



Leicester  
City Council

**Cabinet**

**15 October 2007**

**Performance & VFM  
Select Committee**

**18 October 2007**

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**2007/08 CAPITAL PROGRAMME MONITORING - PERIOD 4**

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**Report of the Chief Finance Officer**

**1. PURPOSE OF REPORT**

The purpose of this report is to update Members on the progress of spending on the capital programme for 2007/08 up to the end of July (period 4) and the forecast spend at the end of the year.

Further reports will be produced showing the position and the forecast as at the end of October (period 7), December (period 9) and the end of the year.

**2. SUMMARY**

2.1 The actual level of expenditure at the end of July 2007 totalled £23.1 million. The expenditure to date represents 19% of the projected spend for the year.

2.2 The programme is funded in part by the capital receipts from the sale of assets. Achievement of the capital receipts target is dependent on a small number of high value disposals that are progressing well. Whilst no certainty can be given, it is expected at this stage that the target will be achieved without significant difficulty.

**3. RECOMMENDATIONS**

3.1 Cabinet is recommended to:

- i) approve a revised level of programmed expenditure of £122.7 million;
- ii) note the level of expenditure to the end of July 2007 of £23.1 million;
- iii) approve earmarking an additional £127,000 of capital receipts for the Hamilton Footbridge scheme;
- iv) note the position relating to capital receipts;

- v) note that forecast capital programme performance is to spend 99% of the approved programme (excluding any additions or expenditure brought forward) compared to a target of 90%, although this is a very early forecast; and
- vi) note the prudential indicators for 2007/08.

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:

- a) the Transport programme;
- b) the Education programme;
- c) the Housing programme; and
- d) the corporate programme, which covers all other services.

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

4.3 The Council's Housing capital programme was approved in January 2007, Transport and Corporate programmes in March 2007 and the Education programme in June 2007. This report details the actual level of expenditure to the end of July 2007 and the planned programme of works in 2007/08.

4.4 The report also considers the extent to which the Council is achieving its programme of asset sales, which help fund the programme.

4.5 Monitoring information is included in relation to Prudential Indicators.

## **5. KEY ISSUES**

5.1 Key issues that have arisen as part of the monitoring exercise are as follows:

- i) Expenditure of £23.1 million had been incurred at the end of period 4, representing 19% of the forecast outturn.
- ii) Slippage in payments of £1.1 million is forecast. This relates to the following schemes:

Adult & Community Services Department  
Braunstone Projects  
ICT Investment (Home Care Recording)  
Information Management

Children & Young People's Service Department  
Taylor Road School  
Fullhurst Vocational Centre

Regeneration & Culture Department  
Replacement of Children's Book bus

## **6. POSITION AT THE END OF JULY 2007 (PERIOD 4)**

- 6.1 The overall financial position for each department is shown in Appendix A.
- 6.2 At the end of period 4, 19% of the 2007/08 programme of £122.7 million had been spent.
- 6.3 Performance is variable across service areas; the slippage of £1.1 million relates to the following areas:

	<b>£000</b>
Adult & Community Services	242
Children & Young Peoples	750
Regeneration & Culture	<u>120</u>
	<u>1,112</u>

## **7. PROGRESS ON SPECIFIC SCHEMES**

- 7.1 Details of progress on major schemes in the programme are given below.

### **7.2 Children and Young People's Services**

- 7.2.1 The approved programme totals £28.9 million. An increase of £0.9 million; reductions of £213,000 and slippage of £750,000 has reduced the forecast outturn to £28.8 million. Expenditure of £1.9 million had been incurred at period 4.

Details of progress on schemes are detailed below:

- a) Devolved Formula Capital  
Devolved Formula Capital is provided by Central Government to Local Education Authorities who are required to allocate the funding directly to schools using a simple national formula which includes pupil numbers. Expenditure of £3 million is forecast, although it is difficult to forecast this area of expenditure as it is controlled by individual schools.
- b) Environmental & Education Programme  
Expenditure of £500,000 is forecast relating to an Environmental and Education Programme. This involves the carrying out of surveys in schools to assess current energy consumption and identify areas for improvement. It is anticipated that the environmental projects will commence on site early in 2008 and be completed by the end of August 2008.

