



Summary Housing Revenue Account (HRA)	2006/07		2007/08		2008/09		2009/10		2010/11		2011/12	
	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget
Rental Income	(2,132)	(60,707)	(2,379)	(63,086)	(2,770)	(65,857)	(3,012)	(68,869)	(3,163)	(72,032)	(3,153)	(75,185)
Non Dwelling Rents	(13)	(1,721)	(56)	(1,777)	(44)	(1,821)	(46)	(1,867)	(47)	(1,914)	(48)	(1,962)
HRA Subsidy	1,471	(21,966)	1,763	(20,203)	1,535	(18,668)	1,566	(17,103)	1,558	(15,545)	1,768	(13,777)
Tenanted Service Charge Income	(154)	(4,745)	(131)	(4,876)	(114)	(4,990)	(125)	(5,115)	(129)	(5,244)	(133)	(5,377)
Leasehold Service Charge Income	(727)	(5,697)	1,099	(4,598)	455	(4,143)	(136)	(4,279)	(140)	(4,418)	(144)	(4,562)
Misc Income	(41)	(8,550)	(42)	(8,592)	(41)	(8,633)	(43)	(8,676)	(44)	(8,720)	(45)	(8,765)
<b>Total Income</b>	<b>(1,597)</b>	<b>(103,387)</b>	<b>255</b>	<b>(103,132)</b>	<b>(980)</b>	<b>(104,112)</b>	<b>(1,796)</b>	<b>(105,908)</b>	<b>(1,964)</b>	<b>(107,873)</b>	<b>(1,755)</b>	<b>(109,628)</b>
Housing Management Costs	(971)	21,605	(901)	20,704	(1,808)	18,897	693	19,590	578	20,167	595	20,762
Bad Debt Provision	-	649	-	649	-	649	-	649	-	649	-	649
Responsive Repairs & Maint	(108)	19,759	307	20,066	(167)	19,899	471	20,370	491	20,861	505	21,366
Other Revenue Spend	(546)	3,953	(395)	3,558	219	3,777	(56)	3,721	-	3,721	-	3,721
HRA Cost of Rent Rebates	(436)	-	-	-	-	-	-	-	-	-	-	-
Capital Financing Charges	371	43,716	716	44,432	785	45,217	873	46,089	935	47,024	960	47,985
Service Charge Costs	559	13,590	578	14,168	411	14,579	423	15,002	435	15,437	448	15,885
<b>Total Spend</b>	<b>(1,131)</b>	<b>103,272</b>	<b>305</b>	<b>103,577</b>	<b>(560)</b>	<b>103,017</b>	<b>2,404</b>	<b>105,421</b>	<b>2,439</b>	<b>107,860</b>	<b>2,508</b>	<b>110,368</b>
<b>Total Housing Revenue Account</b>	<b>(2,728)</b>	<b>(115)</b>	<b>560</b>	<b>445</b>	<b>(1,540)</b>	<b>(1,095)</b>	<b>608</b>	<b>(487)</b>	<b>474</b>	<b>(12)</b>	<b>753</b>	<b>740</b>
<b>Planned Opening HRA Balance</b>	<b>(4,347)</b>											
Prior Year Adjustment	<b>(3,878)</b>											
<b>Actual Opening HRA Balance</b>	<b>(8,225)</b>											
In-Year Use of Balances (as Period 7)	469											
<b>Planned Closing Balance</b>	<b>(8,756)</b>											

HRA variations	2007/08	2008/09	2009/10	2010/11	2011/12
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)
Contingency reduction	(1,000)	(500)	0	0	0
Previously agreed efficiencies	(1,777)	(1,050)	0	0	0
New efficiencies	(890)	(1,000)	0	0	0
Income	(13)	0	0	0	0
Inflation	2,378	1,503	1,550	1,512	1,554
Lease expiry	187	219	(56)	0	0
Leasehold income adjustment	1,300	600	0	0	0
Previously agreed growth	(113)	0	0	0	0
New growth	1,292	(599)	(50)	(100)	(100)
Rent income increase (5.0%)	(3,397)	(3,494)	(3,664)	(3,842)	(3,862)
Impact of right to buys	211	(4)	71	181	105
Subsidy loss	2,381	2,785	2,757	2,724	3,055
Total variations	560	(1,540)	608	474	753

HRA BUDGET 2007/08 - 2011/12

Appendix G

Savings / Investment Items (HRA)	2007/08 Increase / (Decrease)	2008/09 Increase / (Decrease)	2009/10 Increase / (Decrease)	2010/11 Increase / (Decrease)	2011/12 Increase / (Decrease)
<b>New efficiency savings</b>					
PBPR 0708 Delete 4 S&E posts EFF06	(120)	0	0	0	0
PBPR 0708 Delete 5 Ops posts EFF05	(150)	0	0	0	0
PBPR 0708 Delete o-o-h sewer manager EFF08	(15)	0	0	0	0
PBPR 0708 Efficiencies in Housing Management running costs	(25)	0	0	0	0
PBPR 0708 Phasing out of Giro	(150)	0	0	0	0
PBPR 0708 Rationalisation of Storage and disposal of tenants effects	(40)	0	0	0	0
PBPR 0708 Recycling Initiatives EFF12	(24)	0	0	0	0
PBPR 0708 Reduce needs-led overtime EFF07	(74)	0	0	0	0
PBPR 0708 Reduced Estate Services costs and/or staff EFF02	(39)	0	0	0	0
PBPR 0708 Reduced one-off costs in GAS09 EFF03	(17)	0	0	0	0
PBPR 0708 Reductions in payroll, HIT, & mobile phones. EFF04	(36)	0	0	0	0
PBPR 0708 Renegotiate partners' pricing EFF14	(100)	0	0	0	0
PBPR 0708 SLA Review - Communications EFF20	(30)	0	0	0	0
PBPR 0708 SLA Review - Equalities EFF18	(15)	0	0	0	0
PBPR 0708 SLA Review - OD&L EFF17	(34)	0	0	0	0
Procurement Saving (Repairs)	0	(500)	0	0	0
PBPR 0708 SLA Review - other savings from reviews	(21)	0	0	0	0
Efficiencies to be identified	0	(500)	0	0	0
<b>Subtotal New Efficiencies</b>	<b>(890)</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New investments</b>					
PBPR 0708 Additional Shrub Pruning	45	0	0	0	0
PBPR 0708 Board Elections GAS09	42	(40)	50	0	0
PBPR 0708 Develop BSI In-house auditing capacity GAS04	6	0	0	0	0
PBPR 0708 DSE Compliance GAS03	3	(2)	0	0	0
PBPR 0708 external quality accreditation in HH (exc staffing) GAS06	5	0	0	0	0
PBPR 0708 Gas Maintenance GAS24	500	(100)	(100)	(100)	(100)
PBPR 0708 Health & Safety guide for HfH staff GAS08	4	0	0	0	0
PBPR 0708 Increase Health and Safety Team by 1 FTE GAS02	38	0	0	0	0
PBPR 0708 Recycling Policy GAS05	10	0	0	0	0
PBPR 0708 Door Entry - Additional Maintenance GAS21	75	0	0	0	0
PBPR 0708 IT Trainer	4	0	0	0	0
PBPR 0708 RI Publicity	3	0	0	0	0
PBPR 0708 Broadwater Farm Development	173	(173)	0	0	0
PBPR 0708 Outreach	36	(36)	0	0	0
PBPR 0708 Website Development	20	(20)	0	0	0
PBPR 0708 IT Development	137	(37)	0	0	0
PBPR 0708 Mystery Shopping	10	(10)	0	0	0
PBPR 0708 Focus Groups	6	(6)	0	0	0
PBPR 0708 Accomodation Strategy	150	(150)	0	0	0
PBPR 0708 Repairs Communications	25	(25)	0	0	0
<b>Subtotal New Investments</b>	<b>1,292</b>	<b>(599)</b>	<b>(50)</b>	<b>(100)</b>	<b>(100)</b>
<b>Net Total</b>	<b>402</b>	<b>(1,099)</b>	<b>(50)</b>	<b>(100)</b>	<b>(100)</b>

