



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: FINANCE

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**Date of Meeting:** 23 November 2009

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**Public**

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**Key Decision:** Yes

**Recorded in Forward Plan:** Yes

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### Inside Policy Framework

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**Title:** PROVISIONAL CAPITAL PROGRAMME 2010/11 TO 2014/15

**Report of:** DIRECTOR OF CORPORATE SERVICES

**Report reference:** CORP48/09

#### Summary:

The report details the revised capital programme for 2009/10 together with the proposed method of financing as set out in Appendices A and B.

The report also summarises the proposed programme for 2010/11 to 2014/15 in the light of the capital bids submitted to date for consideration, and summarises the estimated capital resources available to fund the programme.

#### Recommendations:

The Executive is asked to:

- (i) Note the revised capital programme and relevant financing for 2009/10 as set out in Appendices A and B;
- (ii) Give initial consideration and views on the capital spending requests for 2010/11 to 2014/15 contained in this report in the light of the estimated available resources;
- (iii) Note that any capital scheme approved by Council may only proceed after a full report, including business case and financial appraisal, has been approved.

**Contact Officer:** Emma Gillespie

**Ext:** 7289

## CITY OF CARLISLE

To: The Executive  
23 November 2009

CORP48/09

### PROVISIONAL CAPITAL PROGRAMME 2009/10 TO 2014/15

#### **1. INTRODUCTION**

- 1.1 This report details the revised capital programme for 2009/10 together with the proposed methods of financing as set out in paragraph 3 and **Appendix A and B**.
- 1.2 The report also details the capital spending proposals for 2010/11 to 2014/15, together with the potential resources available to fund the programme. Members are asked to give initial consideration to the spending proposals, details of which are contained in the pro forma **Appendix C** attached to this report.
- 1.3 The guiding principles for the formulation of the capital programme over the next five year planning period are set out in the following policy documents that were approved by Council on 15 September 2009:
- Capital Strategy (Report CORP36/09)
  - Asset Management Plan (Report DS75/09)
- 1.4 A Corporate Projects Board of senior officers continues to take the lead on the prioritisation of investment and the monitoring and evaluation of schemes. This is to improve performance monitoring and business case analysis of capital projects. The Business Case Methodology and guidance notes used during the 2010/11-budget cycle is repeated at **Appendix D**.

#### **2. CAPITAL RESOURCES**

- 2.1 There are several sources of capital resources available to the Council to fund capital expenditure, the main ones being:
- Borrowing (Prudential Code - see paragraph 6.2)
  - Capital Grants e.g. Lottery Commission, Sports England, DFG, RHP
  - Capital Receipts e.g. proceeds from the sale of assets
  - Council Reserves e.g. Projects Reserve
- 2.2 In accordance with the Capital Strategy, the Assistant Director (Resources) will make recommendations on the most effective way of financing the Capital Programme to optimise the overall use of resources.

- 2.3 It should be noted that capital resources can only be used to fund capital expenditure and cannot (with the exception of the Council's own Reserves), be used to fund revenue expenditure. There are strict definitions of what constitutes capital expenditure.
- 2.4 It should also be noted that the resources available to support the capital programme can only be estimated during the year. The final position is dependent in particular on how successful the Council has been in achieving Capital Receipts from the sale of assets against its target i.e. the more capital receipts generated, the less is required to be taken from Borrowing and Council Reserves (and vice versa).
- 2.5 The cost of borrowing £1m to fund the capital programme will result in a charge to the revenue account in the next full year of approximately £55,000. This is made up of £15,000 for the cost of the interest payable (1.50% of £1m equates to £15,000) and a principal repayment provision of 4% of the outstanding sum (4% of £1m equates to £40,000).

