



Leicester
City Council

**Performance & VFM Select Committee
Cabinet**

**24th March 2010
29th March 2010**

2009/10 CAPITAL PROGRAMME MONITORING – PERIOD 9

Report of the Chief Finance Officer

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Members on the progress of spending on the capital programme for 2009/10 to the end of September (period 9), and the forecast spend to the end of the year.
- 1.2 Final outturn will be reported in due course.

2 SUMMARY

- 2.1 The actual level of expenditure at the end of period 9 totalled £66.3m, which represents 63% of the projected spend for the year of £105.5m. Taking account of additional expenditure and reductions and, omitting schools devolved formula capital (as the Council has limited control over this) the actual performance against approved programme is currently 86.6% against the 90% target spend level.

3 RECOMMENDATIONS

- 3.1 Cabinet is recommended to:
- i) approve a revised level of programmed expenditure of £105.5m;
 - ii) note the level of expenditure to the end of December 2009 of £66.3m;
 - iii) note the current level of spend (63%) of the programme;
 - iv) note the level of slippage (£3.8m) that has occurred since period 6;
 - v) note the downturn in capital receipts;
 - vi) note the prudential indicators for 2009-10.
 - vii) Approve the early use of monies (£250k) proposed in the 2010-11 budget for work on phase two of the Resource Management Systems project to ensure that it can proceed as quickly as possible.

- viii) Approve prudential borrowing of up to £500k under the “Spend To Save” Scheme for the Central Libraries consolidation project.

3.2 The Select Committee is asked to:

- i) consider the overall position relating to the capital programme and make any observations to Cabinet as it sees fit; and
- ii) consider whether they would wish to further scrutinise the performance of any individual schemes where they have concerns over progress.

4 CAPITAL MONITORING

4.1 The capital programme is split into 4 main categories:

- i) the Transport programme;
- ii) the Education programme;
- iii) the Housing programme; and
- iv) the Corporate programme, which covers all other services.

This categorisation is determined by the way Government support is allocated.

4.2 This report details the actual level of expenditure to the end of December 2009.

4.3 The report also considers the extent to which the Council has achieved its programme of asset sales, which help fund the programme.

5 POSITION AT THE END OF SEPTEMBER 2009

5.1 The overall financial position for each division is shown in Appendix A.

5.2 At the end of period 9, 63% of the 2009/10 revised programme of £105.5m had been spent.

5.3 Significant additional slippage (i.e. since period 6) is now forecast (£3.8m) in the capital programme. This primarily relates to 2 projects – these being the Football Investment Strategy and Children’s Centres.

5.4 The recession continues to have an impact on our already low target for capital receipts.

6 PROGRESS ON SPECIFIC SCHEMES

6.1 Details of progress on major schemes in the programme are given below on a Divisional basis in line with the authority’s new management structure.

6.2 Social Care & Safeguarding

6.2.1 Schemes in this division include Children's Residential Homes and Youth Projects.

6.2.2 The revised programme at period 6 totalled £1.258 million. Net additions of £27k have occurred since period 6 and the full year forecast is £1.285m Actual expenditure at period 9 totalled £1.032m representing 80% of the full year forecast. Full spend in the year is anticipated.

6.3 Access, Inclusion & Participation

6.3.1 Schemes in this division include Children's Centres and Short Break Pathfinder Grant (£146k).

6.3.2 The revised programme at period 6 totalled £2.597m. The final costs of the schemes are lower than previously forecast so a budget reduction of £220k has occurred. Additional slippage of £604k has also occurred since period 6 which further reflects delays agreeing the sites for the phase 3 centres, covering five schemes at Lansdowne Road, St Saviours, Kestrel Fields, Alderman Richard Hallam and Mayfield. Expenditure of £455k had been incurred at the end of period 9. One project has started and the rest are due to start in February/March 2010. Projects will all be completed by the autumn if not before.

6.4 Learning Environment

6.4.1 Schemes in this division include New Primary Places, BSF Phase 1, schools devolved capital, Humberstone Juniors and Infants restructuring, school kitchens and the classroom replacement programme.