Capital Programme Forecast 2007/08 to 2010/11

## Bids For Corporate Resources Funding

<b>1 Capital Expenditure Forecast</b>					
	2007/08	2008/9	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000	£'000
<b>Capital Bids</b>					
Environment					
Adult Social Services	4,843	3,713	2,950	2,522	14,028
Housing Strategy And Needs (Non HRA)	320	320	320	320	1,280
Chief Executive's	300	0	0	0	300
Finance	2,700	2,720	1,920	1,330	8,670
Children & Young People	1,750	1,870	500	0	4,120
<b>Sub-total</b>	<b>9,913</b>	<b>8,623</b>	<b>5,690</b>	<b>4,172</b>	<b>28,398</b>
Haringey Homes Ltd (ALMO - HRA)	0	0	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Capital Bids</b>	<b>9,913</b>	<b>8,623</b>	<b>5,690</b>	<b>4,172</b>	<b>28,398</b>
<b>Financing</b>					
Use Of Capital Receipts	(8,216)	(8,432)	(5,499)	(3,981)	(26,128)
Use Of Corporate General Fund (LPSA)	(1,506)				(1,506)
Use Of Corporate SCE(R)	(191)	(191)	(191)	(191)	(764)
	<b>(9,913)</b>	<b>(8,623)</b>	<b>(5,690)</b>	<b>(4,172)</b>	<b>(28,398)</b>
<b>A Total Accepted Bids (Fully &amp; Partly)</b>	<b>9,913</b>	<b>8,623</b>	<b>5,690</b>	<b>4,172</b>	<b>28,398</b>
Total Rejected Bids	23,012	11,280	10,750	9,655	54,697
<b>Total Capital Bids</b>	<b>32,925</b>	<b>19,903</b>	<b>16,440</b>	<b>13,827</b>	<b>83,095</b>
<b>2 Corporate Funding Resources</b>					
	2007/08	2008/9	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000	£'000
<b>i Capital Receipts:</b>					
Capital Receipts opening balance 01.04.06	(8,517)				(8,517)
carry forward commitments plus accruals from 05/06	4,952				4,952
2006/07 projected outturn variance (@ Dec 06)	(566)				(566)
total bfwd capital receipts	(4,131)	0	0	0	(4,131)
<b>ii Estimated capital receipts received in year*:</b>					
general capital receipts	(4,000)	(3,000)	(2,500)	(2,500)	(12,000)
strategic sites	0	(5,000)	(5,000)	0	(10,000)
	(4,000)	(8,000)	(7,500)	(2,500)	(22,000)
<b>Total Capital Receipts (i+ii)</b>	<b>(8,131)</b>	<b>(8,000)</b>	<b>(7,500)</b>	<b>(2,500)</b>	<b>(26,131)</b>
<b>iii Revenue Contributions To Capital</b>	0	0	0	0	0
<b>iv Local Public Sector Agreement (LPSA) Grant</b>	(1,506)	0	0	0	(1,506)
<b>v Corporate SCE(R):</b>					
Adults SCE(R)**	(141)	(141)	(141)	(141)	(564)
Children's Services SCE(R)**	(50)	(50)	(50)	(50)	(200)
<small>** 07/08 figures only confirmed by Government in Dec 06</small>					
<small>** 08/09 to 10/11 are estimated figures only @ Dec 06</small>	(191)	(191)	(191)	(191)	(764)
<b>B Total estimated resources available (i to v)</b>	<b>(9,828)</b>	<b>(8,191)</b>	<b>(7,691)</b>	<b>(2,691)</b>	<b>(28,401)</b>
<b>3 Application of Resources to Bids</b>					
	2007/08	2008/9	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000	£'000
<b>Brought-forward resources (surplus)/deficit</b>		85	517	(1,484)	
<b>B Total estimated resources</b>	<b>(9,828)</b>	<b>(8,191)</b>	<b>(7,691)</b>	<b>(2,691)</b>	<b>(28,401)</b>
<b>A Total proposed expenditure</b>	<b>9,913</b>	<b>8,623</b>	<b>5,690</b>	<b>4,172</b>	<b>28,398</b>
<b>In-year (surplus) / deficit</b>	<b>85</b>	<b>432</b>	<b>(2,001)</b>	<b>1,481</b>	
<b>Carry-forward resources (surplus)/deficit</b>	<b>85</b>	<b>517</b>	<b>(1,484)</b>	<b>(3)</b>	<b>(3)</b>