### 3. REVISED CAPITAL PROGRAMME 2009/10

- 3.1 The capital programme for 2009/10 totalling £12,900,500 was approved by the Council on 29 June 2009 as detailed in the 2008/09 out-turn report (CORP15/09).
- 3.2 An application will be submitted in December 2009 for a capitalisation direction to capitalise the one-off costs of the Transformation programme incurred in 2009/10. If this was to be granted, capital resources would be required to fund this expenditure, but there would be a corresponding saving in the revenue account. Any decision on the success of the application will not be know until late January 2010.
- 3.3 The revised capital programme for 2009/10 now totals £16,181,900 as detailed in **Appendix A**, whilst **Appendix B** details the anticipated use of capital resources. A summary of the revised programme for 2009/10 is shown below:

<b>Summary Programme</b>	<b>£</b>	<b>Appx</b>
<b>2009/10 Original Capital Programme</b>	12,900,500	<b>A</b>
Other adjustments	3,281,400	<b>A</b>
<b>2009/10 Revised Capital Programme</b>	<b>16,181,900</b>	<b>A</b>
Estimated Capital Resources available	(20,060,463)	<b>B</b>
<b>Projected (Surplus) capital resources</b>	<b>(3,878,563)</b>	

- 3.4 An initial attempt has been made to identify the progress to date of each scheme in the current financial year as detailed in the Quarterly Budget Monitoring report

considered elsewhere on the agenda (CORP45/09). That report also highlighted a significant underspend against the annual budget and an initial attempt has been made to identify slippage on individual schemes, currently totalling £3,686,500. However the Corporate Projects Board will continue to review the whole capital programme with a view to re-profiling the current programme over the next five years to provide a more realistic programme of works.

- 3.5 It is anticipated that there will be a shortfall on anticipated capital receipts generated during 2009/10, estimated at a net figure of £150,000 under the current MTFP projections. This is primarily in respect of the PRTB agreement with Carlisle Housing Association.

#### **4. NEW CAPITAL SPENDING PROPOSALS 2010/11 TO 2014/15**

- 4.1 The new capital spending proposals are included on the pro-formas attached to this report, and are summarised in the following table.
- 4.2 During previous budget cycles it was agreed to keep new capital schemes to a minimum to allow capacity resources to be directed to complete existing schemes. It also assisted the revenue position due to increased investment income. This policy has continued into the 2010/11 budget cycle.

<b>Capital Scheme</b>	<b>App/ Para</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
<b>Current Commitments:</b>						
Carry Forward from 2008/09		0	30	0	0	0
Disabled Facilities Grants	4.5	1,249	1,249	1,249	1,249	849
Planned Enhancements to Council Property		300	300	300	300	300
Industrial Estates		200	200	200	200	200
Vehicles & Plant	4.6	315	1,048	327	260	0
IT Equipment	4.7	362	299	264	378	0
Desktop replacement	4.7	108	108	108	108	108
ICT Shared Service	4.7	(12)	(162)	(183)	(293)	0
Housing Strategy		900	900	900	900	0
Play Areas		50	50	50	50	50
Environmental Enhancements		160	0	0	0	0
CCTV		35	20	50	50	0
<b>Total Existing Commitments</b>		<b>3,667</b>	<b>4,042</b>	<b>3,265</b>	<b>3,202</b>	<b>1,507</b>
<b>New Spending Proposals</b>						
Hostel Replacement	App C	200	1,560	40	0	0
Old Town hall		820	0	0	0	0
Roman Gateway		2,060	0	0	0	0
Sands Development						
<b>Total New Proposals</b>		<b>3,080</b>	<b>1,560</b>	<b>40</b>	<b>0</b>	<b>0</b>
<b>TOTAL POTENTIAL PROGRAMME</b>		<b>6,747</b>	<b>5,602</b>	<b>3,305</b>	<b>3,202</b>	<b>1,507</b>

4.3 Many of the proposals require further appraisal and strengthened Business Cases, which have not yet been considered by the Projects Board. Therefore should they be approved for inclusion in the Council's Capital Programme as part of this budget process, the release of any budget would be subject to verification of the business case by the Corporate Projects Board and a report to the Executive as appropriate.

4.4 Details of the proposals for spend in these committed areas will be subject to a full report and Business Case to the Corporate Projects Board before the release of any budget.

4.5 The Private Sector Housing Investment budget is to cover Disabled Adaptations Grants, Renovations Grants and Minor Works Grants.

4.6 The anticipated budgets for the replacement of the Council's vehicle fleet are included in the above table.

4.7 The IT replacement budget shows the additional amount in excess of the current MTFP required to bring the budget in line with the Allerdale Shared Services Business Case and also shows the potential savings that would accrue.