- c) School Kitchens Projects  
This programme includes a new kitchen and café at Caldecotte Primary School; an extension to the existing kitchen at Dovelands Primary School and refurbishment at Stokeswood Primary School.  
Forecast expenditure of £491,000 includes a contribution of £291,000 from the schools.
- d) Classroom Replacement Programme  
The forecast expenditure of £2.6 million includes replacing mobile classrooms in primary schools with new buildings. Works are planned at Braunstone Frith Infant and Junior School, Catherine Junior, Coleman Primary, Inglehurst Infant and Junior School and Mayflower Primary School all of which are planned for completion in this financial year.
- e) New Opportunities Sports Projects  
Expenditure of £649,000 is forecast, of which £400,000 relates to schemes at the Outdoor Pursuits Centre. The provision of a rope course at the Outdoor Pursuits Centre is planned and further projects are subject to detailed agreement.
- f) Braunstone Community Primary School Amalgamation  
The school building (replacement of Benbow) was completed at the end of May 2007 and the external works and demolition of Crescent Junior is due to be completed by the middle of September 2007. Expenditure of £1 million is forecast in 2007/08.
- g) Taylor Road Primary School  
This project involves building a new school on the existing site. Following a re-assessment of pupil forecasts consideration is being given to increase the size of the school; the statutory notice process has been completed and the Corporate Director is currently determining the proposal for the 3-form entry school. The design of the school has commenced, and the floor plans for the building are currently being finalised. It was originally anticipated that the project would commence in January 2008 but this has now slipped to February or March resulting in forecast expenditure slipping by £250,000 to £810,000.
- h) Childcare Development  
The Children's centre programme is designed to improve facilities for all children and particularly those children living in disadvantaged areas. The new children's centres will provide high quality childcare between 8am and 6pm including study support, parenting and specialist support, wider community access to ICT, sports and arts facilities.  
Expenditure of £4.4 million is forecast in 2007/08. Funding of the programme includes contributions from schools (£251,000) and Surestart grant. Surestart grant is Central Government funding to enable local authorities to provide a range of childcare facilities. This year's programme is being implemented which includes new build at Mellor Primary and Rowlatts Hill; extensions at Braunstone Frith, Mowmacre Hill and Scraftoft Valley and refurbishment at Imperial Avenue and Spinney Hill.

- i) Fullhurst Vocational Centre  
This scheme involves the construction of a new training centre which will provide vocational training in engineering and construction. Property Services are currently designing the project. It is planned to tender the project in October 2007, with a commencement date on site of early January 2008 and completion in June 2008. However, due to the process for agreeing the grant terms the level of forecast expenditure has slipped by £500,000 to £430,000.
- j) Children's Residential Home  
This scheme will provide improvements to bedrooms, bathrooms and kitchen facilities in Childrens Residential Homes. It is anticipated works will commence in the autumn and expenditure of £105,000 is forecast.
- k) Integrated Service  
This scheme supports ICT equipment and training for the Integrated Children System which is progressing well. Expenditure of £186,000 is forecast, this will be spent on mobile technology and will support children and social workers.
- l) Secondary Review  
This programme was initiated in 1999 with a view to refurbish and carry out extensions in secondary schools. The forecast expenditure of £332,000 relates to a number of final accounts that are yet to be finalised. Expenditure of £160,000 has been brought forward from future years' contingency funding for classroom replacements to enable phasing plans to be achieved for the Building Schools for the Future programme.
- m) Building Schools for the Future  
Building Schools for the future (BSF) is a substantial, Government sponsored investment programme intended to transform secondary education. Leicester was asked to submit a proposed scheme to secure potential funding and £236 million has been earmarked for Leicester. We are looking to reach financial close during October. No capital expenditure has been committed to the end of July. If financial close is reached in October; expenditure of £12.2 million is likely to be spent by the end of this financial year.

