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SHROPSHIRE COUNCIL CAPITAL PROGRAMME 2010/11 TO 2014/15

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Summary

This report sets out the proposed Shropshire Council Capital Programme for 2010/11 to 2014/15. For 2009/10 the Council's capital programme principally represented a holding position from existing scheme allocations inherited from the six constituent authorities. A number of these schemes are ambitious, large scale schemes such as the new William Brookes School, the new leisure centre for Oswestry and the Shrewsbury Music Hall redevelopment. Such schemes are underway and take more than one financial year to deliver. The Council has now produced a new capital programme for 2010/11 to 2014/15. This includes both the existing capital budgets for 2010/11 and 2011/12 inherited from the previous authorities together with new capital allocations and proposed schemes for 2010/11 to 2014/15.

The proposed Shropshire Council Capital Programme 2010/11 to 2014/15 comprises five elements.

Firstly the existing approved Capital Programme for 2010/11 to 2014/15 as per the quarter three 2009/10 Capital Monitoring report. This consists of previously approved schemes from the six constituent authorities and previously confirmed grant funding allocations, mainly in relation to schools, highways, transport and housing.

Secondly, as funding allocations have not been confirmed beyond 2010/11, assumptions have been made as to what capital allocations the Council will receive for the four years to 2014/15. As the government has made no firm announcements on this, assumptions are based on the most up to date information available at this time and are subject to future variations. If, when confirmed future year's allocations are lower than currently projected we will need to manage within the resources made available.

The third element of the proposed programme is a range of energy saving and carbon reduction schemes. This is an extensive programme of schemes which will generate carbon reductions and ongoing energy savings. These schemes are financed from existing capital budgets together with proposed short term prudential borrowing, which will be repaid from the financial savings generated by the schemes.

The fourth element relates to schemes that Directorates wish to bring forward in the period 2010/11 to 2014/15 that will require to be funded either entirely from Shropshire Council resources or part funding as match to external funds that will be received. As the Council has no available internal resources to finance capital projects we would need to enter into prudential borrowing to finance these schemes. The proposed revenue budget for 2010/11 already includes sufficient revenue to cover the debt charges associated with up to £20m of prudential borrowing included in the first two years of the Capital Programme.

The fifth section are landmark schemes which are included as appendices to the Capital Programme subject to confirmation of external funding. These landmark projects are included in the Capital Programme, but the Council will only be able to proceed with these schemes if additional external funding is confirmed to fund these landmark projects.

The Capital Programme includes a number of schemes which would deliver a number of outcomes for the Council, these include:

- A programme to bring empty homes back into use – saving the need to build new homes to reduce the waiting list and address homelessness.
- Progress towards meeting Decent Homes Standards in Oswestry and Bridgnorth – creating an opportunity for a successful transfer saving the leakage of £4.5m in negative housing subsidy from the Shropshire area.
- The Opportunity to build 3 new primary schools and facilitate organisational change.
- A (limited) amount of funding to improve leisure provision and respond to the Leisure Facilities Strategy.
- The maintenance of a programme of Disabled Facilities Grants – Saving the cost of residential care and enabling people to live longer in their own homes.
- The management of the worst flood and surface water drainage problems - saving Highways maintenance cost and damage to property.
- Support for the delivery of “Shrewsbury Vision”.
- A programme of economic development projects.
- A series of projects for Market Town Improvements.
- Provision of a new Children's Home – saving Out of County placements.

The key changes since the report to Cabinet 3rd February 2010 are:

- The £2,249,000 allocated under the list of carbon efficiency projects funded from prudential borrowing for the purchase of 13 low floor buses and conversion to compressed natural gas has been replaced by a budget of £1.2m for the Ludlow Transport Hub and £1,049,000 for transport initiatives.
- An additional £1.25m in revenue funding has been included in the CYPS budget from a new Schools Carbon Efficiency Fund from school balances, as approved by the Schools Forum. This has been profiled £555,000 in 2010/11 and £700,000 in 2011/12.
- The inclusion of additional revenue funding in the LTP budget of £50,000 per annum for conversion of streetlights and £125,000 per annum for replacement of lighting columns, as part of the Carbon Efficiency Projects.
- The inclusion of additional specific grants for carbon efficiency projects.

Recommendations

Members are asked to:

- A. To approve the 2010/11 capital budget of £124,048,159 detailed in appendix 4 to this report.
- B. To approve of the use of prudential borrowing to fund schemes totalling £47.1m in the period 2010/11 to 2014/15.
- C. To approve of the list of energy saving and carbon reduction schemes with 'pay back' periods of 2 to 5 years, proposed to be financed from existing budgets and £6.4m in short term prudential borrowing.
- D. In accordance with the Regulations, to approve a Capital Allowance of £1 million for both 2009/10 and for 2010/11 so as to allow the Council to retain in full capital receipts received from the disposal of Housing Revenue Account (HRA) assets (excluding Right to Buy sales). Furthermore, that the capital receipts from such sales are reserved for expenditure on the Council's housing stock.
- E. To note the estimated additional £234.2m that will be made available to the Council for capital purposes in the period 2010/11 to 2014/15 through Central Government Grants, Supported Borrowing and revenue contributions to capital for schools, highways, transport and housing.
- F. To note the landmark schemes which are included as an appendix to the Capital Programme that are subject to the attraction of external funding.
- G. To note the provisional capital budgets for 2011/12 (£70,774,347) and 2012/13 (£53,104,281).

Report

Background

1. The Implementation Executive approved the Shropshire Council Capital Programme 2009/10 to 2011/12 in February 2009. This capital programme principally represented a holding position and comprised the previously approved capital programmes of the six processor authorities. The capital programme has since been adjusted as a result of slippage from the 2008/09 capital programmes of the six constituent authorities reported by each predecessor authority in their Final Accounts.
2. As a new Council we are now in a position to form a five year Capital Programme covering the period 2010/11 to 2014/15.
3. This report presents to Members the proposed Shropshire Council Capital Programme 2010/11 to 2014/15, comprising the following five elements:
 - The existing Approved Capital Budget set out in the quarter three 2009/10 Capital Monitoring report, approved by Cabinet in January (see appendix 1).

- Projected new allocations of Central Government grant for 2010/11 to 2014/15, principally schools, highways, transport and housing (see appendix 1).
- Energy saving and carbon reduction schemes developed as part of the Council's Carbon Management Plan that have 'payback' periods of 2 to 5 years (see appendix 2).
- New schemes to be financed from Prudential Borrowing (see appendix 3).
- Landmark schemes, which are included subject to confirmation of significant levels of external funding (see appendix 3).