## 5.1 FUTURE COMMITMENTS

5.2 In addition to the spending proposals in the above table there are also potential capital implications arising from the following issues which will be reported on fully as details become available

- Sands Development
- Caldew Riverside

5.3 An earmarked reserve has been established for the Asset Investment Fund, which totals £2m.

## 6. POTENTIAL CAPITAL RESOURCES AVAILABLE

6.1 The table below sets out the estimated resources available to finance capital programme for 2010/11 to 2014/15.

Source of Funding	Para	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Capital Grants:</b>						
• Regional Housing Pot	6.3	(1,122)	(1,122)	(1,122)	(1,122)	(1,122)
• Disabled Facilities Grant	6.4	(663)	(663)	(663)	(663)	(663)
• General Grants	6.5	(2,880)	0	0	0	0
Balances		0	(30)			
<b>Capital Receipts:</b>						
• Generated in year – General	6.6/ 6.7	(1,200)	(1,000)	(1,000)	(1,000)	(1,000)
• Generated in year – PRTB	6.8	(400)	(488)	(449)	(445)	(427)
<b>TOTAL</b>		<b>(6,265)</b>	<b>(3,303)</b>	<b>(3,234)</b>	<b>(3,230)</b>	<b>(3,212)</b>

6.2 A new system of capital finance (Prudential Code) was introduced on 1 April 2004, which gives authorities freedom to borrow to fund capital schemes subject to the over-riding principles of Affordability, Prudence and Sustainability. Whilst the new freedoms could significantly impact on the capital resources available to the Authority, the principles referred to in effect mean that the Council is limited by the ongoing cost of any borrowing (i.e. the cost of prudential borrowing falls to be met from the General Fund recurring expenditure). The Prudential Code requires authorities to develop their own programmes for investment in fixed assets, based upon what the authority and local taxpayers can afford, and subject to a full Business Case and Options appraisal process. Further details on the Code can be found elsewhere on the agenda in the Treasury Management Report (CORP47/09).

The Council currently has no need to take on any prudential borrowing. However, the projections of capital receipts has started to reduce considerably and at this stage, the use of prudential borrowing to fund the capital programme may need to be considered especially in light of the major capital schemes being proposed, e.g. Sands Development, if further capital receipts cannot be generated.

- 6.3 The old system of capital funding of supported borrowing has now been removed from the Revenue Support Grant allocation and has been replaced by a separate capital grant funded from the Regional Housing Pot. This is estimated at £1.122m for future years, although the actual allocation will not be received until January.
- 6.4 Disabled facilities grant allocation will not be announced until January 2010, and therefore the projection is based on current allocations. A further report will be presented to the Executive in January 2010 once the 2010/11 allocation has been received.
- 6.5 Grant applications are in the process of being submitted for the funding of the schemes for the Old Town Hall and Roman Gateway and Council funding has already been allocated to these schemes from LABGI funds.
- 6.6 Capital receipts from the sale of fixed assets, including the sale of the Council's interest in land on the Raffles estate and other specific asset disposals. This also includes an anticipated receipt from the sale of the London Road hostel if a new hostel is approved to be built.
- 6.7 The Preserved Right to Buy (PRTB) sharing arrangement with CHA is for a fifteen year period with the Council being entitled to a pre-agreed reducing percentage of the receipts. Right to Buy sales are predicted to be significantly below the original projections due to the downturn in the housing market and the general economic climate. Updated projections for the next five-year period have been incorporated in to the MTFP.

## **7. SUMMARY PROVISIONAL CAPITAL PROGRAMME 2010/11 TO 2014/15**

A summary of the estimated resources compared to the proposed programme year on year is set out below:

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Estimated in year Resources available (para 6.1)	(6,265)	(3,303)	(3,234)	(3,230)	(3,212)
Proposed Programme (para 4.2)	6,747	5,602	3,305	3,202	1,507
<b>Projected (Surplus)/Deficit</b>	<b>482</b>	<b>2,299</b>	<b>71</b>	<b>(28)</b>	<b>(1,705)</b>
Cumulative B/Fwd Balance	<b>(3,878)</b>	<b>(3,396)</b>	<b>(1,097)</b>	<b>(1,026)</b>	<b>(1,054)</b>
Cumulative year end Position					
• Capital Receipts	<b>(3,396)</b>	<b>(1,097)</b>	<b>(1,026)</b>	<b>(1,054)</b>	<b>(2,759)</b>

## 8. CONSULTATION

- 8.1 The Resources, Environment and Economy and Community Overview and Scrutiny Panels will consider the requests for their areas of responsibility at their meetings in November and December. Feedback of any comments on the proposals will be made to the Executive on 14 December prior to the Executive issuing their draft budget proposals for wider consultation on 17 December.