### 7.3 **Regeneration and Culture**

7.3.1 The approved programme totals £53.8 million. Additions, slippage and other changes to the programme have increased the forecast level of expenditure to £55.2 million. Expenditure of £12.1 million had been incurred at period 4. Details of the main schemes in the programme are detailed below:

#### 7.3.2 Regeneration

##### a) Performing Arts Centre

This scheme involves the construction of an iconic new theatre in the Cultural Quarter, at an estimated total cost of £60 million. The forecast level of expenditure in 200708 is £15.8 million of which £5.2 million had been incurred at period 4. Construction of the Performing Arts Centre is progressing well and in accordance with the project budget approved by Council in January this year.

Practical completion of the construction works is forecast to be completed by March 2008. This will be followed by the delivery and installation of loose items of furniture and equipment in preparation for handover to the Leicester Theatre Trust in April 2008 to allow them to prepare for an Autumn opening to the public.

b) City Centre Developments

This scheme is to improve the infrastructure of the city centre by undertaking resurfacing works, improving lighting and installing new seating and litter bins. Expenditure of £6 million in 2007/08 is forecast. Progress on the main areas of the project is as follows:

1. Market Street was completed on schedule.
2. Hotel Street - laying of the granite in Hotel Street is continuing; work is programmed for completion in October 2007.
3. Gallowtree Gate and Market Place – work has commenced on the scheme at the southern end of Gallowtree Gate, including Market Place Approach and Granby Street (as far as Belvoir Street).
4. Clock Tower / High Street – completion is planned for June 2009.
5. Mansfield Street – Demolition of the ABC Cinema is almost complete and meetings are continuing with the developer relating to the requirements for a bus corridor.

Expenditure at period 4 totalled £965,000.

c) Leicester Regeneration Company (LRC) Intervention Schemes

Expenditure of £1.439 million is forecast. This will provide improvements to the Waterside area, Abbey Meadows and the Science Park; the scheme designs are in progress.

d) Leicester Business Centre – additional units

On 23 July Cabinet approved the proposed development of 16 additional business units at Ross Walk at a cost of £800,000. The scheme is to be funded by grants from LSEP (£375,000), ERDF (328,000) and SRB (£97,000).

e) Single Regeneration Budget

Single Regeneration Budget funding aims to alleviate deprivation and provide sustainable regeneration and is supported by Government grant. The level of forecast expenditure in 2007/08 is £577,000. New schemes are currently being appraised and approved to fully spend the allocation by 31<sup>st</sup> March 2008. As this is the end of the SRB programme any underspend will result in loss of grant resources, and it is therefore essential that progress is monitored effectively.

f) ) Cultural Quarter Projects

This project relates to street improvements in the area and includes a number of schemes with expenditure of £3.9 million forecast in 2007/08. Halford St and Charles Street resurfacing has been completed. Phase 2 which includes Halford Street pedestrianisation, Rutland St, and Vestry Street commenced in June 2007. Expenditure of £943,000 had been incurred at period 4.

### 7.3.3 Highways and Transportation

#### a) Integrated Transport

The approved programme totals £8.02 million; this included overprogramming of £1 million. The current forecast of expenditure is £8.33 million. The main area of increased costs relates to bus corridors; there was a need to provide a temporary road as part of the temporary traffic management relating to the Saffron Lane/Lydell Road scheme and higher than anticipated costs of surveys and preliminary works relating to Humberstone Road Corridor.

The current level of over-programming is £1.3 million; any overspend at the end of the year will be funded from the 2008/09 allocation.

#### b) Upperton Road Viaduct

Following the approval by cabinet on 21 July 2003 the Upperton Road Viaduct Major Maintenance Scheme Bid was submitted to the Department for Transport (DfT). The bid identified a replacement of the old viaduct with a new road. Expenditure of £12.6 million in 2007/08 is forecast of which £1.9 million has been incurred.

This scheme is being paid for by grant from the DfT, full approval to the scheme was received in March 2007. Preliminary design work on the scheme is completed and detailed design work is well advanced. Negotiations with the statutory undertakers are well advanced to establish costs and the programme for the service diversions.