Shropshire Council Capital Programme Summary 2010/11

4. The total capital budget by directorate and individual schemes for 2010/11 to 2012/13 is detailed in appendix 4; this comprises the information contained in the following sections of this report and will be the information contained in the 2010/11 budget book. For convenience, a summary of the proposed capital budget for 2010/11 by Directorate is set out below:

Directorate	Original budget 2009/10 Budget Book (£)	Reported budget changes (£)	Approved Budget Q3 report 2009/10 (£)	Additional budget changes (£)	Revised budget 2010/11 Budget Book (£)
Community services	21,479,709	9,470,363	30,950,072	(3,125,068)	27,825,004
Children & Young People's Services	45,113,646	2,827,361	47,941,007	3,633,507	51,574,514
Development Services – Non LTP	6,363,580	9,172,845	15,536,425	4,630,000	20,166,425
Development Services – LTP	25,601,369	(3,640,020)	21,961,349	(375,000)	21,586,349
Resources, legal & democratic services	156,767	1,045,000	1,201,767	1,694,100	2,895,867
Total Budget for Approval	98,715,071	18,875,549	117,590,620	6,457,539	124,048,159

Existing approved Capital Programme 2010/11 to 2014/15

5. The Shropshire Council Capital Programme 2009/10 to 2011/12 report approved by the Implementation Executive in February 2009 included budget of £98.7m for 2010/11 and £8m for 2011/12. These budgets have since increased as a result of additional budget allocations and re-profiling of budgets from 2009/10 on the basis of revised expenditure projections.
6. The approved capital programme (as at quarter three 2009/10) for the years 2010/11 onwards is detailed in appendix 1 to this report. For convenience a summary of the approved budgets by Directorate is set out below:

Directorate	Approved Budget 2010/11 £	Approved Budget 2011/12 £	Approved Budget 2012/13 £
Community Services	30,950,072	6,144,000	0
Children & Young People's Services	47,941,007	0	0
Development Services – Non LTP	15,536,425	3,265,000	1,009,204
Development Services – LTP	21,961,349	160,000	0
Resources, Legal & Democratic & Chief Executive	1,201,767	0	0
Total	117,590,620	9,569,000	1,009,204

7. The budget for 2010/11 principally consists of the main areas of responsibility for which supported capital borrowing approvals and capital grants are received, being for schools, highways, transport and housing. Ordinarily, capital allocations for these areas are announced by the Government on a three year basis, with 2010/11 the final year of the present allocations. There are also a number of significant ongoing schemes mainly financed from internal resources, including the Shrewsbury Music Hall, Oswald Park Leisure Centre, the Economic Development Programme, the Growth Point Programme and the Affordable Housing Programme. Details of the approved programme by Directorate are provided below.

Community Services

8. Community Services has an approved capital budget for 2010/11 budget of £30.9m and 2011/12 of £6.1m as at quarter three 2009/10. A summary by service area is set out in the table below:

Community Services	Approved Budget 2010/11 £	Approved Budget 2011/12 £
Social Services	456,000	
Adults with Learning Difficulties	82,000	
Heritage Services	5,622,000	4,500,000
Library Services	563,880	
Countryside Services/Project Management	418,421	230,000
Grants	750,000	550,000
Support Services	388,709	140,000
Leisure & Recreation	8,468,542	
Private Sector Housing	3,777,560	724,000
Housing Major Repairs Programme	10,422,960	
Total	30,950,072	6,144,000

9. The most significant areas in the 2010/11 Community Services capital budget is the Housing major repairs programme of £10.4 million. The Council receives an annual allocation of approximately £2.6m for this programme. For 2010/11 this has been supplemented by the use of carried forward allocations from previous years and an additional £4m in capital receipts. This is required to ensure that all the council housing properties meet the Decent Homes Standard required by the Government. Please note this is to be partly re-profiled to 2011/12, following the finalisation of the programme that will be delivered in 2010/11 (see below).

10. The Private Sector Housing programme consists of new grant allocations for Disabled Facilities Grants (£1m), Regional Housing Pot (£800,000) and Kick Start Local Delivery Plan grant (£600,000). The 2010/11 budget for the Private Sector Housing programme also includes £1.4m in allocations brought forward from previous years thereby increasing the programme to £3.8m in total.
11. The Leisure budget of £8.5m consists of £4.5m for the continuing construction of Oswald Park Lifestyle Centre, £2m for Sports and Leisure Development and £600,000 for the second year's allocation of Play Builder grant from DCSF to provide further new playground facilities across Shropshire. In addition there are a number of smaller schemes which have been re-profiled from 2009/10.
12. The Heritage Services budget mainly relates to the redevelopment of the Shrewsbury Music Hall site into an integrated visitor centre, with £4.5m allocated in both 2010/11 and 2011/12. £1m is also allocated for improvements to Rowley's House and the remaining budget £120,000 relates to completion of 2009/10 schemes. The Library budget of £560,000 relates to the completion of Cleobury Resource Centre for which work commenced in 2009/10. This facility will provide conference/learning space for the community and students, a community library, a customer first point, IT drop-in facilities, and serviced office accommodation for start up businesses.
13. Other significant budgets include the ongoing grant allocation for Adult Social Services (£450,000) which will be allocated to specific schemes in year. Countryside Services (£420,000) includes allocations for Bridges on the Rights of Way Network and Safety Works. Under Grants there is a new allocation of £500,000 for Community Grants (in addition to £200,000 brought forward from 2009/10) and £50,000 in Village Hall Grants. The Support Services budget includes allocations for Minor Works (£80,000) and Health & Safety Works (£60,000), together with the ongoing Improving Information Grant (£250,000).

Children & Young People's Services

14. The Children & Young People's Services approved 2010/11 capital budget as at quarter three 2009/10 is £47.9m. A summary by service area is set out in the table below:

Children & Young People's Services	Approved Budget 2010/11 £
Primary Schools	461,600
School Amalgamations	15,136,568
Secondary Schools	9,764,194
14-19 Special Education	4,639,715
Targeted Capital for School Kitchens & Dining Facilities	198,569
Special Education	1,909,514
Other – Youth Capital Fund/Myplace	411,000
Early Years	2,250,290
Harnessing Technology	3,073,647
Asset Management Plan	1,577,998
Devolved Formula Capital (spent directly by schools)	8,517,912
Total	47,941,007

15. The Children & Young People's Services programme is in the final year of the three year allocation from DCSF. The most significant budget is the School Amalgamations budget of £15.1m. This covers works on the seven school amalgamation projects for which design and early works are being undertaken in 2009/10. The new facilities are intended to be completed by July 2011 and are financed primarily by Primary Capital Programme Grant, together with other specific grants and Prudential Borrowing.
16. The major scheme within the Secondary Schools Programme is the continuing William Brookes School renewal. This scheme has a 2010/11 budget of £8.2m with the majority of works scheduled to be completed in 2010/11. The remaining Secondary budgets relate to ongoing schemes in the 2009/10 programme and allocations for the refurbishment of specialist and temporary accommodation.
17. The 14-19 Special Education budget of £4.6m provides for the second year of the Targeted Capital Funds for 14-19 Diplomas. A number of schemes have been delivered in 2009/10 and a programme is being finalised for delivery in 2010/11. This includes significant schemes for Bridgnorth and Craven Arms, together with a number of smaller schemes across the County
18. The Targeted Capital for School Kitchens & Dining Facilities budget (£200,000) is the second year of grant funding from DCSF, aimed at improving school lunch take up in schools across the County. The grant will be allocated to specific schemes in year and match funded on a 50% basis from within existing Devolved Formula Capital and revenue resources.
19. The special education 2010/11 budget of £1.9m is used both to provide access and facilities for pupils with Special Education Needs when they join new schools and for the Lakeland Inclusion scheme which commenced in 2009/10.
20. The Youth Fund with a 2010/11 budget of £124,000 and the Co-Location budget of £287,000 comprise the 'Other' element of the capital budget and will

be used to provide new youth facilities in Oswestry and Shrewsbury as part of the Myplace scheme.