## 9. RECOMMENDATIONS

The Executive is asked to:

- (i) Note the revised capital programme and relevant financing for 2009/10 as set out in Appendices A and B;
- (ii) Give initial consideration and views on the capital spending requests for 2010/11 to 2014/15 contained in this report in the light of the estimated available resources.
- (iii) Note that any capital scheme approved by Council may only proceed after a full report, including a financial appraisal, has been approved by the Executive.

## 10. IMPLICATIONS

- Staffing/Resources – as detailed on the individual appraisal forms
- Financial – included within the report
- Legal – none
- Corporate – SMT and SPG have considered the new spending proposals contained within this report.
- Risk Management – as detailed on the individual appraisal forms
- Equality Issues – none
- Environmental – as detailed on the individual appraisal forms
- Crime and Disorder – as detailed on the individual appraisal forms

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Director of Corporate Services

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**REVISED CAPITAL PROGRAMME 2009/10**
**APPENDIX A**

Scheme	2009/10	2009/10	Notes
	Original July	Revised Nov 2009	
	£	£	
Customer Contact Centre	149,600	149,600	
Greystone Community Centre	21,000	21,000	
Chances Park	40,000	793,800	2
Willowholme Depot	15,000	15,000	
Environmental Enhancements	218,500	208,500	2
Hostel Replacement/Centre of Excellence	3,865,600	3,865,600	1
Housing Strategy	160,000	160,000	
Planned Enhancements to Council Property	307,600	307,600	
Willowholme Industrial Estate	139,000	139,000	
Kingstown Industrial Estate	554,000	554,000	
Durranhill Industrial Estate	7,400	7,400	
Play Area Developments	65,100	171,800	2
Vehicles, Plant & Equipment	1,943,700	1,957,600	2
IT Equipment	318,000	318,000	
CCTV	70,000	70,000	
Carbon Trust Initiative	163,500	163,500	
Old Town Hall - Strategic TIC	150,000	150,000	
Trinity Church MUGA	0	80,400	2
Sub Regional Employment Sites	0	1,796,000	2
Connect 2 Cycleway	0	60,000	2
Disabled Facilities Grants	1,506,000	1,984,000	2
Gateway - General Expenses	29,700	29,700	
GIS	14,000	14,000	
Millennium Gallery General Expenses	60,000	60,000	
Ghyll Bank Gypsy & Traveller Site	1,473,300	1,473,300	
Lowry Hill Park	90,000	90,000	
REAL/CTS System	53,100	53,100	
City Wi Fi	13,300	13,300	
Raffles MUGA	101,300	83,900	2
Heysham Park Play Area	49,700	49,700	
Petteril Riverbank Protection Work	34,300	34,300	
Hammonds CCTV	22,200	22,200	
Caldew/City Centre Flood Defence	20,500	20,500	
Historic Quarter	773,100	773,100	
Kingmoor Nature Reserve	20,500	20,500	
Renaissance Improvements	36,100	36,100	
Eden Bridge Garden Restoration	0	20,000	2
ODPM Private Sector Renewal	25,000	25,000	
Sheepmount Development	45,400	45,400	
Housing Foyer	300,000	300,000	
Document Image Processing	45,000	45,000	
<b>TOTAL</b>	<b>12,900,500</b>	<b>16,181,900</b>	

**Notes:**

1. Women's Hostel replacement scheme is subject to review.
2. Other variations relate to virements between schemes or additional contributions received as set out in previous Executive reports.