Capital Bids for Corporate Funding 2007/08 to 2010/11

Ref. No.	Directorate	Business Unit	Capital Project Title	Total Capital Prioritisation Score (max score 10)	Original Corporate Resources Funding Bid										Estimated 4 Year Total Corporate Resource Bid			Total Estimated Capital cost £'000 (100%)			Estimated 4 Year Total Capital cost	Estimated Total Net Revenue Implications (4 years) £'000 Total	Funding Type In 2007/08	Recommendation
					£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 Total	£'000 Total	£'000 Total					
1	Environment	Recreation	Beimont Recreation Ground Improvement Plan	7.4	50	0	0	0	0	50	471	0	0	0	0	471	0	0	0	471	0	CR and Other	Accept	
2	Environment	Streetscene	Borough wide recycling collections	7.0	1,080	405	0	0	1,485	1,080	405	0	0	1,485	1,080	405	0	0	1,485	295	CR	Accept		
3	Environment	Recreation	Chestnuts Park Playground and Youth Improvement Project	6.6	120	0	0	0	120	460	0	0	0	460	0	0	0	0	460	0	CR and Other	Accept		
4	Environment	Streetscene	Borough-wide supply of wheeled bins for domestic refuse for residents requiring new, additional bins and replacement bins	6.3	90	90	90	0	270	90	90	0	0	270	90	90	0	0	270	0	CR	Accept		
5	Environment	Recreation	Markfield Park Redevelopment Project	6.3	75	350	0	0	425	1,144	940	410	0	2,494	0	0	0	0	2,494	0	CR and Other	Accept		
6	Haringey Homes LIG - ALMO	Homes for Haringey	Saltram Close Regeneration	5.8	1,054	0	0	0	1,054	1,054	0	0	0	1,054	0	0	0	0	1,054	0	CR	Accept - self-financing (not funded from corporate resources)		
7	Environment	Streetscene	Street Lighting Renewal/Safety Replacement Programme	5.6	3,000	3,000	3,000	3,000	12,000	3,000	3,000	3,000	3,000	12,000	3,000	3,000	0	0	12,000	0	CR	Accept in part - £0.75m pa		
8	Environment	Streetscene	Borough Roads, Highways and Footway resurfacing/street furniture (linked to infrastructure improvements)	5.2	3,750	3,750	3,750	3,750	15,000	3,750	3,750	3,750	3,750	15,000	3,750	3,750	0	0	15,000	0	CR	Accept in part - £1.4m pa		
9	Environment	Streetscene	Purchase and Installation of New CCTV Cameras	5.1	500	0	0	0	500	500	0	0	0	500	0	0	0	0	500	-458	CR	Accept - subject to review		
10	Environment	Recreation	Parks Improvement Programme (Open Space Renewal, Green Flag Parks)	5.1	500	500	500	0	1,500	500	500	500	0	1,500	500	500	0	0	1,500	0	CR	Accept in part - £0.25m pa (3 years)		
11	Chief Executive's	Neighbourhood Management	English Heritage PSICA Grant Scheme 2007-2010	4.5	100	100	100	0	300	220	220	0	0	660	0	0	0	0	660	0	CR and Other	Accept		
12	Finance	Property Services	Maintenance backlog and building non-compliance: Corporate Management of Property	4.5	750	750	500	0	2,000	750	750	500	0	2,000	750	750	0	0	2,000	0	CR	Accept		
13	Chief Executive's	Corporate IT	IT Capital Programme (eGovernment and Transformational Government)	4.4	2,750	2,500	3,000	3,000	11,250	2,750	2,500	3,000	3,000	11,250	2,750	2,500	3,000	3,000	11,250	0	CR	Accept in part - £2.3m two years, £1.5m and £1.0m		
14	Finance	Corporate Finance	Implementation of Payment Kiosks	3.9	0	120	0	0	120	0	120	0	0	120	0	0	0	0	120	-125	CR	Accept		
15	Adult Social Services	Housing Strategy & Needs	Hearstone Expansion	2.7	300	0	0	0	300	300	0	0	0	300	0	0	0	0	300	50	CR	Accept - subject to review		
16	Environment	Streetscene	Parking Plan - Controlled Parking Zones and Civica IT upgrade	4.2	348	288	280	272	1,188	647	594	594	594	2,429	647	594	594	594	2,429	0	CR and Other	Accept		
17	Environment	Recreation	Tree Planting Strategy	4.4	80	80	80	0	240	100	100	100	0	300	100	100	0	0	300	0	CR and Other	Accept		
18	Environment	Streetscene	Road Safety Programme	4.3	200	200	200	200	800	200	200	200	200	800	200	200	200	200	800	0	CR	Accept in part (€0.1m pa)		
19	Chief Executive's	Libraries, Archives & Museums	Libraries Stockfund Support	4.0	300	320	320	330	1,270	300	320	320	330	1,270	300	320	320	330	1,270	0	CR	Accept		
20	Finance	Corporate Finance	Achieving Excellence - Customer Focus / VFM Programme	4.5	1,000	1,000	0	0	2,000	1,000	1,000	0	0	2,000	1,000	1,000	0	0	2,000	-5,000	CR	Accept		
21	Adult Social Services	Adults	Private Sector Adaptations and Associated Repairs	5.8	850	900	900	900	3,550	1,350	1,400	1,400	1,400	5,550	1,350	1,400	1,400	1,400	5,550	-110	CR and Other	Accept in part - (accept £0.32m match pa)		

Capital Bids for Corporate Funding 2007/08 to 2010/11

Ref. No.	Directorate	Business Unit	Capital Project Title	Total Capital Prioritisation Score (max score 10)	Original Corporate Resources Funding Bid								Estimated 4: Year Total Corporate Resource Bid				Total Estimated Capital cost £'000 (100%)				Estimated 4: Year Total Capital cost	Estimated 4: Total Net Revenue Implications (4 years)	Funding Type In 2007/08	Recommendation
					£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 Total	£'000 Total	£'000 Total					
22	Finance	Benefits & Taxation	Purchase and implementation of a benefit fraud case management IT system	7.2	35	0	0	0	0	35	0	0	0	0	35	0	0	0	0	-25	CR	Reject - to be considered in overall IT capital provision		
23	Finance	Benefits & Taxation	Extension of mobile working benefits assessment pilot to 25 users	6.7	107	0	0	0	0	107	0	0	0	107	0	0	0	0	25	CR	Reject - to be considered in overall IT capital provision			
24	Finance	Property Services	DDA (Disability Discrimination Act) adaptations Phase 4	6.2	120	0	0	0	0	120	0	0	0	120	0	0	0	0	0	0	CR	Reject - to be considered by Corporate Management of Property (CMP) fund		
25	Environment	Streetscene	(IT Developments) Traffic Management Act 2004 Network Management Duty - Systems Set Up	5.8	450	0	0	0	0	450	0	0	0	450	0	0	0	0	167	CR	Reject - to be considered in overall IT capital provision			
26	Chief Executive's	Libraries, Archives & Museums	Alexandra Park Library Disability Access	5.7	50	0	0	0	0	50	0	0	0	50	0	0	0	0	80	CR and Other	Reject - CMP fund			
27	Chief Executive's	Libraries, Archives & Museums	Highgate Library Disability Access	5.3	50	0	0	0	0	50	0	0	0	50	0	0	0	0	50	CR	Reject - CMP fund			
28	Environment	Streetscene	Upgrading depot facilities at Ashley Road Depot	5.1	735	0	0	0	0	735	0	0	0	735	0	0	0	0	735	CR	Reject - CMP fund			
29	Environment	Recreation	Allotments Infrastructure Improvements	4.9	75	75	75	0	0	225	75	75	0	225	75	75	0	0	225	0	CR	Reject		
30	Chief Executive's	Neighbourhood Management	Holcombe Road Market	4.7	200	0	0	0	0	200	0	0	0	200	0	0	0	0	200	0	CR	Reject		
31	Adult Social Services	Adults	Public Sector Adaptations both major and minor works	4.5	1,450	1,450	1,450	1,450	1,450	5,800	1,450	1,450	1,450	1,450	5,800	0	0	0	5,800	0	CR	Reject - HRA fund		
32	Adult Social Services	Adults	Refurbishment of Learning Disabilities Properties	4.4	95	45	25	25	25	190	95	45	25	25	190	0	0	0	190	0	CR	Reject - CMP fund		
33	Environment	Streetscene	Car park refurbishment - Bury Road	4.2	450	0	0	0	0	450	450	0	0	450	0	0	0	0	450	0	CR	Reject - CMP fund		
34	Finance	Property Services	Repairs to the roof of the Council owned building "Broadway Annex"	4.0	60	0	0	0	0	60	60	0	0	60	0	0	0	0	60	0	CR	Reject - CMP fund		
35	Chief Executive's	Corporate IT	Implementation of IP Telephony (IPT)	3.9	250	1,400	0	0	0	1,650	250	1,400	0	0	1,650	0	0	0	1,650	105	CR	Reject - review other funding options		
36	Finance	Property Services	Repairs to the roof of the Council owned building "639 High Road"	3.8	150	0	0	0	0	150	150	0	0	150	0	0	0	0	150	0	CR	Reject - CMP fund		
37	Finance	Property Services	Repairs/replacement of the external windows of the Council owned building "84 High Road"	3.8	60	0	0	0	0	60	60	0	0	60	0	0	0	0	60	60	CR	Reject - CMP fund		
38	Finance	Property Services	Implementation of improved energy control systems to the main administration buildings portfolio	3.7	100	0	0	0	0	100	100	0	0	100	0	0	0	0	100	-60	CR	Reject - CMP fund		
39	Adult Social Services	Adults	Redevelopment of the space at Emrite road gym into office space	3.7	150	0	0	0	0	150	150	0	0	150	0	0	0	0	150	0	CR	Reject		
40	Finance	Property Services	Repairs to the roof of the Council leased building "Unit 5, St Georges"	3.6	250	0	0	0	0	250	250	0	0	250	0	0	0	0	250	0	CR	Reject - CMP fund		