6.4.2 The revised programme at period 6 totalled £32.2m. Expenditure of £26.9m had been incurred at the end of period 9. A significant addition to this area of £4.1m has occurred since period 6. This relates to Schools Formula Capital and is covered in more detail below.

6.4.3 Progress and comments on major schemes detailed below:

a) Schools Formula Capital (£8.1m)

This is funding which is devolved directly to schools and is therefore not subject to direct controls on expenditure and profiling. Payments are made to schools on a termly basis, based on a national formula. Some schools use their DFC (Devolved Formula Capital) to make contributions towards projects within the main CYPS capital programme. Additional allocations of DFC for 2008-09 and 2009-10 for secondary schools were paid out in October. These sums had been held centrally as it was anticipated that they would be clawed back by the DFC. In October the DFC confirmed that the sums could be retained for the schools. It is envisaged that schools will use DFC for a combination of operational / urgent needs and to support strategic objectives as set out in the BSF and Primary Capital Programmes and the Strategy for Change generally. As at period 9 £6.8m had been spent (i.e. paid out to schools).

- b) Humberstone Junior and Infants Restructuring (£2.4m)
The project involves the construction of a new hall, link corridors to both schools and the replacement of mobile classrooms. It commenced in April 2009 and is due to be completed in February 2010. Expenditure at period 9 totalled £1.7m and full spend is anticipated.
- c) New Primary Places (£11.8m)
The project includes works at a number of schools with expenditure of £8.7m at period 9.

Significant elements of New Primary Places project are as follows:

Taylor Road Primary (£5.02m) The school opened in September 2009 and the external work is due to be finished in January 2010.

Eyres Monsell & Children Hospital School (£3.06m) The junior block for the new primary school has been refurbished and was handed over on 18th October. The new extension and children centre were completed in November 2009. The refurbishment of the infant block (for use by the Children Hospital School) is being carried out under the BSF programme.

Rowlatts Hill Primary (£1m) The project is now planned to commence in February 2010 and is due to be completed by September 2010.

Mellor Primary (New School) (£1m) There have been delays on the project due to the requirement to complete a feasibility study on a larger school. The project is due to commence on site in June 2010 and is scheduled for completion in September 2011.

Marriott Primary School (£900k) The works commenced in July 2009 and due to be completed in September of 2010.

Evington Valley Primary (£400K): The project is now planned to start May 2010 and due to be completed in January 2011. The project is currently over budget and is being assessed for opportunities to reduce the scope.

Rolleston Primary (£600K) The project is now planned to commence in February 2010 and is due to be completed in August 2010.

Merrydale Infants (£825K): The project commenced in April 2009 and was completed in August.

- d) Building Schools for the Future – Phase 1 (£10.1m – non PFI)
All phase 1 schemes will be completed by February 2010 when external works to Soar Valley have been finished. Beaumont Leys secondary School was awarded the BSF School Of The Year award in late 2009. Latest estimates of outturn costs for Phase 1 are £64.8m. For non PFI schools actual expenditure at period 9 was £8.2m.
- e) Classroom Replacement Programme (£1.2m)

Charnwood Primary: The project commenced in January 2009 and was completed in August 2009.

Upland Infants: the project started on site during November 2009. Completion is anticipated in Spring 2010.

f) School Kitchens (£1.9m)

A report was approved by Cabinet on 30th November which added Northfields House Primary, Woodstock Primary and Merrydale Infants and Juniors to Crown Hills and Rushey Mead. Spend at period 9 was just £23k but it is anticipated that the revised programme spend of £637k will be achieved by the year end.

6.5 Learning Services

6.5.1 Schemes in the Learning Services Division include IT Projects (£1.254m), Children’s Play Programmes (£546k), Individual Access Needs (£226k), New Opportunities Sports Programme (£200k), Braunstone Skills Centre (£182k) and City Learning Centres (£171k).

6.5.2 The revised programme at period 6 totalled £2.9m. A combination of additions, budget reductions, expenditure brought forward and slippage have lead to a net increase in the programme to £3m. Expenditure of £1.89m had been incurred at the end of period 9 representing 63% of the programme for the year. The slow spend mainly relates to Childrens Play Programme Works – works have commenced and forecast spend is anticipated to be achieved.