**REVISED CAPITAL PROGRAMME 2009/10 – PROPOSED FINANCING**

<b>Source of funding</b>	<b>2009/10 Original £</b>	<b>2009/10 Revised £</b>	<b>Notes</b>
<b>Capital Grants:</b>			
• RHP	1,122,000	1,600,000	1
• DFG	663,000	663,000	
• Sub Regional Employment Sites		1,796,000	
• Hostel Replacement		1,792,100	
• Chances Park		727,700	
• General	37,300	216,700	1
• Slippage from 2008/09		1,503,700	2
<b>Capital Receipts:</b>			
• B/fwd from previous year	8,520,487	10,544,363	3
• PRTB receipts	400,000	250,000	4
• Generated in year	850,000	850,000	5
<b>Capital Contributions</b>			
• General	62,300	116,900	6
<b>TOTAL FINANCE AVAILABLE</b>	<b>11,655,087</b>	<b>20,060,463</b>	
<b>TOTAL PROGRAMME (SEE APP A)</b>	<b>12,900,500</b>	<b>16,181,900</b>	
<b>PROJECTED SURPLUS CAPITAL RESOURCES AVAILABLE</b>	<b>(1,245,413)</b>	<b>3,878,563</b>	

**Notes:**

1. Additional Regional Housing Pot grant has been used to fund Disabled Facilities grant.
2. These relate to grants and contributions received in 2008/09 for which the scheme was uncompleted and which are required in 2009/10 and were carried forward as capital grants unapplied at the year end.
3. The capital receipts balance at the end of 2008/09 was greater than anticipated.
4. There is anticipated to be a shortfall in PRTB receipts for the year due to the decline in the housing market and the reduced number of anticipated sales in the year. The revised projection for 2009/10 is that few sales will occur realising a receipt of £250,000.
5. For 2009/10, receipts from the Lovells agreement are anticipated to be received and general capital receipts are also expected to be achieved
6. Changes to contributions relate to Vehicle and Plant (£13,900), Eden Bridge Garden Restoration (£20,000) and Trinity MUGA (£63,000) and Chances Park (£20,000).

# BUSINESS CASE

Project Name	Replacement Accommodation for Homeless Families and women
Release	
Date:	June 2009
<b>Author/Contact Officer:</b> <b>Contact Details:</b>	Simon Taylor – Housing & Health Manager Civic Centre (7 <sup>th</sup> floor), Carlisle – 01228 817327 SimonT@carlisle.gov.uk
<b>Document Number:</b>	Replacement/ 1
Document Location:	Housing Managers office, 7 <sup>th</sup> Floor, Civic Centre, Carlisle

## Document History

### Revision History

Revision date	Previous revision date	Summary of Changes	Changes marked
31/7/09		Amended as per Capital Board requirements	

Approvals :ument requires the following approvals.

Name of Individual or Group	Title (if named individual)	Date of Issue	Version	Date Approved
Service Head	Alan Eales	June 09	1 & 2	
Director	Alan Eales	June 09	1 & 2	

Capital Projects Board		June 2009	1	
			2	Aug 09
SMT/JMT		1/10/09		
Executive		26/10/09		

**Purpose** To document the justification for the undertaking of the project, based on the estimated cost of development and implementation against the risks and anticipated business benefits and savings to be gained.

**Contents** This Business Case contains the following topics:

<b>Topic</b>	<b>See Page</b>
Reasons	2
Objectives	3
Options Appraisal	4
Benefits expected	5
Impact on Corporate Priorities and Service Standards	5
Other Strategic Considerations	5
Proposed Timetable	5-6
Input Required from Other Teams/External Parties	6
Estimated Costs	
Summary Investment Appraisal	6 & 9
Risks	7
Bid Estimates	9

<b>Reasons</b>	<p>The London Road Families Hostel accommodates 10 families/single women. It is a 3 story building converted from two adjoining terraced houses and has communal facilities including a kitchen, laundry, bathrooms and sitting rooms. There is an office and sleep over facilities. It has a large enclosed concrete yard at the rear. It provides temporary housing and support for women and families.</p> <p>It is not suitable for its purpose as it has no accessible accommodation for people with disabilities and is inadequate in terms of how support and help can be provided to homeless families, women and children. It is physically unacceptable and unsuitable due to poor design, small rooms, inadequate communal space and the control of access to and from the building.</p> <p>A new provision is needed to improve the quality of service, address equality and accessibility issues and comply with government policy.</p> <p>The development of improved self contained accommodation was originally considered as part of a joint project with the Centre of Excellence. However, following revisions of the plans it is being taken forward as a stand alone project.</p>
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## Objectives

The projects main objective is to improve the facilities for the use of clients who are homeless. Key to the projects objections are the following;

- To develop new build temporary homeless accommodation, which provides high quality, self contained and en suite accommodation for families and single women.
- To provide effective support for homeless families and women to improve life outcomes for all residents.
- To provide better facilities for families and women who are homeless.

