strategy & Development
Extn: 297495

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