Construction work started on 30 April 2007 with completion anticipated in December 2008.

#### c) Capital Maintenance

The approved programme of other highways improvements totals £2.9 million. The latest forecast of expenditure has reduced to £2.2 million as a grant from Department for Transport has been delayed until 2008/09. This grant reimburses costs incurred by the authority last year on the Upperton Road Viaduct.

Progress on schemes has been good in a number of areas as detailed below:

Bridge works on Coleman Road, Uppingham Road and St Margarets Way either complete or progressing well.

Reconstruction of Fosse Road South has been completed.

Work has been completed on Chesterfield Road and Imperial Avenue footways with work started on Evington Valley Road, Evington Road and Trenant Road.

Design work has started on the lighting column and traffic signal renewal works.

#### d) Local Environmental Works

In July 2007 Cabinet approved a programme of works totalling £380,000. There is still £250,000 unallocated and a further report is to be submitted to Cabinet with proposed schemes relating to this sum. This money is available to fund minor environmental works in neighbourhoods such as laybys, verges and improvements to land. Design work is progressing on these schemes.



The schemes relating to earlier years programmes (laybys in Matts Close and New Romney Crescent) are near completion.

#### 7.3.4 Cultural Services

##### a) Leisure Centres

Expenditure of £240,000 is forecast relating to Cossington Street Sports Centre. The main work relates to Phase 2 of the upgrade programme and involves the full refurbishment of the swimming pool and the hall, including installation of new lighting and decoration. The scheme is due to commence in November 2007 and complete by the end of the year.

##### b) Replacement of Children's Book Bus

The book bus needs replacing as, due to its age, there is a high risk of breakdown which would lead to problems with service delivery. The book bus service issues 33,500 books per year and any gap in service would impact on children's access to books.

The order for the new book bus was placed in July 2007 and is undergoing a building process which takes many months, and testing is needed before acceptance from the coachbuilder. It is therefore anticipated that delivery will not be made until April or May 2008. As a result the forecast expenditure of £120,000 has slipped to 2008/09.

##### c) Football Investment Strategy

On 3 September 2007 Cabinet approved a report proposing improvement to football facilities at 8 sites across the City.

Expenditure of £455,000 is forecast in 2007/08 to undertake the design and development work necessary to be able to submit a full application. This expenditure will be funded 50% by the Football Foundation and 50% from existing revenue budgets.

##### d) Braunstone Library

This scheme involved the provision of a new library and resource centre and was completed in December 2005. Expenditure of £269,000 is forecast relating to the contractor's final account.

#### 7.3.5 Environmental Services

##### a) Waste Performance & Efficiency Grant

Capital grant has been received to help fund investment necessary to enable recycling and composting targets to be met. Expenditure of £623,000 is forecast of which £350,000 had been incurred at period 4.

##### b) City Wide Allotment Strategy

On 24 July 2006 Cabinet approved a sum of £1.045 million for the City Wide Allotment Strategy to be funded from earmarked receipts from disposals of surplus allotment land.

The forecast expenditure for 2007/08 is £250,000. This is to be spent in the following areas:

- Aylestone Co-op Allotment Society fencing.
- Belgrave Allotment Society – Red Hill Allotment fencing.



- Groby Road Allotment Society fencing.
- Support to Society capital projects through finance by grants or awards.
- Promotion and support via Allotments 4 All.
- Toilet provision to allotment sites - customised to each site's requirements.

c) Playground Equipment Replacement and Improvement

Expenditure of £200,000 is forecast to be spent on twelve sites for refurbishment, which have been identified. This selection has been based on; equipment life expectancy; equipment play value; the distance from other play provision.

Consultation on the first site (Gooding Avenue, Braunstone) has been completed and equipment will be ordered for installation in October 2007.

d) Adventure Playground Equipment

On 29 March Cabinet approved £150,000 for adventure playground equipment. The scheme was approved subject to a further report to Cabinet setting out details of the scheme. On 17 September Cabinet approved to transfer £130,000 from the allocation for Adventure Playground Equipment to part fund the Braunstone Park Street Sports project.