The authority has a statutory obligation to deal with homeless applications and to secure accommodation for those in need.

The design and materials within the building will be 'green' and look to add to the 'Clean, Green and safe priority'. The building providing a safe location and provision for homeless families and women. The design and use of materials will also be extended to the new priority of 'Environment' by concentrating on reduction in energy usage and production of CO2 emissions.

It was felt that by selecting the development of a new provision the requirements for self contained, en suite accommodation can be achieved with the benefits of a well designed new building.

Options  
Appraisal

Homelessness is a statutory responsibility of the Local Housing authority under the Housing Act 1996 and Homelessness Act 2002.

Securing of accommodation for homeless people is a statutory requirement. Funding for the provision of hostel or other accommodation for homeless people is not available through any government mechanism.

In looking at the options these are listed below;

**Do nothing**

The current facilities are not fit for purpose and cause a number of issues for clients and staff. The rooms are not self contained and the facilities are shared. There can be significant management issues caused by families and single women having to share facilities and women having to share rooms. Although the current accommodation has been in use for a long time it is felt that it is in need of replacing.

**Alternative Provision**

Currently the families and women's hostel is owned by the Council and managed as part of the hostels service. Provision could be outsourced whereby an alternative provider would either own the building and provide the management and support service or own the building with an external provider providing the support or the Council can retain ownership of the building and the support could be externalized. Because the 15 staff employed within the Hostels service work across the men's hostel, homeshares and women's/families hostel outsourcing would need to be for provision of the whole service. This would raise a significant number of issues including;

The Council has 3 contracts with Supporting people for support within the service which are subject to the tender procurement rules of the County Council. As such, the authority would have any outsourcing plans impacted by the tendering of these 3 contracts which may make the provision package unattractive to a potential provider if they could not provide the whole service (own building and provide support).

Currently the service provided through the Council represents value in terms of enabling control of lettings and flexibility in managing and providing accommodation. Outsourcing would mean that the provision of accommodation would be governed by a written contract and unit costs for service provision.

The authority would lose control of service provision and would be subject to potential significant charges for temporary accommodation provision. Although it would not be employing 15 people direct the income currently obtained through the Supporting People contracts would not be realized. A reduction in staff will impact upon overhead charges.

There would be a reluctance for housing providers to look at the provision of this type of service unless it proved attractive as a business proposition. The complications with the Supporting People contracts would make the purchase of the current hostels by a provider as potentially unattractive and the issues with the hostel as inadequate still remaining.

**New Provision**

The current building needs replacing as it is inadequate. The costs of refurbishment of the current building would be significant and would be a compromise for what could be a beneficial new facility for clients and staff.

## Benefits Expected ?

What are the measurable benefits?	How will these improvements be measured against today's achievements?	When are the benefits likely to be achieved?
New high quality accommodation for homeless people	Feedback from residents and staff	Benefits will include better accommodation for homeless people
Improved facilities to deliver support services	Improvements in outcomes for residents	Benefits will be for homeless people
Improved and more secure accommodation for residents through en suite facilities	Feedback from residents	Benefits for homeless people
Improved quality in the management of the facility	Feedback from staff/residents Staff time spent on managing facility	
Ease of operation – self contained accommodation may not require sleep in staff	Efficient use of staff time Savings on overall management	

<p><b>Specific Impact on Corporate Priorities and Service Standards</b></p>	<p>The design and materials within the building will be 'green' and look to add to the 'Clean, Green and safe priority'. The building providing a safe location and provision for homeless families and women. The design and use of materials will also be extended to the new priority of 'Environment' by concentrating on reduction in energy usage and production of CO2 emissions.</p> <p>It was felt that by selecting the development of a new provision the requirements for self contained, en suite accommodation can be achieved with the benefits of a well designed new building.</p> <p>The project will lead to improving facilities and support services for those in need. Increasing the quality of the accommodation provided to homeless people and the standards for the services provided.</p>
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<p><b>Other Strategic Considerations</b></p>	<p>By improving the accommodation facilities for homeless families and women we will be improving the outcomes for people in their lives including school attainment, dependencies on drugs/alcohol etc. The provision of self contained accommodation with en suite facilities will be reducing the risk element to children that exists in the current hostel. This will be improving the 'safeguarding' of children.</p>
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Proposed Timetable	Estimated Date & Comments
Planning and Formal Approval for project	Mar 2010
Tender Process Complete	Sept 2010
Implementation Programme (please provide details of any known milestones and key dates within this)	Start on site – Nov 2010
Estimated Completion	Oct 2011
Post Contract Evaluation Due	Nov 2011