21. The Early Years 2010/11 capital budget comprises of four significant grant allocations: Early Years and Childcare (£1.1m), Children's Centre Phase 3 (£628,000), Short Breaks (£278,000) and the Extended Schools Capital Programme (£266,000). These budgets will be allocated to specific schemes in 2010/11, reported through the quarterly capital monitoring reports.
22. The Harnessing Technology 2010/11 budget relates to the Harnessing Technology grant of £3.1m, which is used for schools IT infrastructure.
23. The Asset Management 2010/11 capital budget of £1.6m includes £900,000 for Asset Management Plan costs, £400,000 as contingency for the main programme and £250,000 for Property Client costs.
24. The Devolved Formula Capital budget of £8.5m is controlled by schools. In general schools use this funding for a variety of small and medium projects, procuring IT equipment and as a contribution to larger capital schemes.

Development Services – Non Local Transport Plan

25. The 2010/11 approved capital budget for the Development Services Non LTP programme as at quarter three 2009/10 is £15.5m for 2010/11, £3.3m for 2011/12 and £1m 2012/13. A summary by service area is set out in the table below:

Development Services – Non Local Transport Plan	Approved Budget 2010/11	Approved Budget 2011/12	Approved Budget 2012/13
	£	£	£
Waste Management	325,000	0	0
Economic Development	1,993,756	0	0
Depots	563,603	0	0
Project Management	4,670,020	440,000	0
Environment	620,000	0	0
Affordable Housing Schemes	2,644,116	2,000,000	0
Growth Points	4,719,930	825,000	1,009,204
Total	15,536,425	3,265,000	1,009,204

26. The 2010/11 Development Services Non LTP programme includes a large number of ongoing schemes from previous years. This reflects the large scale of the schemes in the non LTP programme.
27. The Waste Management budget (£325,000) will fund the In Vessel Composting Facility. A suitable site for this has been identified; negotiations are taking place with completion expected in 2010/11.
28. The Economic Development programme (£2m) includes £600,000 for the rolling fund, £740,000 as a contribution to the Ellesmere Business Park, this scheme will require additional funding to enable the scheme to proceed and other smaller budgets in relation to completion of schemes at Tern Valley Business Park and the Food Enterprise Centre.

29. The Highways Depot budget of £560,000 is to provide for a replacement depot in the north of the County.
30. The project management budget of £4.7m 2010/11 and £440,000 2011/12 principally relates to four main schemes to be delivered across the next two years. These are the Market Drayton Inner Relief Road; Whitburn Street and Northgate Enhancement, Bridgnorth; Shrewsbury West End Road Improvements and Wem Town Square.
31. The Affordable Housing budget (£2.6m 2010/11 and £2m 2011/12) will fund a number of schemes instigated by the previous District Authorities. The largest allocation was from North Shropshire, with £1m allocated in 2010/11 and £2m in 2011/12, this was allocated from the capital receipts generated by NSDC from their council house stock transfer. This will deliver a number of separate schemes, including contributions to affordable housing developments, North Shropshire Empty Property Strategy and a rural rehabilitation programme for empty properties. £1m is also allocated as a rolling fund for affordable housing schemes in Shrewsbury. Where possible affordable housing budgets will be supplemented through the use of Section 106 contributions and funding available from the Homes and Communities Agency. Budgets will be allocated to specific schemes, reported through the quarterly capital monitoring reports.
32. The Growth Point budget has been re-profiled over the next three years, with budgets of £4.7m in 2010/11, £825,000 in 2011/12 and £1m in 2012/13. The main area in the programme is a contribution to the proposed landmark scheme for the Flaxmill development, the full funding for which is largely to be generated from future bids to external agencies, including Advantage West Midlands, EU funds and the Homes and Communities Agency.

Development Services – Local Transport Plan

33. The 2010/11 approved capital budget for the Development Services LTP programme as at quarter three 2009/10 is £22m for 2010/11 and £160,000 for 2011/12. A summary by service area is set out in the table below:

Development Services – Local Transport Plan	Approved Budget 2010/11 (£)	Approved Budget 2011/12 (£)
Major Schemes	600,000	
Structural Maintenance of Bridges	2,000,000	
Structural Maintenance of Roads	15,779,000	
Local Transport Plan – Integrated Transport Plan:		
Passenger Transport	409,000	
Cycling	874,000	160,000
Traffic Management	250,000	
Pedestrian & Mobility	584,000	
Safety & Speed Management	275,000	
Environment Quality & Regeneration	432,000	
Parking & Congestion	208,000	
School Travel	294,000	
Other – Awareness/Monitoring	100,000	
Road Safety Grant	156,349	
Total	21,961,349	160,000

34. The LTP programme for 2010/11 is in the final year of its three year allocation. The 2010/11 allocation is provisionally allocated in accordance with the Local Transport Plan Capital Programme 2009/10 to 2010/11 report, presented to the Implementation Executive March 2009. This will be subject to review, with an updated report to be presented to Cabinet in March 2010. The programme is mostly financed by Supported Capital Expenditure and specific government grant. The programme is also topped up with capital receipts and a revenue contribution to capital.

Resources, Chief Executives and Legal & Democratic Services

35. The 2010/11 Resources, Chief Executives and Legal & Democratic Services approved budget as at quarter three 2009/10 is £1.2m. A summary by service area is set out in the table below:

Resources, Chief Executives and Legal & Democratic Services	Approved Budget 2010/11 £
Property Services	1,077,000
Shropshire Partnership (Safer Stronger Community Fund)	106,767
Markets	18,000
Total	1,201,767

36. The approved 2010/11 Resources, Chief Executives and Legal & Democratic Services budget relates to Property Services allocations for Disabilities Discrimination Act work , Property Works and Energy Conservation Works. The energy conservation works are for Shirehall boiler and lighting upgrades and are financed from an interest free loan from Salix as part of the Carbon Management Plan. This interest free loan will be repaid from the ongoing revenue savings from the schemes.
37. The Shropshire Partnership scheme is a grant allocation from the Home Office Safer Stronger Communities Fund.

Projected new allocations of Central Government Grant and re-profiling 2010/11 to 2014/15

38. The main service areas for which the Council receives supported capital borrowing allocations are schools, highways, transport and housing. The current allocations were awarded on a three years basis, and 2010/11 is the final year of those allocations. The Council has not yet received notification of new allocations for 2011/12 onwards and no announcement appears to be imminent. Based on the most up to date information available we have estimated the additional capital allocations for 2010/11 to 2014/15. Appendix one details the projected future years' allocations for 2010/11 to 2014/15. For convenience a summary of the projected resources is set out below, this also includes any proposed re-profiling between financial years.

Directorate	Projected Additional Resources 2010/11 £	Projected Additional Resources 2011/12 £	Projected Additional Resources 2012/13 £	Projected Additional Resources 2013/14 £	Projected Additional Resources 2014/15 £
Community Services	(5,423,068)*	9,909,580	5,188,310	5,188,310	5,188,310
Children & Young People's Services	2,883,507	14,800,000	12,900,000	52,900,000	52,900,000
Development Services – Non LTP	0	0	0	0	0
Development Services – LTP	(600,000)**	18,908,000	19,267,000	19,632,000	20,004,000
Resources, Legal & Democratic & Chief Executive	(235,900)**	196,767	196,767	196,767	196,767
Total	(3,375,461)	43,814,347	37,552,077	77,917,077	78,289,077

*Relates to re-profiling to future years.