Capital Bids for Corporate Funding 2007/08 to 2010/11

Ref. No.	Directorate	Business Unit	Capital Project Title	Total Capital Prioritisation Score (max score:10)	Original Corporate Resources Funding Bid						Estimated 4 Year Total Corporate Resource Bid				Total Estimated Capital cost £'000 (100%)				Estimated 4 Year Total Capital cost		Estimated Total Net Revenue Implications (£'000 Total (4 years))	Funding Type In 2007/08	CR or CR and Other	Recommendation	
					£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 2007-08	£'000 2008-09	£'000 2009-10	£'000 2010-11	£'000 Total	£'000 Total							
<b>List of Rejected Bids</b>																									
41	Adult Social Services	Business Improvement	eCare Phase 2	3.6	152	0	0	0	0	152	0	0	0	0	317	0	0	0	0	317	0	CR and Other	CR and Other	Reject - to be considered in overall IT capital provision	
42	Finance	Property Services	40 Cumberland Road – Layout and Air Conditioning	3.6	831	0	0	0	0	831	0	0	0	0	831	0	0	0	0	831	0	CR	CR	Reject - CMP fund	
43	Environment	Streetscene	Automatic Public Conveniences (APCs)	3.4	255	170	0	0	0	425	250	0	0	0	375	250	0	0	0	625	52	CR and Other	CR and Other	Reject	
44	Finance	Property Services	Flexible Working Initiative	3.3	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	CR	CR	Reject	
45	Environment	Enforcement	Mobile working and system upgrades for enforcement applications	3.1	405	0	0	0	0	405	0	0	0	0	405	0	0	0	0	405	124	CR	CR	Reject - to be considered in overall IT capital provision	
46	Finance	Property Services	Relocation of Council Staff from Broadway Annexe and OD & L (Old Clinic)	3.1	200	300	400	0	0	900	300	400	0	0	200	300	400	0	0	900	80	CR	CR	Reject	
47	Finance	Corporate Procurement	XML Middleware Software	2.8	97	0	0	0	0	97	0	0	0	0	97	0	0	0	0	97	-10	CR	CR	Reject - to be considered in overall IT capital provision	
48	Adult Social Services	Housing Strategy & Needs	Renewal Area – Group Repair	1.9	300	0	0	0	0	300	0	0	0	0	300	0	0	0	0	300	0	CR	CR	Reject	
49	Environment	PEPPS	Building Control: Mobile Working Project	1.6	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	40	CR	CR	Reject - to be considered in overall IT capital provision	
50	Environment	PEPPS	Green Stream: Server Upgrades	1.7	50	0	0	0	0	50	0	0	0	0	50	0	0	0	0	50	20	CR	CR	Reject - to be considered in overall IT capital provision	
51	Chief Executive's	Customer Services	Refurbishment of the 4 Customer Service Centres	3.9	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	CR	CR	Reject	
52	Chief Executive's	Libraries, Archives & Museums	Libraries, Archives & Libraries Improvements	3.9	100	110	120	0	0	330	110	120	0	0	100	110	120	0	0	330	0	CR	CR	Reject	
53	Adult Social Services	Housing Strategy & Needs	Haringey Here to HELP Programme	2.5	500	0	0	0	0	500	0	0	0	0	500	0	0	0	0	500	0	CR	CR	Reject	
54	Chief Executive's	Neighbourhood Management	Wards Corner	2.4	6,000	0	0	0	0	6,000	0	0	0	0	6,000	0	0	0	0	6,000	0	CR	CR	Reject	
55	Haringey Homes Ltd - ALMO	Homes for Haringey	Transferable Discount Scheme (TDS)	4.0	750	800	850	900	900	3,300	800	850	900	900	750	800	850	900	3,300	3,300	-1,674	CR	CR	Reject - HRA to fund at previous years level	
56	Haringey Homes Ltd - ALMO	Homes for Haringey	Dilapidation Costs for Long Term Leases Expiring in the Housing Revenue Account 2007/08	3.7	851	0	0	0	0	851	0	0	0	0	851	0	0	0	0	851	0	CR	CR	Reject - HRA to fund one-off costs	
57	Haringey Homes Ltd - ALMO	Homes for Haringey	Refurbishment of Non-Economic Void Stock	3.5	400	0	0	0	0	400	0	0	0	0	400	0	0	0	0	400	-576	CR	CR	Reject - evaluate possible self-financing from disposals	
58	Environment	Streetscene	Recycling Strategy - Wheeled bins	2.5	0	1,200	800	0	0	2,000	0	800	0	0	0	1,200	800	0	0	2,000	0	CR	CR	Reject - review for contract re-tender	
<b>Total Capital Bids For Corporate Resources Funding</b>					<b>32,925</b>	<b>19,903</b>	<b>16,440</b>	<b>13,827</b>	<b>13,827</b>	<b>83,095</b>	<b>21,519</b>	<b>17,804</b>	<b>14,649</b>	<b>14,649</b>	<b>36,009</b>	<b>21,519</b>	<b>17,804</b>	<b>14,649</b>	<b>89,981</b>	<b>-7,020</b>					
<b>Total Accepted Capital Bids (Fully &amp; Partly)</b>					<b>9,913</b>	<b>8,623</b>	<b>5,690</b>	<b>4,172</b>	<b>28,398</b>	<b>23,012</b>	<b>11,280</b>	<b>10,750</b>	<b>9,655</b>	<b>54,697</b>											
<b>Total Rejected Capital Bids</b>					<b>32,925</b>	<b>19,903</b>	<b>16,440</b>	<b>13,827</b>	<b>13,827</b>	<b>83,095</b>	<b>21,519</b>	<b>17,804</b>	<b>14,649</b>	<b>14,649</b>	<b>36,009</b>	<b>21,519</b>	<b>17,804</b>	<b>14,649</b>	<b>14,649</b>	<b>89,981</b>	<b>-7,020</b>				



## London Borough of Haringey

### Capital resource allocation strategy

Following the introduction of the prudential regime in April 2004, councils have had greater flexibility regarding capital expenditure. The removal of controls on the levels of borrowing was helpful in terms of flexibility and local autonomy, but that the key determinant is the affordability, which is still effectively controlled by government. Allocations of revenue support for capital expenditure are still be made by individual government departments.