Details of input required from other teams in the Council.			
	Involvement Required	Name of person consulted re. feasibility of their input	Summary of involvement to date and their comments (attach additional sheets if necessary)
Construction/Property Services	Site appraisal/assembly	Mark Walshe	Options appraisal on suitable sites
External Funding Officer	N/A		
HR	N/A		
IT	N/A		
Legal Services	Site purchase (if required)	None to date	
Procurement	Architects etc	Mike Swindlehurst	None to date
Project Management	For construction	As Above	As Above
Details of Input required from External Bodies e.g. contractors, consultants, service providers, partners	Architects, building consultants,		

Summary of Estimated Costs (please ensure that detailed budget bids are attached if applicable)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital	200,000	1,560,000	40,000			1,800,000
Revenue						
	Revenue costs are contained within existing resources					
Summary Investment appraisal	<p>Capital profile includes finances from the original Centre of Excellence project inclusive of a capital receipt is also included for the current hostel building.</p> <p>Options to finance include use of capital receipts or funding by borrowing. The latter option has implications for revenue in terms of finance charges as well as having to pay the capital back.</p>					

Risks (click here for guidance notes)

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Action to mitigate risk</b>
<b>That a suitable site is not identified</b>	<b>Medium</b>	<b>High</b>	<b>We are looking at all possible private and public sector held sites within a set radius of the city centre</b>
<b>Opposition to the scheme from residents and external bodies</b>	<b>High</b>	<b>High</b>	<b>If a site is identified then a communication and consultation strategy and process will need to be put in place. The consultation with the local community will be important involving ward councillors, residents, key partners and staff.</b>
<b>Sale of current hostel building within a depressed market</b>	<b>High</b>	<b>High</b>	<b>This has been valued and work with the property services section will be done to achieve best value</b>
<b>Project not obtaining planning permission</b>	<b>Medium</b>	<b>High</b>	<b>Once site chosen significant consultation will need to take place to take on board any objections from partners and the community.</b>
<b>A delay in the project while the current hostel is sold</b>	<b>Medium</b>	<b>High</b>	<b>It is proposed that the capital programme enable the project to progress within the timescale. The hostel would be sold and the capital receipt 'repaid' to the capital programme. Political approval is needed for this proposal.</b>
<b>Continued provision of the service</b>	<b>Medium</b>	<b>High</b>	<b>The current hostel would be used until the new facilities are built.</b>
<b>The result of archaeological excavations may compromise the development</b>	<b>Medium</b>	<b>High</b>	<b>This is dependent upon which site is chosen.</b>
<b>Not replacing the current accommodation</b>	<b>Medium</b>	<b>High</b>	<b>Progressing the project as key</b>

**If the proposal has been the subject of a separate report to Members, including Overview and Scrutiny, please state which committee(s) and give report dates, titles and references.**

The project was originally combined with the Centre of Excellence. This was subject to a number of reports in 2007 and 2008 and approved at Full Council on 15/7/09. Regular progress updates have been provided to the Portfolio Holder and an update to SMT and JMT in May 2009 on the project as a stand alone facility. A report is due to go to Executive in October 2009. A separate report went to JMT on 1/10/09.