6.6 Highways and Transportation

6.6.1 The revised programme for Highways and Transportation schemes at period 6 was £15.1m. The Highways and Transportation capital programme is made up of the following main areas:

Highways & Transportation	Revised Programme 2009/10 ‘£000
Integrated Transport	£8,354
Capital Maintenance	£3,147
Regeneration Schemes	£2,582
Other H&T Schemes	£1,013
Total H&T	£15,072

The major projects within the **Integrated Transport programme** include Quality Bus Corridors (£2.7m), Park & Ride Services (£2.7m), Walking & Cycling Schemes (£0.6m), Bus Improvements (£0.3m) and Safer Roads (£0.67m). Expenditure of £6.104m had been incurred to period 9.

6.6.2 The level of over programming in 2009/10 (the extent to which the cost of schemes programmed exceeds the annual resource allocation available) has reduced by £588k due to schemes that have been delayed. Nevertheless, actual spend at period 9 is already in excess of the funding available. Any final overspend at the end of the year will be a commitment on the 2010/11 resource

allocation. The cost of any actual over programming will have to be funded through corporate resources in 2009/10 until the 2010/11 allocation is received.

- 6.6.3 The **Capital Maintenance** programme includes works on Old Bow Bridge, Fernie Road Bridge and Palmerston Way Bridge, Humberstone Road resurfacing, footways and street lighting. Works on the Old Bow and Gwendolen Road bridges are now complete and work on Fernie Road Bridge is progressing. Works on Palmerston Way Bridge and London Road carriageway have been completed. Footway works on Welford road, Oxford Street, St Margaret's Way and Abbey Lane have been completed, and work on Mere Road has started. Work on the traffic signal renewal works is progressing well. Expenditure at period 9 was £2.32m. Over-programming is currently at £364k but resources available are £2.78m.
- 6.6.4 **Other H&T schemes.** This includes a Bridge Refurbishment programme (£115k) – Aylestone Old Mill Bridge. A report will be taken to Cabinet to approve additional expenditure of of £150k in 2009-10.
- 6.6.5 **Regeneration** schemes include City Centre Projects, Growth Fund Schemes and the City Centre Development Programme giving a total approved programme for 2009/10 of £2.6m. Schemes include Cank Street, Southampton Street, Granby Street and St George's Infrastructure works. Cank Street work will be completed by March 2010. Granby Street and St George's works are now complete and Southampton Street works are substantially complete.
- 6.6.6 Expenditure to the end of period 9 for this area was £2.1m (81% of programme).

6.7 Transport

6.7.1 Vehicle Replacement Programme

This is a programme to replace vehicles agreed with user sections for the forthcoming financial year. It is now estimated that 103 vehicles will be purchased at an estimated total cost of £2m during the financial year 2009/10 and a "saving" of £200k will be realised. Actual expenditure to period 9 was £836k. The Vehicle Replacement Programme is on schedule.

6.8 Culture Services

6.8.1 The revised programme for Culture Services at period 6 totaled £11.6m. A further £2.4m of slippage has occurred on the Football Investment Strategy Scheme. Expenditure to the end of period 9 was £4.6m.

6.8.2 The revised programme for 2009/10 is summarised in the table below:

Scheme	£000's
Football Investment Strategy	3,100
Curve	1,570
Phoenix Square	2,278
New Parks Library	1,273
City Gallery Replacement	230

De Montfort Hall	135
Belgrave Hall Stable Block	335
Special Olympics 2009	100
New Walk Museum	86
Castle Options Appraisal	49
Other Culture Schemes	60
Total Culture Services	9,216

6.8.3 Key issues with the above programme are:

Football Investment Strategy

This is a major capital investment programme to improve football facilities at 7 sites across the City and provide 4 new or improved ball courts. The programme has been developed in partnership with the Football Foundation, Football Association, The Leicestershire and Rutland County FA, and NHS Leicester City.

The contractor, Willmot Dixon, has commenced construction at Rushey Fields, New College and St Andrews Ballcourt. Linwood Playing Fields are due to start next month. Further significant slippage has occurred due to delays in agreeing enabling contracts. However, the overall completion date remains as August 2010.

Phoenix Square

Construction is now complete and the contractual retention is due to be paid in October 2010.