** Relates to reduction in scheme.

39. Details of projections by Directorate and the basis of these projections are provided below.

Community Services

40. Community Services allocations are based on anticipated future years allocations of Private Sector Housing grants and Major Repairs Allowance for the Council Housing programme. Grant allocations are currently included for 2010/11; projected allocations for future years are as set out in the table below:

Community Services	Projected Allocation 2010/11 £	Projected Allocation 2011/12 £	Projected Allocation 2012/13 £	Projected Allocation 2013/14 £	Projected Allocation 2014/15 £
Leisure & Recreation	(108)	0	0	0	0
Private Sector Housing					
Disabled Facilities Grants	0	1,042,000	1,042,000	1,042,000	1,042,000
Regional Housing Pot	0	832,000	832,000	832,000	832,000
Kick Start	0	0	730,000	730,000	730,000
Housing Major Repairs					
Major Repairs Allowance	28,310	2,584,310	2,584,310	2,584,310	2,584,310
Major Repairs Allowance – re-profiling of funding	(5,451,270)	5,451,270			
Total	(5,423,068)	9,909,580	5,188,310	5,188,310	5,188,310

41. Based on current information it is anticipated that Disabled Facilities Grants and Regional Housing Pot grant will continue at the 2010/11 allocation level. To supplement both of these schemes additional capital resources have been bid for (see below). Kick Start grant was awarded on a three year basis from 2009/10 to 2011/12. It is expected this funding will now continue beyond 2011/12 funded entirely by external resources from the Regional Housing Board through the West Midlands Kick Start Partnership.

42. The estimated Major Repairs Allowance for 2010/11 has increased by £28,310 to £2,552,310 following final confirmation of the allocation. It is projected to remain as per the 2010/11 allocation for future years, although this may be subject to some inflation as part of the annual allowance confirmation. Following finalising the programme that can be delivered in 2010/11, £5,451,270 has been re-profiled from 2010/11 to 2011/12; leaving a budget of £5m for the Major Repairs Programme in 2010/11.
43. In previous years Community Services have received Department of Health capital grant allocations for Adults services, Mental Health and IT infrastructure. Current allocations are until 2010/11, as no notification has been received of any allocations beyond this date no new projects have been built in.

Children & Young People's Services

44. In addition to the previously reported programme for 2010/11, new allocations of capital funding of £2.9m have been confirmed and added to the 2010/11 programme as follows: £2m Myplace grant, £800,000 in 14-19 Rural Fund Grant, £55,000 in Targeting Mental Health grant and £28,507 in supported borrowing for Children's Services. A further £1.9m in Myplace grant has been included in 2011/12. The Myplace grant will be used to create new 'TeenSpace' youth facilities in Oswestry and Shrewsbury, providing a range of services to young people in modern well equipped centres.
45. The current round of CYPS capital allocations were awarded for the three year period 2008/09 to 2010/11. Given the current financial situation it seems unlikely that current levels of capital funding can be maintained as Government grant diminishes. In addition a number of specialist programmes are due to finish in March 2011. These include 14 -19 targeted capital to deliver an extended range of diplomas, Childrens Centres, Extended Schools and the One School Pathfinder project for William Brookes. Continuing programmes are expected to be Primary Capital Programme, School Modernisation, Early Years Development, School Access Initiative, Basic Need and Devolved Formula Capital (DFC). DCSF have already indicated that Devolved Formula Capital is almost certain to be at lower rates from 2011 onwards and similar reductions must be expected in many other funding streams. We will need to reduce our actual capital programme in this area in order to manage within the capital allocations that are to be notified by the Government at a later stage.
46. Based on current assumptions the Council projects to receive £12.9m per annum (excluding BSF) in capital grant allocations for 2011/12 to 2014/15, funded from the following sources:

Funding	Amount (£)
Devolved Formula Capital (including Travel Plan grant)	3,000,000
Modernisation	3,000,000
Primary Capital Programme	2,000,000
Basic Need	900,000
School Access Initiative	500,000
Harnessing Technology	2,500,000
Early Years Development	1,000,000
Total	12,900,000

47. Based on the priorities for Children & Young People's Services for 2011/12 to 2014/15 the proposed planned expenditure per annum is set out in the table below.

Area	Amount (£)
Primary Schools	3,300,000
Secondary Schools	2,300,000
Early Years Development	1,000,000
Harnessing Technology	2,500,000
Asset Management Plan – Condition/Suitability	800,000
Devolved Formula Capital – Allocated to schools	3,000,000
Total	12,900,000

48. At present the 2011-15 programme is expressed as a number of programmed areas of priority expenditure. These will be developed into individual projects using information from the CYPS and Schools Asset Management Plan. The individual projects will be developed by a Capital Board of officers from CYPS and Property Services along with representatives of head teachers and governors and brought forward for scheme approval by Cabinet. As in previous years DFC projects will be developed from the priorities of individual schools based on their own Asset Management Plans.
49. Under Partnership for Schools (PfS) management of the Building Schools for the Future (BSF) Programme, each local authority has defined a number of sub projects valued between £80m and £120m. These have been allocated a broad priority order by PfS. The order and timing of these projects coming to fruition will depend on a) the total funding available, b) state of readiness of the local authority involved; and c) stage of development of any preceding project in the same authority to try to ensure continuation of strategic partnerships. Shropshire's initial priority projects for BSF investment are currently 52nd in a list of 377 nationally. If this BSF programme continues Shropshire can expect to be invited to submit an expression of interest in late 2011, with financial completion about Jan 2013. Tranche one would then be estimated to be phased £40m 2013/14 and £40m 2014/15. Tranche Two, (estimated £100m) may start beyond 2015/16 and thus will fall beyond the timeframe of this capital programme. It is presently not clear whether a new Government would continue with the BSF programme in its present form. The Council will need to adapt the capital programme in the light of any change in Government policy and manage within the resources available.
50. It is also proposed to set up a Carbon Management Loan Scheme for schools, with a total rolling fund of £1.25m, funded by earmarking school balances. This will be used to make loans to schools to enable them to undertake energy reduction projects, such as lighting upgrades, heating system conversions, boiler upgrades, insulation improvements and re-fenestration, which will generate future revenue savings which can be used to payback into the fund which can then be recycled for new projects. This will initially be allocated £550,000 in 2010/11 and £700,000 in 2011/12. See below for further details on Carbon Efficiency Projects.
51. In addition to the above Children & Young People's Services will also seek to attract other sources of external financing for specific projects where

available. Areas where the Council could expect significant external allocations are as follows:

- My Place – The Government has previously indicated that the My Place project may continue using non government funding sources. If this does indeed happen, Shropshire could expect at least one further project of approximately £2m.
- Targeted Capital Funding – The current government has occasionally made available additional capital resources through the targeted capital fund mechanism. These are often subject to bidding, but are occasionally allocated on a formula basis. CYPS will continue to pursue all opportunities for additional funding where any matched funding element can be incorporated in currently available programmes.
- Major Developments - The new Local Development Framework might open some areas of the county to additional large housing developments. Major developments of this nature may require additional education provision with three strategic growth areas identified; two in Shrewsbury and one in Oswestry. The funding for these would be negotiated through Section 106 agreements and the infrastructure levy.