Planning and Policy

a) Riverside

The council has for some time had an annual capital budget for improvements to the riverside, which has enabled works to be carried out to improve the appearance of sites, visitor safety and wildlife habitat.

Considerable progress continues to be made with the implementation of the Riverside capital programme. The River Biam Boardwalk project has been completed, the structure for the Grazing project has been put in place, further work to enable creation of a new wetland area has been undertaken, new nature reserve entrance signs have been purchased and major refurbishment of Aylestone Mill Lock car park has been completed.

b) Ashton Green

Ashton Green is a 128 hectare Greenfield site owned by the City Council. The City Council are committed to bringing forward the development of Ashton Green as a sustainable 21<sup>st</sup> century community. The scheme will incorporate policies and best practice to promote sustainability whilst achieving state of the art community facilities and establishing a strong identity for the area. The expenditure forecast for 2007/08 is £300,000, and is in respect of initial scheme development.

## 7.4 Adults and Housing

### 7.4.1 Housing

The level of expenditure at the end of period 4 was £8.1 million compared to a forecast outturn of £30.4 million. The bulk of the programme is directed at improving housing stock to achieve the "Decent Homes Standard". Expenditure

has been incurred on a range of schemes including improvements to council dwellings (e.g. replacement of kitchens and bathrooms, rewiring, central heating, replacement of windows and doors) and disabled facilities grants.

a) Kitchens and Bathrooms

One of the elements of the Decent Homes Standard is that all council houses should have a modern kitchen or bathroom. The provision of £7.5 million this year will continue this programme of modernisation.

b) Rewiring

The rewiring programme aims to ensure that no houses have wiring that is more than 30 years old. Based on current demand, the programme has been reduced to £3.4 million.

c) Window and Door Replacement

The on-going programme will provide double glazing and new doors for all properties. Some additional backlog works from 2006/07 have had to be completed this year and the provision has been increased to £6.5 million.

d) Disabled Adaptations

This is a £1 million per annum programme to make adaptations to meet the needs of disabled tenants.

e) Disabled Facilities Grants

These are grants to meet the cost of adaptations to privately owned homes and the programme is currently £2 million per annum.

f) Renovation Grants

These are means tested grants to improve privately owned properties which are in poor condition or lacking basic facilities.

g) HomeCome

HomeCome is a not-for-profit company which provides social housing to people on the Council's waiting list. It purchases properties from the Council and the open market and these are funded partly by the council from the capital programme provision (currently £1.3 million). The company borrows the remainder of the cost on a commercial basis using the properties as security.

#### 7.4.2 Adult and Community Services

The approved programme totals £2 million. Slippage of £242,000 is forecast, reducing the forecast level of expenditure to £1.7 million. Details of the main schemes in the programme are given below:

a) Elderly Persons Homes

This programme totals £190,000 and includes the replacement of windows, refurbishing bedrooms and shower facilities, upgrading kitchens, lighting and en suite bedrooms.

b) Mental Health

The Mental Health grant of £212,000 will be spent on a variety of projects, both in the statutory and voluntary sector. This will support social inclusion, improving

access and increasing service user and carer empowerment and involvement. Major projects include; additional meeting/interview room space to accommodate carers and service users, provide IT equipment, improve access to toilet facilities and exercise equipment.

c) Information Management

The approved programme totals £246,000; the current forecast of expenditure is £206,000. The project will support the IT infrastructure, integration of care for older persons and implementation of the joint Health and Social Care assessment of older persons. A delay in the start of this project in 2006/07 has affected this year's programme and slippage of £40,000 is forecast.

d) ICT Investment

This scheme will enable the development of electronic recording systems for homecare, allowing for more efficient information and payment charging systems to be delivered. The forecast expenditure of £76,000 has slipped into 2008/09 due to delays in the process of project approvals and the tender process.

e) Electronic Scanning

This project involves the scanning of existing paper files to allow for electronic retrieval and has now commenced. Collection of files and delivery of images occurs on a weekly basis. Whilst there have been delays in starting the scheme no slippage is currently forecast and expenditure of £497,000 is anticipated.

f) Crime And Disorder

Expenditure of £400,000 was approved by Cabinet on 23 July with a forecast spend of £50,000 for the installation of alley gates in burglary hotspots areas; £100,000 for the improvement of street lighting to complement the Police "Safer Routes" proposals and £250,000 to install additional CCTV cameras in the city centre and residential areas of the city. It is anticipated that the forecast expenditure of £400,000 will be achieved by the end of the financial year.