New Parks Library and Community Centre

The project is on schedule and on budget. Practical completion of the building was achieved on 18th December 2009. The library service is now in the process fitting out and equipping the building. The existing library on Dillon Road will close on 30th January 2010 – the new library is scheduled to open on 16th March.

Replacement of City Gallery

The options for the development of the site were finalised in a report to Cabinet in August. The proposed scheme will now cost £2.44m. The revised opening date is now 1st August 2011.

De Montfort Hall

This is for the procurement of a box office system. Installation has been scheduled for March 2010.

6.8.3 Central Library Consolidation project.

Following Council approval of the budget on 24th February 2010, the Central Lending and Reference libraries are being merged into one site so that the Reference Library site can provide all of the services together in one location in Town Hall Square, which is rapidly becoming the focus of city centre front line service delivery. This scheme is valued at £0.5m and covers the associated moving costs and building works which would take place in 2010/11 with completion by January 2011. It is proposed to finance this expenditure by

Prudential Borrowing under the Council's "Spend To Save" scheme, and the recommendations to the report seek approval for this proposal.

6.9 Environmental Services

6.9.1 The revised programme for Environmental Services related schemes was £848k at period 6. The significant projects within the Environmental Services programme include City Wide Allotment Strategy (£301k) and Tree Planting (£274k). Additional spend has occurred for Adventure Playground Equipment at Braunstone Park due to a contribution from the Braunstone Community Association – the facility is now open. The programme also includes the purchase of a mobile saw mill machine (£35k) under the "Spend To Save" provisions. The Gilroes Cemetery extension has slipped by £91k due to objections received to the planning application.

6.10 Planning and Economic Development

6.10.1 The revised programme for Planning & Economic Development was £2.36m at period 6. The main schemes are Ashton Green and Growth Fund Schemes and Leicester Science Park Innovation Workspace Project. The latter has been added (£300k) since period 6 and is being developed in collaboration with Leicester and De Montfort Universities. Spend in 2009-10 will fund professional and other fee costs. A further level of slippage (£90k) has occurred on the Ashton Green project. An outline planning application is now scheduled for submission in May 2010. Spend on Growth Fund schemes has been slow – mainly due to 2 schemes (BUSM New Belgrave Community and Sangra & Shonki Buildings) where payments will be made on finalisation of funding agreements.

6.11 Personalisation and Business Support

6.11.1 The revised programme for personalisation and business support was £101k at period 6. Further slippage of £50k has now occurred on the Electronic Social Care records project. The other project for Electronic Care Monitoring has largely slipped to 2010-11.

6.12 Older People Service

6.12.1 The revised programme of £199k at period 6 relates to Elderly Persons Homes (EPHs) and to Intermediate Care facilities. Expenditure of £50k had been incurred at period 9. Further slippage of £90k has now occurred on the Butterwick Project.

6.13 Safer and Stronger Communities

6.13.1 The programme totals £460k and includes work on Community Centres (£200k for six centres), Belgrave Neighbourhood Centre (£57k) and grant payments from the Safer & Stronger Communities fund (£132k). Expenditure of £216k had been incurred at period 9. It is anticipated that full spend will be achieved on all projects.

6.14 Community Care Services

6.14.1 The programmed spend of £180k relates to the use of Mental Health grant on a number of social inclusion and empowerment projects both in the statutory and voluntary sector. Slippage of £80k has now occurred due to the low number of suitable bids received. No expenditure has been incurred at period 9.

6.15 **Housing Services /Housing Strategy & Options**

6.15.1 The Housing Services and Housing Strategy Divisions cover Housing Revenue Account and Housing General Fund schemes respectively. The overall revised Housing capital programme totals £27.8m with expenditure to period 9 of £15.9m – 57% of the further revised programme. Expenditure on HRA schemes is now proceeding well after a slow start caused by delays in contractor changes. Managers remain confident that full spend will be achieved – 208 kitchen and bathroom conversions are committed for completion by the year end and the central heating boiler programme is on schedule. Since period 6 additional resources of £70k have been added to the HRA programme as a result of a successful bid for Flat Conversion grant funding. Other additions have occurred on new central heating installations and St Peters Balconies but these have been offset by slippage on environmental works. £150k slippage has now occurred on the combined heat and power scheme (General Fund) due to procurement complications and the bulk of work will now occur in May/June 2010.