Development Services – Local Transport Plan

52. The current Development Services LTP funding allocation runs to 2010/11. The latest Regional Funding Allocations Transport Advice was issued by the Department of Transport in July 2009. This includes the following indicative allocations for both the Integrated Transport and Maintenance Block settlements together with a £1m revenue contribution for 2011/12 to 2014/15:

Development Services – Local Transport Plan		Projected Allocation 2010/11 £	Projected Allocation 2011/12 £	Projected Allocation 2012/13 £	Projected Allocation 2013/14 £	Projected Allocation 2014/15 £
Highways Capital Maintenance Allocation		0	14,343,000	14,630,000	14,923,000	15,221,000
Highway Capital Maintenance - Revenue contribution		(600,000)*	1,000,000	1,000,000	1,000,000	1,000,000
Integrated Transport Plan		0	3,565,000	3,637,000	3,709,000	3,783,000
Total		(600,000)	18,908,000	19,267,000	19,632,000	20,004,000

* Reduction in previously included revenue contribution.

53. The 2011/12 indicative allocation represents a reduction of £1.2m in funding compared to the LTP settlement for 2010/11. The reduction is due to the loss of the Reward Funding which was part of the allocation for 2008/09 to 2010/11. For future years the funding will then be increased year-on-year by 2% per annum. The Council may receive further specific transport grants as in previous years, but currently no projection has been included for these.

54. The figures above exclude any assumptions around securing additional funding for construction of the Shrewsbury North West Relief Road (SNWRR). In February 2009 the West Midlands' Joint Strategy and Investment Board submitted its Regional Funding Advice (RFA) to the government, prioritising its transport investment programme over the period 2009/10 to 2018/19. The West Midlands' proposals included the delivery of the Shrewsbury North West Relief Road (SNWRR) in the period 2014 to 2016 and allocated £85m of RFA funding to the scheme. Cabinet considered a report on Shrewsbury North West Relief Road in November and agreed that the scheme should proceed through to a review in July 2010 before submission of the Major Scheme Business Case to the Department for Transport. This scheme has been included as a landmark scheme in the capital programme that is subject to the attraction of substantial external funding.
55. The current estimated scheme costs and projected funding profile is as follows:

Financial Year	Department for Transport Funding (£)	SC Contribution (£)	Total Scheme Cost (£)
2008/09		230,000	230,000
2009/10		890,000	890,000
2010/11		1,064,000	1,064,000
2011/12		1,077,000	1,077,000
2012/13	218,000	644,000	862,000
2013/14	265,000	405,000	670,000
2014/15	16,942,000	2,714,000	19,656,000
2015/16	32,982,000	4,000,000	36,982,000
2016/17	29,131,000	3,396,000	32,527,000
2017/18	7,328,000	814,000	8,142,000
Total	86,866,000	15,234,000	102,100,000

56. The Shropshire Council contribution comprises scheme preparation costs of approximately £4.3m from Local Transport Plan capital budgets over the period 2008/09 to 2013/14 and an additional contribution of approximately £10.9m to the detailed design and construction of the SNWRR in the period 2014/15 to 2017/18

Resources, Chief Executives and Legal & Democratic Services

57. The projected changes to Resources, Chief Executives and Legal & Democratic Services program for 2010/11 to 2014/15 are summarised in the table below.

Resources, Chief Executives and Legal & Democratic Services	Projected Allocation 2010/11 £	Projected Allocation 2011/12 £	Projected Allocation 2012/13 £	Projected Allocation 2013/14 £	Projected Allocation 2014/15 £
Property Services	(325,900)				
Gypsy Sites	90,000	90,000	90,000	90,000	90,000
Shropshire Partnership		106,767	106,767	106,767	106,767
Total	(235,900)	196,767	196,767	196,767	196,767

58. The Property Service budget for 2010/11 has decreased by £235,900. This relates to the Shirehall boiler replacement which will be financed from a loan from Salix, which will be repaid from the ongoing revenue savings from the scheme. The cost has decreased following further feasibility work on the project. This has been partly offset by the confirmation of new Salix funding for schemes at the area head quarter buildings. The £90,000 per annum for Gypsy Sites is the 75% grant we would receive from DCLG, supported by a 25% contribution from Council resources included in the Proposed Capital Schemes to be financed from Prudential Borrowing. This will be used for improvements to the Council's Gypsy sites, including extensions to existing amenity blocks.
59. The Safer Stronger Community Fund is an annual grant received from the Home Office. It is assumed the funding will continue at its current level of £106,767 per annum, should this not be the case we will reduce the schemes so as to manage within the available resources. The Council will continue to use this grant to meet priorities in relation to anti-social behaviour and criminal damage, multi-agency tasking, serious acquisitive crime, reducing the rate of youth offending and improving community cohesion.

Carbon Efficiency Projects

60. The Council is currently working with the Carbon Trust to develop a Carbon Management Plan for the Council. As part of this programme the Council has identified a number of schemes that will generate both Carbon and financial savings for the Council. Appendix Two provides the list of proposed schemes and the proposed financing. A number of these schemes can be financed from existing capital and revenue resources and through applications for specific grants. However, additional resources of £6.4m through Prudential Borrowing will be required to progress a number of schemes, these are summarised in a table in Appendix Two. These schemes are self-financing, within a period of between 2 and 5 years, from the smaller bills for energy. Details of specific schemes are provided below.
61. The Leisure Service schemes include the Oswald Park Sustainability enhancements and new schemes for energy improvement measures across the Council's swimming and sports centres. Schemes to be delivered under the programme will include lighting upgrades, insulation improvements, liquid pool covers and Combined Heating and Power (CHP) plants. These will be delivered across various sites over the five year programme and require prudential borrowing of £355,000.
62. The Children & Young People's Programme includes a number of schemes for schools for lighting upgrades, rewiring, wood pallet heating systems, condensing boilers, valve and flange insulation jackets, and Quattro Seal Insulation. These schemes will be financed from existing Devolved Formula Capital, Schools' Asset Management Plan Condition budgets, specific grants to be applied for and the proposed £1.25m Carbon Efficiency Fund from school balances. If applications for grants for specific scheme are not successful the capital programme will be revised to reflect the available resources.

63. The highways street lighting programme includes a £300,000 per annum five year programme for the structural replacement of lighting columns financed from existing highways budgets, of which £175,000 is from the Local Transport Plan allocation and £125,000 will be a new revenue contribution to capital. This scheme will result in the replacement of those columns at the greatest risk of collapse, achieve lighting improvements and reduce energy costs and carbon emissions. The second scheme is £100,000 per annum four year programme for conversion of 35 watt SOX streetlights to Electronic Control Gear, this will achieve a significant reduction in energy costs and carbon emissions. This will be financed £50,000 per annum from a new revenue contribution to capital and £50,000 per annum from prudential borrowing.
64. The Green ICT programme includes £100,000 financed from prudential borrowing to facilitate audio and visual conferencing between the District Headquarters and other locations. This will reduce the requirement for staff to travel between locations, saving staff times, travel expenses and carbon emissions from staff. £2.5m is included for Virtual Desktop Infrastructure; this is included in the main programme of proposed schemes to be financed from prudential borrowing (see below for details).
65. The transport programme includes a number of schemes including low carbon replacement vehicles which will be financed from revenue budgets. The major schemes which will require prudential borrowing is the provision of a Compressed Natural Gas (CNG) Station, Ludlow Transport Hub and a fund for transport initiatives. The CNG scheme cost would be £1.25m of which £225,000 would be from a new specific grant (subject to approval) for the CNG station, with the remainder £1.025m from prudential borrowing. There is currently no fuel such facility in Shropshire and provision of this facility would enable the Council fleet to be run on compressed natural gas, generating ongoing financial and carbon emission savings. The Ludlow Transport Hub budget is £1.2m, which will be financed from prudential borrowing. The transport initiatives budget is £1m financed from prudential borrowing and will be used to deliver transport schemes that will reduce carbon emissions.
66. The Resources programme includes a number of schemes across the remaining estate of Council buildings. These include replacement condensing boilers, automatic lighting controls, biomass boilers, voltage optimisation, localised lighting and heating controls. A rolling fund is proposed of £500,000 per annum for a five year programme at a total cost of £2.5m financed from prudential borrowing. Individual schemes will be identified on an annual basis as building surveys are completed. In addition there are a number of schemes for District Headquarter buildings to be financed from interest free loans from Salix, which will be repaid from the ongoing revenue savings from the schemes