## 7.5 Resources

The approved programme totals £6.4 million. The level of expenditure at the end of period 4 was £789,000. Progress on the main schemes in the programme is detailed below:

a) Hamilton Footbridge

This scheme will provide a pedestrian/cycle bridge over the A563 Hamilton Way, linking Manor Farm and Humberstone Village with Hamilton District Centre. Due to delays in progress of the scheme the cost has increased to £1.2 million. The City Council contributes 1/3 towards the cost. Cabinet is asked to approve earmarking capital receipts of £127,000 towards the additional funding requirement; this will increase the total contribution to £400,000 from £273,000. 2/3 of the costs are being met by Hamilton Trustees.

b) Bowstring Bridge (Survey & Demolition)

The bridge is continuing to be monitored and where necessary work is undertaken to ensure it remains safe whilst the stopping order is obtained.

The demolition works can only start once the pedestrian/cycle highway route which passes over the bridge is stopped. It is anticipated that the stopping order will be obtained by December 2007.

c) Centrally Located Administration Buildings (CLABS) & Property Maintenance

i) Centrally Located Administration Buildings

Centrally Located Administration Buildings provide office space for over 2,800 staff with over 1,300 at New Walk Centre. Provision has been made in the capital programme for major works to ensure buildings are fit for purpose, but a decision remains to be made about the future of New Walk Centre. Expenditure of £350,000 has been achieved this year against a budget of £1.525 million. Progress of the buildings undergoing a review is as detailed below:

- 1) The scheme to relocate Members and their supporting staff to the Town Hall is now complete.
- 2) The contractors are on site at Sovereign House refurbishing the second and third floors; this will enable the co-location of Payroll and Human Resources. It is anticipated that the works will be complete by mid - October.
- c) The improvements to A Block Reception are now complete. Its creation separates visitors and staff and allows for improved security.
- d) The project to relocate the ICT and Data Room from New Walk Centre to Pilot House met with problems relating to security, existing tenants, fire safety etc. A decision is to be made to either move forward with this project or seek an alternative.
- 4) Technical and investigatory works continue on the option of retaining New Walk Centre by refurbishing the building and carrying out strengthening works. A full report to Cabinet in October will provide various options relating to the future of New Walk Centre.

ii) Property Maintenance

Expenditure of £1.6 million is forecast relating to Central Maintenance Fund works (£800,000) eg repairs to walls, roofs and windows, and Property Health Surveys (£800,000). Expenditure of £306,000 has been incurred.

d) Corporate Electronic Documents Record Management System

This system will provide an electronic method of capture, storage and retrieval of information. Documents can be created in business application, MS Office, via e-mail or acquired from other sources in paper form and scanned before being added to the system as records. The project aims to develop corporate standards, identify and procure the most appropriate technical solution and commence full implementation of an electronic document and record management system across the Council.

Project Board met on the 26<sup>th</sup> June and has recommended a supplier. A report has been produced detailing the acquisition process, the reason for selection and the financial implications. It is anticipated that the contract will be awarded at the end of September. Expenditure of £191,000 is forecast in 2007/08.

e) Disability Discrimination Act improvements

This scheme is designed to improve access for disabled people to City Council buildings under the Disability Discrimination Act 1995. Cabinet approved a sum of £480,000 in April 2007 which has been fully committed against prioritised

schemes. In addition to the new starts programme, expenditure of £120,000 is forecast relating to previous years' schemes.

f) Glenfield Tunnel

The purpose of the work is to carry out essential strengthening work to the tunnel. Consent has been obtained from Blaby District Council and discussions are currently underway with the contractor. It is crucial that work is completed by the end of October to avoid disturbing the bats in hibernation. Expenditure of £300,000 is forecast.

g) Resource Management System

This system will replace the current financial systems with a fully integrated system. It is projected that implementation of phase 1 of the scheme will be by 31 March 2008. The forecast expenditure of £1million will cover the cost of the system hardware and software, consultancy costs contracted from the supplier (Agresso) and other internal development costs.

h) Area Committee

This scheme is to delegate capital funding to each area committee. On 29 March Cabinet approved a sum of £300,000 for the Area Committee Capital Scheme. The approval is subject to a further report to Cabinet setting out the details of the scheme.