6.16 **Strategic Asset Management**

6.16.1 A revised programme of £4.2m for Strategic Asset Management Schemes at period 6 covers Accommodation Strategy and various property related projects. Expenditure at the end of period 9 was £2m. Progress on key schemes in the Strategic Asset Management capital programme is as follows:

6.16.2 **Accommodation Strategy** – the originally agreed programme of works covering work to B7, Sovereign House first floor and Greyfriars was completed in the summer. Welford House was vacated at the end of August following relocation of the bulk cash service to 10 York Road and the cash counters to A block reception. Work continues on planning the future of New Walk Centre and the Bishop Street Customer Service Centre with a target opening date for the latter in 2011. £500k of expenditure has been brought forward from the 2010-11 provision.

6.16.3 **Bowstring Bridge** – The demolition of the Bowstring Bridge has now been completed at a total cost of £497,000 comprising £471,700 in demolition works, fees and other charges and £25,300 in security and other costs relating to the high profile of the work. The budget provision within the capital programme is £472,000. As the work was completed sooner than originally planned £222k of expenditure has been brought forward from the 2010-11 programme. The additional security related costs will be funded from savings elsewhere in the SAM programme.

6.16.4 **Hamilton Footbridge** – The bridge is now open and provides a foot and cycle link over the ring road to the Hamilton Tesco centre. It has been constructed by

the Hamilton trustees with Tesco also providing a contribution. The Council will make its required contribution when final costs have been agreed.

6.16.5 **Town Hall Restoration** – The programme of works for 2009-10 have now been completed.

6.16.6 **Asbestos Surveys & Water Hygiene** – Asbestos surveys and Water Hygiene works have been prioritised and commissioned. It is anticipated that both of these programmes will complete on budget. Recent site access issues have delayed the completion of the Asbestos Surveys programme until the end of March 2010. The final phase of the 2009/10 Water Hygiene programme is currently being commissioned and will complete by March 2010.

6.16.7 **Property Schemes** – In addition to the original programme of schemes (£402k) Cabinet approved a further programme of schemes totalling £700k on 1st September of which £244k of spend was forecast for 2009/10. £135k of the latter are anticipated for completion within 2009-10 resulting in slippage of £109k. Spend to the end of period 9 is relatively low due to delays in tendering procedures and the prioritisation of the works following the fire risk assessments.

6.16.8 **DDA** – All scheme works are now complete with some final contractor's invoices awaited.

6.17 **Information and Support**

6.17.1 There is one approved project of £7k for the installation of Telly Talk stations (video conferencing facility). Suitable sites for installation are being identified and full spend is forecast.

6.18 **Human Resources**

6.18.1 One scheme totalling £10k is included for works to enable disabled access within Administrative Buildings. Spend in the year is dependant on departments registering claims against the allocation. Based on previous experience, full spend is anticipated.

6.19 **Financial Services**

6.19.1 The original approved programme of £189k covered the Resource Management System (RMS) project. The allocation has been fully spent. The proposed budget for 2010-11 makes provision for phase two of the project which has commenced early and the recommendations to the report seek early release of this funding.

6.20 **Corporate Governance**

6.20.1 The programme of £128k is to support the Ward community meetings in responding to suggestions for local improvements made by residents. This expenditure has now been incurred.

7 CAPITAL RECEIPTS

- 7.1 The recession and in particular the subsequent effect on the commercial property market is having a serious effect on the Council's ability to raise capital receipts and thus finance the capital programme. Expectations were accordingly scaled down significantly when the programme was set. Nonetheless, even these targets are proving difficult to achieve.
- 7.2 Non-earmarked, non-housing capital receipts of £500k have been realised at period 9 compared to a target of £2.3m, and it is not anticipated that any significant further receipts will be received in the current financial year. This, accordingly, will reduce the available resources for the corporate capital programme, and require the use of a prudential borrowing contingency (up to £2.245m) included when the capital programme was set.
- 7.3 The Housing usable capital receipts forecast was £1.3m. Housing expenditure is financed from a combination of sources, including housing capital receipts. At period 9 £783k of usable receipts had been generated from right to buy sales. Although the position regarding Housing receipts is a little better than feared earlier in the financial year, it is still clear that the target was unattainable and steps were therefore required to bring the General Fund element of the programme in line with funds available. £500k of capital receipts were earmarked for corporate schemes – this contribution has now been written off.