Proposed Capital Schemes to be financed from Prudential Borrowing and Landmark Schemes

67. In addition to the external funding allocations that will be received for capital schemes there are a number of schemes that will help the Council meet its service priorities in the period 2010/11 to 2014/15 that will require to be

funded from prudential borrowing. The proposed revenue budget for 2010/11 already includes sufficient revenue to cover the debt charges associated with up to £20m of prudential borrowing included in the first two years of the Capital Programme.

68. Appendix Three contains details of the schemes that Directorates have ranked as their priorities for the period 2010/11 to 2014/15 and the Shropshire Council resources that would be required to deliver these. The list is broken down into two elements: schemes which are a priority for the Council and could be funded wholly or largely by the Council and landmark schemes. Landmark schemes which are major schemes, the feasibility of that depend on the outcome of major bids (e.g. the North West Relief Road) for external funding. For convenience a summary table by Directorate and year is set out below:

Directorate	Projected Additional Resources 2010/11 £	Projected Additional Resources 2011/12 £	Projected Additional Resources 2012/13 £	Projected Additional Resources 2013/14 £	Projected Additional Resources 2014/15 £
Main Capital Programme Items					
Community Services	2,145,000	2,860,000	2,040,000	2,040,000	2,040,000
Children & Young People's Services	200,000	1,300,000	3,000,000	3,000,000	3,000,000
Development Services – Non LTP	3,380,000	5,619,000	4,700,000	1,765,000	1,500,000
Development Services – LTP	0	600,000	600,000	600,000	600,000
Resources, Legal & Democratic & Chief Executive	1,330,000	2,205,000	955,000	330,000	330,000
Total	7,055,000	12,584,000	11,295,000	7,735,000	7,470,000
Landmark Capital Strategy Items					
Community Services	0	1,000,000	55,000,000	55,000,000	40,000,000
Children & Young People's Services	0	2,000,000	15,000,000	36,000,000	5,000,000
Development Services – Non LTP	0	2,500,000	5,000,000	5,000,000	0
Development Services – LTP	0	0	0	0	2,714,000
Resources, Legal & Democratic & Chief Executive	3,000,000	0	0	0	0
Total	3,000,000	5,500,000	75,000,000	96,000,000	47,714,000

In addition to the prudential borrowing funding above, the economic regeneration schemes will generate capital receipts from the delivery of their schemes which will be used to part fund the cost of their ongoing schemes, reducing the requirement for further prudential borrowing. The total budgeted cost of the economic regeneration schemes is £13.8m, of which £7.3m is from prudential borrowing included in the

above figures and the remaining £6.5m will be from capital receipts generated, split £2.5m 2012/13, 3m 2013/14 and £1m 2014/15.

Proposed Schemes to be Financed from Prudential Borrowing

Community Services

69. For Community Services prudential borrowing is proposed to support external grant allocations and as funding for stand alone projects. For Private Sector Housing match is required annually to top-up the grant funding received for Disabled Facilities Grants and to maintain Regional Housing Pot grants at current levels. For Disabled Facilities grants £600,000 is required per annum and for Regional Housing Pot £120,000 per annum. This will enable the Council to continue to fulfil its statutory requirements in these areas. £200,000 per annum is also included for Empty Homes Strategy, to provide grants to bring long term empty homes back into use saving the need to build new homes, reducing waiting lists and addressing homelessness.
70. Library projects have been identified for Much Wenlock, Ellesmere and Whitchurch. The Much Wenlock scheme will relocate the public library service, currently in unsatisfactory accommodation in Corn Exchange, into the historic Guildhall in the town centre and a feasibility study for this scheme is underway. The Ellesmere scheme involves refurbishment of Ellesmere Market Hall, with relocation of the library and Customer Services facilities into the market hall. Together with provision of community facilities such as café and meeting rooms and improvements to disabled access to Market Hall. This scheme is budgeted to cost £1m across 2010/11 and 2011/12. The Whitchurch scheme involves upgrading access to the building, moving the entrance from the side to the front and improvements to interior facilities and access at a cost of £200,000 in 2010/11
71. Leisure Services facilities are currently being assessed as part of the Leisure Facilities Strategy. Funding will be required for the upgrading of existing indoor and outdoor leisure facilities. For some schemes there may be the opportunity to apply for external funding on a scheme by scheme basis. Identified schemes totalling £415,000 for 2010/11 have been identified, these include repairs to Monkmoor Skate park, Roman Road Sports Hall floor replacement, Grange Sports Centre pitch surface replacement, refurbishment of the health suite at Ludlow, internal fitting out of Church Stretton fitness suite and other associated work at the new Church Stretton Leisure Centre. For future years an annual budget of £1m has been included. There will be a number of elements to the programme and these will be refined over the coming months, these will include:
- Procurement of a new county wide Leisure Information Management System.
 - Provision of new access, recreation and landscaping within the Oswald Park "phase" development
 - Infrastructure improvements to existing facilities, for example Monkmoor Recreation Ground, the Grange Sports Centre, Roman Road Sports Centre and London Road Sports Centre
 - Facility improvements and developments, for example the creation of both a new fitness suite and meeting room at the Sports Village and

the procurement of new fitness equipment at the Much Wenlock leisure Centre.

- Infrastructure improvements resulting from health and safety audits and recommendations.

This budget will also be used to meet the cost of the Much Wenlock Library scheme once the feasibility study has been completed.

72. Annual funding of £120,000 per annum is requested to meet our obligations under Rights of Way. This will be used to improve major bridges and surfaces on the public rights of way network for which the Council has a statutory duty to ensure that the public rights of way network is open and available for the public to use. A one off scheme is also included of £120,000 to address drainage issues at the Severn Valley Country Park. This was identified as being required in a recent survey and will improve the drainage regime within the slopes and increase the stability of the tipped colliery spoil material on the site.
73. For Heritage Services two schemes are proposed. The Cambrian Railway building in Oswestry, where works are required as the building is currently not fit for purpose, the estimated cost of the works is £120,000 to be undertaken in 2010/11. The second scheme is for the refurbishment of the Much Wenlock Museum, for which a bid has been submitted to the Heritage Lottery Fund. If the bid is successful an element of match (£70,000) will be required. The scheme will improve the museum's infrastructure, which is currently in a poor state; improvements to the museum's interpretation and interpretation in the surrounding area.