## **8. CAPITAL RECEIPTS**

8.1 The programme is partly funded by capital receipts. There are 2 elements:

Target for non-housing receipts - £4.5 million

Target for Housing receipts - £17.4 million of which £6.1 million is usable (the remainder has to be paid to the Government as their proportion of right to buy receipts).

8.2 In both cases it is anticipated that the target will be met.

## **9. CAPITAL MONITORING TARGETS**

9.1 In October 2003 Cabinet agreed a performance target for capital expenditure of 90% of the original programme, excluding schemes where there is significant 3<sup>rd</sup> party involvement.

9.2 For programmes excluding those schemes with significant 3<sup>rd</sup> party involvement and additions or expenditure brought forward the latest forecast of expenditure is 99% of the original programme.

## 10. PRUDENTIAL BORROWING

10.1 Details of schemes to be funded by prudential borrowing and the forecast level of expenditure for the period 2007/08 – 2008/09 are shown below:

### Approved Prudential Borrowing

	2007/08 £000	2008/09 £000
<b>Corporately Funded</b>		
Property Maintenance	1,600	2,552
Performing Arts Centre	13,330	
Centrally Located Admin Buildings	1,525	11,222
City Centre Improvements/Public Realm	8,589	411
<b>Spend to Save</b>		
Wide Area Network	34	8
Museums Collection Facility	156	
Part funding of sports facilities at Aylestone	98	202
Sports Equipment	65	
Resource Management Strategy	1,005	385
Allotments Strategy	129	
Market Food Court	100	
Digital Media Centre	500	2,020
The Big Picture Campaign	144	
Hamilton Footbridge	81	
<b>Other</b>		
Housing – general	4,233	1,000
Lewisher Road	40	120
Vehicles in lieu of leasing	1,800	2,000
<b>Total Prudential Borrowing</b>	<b><u>33,429</u></b>	<b><u>19,920</u></b>

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

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

	<u>Cumulative Unsupported Borrowing</u> £000	<u>Gross Revenue Expenditure</u> £000	<u>Cumulative unsupported borrowing</u> as % of GRE
<b>General Fund</b>			
2005/06 (actual)	12,609	694,649	1.8%
2006/07 (actual)	19,572	729,833	2.7%
2007/08 (forecast)	45,280	722,111	6.2%
2008/09 (forecast)	60,982	728,535	8.4%
<b>Housing Revenue Account</b>			
2005/06 (actual)	15,760	67,940	23.2%
2006/07 (actual)	20,487	68,000	30.1%
2007/08 (forecast)	23,865	65,744	36.3%
2008/09 (forecast)	23,841	68,779	34.6%

10.4 The revenue costs in 2007/08 relating to approved prudential borrowing are:

General Fund £4.1 million

Housing Revenue Account £1.986 million.

10.5 The total prudential borrowing now approved by the Council, including planned borrowing in 2007/08 and later years is £112 million.

## 11. PRUDENTIAL INDICATORS

11.1 The latest forecast of performance in 2007/08 against approved indicators is shown in Appendix B.

11.2 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 PIs due to changes in the forecast level of capital expenditure.

## 12. CONSULTATION

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

## 13. FINANCIAL AND LEGAL IMPLICATIONS

13.1 The report is largely concerned with financial issues.

13.2 Legal Implications – There are no additional legal implications.  
Peter Nicholls Extension 296302



#### 14. OTHER IMPLICATIONS

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

**Report Author/Officer to Contact**

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#### DECISION STATUS

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