In the light of this strategic context, the following resource allocation policy was adopted by Executive on 21 October 2003:

- *that the framework for determining the Council's priorities, and therefore resource allocation, will remain the Community Strategy, given effect in the Council's plans via the business planning process;*
- *that housing and education will be allocated their (revenue support derived) borrowing limits and ring-fenced grants;*
- *that other services are allocated their ring-fenced grants;*
- *that all other (revenue support derived) borrowing limits and grants are allocated through the business planning process and the corporate project appraisal framework;*
- *that PFI is retained as an option for delivering capital investment;*
- *that unsupported borrowing should be considered for 'invest to save' proposals;*
- *that capital receipts are managed corporately and applied in accordance with the business planning process;*
- *that best consideration will be sought for all disposals, except in the case of agreed discounting to social housing providers;*
- *that the spending power derived from capital receipts is maximised through the use of the offsetting provisions for pooled (non-right to buy) housing receipts.*

Summary Capital Programme 2007/08 to 2010/11					
Expenditure Budget	Proposed Budget	Indicative Budget	Indicative Budget	Indicative Budget	Total
	2007/08	2008/09	2009/10	2010/11	
	£'000	£'000	£'000	£'000	£'000
<b>Environment</b>	17,930	10,019	9,264	9,236	46,449
<b>Adult Social Services</b>	1,046	820	820	820	3,506
<b>Housing Strategy And Needs (Non HRA)</b>	300	0	0	0	300
<b>Chief Executive's</b>	3,064	3,462	2,527	1,330	10,383
<b>Finance</b>	3,557	3,870	500	0	7,927
<b>Children &amp; Young People</b>	52,909	62,260	59,060	31,539	205,768
<b>Sub-total</b>	<b>78,806</b>	<b>80,431</b>	<b>72,171</b>	<b>42,925</b>	<b>274,333</b>
<b>Homes for Haringey</b>	19,278	61,422	77,336	74,828	232,864
<b>Sub-total</b>	<b>19,278</b>	<b>61,422</b>	<b>77,336</b>	<b>74,828</b>	<b>232,864</b>
<b>Total Capital Programme</b>	<b>98,084</b>	<b>141,853</b>	<b>149,507</b>	<b>117,753</b>	<b>507,197</b>
<b>Capital Financing</b>					
1 Capital grants from central government departments (inc SCE(C))	41,090	57,135	49,760	26,539	174,524
2 Grants from European Union Structural Funds	0	0	0	0	0
3 Grants and contribution from private developers & leaseholders	249	0	0	0	249
4 Grants & contributions from non-departmental public bodies	0	442	400	0	842
Capital grants from the National Lottery	290	300	207	0	797
5 Capital funding from GLA bodies	4,215	6,000	6,000	6,000	22,215
6 Use of capital receipts	10,216	8,432	5,499	3,981	28,128
Capital expenditure financed from the Housing Revenue Account	1,054	0	0	0	1,054
Capital expenditure financed by the Major Repairs Reserve (MRR)	11,991	12,133	12,366	12,644	49,134
Capital expenditure financed from the General Fund Revenue Account	4,721	2,806	814	822	9,163
7 SCE (R) Single capital pot	14,244	10,535	15,724	11,424	51,927
8 SCE (R) Separate Programme Element	9,422	44,070	58,737	55,951	168,180
Other borrowing & credit arrangements not supported by central government	592	0	0	392	984
<b>Total Capital Financing</b>	<b>98,084</b>	<b>141,853</b>	<b>149,507</b>	<b>117,753</b>	<b>507,197</b>
<b>Notes</b>					
1	Include capital expenditure financed by capital grants from all central government departments. Exclude capital expenditure financed by Major Repairs Reserve (MRR).				
2	Include contributions from any European Union Structural Funds i.e. the European Regional Development Fund, The European Social Fund, the European Agricultural Guidance and Guarantee Fund, and the Financial Instrument for Fisheries Guidance.				
3	Include contributions from private developers. Include leaseholders contributions made specifically towards the cost of capital works on the premises of which the leaseholder's property forms part.				
4	Include capital grants from all non-departmental public bodies such as the Sports Council, English Heritage, Arts Council, Museums and Galleries Commission and the Countryside Agency.				
5	Include capital funding from the Greater London Authority (GLA), including capital funding from its four functional bodies i.e. TFL, London Development Agency, Metropolitan Police Authority and London Fire and Emergency Planning Authority.				
6	Include all capital expenditure financed by applying capital receipts (including any amount of PCL specified in Regulation 33 (2) as at 31 March 2004 treated as if it were a capital receipt.				
	2007/08	2008/09	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000	£'000
Capital Receipts Funding Maximum (Corporate Resources Bids)	(8,131)	(8,000)	(7,500)	(2,500)	(26,131)
Capital Receipts Funding Maximum (Children & Young People)	(2,000)	0	0	0	(2,000)
Total	(10,131)	(8,000)	(7,500)	(2,500)	(28,131)
Use of capital receipts (forecast spend)	10,216	8,432	5,499	3,981	28,128
Variance	85	432	(2,001)	1,481	(3)
7	SCE(R) Single Capital Pot - include capital expenditure financed by borrowing and other credit that will attract central government support through RSG or HRA subsidy i.e. Supported Capital Expenditure (Revenue) - SCE(R) Single Capital Pot.				
8	SCE(R) Separate Programme Element Include capital expenditure financed by borrowing and other credit that will attract central government support through RSG or HRA subsidy i.e. Supported Capital Expenditure (Revenue) - SCE(R) Separate Programme Element				

Total Capital Programme 2007/08 to 2010/11

Capital Programme 2007/08 to 2010/11		Total Spend Up To 31.3.07 £'000	Proposed Original Budget 2007/08 £'000	Indicative Original Budget 2008/09 £'000	Indicative Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Total £'000	Total Including Pre 2007/08 Spend (where stated) £'000
	<b>Environment</b>							
1	Principal Road Renewal & Maintenance (LIP)		625	0	0	0	625	625
2	Local Safety Schemes (LIP)		323	0	0	0	323	323
3	20mph Zones (LIP)		500	0	0	0	500	500
4	Walking (LIP)		25	0	0	0	25	25
5	Cycling Non LCN+ (LIP)		375	0	0	0	375	375
6	Cycling LCN+ (LIP)		525	0	0	0	525	525
7	Bus Stop Accessibility (LIP)		245	0	0	0	245	245
8	Bus Priority (LIP)		430	0	0	0	430	430
9	Town Centres (LIP)		450	0	0	0	450	450
10	School Travel Plans (LIP)		492	0	0	0	492	492
11	Work Travel Plans (LIP)		5	0	0	0	5	5
12	Travel Awareness (LIP)		35	0	0	0	35	35
13	FRACA: Environment (LIP)		60	0	0	0	60	60
14	Controlled Parking Zones (LIP)		75	0	0	0	75	75
15	Haringey Heartlands Transport Study (LIP)		50	0	0	0	50	50
16	Local Improvement Plan (LIP) Submission		0	6,000	6,000	0	18,000	18,000
17	Sport & Leisure Investment Programme**		342	0	0	392	734	734
18	Relocation and construction of a new mortuary (DCLG Growth Area Fund)		1,185	0	0	0	1,185	1,185
19	GLS Site, Tottenham Hale (DCLG, GAF Round 2)		2,131	0	0	0	2,131	2,131
20	Finsbury Park Athletics Track**		100	0	0	0	100	100
21	Spine Road - CIF (DfT)		4,000	0	0	0	4,000	4,000
22	Streetscene Section 106 Schemes		175	0	0	0	175	175
23	Parks Improvement Programme (Open Space Renewal: Green Flag Parks)		250	250	250	0	750	750
24	Street Lighting Renewal/ Safety Replacement Programme		750	750	750	0	3,000	3,000
25	Borough Roads, Highways and Footway resurfacing/street furniture		1,400	1,400	1,400	0	5,600	5,600
26	Road Safety Programme		100	100	100	0	400	400
27	Belmont Recreation Ground Improvement Plan		50	0	0	0	50	50
28	Borough wide recycling collections		1,080	405	0	0	1,485	1,485
29	Chestnuts Park Playground and Youth Improvement Project		120	0	0	0	120	120
30	Borough-wide supply of wheeled bins for domestic refuse		90	90	90	0	270	270
31	Markfield Park Redevelopment Project		715	350	0	0	1,065	1,065
32	Purchase and Installation of New CCTV Cameras		500	0	0	0	500	500
33	Parking Plan - Controlled Parking Zone and Civica IT upgrade		647	594	594	0	2,429	2,429
34	Tree Planting Strategy		80	80	80	0	240	240
	**unsupported borrowing (figures determined by Env)							
	<b>Total Environment</b>	<b>0</b>	<b>17,930</b>	<b>10,019</b>	<b>9,264</b>	<b>9,236</b>	<b>46,449</b>	<b>46,449</b>