Children & Young People's Services

74. Prudential borrowing can be used where schools are willing to work together in different ways to help finance a re-organisation of their accommodation. On this basis £9m is included, split £3m per annum 2012/13 to 2014/15 for three new sets of Primary School amalgamations. This is only an indicative figure at present, assuming the incentives to rationalise the number of existing Primary Schools is above the level that can be funded through the Primary Capital Programme.
75. The second item included under Children and Young People's Services is £1.5m for provision of a new Children's Home. Children and Young People's Services are currently reviewing the value for money achieved from out of County education and external care placements. The results of the service review will be subject to further consultation but it is possible that it might recommend one or more spend to save projects to extend in county provision. The demand for new in-county facilities will depend on the size and nature of provision and the availability of suitable property for development, acquisition and or refurbishment. The number of places, the client group involved, short or long term residential requirement, and whether an educational element is / is not required will determine the scale of the investment. It is estimated that up to £1.5m funding is required for an additional children's home within the county. The directorate is keen to invest in this type of provision where there are clear and measurable care and educational benefits for the vulnerable children and young people, as well as permanent revenue benefits.

Development Services

76. Development Services have brought forward a range of projects which will require prudential borrowing to enable them to proceed. For some of these the Council may be able to attract some external funding to contribute to the scheme cost, but for now it is assumed no external funding will be available.
77. Economic Regeneration have a programme that includes the following schemes:
- Shrewsbury Business Park Phase 2/3 – next stage of development of the Shrewsbury Business Park to provide new employment land.
 - Oswestry Employment Land Provision - part of the rolling programme of bringing serviced employment land to the market for new inward investment and local company expansion.
 - Ludlow Eco Park.
 - Whitchurch Business Park – provision of employment land; due to inadequate power supply in the area the scheme is likely to be a joint venture with a developer.
 - Ellesmere Business Park – phase two of the development of the Ellesmere Business Park to provide infrastructure and serviced employment land.
 - Workshops Improvements – The Economic Development Workshop portfolio has been expanded with the transfer of District and Borough assets. There is a need undertake an assessment of the portfolio and to identify opportunities for investment or disposal.
 - Market Towns Projects – programme of investment in under-performing market towns to increase employment opportunities, retail retention and provision of key services.
 - Adoptions programme for business parks – programme to secure the adoption of road and utilities of the Economic Development portfolio employment sites.
78. The total cost of these schemes is £13.8m across the five year period, however, it is estimated the schemes will generate £6.5m in capital receipts, resulting in a net cost of £7.3m to be financed from prudential borrowing
79. Under Public Protection the cremator requires replacing at Shrewsbury Crematorium. This is a required to ensure compliance with legislation on mercury emissions and will also contribute to reducing the Councils carbon emissions. The scheme will also improve facilities and disabled access at the crematorium. The cost is £1.5m split across 2010/11 and 2011/12.
80. Highways have previously been allocated £600,000 per annum for the structural maintenance of secondary roads; this is currently in the capital programme to 2010/11. For the four years 2011/12 to 2014/15 this funding will still be required on an ongoing basis to support the structural maintenance of secondary roads programme.

81. A rationalisation of operational depots is currently being undertaken following the establishment of a Unitary Council. A Project Team is looking at the options available and an implementation plan is being drawn together. The North West Depot has been included as the key project at an estimated cost of £1.5m. This will involve relocating Street Scene and Grounds Maintenance Teams from Alexandra Road Depot to redeveloped Whittington Highways Depot, where new office block and depot facilities will be provided.
82. Under flood and water management, schemes have been identified to reduce the risk of surface water flooding in Much Wenlock, Craven Arms, Church Stretton, Shifnal, Oswestry and Shrewsbury. The total cost of these schemes would be £800,000; however, there may be an opportunity to attract £100,000 from DEFRA for each surface water scheme. £400,000 per annum has also been included as a rolling fund for future schemes for 2012/13 to 2014/15. These schemes will save highways maintenance costs and damage to property.
83. The Bridgeguard programme has identified four schemes, for which funding of £2.8m is required. Porthill Footbridge – major refurbishment of bridge to address structural problems identified in a recent survey (£740,000); Frankwell Footbridge - improving access to the bridge for the disabled and others such as parents with pushchairs (£460,000), retaining walls Ludlow (£650,000) and retaining walls maintenance across the County area (£925,000) following the survey work that is currently being undertaken. There may be the possibility to attract funding from both English Heritage and Heritage Lottery for the Ludlow scheme.
84. The Environmental Maintenance programme identified a number of schemes; however, the proposed scheme for the refurbishment of Shrewsbury Bus Station and Raven Meadows Car Park at £600,000 in 2011/12 has been identified as the highest priority scheme for inclusion.
85. The Shrewsbury Vision project is currently operating under the Growth Point Programme. This is aimed at expanding the role of Shrewsbury and its relationships with other places; Develop enterprise, learning and creativity; Connect communities; Promote identity and culture; Develop distinctive quality of place; and Promote overall quality of life. A consultant is being appointed to develop a regeneration framework for Shrewsbury. This would include the riverside redevelopment area, linking the West End with the Northern Corridor. It will also look at other potential areas including Abbey Foregate with a view to developing a deliverable series of physical projects. The £2.25m funding request will be used to purchase land to enable the regeneration of these and other sites. This will be supplemented by current growth point fund allocation of £1.1m and targeted applications to AWM and Homes and Communities Agency (HCA) for £2m.

Resources, Chief Executives and Legal & Democratic Services

86. The Council has previously allocated an annual capital budget for works to ensure compliance with the Disability Discrimination Act across the Council's operational buildings. Further funding of £300,000 per annum over the five year period is required to allow this programme to continue, including works to

former District properties to improve access for those with disabilities to all public areas of operational buildings to aid compliance with Disability Discrimination legislation.

87. In previous years capital funding has been allocated for improvements to Council owned Gypsy Site. The Council can use this to bid for additional funding from Homes & Communities Agency (HCA) at rate of 75% of total scheme cost where schemes provide additional pitches on a site by extending it or bringing pitches back in to use as well as refurbishing the site. Capital funding of £30,000 per annum is included to enable bids to be made for annual allocations of grant, which would provide an annual budget of £120,000. This will be used to provide improvements to the Council's Gypsy sites, including extensions to existing amenity blocks. Additional grant to fund projects 100% is available for provision of new sites, additional pitches on existing sites and bringing closed sites back into use. Separate bids will be made where opportunities exist for such schemes, but as the grant will be 100% no Council resources will be required.
88. Two schemes have been identified under ICT, the Desktop Virtualisation project and the Council Wide Area Network. An indicative cost of £2.5m has been included for the Desktop Virtualisation, but a full appraisal is required before a firm estimate of cost can be provided for this project, an indicative estimate has been included based on similar projects undertaken by other local authorities. The project aims to replace as many corporate desktop PCs as possible with thin client devices running virtual desktops. It will help to provide a more flexible working environment and will also help to reduce the Council's carbon emissions and reduce its electricity consumption. Ongoing this project will provide significant savings, both from the energy savings and improvements to the running of the ICT network. The level and profile depend on further work being undertaken on the scheme appraisal.
89. The Council wide area network project is to replace the existing Council Wide Area Network with a new managed service. The re-tender of the Council wide area network will provide enhanced and/or cheaper connections to all schools, libraries, PFI buildings and most large Council buildings. A capital budget of up to £1m is required for the associated infrastructure works, in addition to £1.6m that has been agreed by the Schools Forum financed from the Harnessing Technology grant which is included in resource projections. As well as service improvements the scheme will also generate some ongoing revenue savings. Members will receive a separate report providing full details of this scheme.