<p>Summary Investment appraisal</p>	<p>Capital profile includes finances from the original Centre of Excellence project inclusive of a <b>capital receipt is also included for the current hostel building. £690,000.</b></p> <p>Options to finance include use of capital receipts or funding by borrowing. The latter option has implications for revenue in terms of finance charges as well as having to pay the capital back.</p>
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<b>Summary of Estimated Costs (please ensure that detailed budget breakdowns are attached if applicable)</b>					
<b>Capital Payments</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
	200,000	1,560,000	40,000		
<b>Total/Gross Capital Cost [A]</b>	<u>200,000</u>	<u>1,560,000</u>	<u>40,000</u>		
<b>Capital Grants &amp; Contributions</b>					
<b>Total Grants &amp; Contributions [B]</b>	<u>0</u>	<u>0</u>	<u>0</u>		
<b>NET COST TO BE MET FROM CARLISLE RESOURCES [A] – [B]</b>	<u>200,000</u>	<u>1,560,000</u>	<u>40,000</u>		
<b>Revenue Costs</b>					
<b>Total/Gross Revenue Cost [C]</b>	<u>0</u>	<u>0</u>			
<b>Income</b>	<u>0</u>	<u>0</u>			
<b>Total Revenue Income [D]</b>	<u>0</u>	<u>0</u>			
<b>NET REVENUE COST TO BE INCLUDED in the BUDGET [C] – [D]</b>	<u>0</u>	<u>0</u>			

**Business Case Guidance Notes**

Reasons	<p>Provide a description of the background to the project.</p> <p>Include any history of events and a brief summary of any current system that is to be replaced.</p> <p>Briefly state the purpose of the project.</p>
Objectives	<p>Please set out the objective of the scheme, its outcome and outputs relating to any policy priorities which will be met.</p> <p>Describe how the project supports corporate objectives, business strategy, plans or programmes e.g. Environmental Policy.</p> <p>Describe, in simple terms, the key benefits of the project.</p> <p>Explain the reasons for the selection of the chosen solution (where appropriate).</p>
Options	<p>Please indicate the different options considered (including 'do nothing') to achieve the objectives of the proposal and why that now presented was chosen.</p>
<b>Benefits Expected</b>	<p>Explain what benefits the project will bring in terms of:</p> <ul style="list-style-type: none"> <li>• Cost savings</li> <li>• Time and efficiency gains</li> <li>• Improved quality</li> <li>• Process improvement</li> <li>• Enhanced controls (e.g. security)</li> <li>• Ease of operation</li> <li>• Community gains e.g. environmental, infrastructure, safety etc</li> <li>• Equality and Disability; how does the project promote access for all, particularly those most vulnerable?</li> </ul> <p>Try to express the benefits in a way that can be measured.</p> <p>Be specific about the benefits to be realised – where the benefits will be gained, which processes are affected, who will be involved, when will the benefits be realised. Means of measuring the benefit</p> <p>What controls will be established to ensure that the benefit is being realised</p>

**Risks** You should conduct a risk assessment on any new proposals. Briefly set out any issues arising here. These could potentially be:-

- Whether the proposal can be achieved using existing staff resources. Is there really the capacity to carry out this project?
- The impact on service delivery and/or failure to meet business needs, Council aims or budget priorities;
- Where no action could result in the wasteful use of financial and staff resources;
- Where there is a potential for revenue losses and/or an increase in an expenditure head/cost base etc.

Other potential impacts include:

- Death, injury, or illness of staff or a member of the public
- Damage to public confidence in the Council
- Reduced user satisfaction with services
- Damage to the Council's reputation
- Failure to comply with legislation for example race, disability, gender and age discrimination, environmental law.
- Failure to deliver government policy
- Damage to assets
- Damage to the Environment - Could the project have a direct impact on the environment (e.g. air quality or biodiversity), or significantly influence the way individuals, households and businesses affect the environment (e.g. increased use of cars or volume of waste)?

Ensure that the risks been evaluated in accordance with the Council's Risk Management Policy.

Indicate whether the perceived risks are High, Medium or Low in terms of the likelihood of them occurring and their impact on the project. Also provide details of any strategies or processes in place to manage the risks associated with the proposal.

**Cost** Provide an indication of the expected costs and timescales of the proposed project. Please show the gross cost of the scheme as well as any potential external funding.

Timetable	Indicative timetable for project milestones/ approvals.
Investment appraisal	This part of the business case needs to demonstrate a 'return on investment', for example by reducing risk, driving up performance or increasing efficiency. It is critical to define how successful delivery of the anticipated outcomes will be demonstrated. For significant investments these details must be integrated into the Service Plans for the relevant Directorates and therefore subsumed into the performance management framework.