Total Capital Programme 2007/08 to 2010/11

Capital Programme 2007/08 to 2010/11		Proposed Original Budget				Indicative Original Budget		Indicative Original Budget		Total	
Ref. No.	Name of Capital Scheme	2007/08	2008/09	2009/10	2010/11	2007/08	2009/10	2010/11	2007/08	2009/10	2010/11
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Adult's Social Services &amp; Housing Strategy &amp; Needs</b>										
	Adult's Social Services										
35	Private Sector Adaptations and Associated Repairs*	820	820	820	820	820	820	820	820	820	3,280
36	Community Alarm Services	65	0	0	0	65	0	0	65	0	65
37	eCare Phase 2	161	0	0	0	161	0	0	161	0	161
	Subtotal	0	1,046	820	820	820	820	820	820	820	3,506
	Housing Strategy And Needs (Non Housing Revenue Account)										
38	Hearthstone Expansion		300	0	0	300	0	0	300	0	300
	<b>Total Adult Social Services &amp; Housing Strategy &amp; Needs</b>	<b>0</b>	<b>1,346</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>3,806</b>
	<b>Chief Executive's</b>										
39	Bruce Grove Core Centre	364	742	607	0	1,713	0	0	1,713	0	1,713
40	English Heritage PSICA Grant Scheme	100	100	100	0	300	0	0	300	0	300
41	IT Capital Programme	2,300	2,300	1,500	1,000	7,100	0	0	7,100	0	7,100
42	Libraries Stockfund Support	300	320	320	330	1,270	0	0	1,270	0	1,270
	<b>Total Chief Executive's</b>	<b>0</b>	<b>3,064</b>	<b>3,462</b>	<b>2,527</b>	<b>10,383</b>	<b>1,330</b>	<b>0</b>	<b>10,383</b>	<b>0</b>	<b>10,383</b>
	<b>Finance</b>										
43	Accommodation Strategy Projects	1,807	2,000	0	0	3,807	0	0	3,807	0	3,807
44	Corporate Management of Property - compliance & backlog	750	750	500	0	2,000	0	0	2,000	0	2,000
45	Implementation of Payment Kiosks	0	120	0	0	120	0	0	120	0	120
46	VFM Programme	1,000	1,000	0	0	2,000	0	0	2,000	0	2,000
	<b>Total Finance</b>	<b>0</b>	<b>3,557</b>	<b>3,870</b>	<b>500</b>	<b>7,927</b>	<b>0</b>	<b>0</b>	<b>7,927</b>	<b>0</b>	<b>7,927</b>

Total Capital Programme 2007/08 to 2010/11

Capital Programme 2007/08 to 2010/11		Proposed				Indicative		Indicative		Indicative		Total	
Ref. No.	Name of Capital Scheme	Original Budget 2007/08	Original Budget 2008/09	Original Budget 2009/10	Original Budget 2010/11	Original Budget 2007/08	Original Budget 2008/09	Original Budget 2009/10	Original Budget 2010/11	Original Budget 2007/08	Original Budget 2008/09	Original Budget 2009/10	Original Budget 2010/11
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Children &amp; Young People</b>												
47	Repairs & Maintenance	400	400	400	400	400	400	400	400	1,600	1,600	1,600	1,600
48	Amalgamations	25	0	0	0	25	0	0	0	25	25	25	25
49	Corporate Recharges: Primary Capital	100	100	100	100	100	100	100	100	300	300	300	300
50	Planned M&E Replacement	438	500	500	500	438	500	500	500	1,938	1,938	1,938	1,938
51	Modernisation: Secondary	70	0	0	0	70	0	0	0	70	70	70	70
52	Modernisation: Primary	600	400	400	400	600	400	400	400	1,400	1,400	1,400	1,400
53	Kitchen Health and Safety	47	45	45	45	47	45	45	45	137	137	137	137
54	Access Initiative	170	170	170	170	170	170	170	170	340	340	340	340
55	Rokesly Expansion Ph 1 & II (Jnr)	100	0	0	0	100	0	0	0	100	100	100	100
56	Coldfall Expansion	208	131	3	3	208	131	3	3	342	342	342	342
57	Teitowdown Expansion	2,700	250	90	90	2,700	250	90	90	3,040	3,040	3,040	3,040
58	PSU Coppetts & Commerce Rd	48	48	48	48	48	48	48	48	144	144	144	144
59	Coleridge Expansion	3,500	1,422	900	54	3,500	1,422	900	54	5,876	5,876	5,876	5,876
60	Rokesly Expansion: Ph III (Infant)	84	80	0	0	84	80	0	0	164	164	164	164
61	Prior Basic Need Commitments	0	0	1,684	3,573	0	0	1,684	3,573	5,257	5,257	5,257	5,257
62	Contingency	0	435	830	473	0	435	830	473	1,738	1,738	1,738	1,738
63	TCF: School Federations	125	70	0	0	125	70	0	0	195	195	195	195
64	BWF Inclusive Learning Campus	150	130	0	0	150	130	0	0	280	280	280	280
65	Campsbourne Primary Specialist Provision For Pupils With Autism	492	0	0	0	492	0	0	0	492	492	492	492
66	Broadband Connectivity: SF120/Rev Contribution/Strategic Technologies	2,808	2,808	0	0	2,808	2,808	0	0	5,616	5,616	5,616	5,616
67	Devolved Capital	121	0	0	0	121	0	0	0	121	121	121	121
68	Youth Capital Fund (provisional)*	336	0	0	0	336	0	0	0	336	336	336	336
69	Computers for Pupils: SF 210	203	0	0	0	203	0	0	0	203	203	203	203
70	E-Learning Credits: SF122	3,472	0	0	0	3,472	0	0	0	3,472	3,472	3,472	3,472
71	Children's Centres: Ph II	36,712	55,271	49,760	26,539	36,712	55,271	49,760	26,539	168,282	168,282	168,282	168,282
72	BSF (incl 6th Form Centre & New School, Building Schools for the Future)	25,709	62,260	59,060	31,539	25,709	62,260	59,060	31,539	205,768	205,768	205,768	205,768
	<b>Total Children &amp; Young People</b>	<b>34,251</b>	<b>62,260</b>	<b>59,060</b>	<b>31,539</b>	<b>34,251</b>	<b>62,260</b>	<b>59,060</b>	<b>31,539</b>	<b>205,768</b>	<b>205,768</b>	<b>205,768</b>	<b>205,768</b>