Landmark Schemes

Community Services

90. The largest Leisure scheme will be a new Swimming Pool for Shrewsbury, given the limited remaining life of the existing facility. The cost of this is estimated in the region of £9 to £11m, the scheme is included as a landmark item as the Council will only feasibly be able to proceed with this scheme if we are able to secure external funding to part fund the scheme

91. The Extra Care Housing and the Social Care PFI schemes are included as landmark schemes in the Capital Programme. The Extra Care Housing scheme (£120m) will be financed through PFI credits from the Homes and Community Agency (HCA) and will provide around 400 new build extra care units spread across eight different sites across Shropshire and include a planned lifecycle replacement programme, housing maintenance over a 30 year period and housing management over a similar period. The Social Care scheme (£20m) will be financed through PFI through credits from the Department of Health. The scheme will provide four 'Centres of Excellence' across the county. The aim of these units will be to assist people to retain their independence wherever possible and for as long as possible but to have readily available facilities to allow short break residential care, including respite care.

Children & Young People's Services

92. As landmark schemes £4m is included to increase specialist provision for non mainstream Special Educational Needs pupils, the type and level of provision will be defined based on service review outcomes, £25m is included for rationalising and improving Secondary School Provision, £4m for Leisure/Community Facilities associated with the Building Schools for the Future (BSF) Programme and £25m for the proposal to design and build a new Shropshire University in partnership with Staffordshire University and local Further Education providers.
93. Shropshire Council is entering a period of rapid change in secondary school pupil numbers, with large reductions taking place between 2009 and 2016. Building Schools for the Future may provide an opportunity to make adjustments to secondary school pupil places, and it is intended to make the most of the opportunity. However, the pace of change is so rapid that it is possible (although unlikely) that during the period the savings to the Council from reorganising secondary education in one or more areas of the County will be so significant that, taking into account the effect of improving outcomes for a great number of pupils, it will become viable to finance reorganisation through prudential borrowing rather than delay until Building Schools for the Future funding becomes available. The figure of £25m shown is necessarily a estimate based on experience with our one school pathfinder at William Brookes, but is intended to reflect the cost of building a new school to allow the reorganisation of two or more existing schools.
94. £4m is also included as a landmark item in relation to Leisure/Cultural facilities as part of the Building Schools for the Future programme. Funding only covers the statutory education elements of school replacement or refurbishment. However, school renewals of this type are a great opportunity to consider the co-location of other Council services, in particular cultural services such as libraries, sport and performance related facilities. The £4m proposed is intended as a fund on which appropriate co-location works at the Tranche One Building Schools for the Future schools could draw on to enable co-location of cultural services. These facilities would be intended to meet the strategic service delivery aims of Community Services, although clearly appropriate co-location would benefit both services

95. The Council wishes to pursue establishing University provision in the central area as a priority for local education & learning progression and to retain skills and expertise to invest in the economic wealth of the county. Higher education provision may be developed in partnership with Staffordshire University and local further education providers. External funding from the Higher Education Funding Council has previously proved unsuccessful therefore an option to pursue inward investment using funds from the Local Government Superannuation Scheme is being explored.

Development Services

96. Landmark items for Development Services are the Flax Mill development and the Shrewsbury North West Relief Road. The Flax Mill has been identified as the priority regeneration project and is included as an landmark item subject to securing external funding, such as from European Union Structural Funds, the Homes and Communities Agency and a developer contribution. The scheme will develop the worlds oldest iron framed buildings into a comprehensive mixed use scheme that acts as a catalyst for the regeneration of the Northern Corridor area. As detailed earlier in the report the funding requirement for the Shrewsbury North West Relief Road is dependant on the outcome of the application for Department for Transport funding for the scheme.

Resources, Chief Executives and Legal & Democratic Services

97. The Council currently occupies accommodation at Castle View Oswestry. The accommodation is partly owned by the Council and the Council rents some space from a private landlord. The opportunity may arise to purchase the remainder of the building from the current landlord. This would offer the Council additional space to that currently occupied at the site, allowing the Council to provide additional services from this location. This has been identified as a potential site for a combined records management and archive store, meeting the current demand for additional storage facilities. A provisional budget has been included as a landmark item for the purchase and fit out costs, but that is still subject to negotiation with the owner.

Capital Allowance for Housing Capital Receipts

98. The local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to pay into the national housing pool 75% of the capital receipt in relation to the disposal of a council dwelling through Right to Buy and 50% of the capital receipt in relation the disposal of any other interest in Housing Revenue Account (HRA) assets. Any single receipt of less than £10,000 in value is exempt. The other 25% or 50% respectively remains with the Council for investment in other capital projects at the discretion of the Council; this can include either housing or non-housing schemes.
99. The Council can avoid the pooling payment and therefore maximise funds for Council use by deciding that the capital receipt will be used to provide for affordable housing, including expenditure on the Councils housing stock.
100. To avoid the pooling requirement for such capital receipts, the Council is required to set a Capital Allowance, which is approved by Full Council. This

states that these receipts will be reserved for expenditure on affordable housing and regeneration. The capital allowance once created is then used to reduce the amount which is required to be pooled by offsetting relevant receipts against it. The capital allowance can be increased at any time as approved by Full Council and decreases (“extinguished”) by the amount of capital receipts received and applied to fund qualifying expenditure.

101. In 2009/10 the Council has completed two sales totalling £265,000 which would require 50% pooling under the regulations. In order to retain the full receipt for the Council it is proposed to set a Capital Allowance of £1 million in 2009/10 and £1 million in 2010/11. The capital receipts received will then be reserved for expenditure on the council’s housing stock.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Shropshire Council Capital Programme 2009/10 to 2011/12 – Implementation Executive 19 February 2009

Capital Monitoring Report – Quarter 1 2009/10 – Cabinet 23 June 2009

Capital Monitoring Report – Quarter 2 2009/10 – Cabinet 21 October 2009

Capital Monitoring Report – Quarter 3 2009/10 – Cabinet 6 January 2010-02-04

Shropshire Council Capital Programme 2010/11 to 2014/15 – Cabinet 3 February 2010

Capital Project Appraisals – available in Members Library.

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998

Environmental Appraisal

Environmental appraisals are carried out for individual schemes as appropriate.

Risk Management Appraisal

Risk Assessments are undertaken as part of the evaluation of all capital bids.

Community / Consultations Appraisal

Community consultations are carried out for individual schemes as appropriate.

Cabinet Member

Councillor Keith Barrow – Leader of the Council

Councillor Cecilia Motley – Deputy Leader of the Council

Councillor Mike Owen – Champion for assets

Councillor Ann Hartley – Portfolio Holder for Carbon Management

Portfolio Holders

Local Member

All

Appendices

Appendix 1 – Approved Capital Programme and Resource Projections 2010/11 to 2014/15

Appendix 2 – Carbon Efficiency Projects.

Appendix 3 – Proposed schemes by Directorate to be financed from Prudential Borrowing and Landmark schemes.

Appendix 4 – Shropshire Council – Capital Programme Summary 2009/10 – 2012/13