8 CAPITAL MONITORING TARGETS

- 8.1 In October 2003 Cabinet agreed a performance target for capital expenditure of 90% of the original programme, excluding schemes where there is significant 3rd party involvement.
- 8.2 For programmes excluding those schemes with significant 3rd party involvement and additions/budget reductions or expenditure brought forward the latest forecast of expenditure by divisional officers is approximately 86.6% of the original programme. Any significant additional slippage that occurs up to the year end will clearly worsen performance.

9 PRUDENTIAL BORROWING

- 9.1 Details of schemes to be funded by prudential borrowing and the forecast level of expenditure for 2009/10 are shown on the next page:

Approved Prudential Borrowing	2009/10 Pd 6 Estimate £000	2009/10 Latest Forecast £000
Corporately Funded		
Property Maintenance	500	500
Curve	1,424	1424
Accommodation Strategy (CLABS)	1,042	1,442
City Centre Development Project (CCDP)	242	242
Digital Media Centre	1,570	1,570

Building Schools for the Future	2,200	2,200
Building Schools for the Future – TLE	500	500
LRC Schemes	1,109	1,109
Lewisher Road	160	160
Football Facilities	816	816
HRA		
Housing HRA – General	1,514	1,558
Spend to Save		
Resource Management Strategy	189	189
Hamilton Footbridge	81	81
Property Purchase	352	352
Vehicles in lieu of leasing	2,200	2,200
New Parks Library	80	80
Energy Saving Street Lighting	160	160
Saw Mill	32	32
Future Spend to Save	500	500
Total Prudential Borrowing	14,671	15,115

9.2 The Chief Finance Officer is permitted to approve Spend to Save schemes up to £250,000.

9.3 The cumulative level of prudential borrowing as a proportion of gross revenue expenditure is shown in the table over (this takes into account anticipated repayments):

General Fund	Cumulative Unsupported Borrowing £000	Gross Revenue Expenditure £000	Cumulative Unsupported Borrowing as % of GRE
2006/07 (actual)	19,572	746,743	2.6%
2007/08 (actual)	29,913	772,491	3.9%
2008/09 (actual)	53,417	779,889	6.9%
2009/10 (forecast)	59,257	785,289	7.54%
Housing Revenue Account	Cumulative Unsupported Borrowing £000	Gross Revenue Expenditure £000	Cumulative Unsupported Borrowing as % of GRE
2006/07 (actual)	20,487	64,051	32.0%
2007/08 (actual)	20,121	65,017	30.9%
2008/09 (actual)	19,246	69,057	27.9%
2009/10 (forecast)	19,930	72,823	27.4%

10 PRUDENTIAL INDICATORS

- 10.1 The latest forecast of performance in 2009/10 against approved indicators is shown in Appendix B.
- 10.2 In summary, the Council will not exceed any Prudential Indicators, which were set as limits on the council's activities. There will be variations between actual and expected performance on some indicators due to changes in the forecast level of capital expenditure.

11 CONSULTATION

- 11.1 All departments have been consulted in the preparation of this report.

12 FINANCIAL AND LEGAL IMPLICATIONS

- 12.1 The report is largely concerned with financial issues.
- 12.2 Legal Implications – Peter Nicholls, Director Of Legal Services, has confirmed that there are no additional legal implications to those included in the body of the report.