Total Capital Programme 2007/08 to 2010/11

Appendix J

Capital Programme 2007/08 to 2010/11										
Ref. No.	Name of Capital Scheme	Total Spend Up To 31.3.07 £'000	Proposed Original Budget 2007/08 £'000	Indicative Original Budget 2008/09 £'000	Indicative Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Total £'000	Total Including Pre 2007/08 Spend (where stated) £'000		
	<b>Housing Services</b>									
	<b>Homes for Haringey</b>									
73	Kenneth Robbins, Millicent Fawcett House, Suffolk Road		1,492	0	0	0	1,492	1,492		
74	External Decorations Programme 06/07		118	0	0	0	118	118		
75	Building Services 06/07		393	0	0	0	393	393		
76	Estate Improvements 06/07		36	0	0	0	36	36		
77	Structural Works 06/07		46	0	0	0	46	46		
78	Overprogramming 06/07 brought forward		750	0	0	0	750	750		
79	Capitalised works & salaries 07/08		8,713	8,713	8,713	8,713	34,852	34,852		
80	Essential Capital Works 07/08		744	744	744	744	2,976	2,976		
81	Energy Conservation 07/08		300	300	300	300	1,200	1,200		
82	External Decorations Programme 07/08		2,500	5,000	5,000	5,000	17,500	17,500		
83	Planned Maintenance 07/08		857	2,159	2,392	2,670	8,078	8,078		
84	Decent Homes Programme 07/08 (Funding TBC for 08/09+)*		500	43,056	58,737	55,951	158,244	158,244		
85	Transferable Discount Scheme (TDS)		250	0	0	0	250	250		
86	Adaptations 07/08		1,000	1,450	1,450	1,450	5,350	5,350		
87	Long Leasehold Dilapidations 07/08		525	0	0	0	525	525		
88	Saltram Close Regeneration		1,054	0	0	0	1,054	1,054		
	<b>Homes for Haringey</b>	<b>0</b>	<b>19,278</b>	<b>61,422</b>	<b>77,336</b>	<b>74,828</b>	<b>232,864</b>	<b>232,864</b>		
	<b>Total Capital Programme</b>	<b>34,251</b>	<b>98,084</b>	<b>141,853</b>	<b>149,507</b>	<b>117,753</b>	<b>507,197</b>	<b>541,448</b>		

Schemes marked (\*) are estimates. Funding TBC

Total Capital Programme 2007/08 to 2010/11

Ref. No.	Name of Capital Scheme	Total Funding Source (4 years)				Financing From Major Repairs Reserve (MRR) £'000	Financing From HRA £'000	Use Of Capital Receipts £'000	Capital Funding From GLA Bodies £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Total Including Pre 2007/08 Spend £'000
		Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000									
	Environment													
1	Principal Road Renewal & Maintenance (LIP)	0	625	0	0	0	0	0	0	0	0	0	625	
2	Local Safety Schemes (LIP)	0	323	0	0	0	0	0	0	0	0	0	323	
3	20mph Zones (LIP)	0	500	0	0	0	0	0	0	0	0	0	500	
4	Walking (LIP)	0	25	0	0	0	0	0	0	0	0	0	25	
5	Cycling Non LCN+ (LIP)	0	375	0	0	0	0	0	0	0	0	0	375	
6	Cycling LCN+ (LIP)	0	525	0	0	0	0	0	0	0	0	0	525	
7	Bus Stop Accessibility (LIP)	0	245	0	0	0	0	0	0	0	0	0	245	
8	Bus Priority (LIP)	0	430	0	0	0	0	0	0	0	0	0	430	
9	Town Centres (LIP)	0	450	0	0	0	0	0	0	0	0	0	450	
10	School Travel Plans (LIP)	0	492	0	0	0	0	0	0	0	0	0	492	
11	Work Travel Plans (LIP)	0	5	0	0	0	0	0	0	0	0	0	5	
12	Travel Awareness (LIP)	0	35	0	0	0	0	0	0	0	0	0	35	
13	FRACA: Environment (LIP)	0	60	0	0	0	0	0	0	0	0	0	60	
14	Controlled Parking Zones (LIP)	0	75	0	0	0	0	0	0	0	0	0	75	
15	Haringey Heartlands Transport Study (LIP)	0	50	0	0	0	0	0	0	0	0	0	50	
16	Local Improvement Plan (LIP) Submission	0	18,000	0	0	0	0	0	0	0	0	0	18,000	
17	Sport & Leisure Investment Programme**	0	0	0	0	0	0	0	0	0	0	734	734	
18	Relocation and construction of a new mortuary (DCLG Growth Area Fund)	1,185	0	0	0	0	0	0	0	0	0	0	1,185	
19	GLS Site, Tottenham Hale (DCLG, GAF Round 2)	2,131	0	0	0	0	0	0	0	0	0	0	2,131	
20	Finsbury Park Athletics Track**	4,000	0	0	0	0	0	0	0	0	0	100	4,100	
21	Spine Road - CIF (DfT)	175	0	0	0	0	0	0	0	0	0	0	175	
22	Streetscene Section 106 Schemes	0	0	0	0	0	0	0	0	0	0	0	0	
23	Parks Improvement Programme (Open Space Renewal: Green Flag Parks)	0	0	750	0	0	0	0	0	0	0	0	750	
24	Street Lighting Renewal/ Safety Replacement Programme	0	0	3,000	0	0	0	0	0	0	0	0	3,000	
25	Borough Roads, Highways and Footway resurfacing/street furniture	0	0	5,600	0	0	0	0	0	0	0	0	5,600	
26	Road Safety Programme	0	0	400	0	0	0	0	0	0	0	0	400	
27	Belmont Recreation Ground Improvement Plan	0	0	50	0	0	0	0	0	0	0	0	50	
28	Borough wide recycling collections	0	0	1,485	0	0	0	0	0	0	0	0	1,485	
29	Chestnuts Park Playground and Youth Improvement Project	0	0	120	0	0	0	0	0	0	0	0	120	
30	Borough-wide supply of wheeled bins for domestic refuse	0	0	270	0	0	0	0	0	0	0	0	270	
31	Markfield Park Redevelopment Project	640	0	425	0	0	0	0	0	0	0	0	1,065	
32	Purchase and Installation of New CCTV Cameras	0	0	500	0	0	0	0	0	0	0	0	500	
33	Parking Plan - Controlled Parking Zone and Civica IT upgrade	0	0	1,188	0	0	0	0	1,241	0	0	0	2,429	
34	Tree Planting Strategy	0	0	240	0	0	0	0	0	0	0	0	240	
	** unsupported borrowing (figures determined by Env)													
	<b>Total Environment</b>	<b>8,131</b>	<b>22,215</b>	<b>14,028</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,241</b>	<b>0</b>	<b>0</b>	<b>834</b>	<b>46,449</b>	