13 OTHER IMPLICATIONS

Other Implications	Yes / No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	Yes	6.6 & 6.9
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly People / People on Low Income	No	-

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

2009/10 CAPITAL PROGRAMME
APPENDIX A

Service Areas	Approved Programme	Full Year Forecast at Period 6	Additions	Savings	Budget Transfers/ (Reduction)	(Slippage)	Overspend/ Payments Brought Forward	Full Year Forecast Period 9	Payments to end of Period 9	Percentage of Spend compared to Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Care & Safeguarding	5,716	1,258	82		(75)		20	1,285	1,032	80%
Access, Inclusion & Participation	798	2,597			(220)	(604)	16	1,789	455	25%
Learning Environment	33,083	32,197	4,100		(122)	(66)	71	36,180	26,893	74%
Learning Services	1,416	2,905	159	(10)	(163)	(89)	200	3,002	1,893	63%
Highways & Transportation	13,372	15,072	24				(588)	14,508	11,001	76%
Transport Department	2,200	2,200		(169)				2,031	836	41%
Culture Services	15,537	11,616				(2,400)		9,216	4,603	50%
Environmental Services	967	848	210			(110)		948	607	64%
Planning and Economic Development	2,225	2,359	300			(90)		2,569	446	17%
Personalisation and Business Support	172	101				(50)		51	0	0%
Safer and Stronger Communities	460	460						460	216	47%
Older People Services	309	199				(90)		109	50	46%
Community Care Services	180	130				(50)		80	0	0%
Housing Services	24,437	23,021	70		98			23,189	12,214	53%
Housing Strategy and Options	5,383	4,741				(150)		4,591	3,718	81%
Strategic Asset Management	5,598	4,231				(109)	749	4,871	2,019	41%
Information and Support	7	7						7	0	0%
Human Resources	10	10						10	0	0%
Financial Services	189	189	250					439	189	43%
Assurance and Democratic	128	128						128	128	100%
TOTAL	112,187	104,269	5,195	(179)	(482)	(3,808)	468	105,463	66,300	63%

2009/10

PRUDENTIAL INDICATORS

	Pd 6 Estimate	Latest Forecast
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AFFORDABILITY**Ratio of financing costs to net revenue stream**

Non - HRA	7.36%	7.40%
HRA	11.73%	11.84%

Level of "unsupported" borrowing for the General Fund

	£000	£000
Unsupported borrowing brought forward	47,660	46,898
New unsupported borrowing	13,157	18,556
Less unsupported borrowing repaid	<u>(4,353)</u>	<u>(6,197)</u>
Total unsupported borrowing carried forward	<u>56,464</u>	<u>59,257</u>

Some borrowing initially forecast for 2008/09 is now anticipated to be in later years.

Level of "unsupported" borrowing relating to the HRA

	£000	£000
Unsupported borrowing brought forward	19,647	19,246
New unsupported borrowing	600	1,558
Less unsupported borrowing repaid	<u>(874)</u>	<u>(874)</u>
Total unsupported borrowing carried forward	<u>19,373</u>	<u>19,930</u>

Estimated incremental impact on council tax & average weekly rents of 2009/10 capital investment decisions

	£	£
Band D council tax (£1,163.65)	0.00	0.00
HRA rent (£54.86)	0.01	0.02

PRUDENCE**Level of capital expenditure**

	£000	£000
General Fund	81,501	82,274
HRA	<u>23,021</u>	<u>23,189</u>
Total	<u>104,522</u>	<u>105,463</u>

Capital Financing Requirement

This measures the authority's underlying need to borrow for capital purposes.

	£000	£000
Non HRA	289,161	289,161
HRA	211,194	211,194

General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	232,697	228,652
Unsupported Borrowing	<u>56,464</u>	<u>59,257</u>
	<u>289,161</u>	<u>287,909</u>

Authorised Limit

This is a statutory limit relating to external debt and is consistent with the authority's plans for capital expenditure and financing and with its treasury management policies.

The currently approved

Operational Boundary

This is based on the same estimates as the Authorised Limit but reflects the Chief Finance Officer's estimate of the most likely level of debt.

The currently approved

SUSTAINABILITY

Upper limit on fixed and variable interest rate exposures, as a percentage of total debt net of investments

	%
Fixed interest rate	150
Variable interest rate	45

Upper limits for the maturity structure of its borrowing

	%
Under 12 months	
upper limit	30
12 months & within 24	
upper limit	40
24 months & within 5 y	
upper limit	60
5 years & within 10 years	
upper limit	60
10 years & above	
upper limit	100

The upper limit for principal sums invested for more than 364 days is £90 million for 2009/10 and subsequent years.

Lower limits for the maturity structure of its borrowing

Less than 5 years	5
Over 5 years	60