Total Capital Programme 2007/08 to 2010/11

Appendix J

Ref. No.	Name of Capital Scheme	Total Funding Source (4 years)										Total Including Pre 2007/08 Spend £'000		
		Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Total £'000			
<b>Adult's Social Services &amp; Housing Strategy &amp; Needs</b>														
Adult's Social Services														
35	Private Sector Adaptations and Associated Repairs*	2,000	0	1,280	0	0	0	0	0	0	0	0	3,280	3,280
36	Community Alarm Services	0	0	0	0	0	0	65	0	0	0	0	65	65
37	eCare Phase 2	161	0	0	0	0	0	0	0	0	0	0	161	161
	Subtotal	2,161	0	1,280	0	0	0	65	0	0	0	0	3,506	3,506
<b>Housing Strategy And Needs (Non Housing Revenue Account)</b>														
Hearthstone Expansion														
38		0	0	300	0	0	0	0	0	0	0	0	300	300
<b>Total Adult Social Services &amp; Housing Strategy &amp; Needs</b>		<b>2,161</b>	<b>0</b>	<b>1,580</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,806</b>	<b>3,806</b>
<b>Chief Executive's</b>														
Bruce Grove Core Centre														
39		1,713	0	0	0	0	0	0	0	0	0	0	1,713	1,713
English Heritage PSICA Grant Scheme														
40		0	0	300	0	0	0	0	0	0	0	0	300	300
IT Capital Programme														
41		0	0	6,336	0	0	0	0	764	0	0	0	7,100	7,100
Libraries Stockfund Support														
42		0	0	970	0	0	0	300	0	0	0	0	1,270	1,270
<b>Total Chief Executive's</b>		<b>1,713</b>	<b>0</b>	<b>7,606</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>764</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,383</b>	<b>10,383</b>
<b>Finance</b>														
Accommodation Strategy Projects														
43		0	0	0	0	0	0	3,807	0	0	0	0	3,807	3,807
Corporate Management of Property - compliance & backlog														
44		0	0	1,794	0	0	0	206	0	0	0	0	2,000	2,000
Implementation of Payment Kiosks														
45		0	0	120	0	0	0	0	0	0	0	0	120	120
VFM Programme														
46		0	0	1,000	0	0	0	1,000	0	0	0	0	2,000	2,000
<b>Total Finance</b>		<b>0</b>	<b>0</b>	<b>2,914</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,927</b>	<b>7,927</b>



Total Capital Programme 2007/08 to 2010/11

Appendix J

Ref. No.	Name of Capital Scheme	Total Funding Source (4 years)							Financing From Major Repairs Reserve (MRR) £'000	Financing From General Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Total Including Pre 2007/08 Spend £'000
		Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) £'000	Financing From General Revenue Account £'000	SCE (R) Single Capital Pot £'000						
	<b>Children &amp; Young People</b>													
47	Repairs & Maintenance	0	0	0	0	0	0	0	0	1,600	0	0	0	1,600
48	Amalgamations	0	0	0	0	0	0	0	0	25	0	0	0	25
49	Corporate Recharges: Primary Capital	0	0	0	0	0	0	0	0	300	0	0	0	300
50	Planned M&E Replacement	0	0	0	0	0	0	0	0	1,938	0	0	0	1,938
51	Modernisation: Secondary	70	0	0	0	0	0	0	0	0	0	0	0	70
52	Modernisation: Primary	600	0	0	0	0	0	0	0	800	0	0	0	1,400
53	Kitchen Health and Safety	0	0	0	0	0	0	0	0	137	0	0	0	137
54	Access Initiative	0	0	0	0	0	0	0	0	340	0	0	0	340
55	Rokesly Expansion Ph 1 & II (Jnr)	0	0	0	0	0	0	0	0	100	0	0	0	100
56	Coldfall Expansion	0	0	0	0	0	0	0	0	342	0	0	0	342
57	Tetherdown Expansion	0	0	0	0	0	0	0	0	3,040	0	0	0	3,040
58	PSU Coppetts & Commerce Rd	0	0	0	0	0	0	0	0	144	0	0	0	144
59	Coleridge Expansion	0	0	0	0	0	0	0	0	5,876	0	0	0	5,876
60	Rokesly Expansion: Ph III (Infant)	0	0	0	0	0	0	0	0	164	0	0	0	164
61	Prior Basic Need Commitments	0	0	0	0	0	0	0	0	5,257	0	0	0	5,257
62	Contingency	195	0	0	0	0	0	0	0	1,738	0	0	0	1,738
63	TCF: School Federations	0	0	0	0	0	0	0	0	0	0	0	0	0
64	BWF Inclusive Learning Campus	0	0	0	0	0	0	0	0	4,300	0	0	0	4,300
65	Campsbourne Primary Specialist Provision For Pupils With Autism	0	0	0	0	0	0	0	0	130	0	0	150	280
66	Broadband Connectivity: SF120/Rev Contribution/Strategic Technologies	348	0	0	0	0	0	0	0	144	0	0	0	492
67	Devolved Capital	5,616	0	0	0	0	0	0	0	0	0	0	0	5,616
68	Youth Capital Fund (provisional)*	121	0	0	0	0	0	0	0	0	0	0	0	121
69	Computers for Pupils: SF 210	336	0	0	0	0	0	0	0	0	0	0	0	336
70	E-Learning Credits: SF122	203	0	0	0	0	0	0	0	0	0	0	0	203
71	Children's Centres: Ph II	3,472	0	0	0	0	0	0	0	0	0	0	0	3,472
72	BSF (incl 6th Form Centre & New School, Building Schools for the Future)	153,446	0	2,000	0	0	0	0	0	2,400	0	10,436	0	168,282
	<b>Total Children &amp; Young People</b>	<b>164,407</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,544</b>	<b>26,231</b>	<b>10,436</b>	<b>150</b>	<b>205,768</b>
														<b>240,019</b>

Total Capital Programme 2007/08 to 2010/11

Appendix J

Ref. No.	Name of Capital Scheme	Total Funding Source (4 years)							Other Borrowing & Credit Arrangements Not Supported By Central Government	Total	Including Pre 2007/08 Spend										
		Capital Grants	Capital Funding From GLA Bodies	Use Of Capital Receipts	Financing From HRA	Financing From Major Repairs Reserve (MRR)	Financing From General Fund Revenue Account	SCE (R) Single Capital Pot				SCE (R) Separate Programme Element	£'000	£'000							
	<b>Housing Services</b>																				
	<b>Homes for Haringey</b>																				
73	Kenneth Robbins, Millicent Fawcett House, Suffolk Road	0	0	0	0	0	0	1,492	0	0	0	0	0	0	0	0	0	0	0	1,492	1,492
74	External Decorations Programme 06/07	0	0	0	0	0	0	118	0	0	0	0	0	0	0	0	0	0	0	118	118
75	Building Services 06/07	0	0	0	0	0	0	393	0	0	0	0	0	0	0	0	0	0	0	393	393
76	Estate Improvements 06/07	0	0	0	0	0	0	36	0	0	0	0	0	0	0	0	0	0	0	36	36
77	Structural Works 06/07	0	0	0	0	0	0	46	0	0	0	0	0	0	0	0	0	0	0	46	46
78	Overprogramming 06/07 brought forward	0	0	0	0	0	0	750	0	0	0	0	0	0	0	0	0	0	0	750	750
79	Capitalised works & salaries 07/08	0	0	0	0	0	0	9,920	0	24,932	0	0	0	0	0	0	0	0	0	34,852	34,852
80	Essential Capital Works 07/08	0	0	0	0	0	0	2,976	0	0	0	0	0	0	0	0	0	0	0	2,976	2,976
81	Energy Conservation 07/08	0	0	0	0	0	0	1,200	0	0	0	0	0	0	0	0	0	0	0	1,200	1,200
82	External Decorations Programme 07/08	0	0	0	0	0	0	17,500	0	0	0	0	0	0	0	0	0	0	0	17,500	17,500
83	Planned Maintenance 07/08	0	0	0	0	0	0	8,078	0	0	0	0	0	0	0	0	0	0	0	8,078	8,078
84	Decent Homes Programme 07/08 (Funding TBC for 08/09+)	0	0	0	0	0	0	500	0	0	0	0	157,744	0	0	0	0	0	0	158,244	158,244
85	Transferable Discount Scheme (TDS)	0	0	0	0	0	0	250	0	0	0	0	0	0	0	0	0	0	0	250	250
86	Adaptations 07/08	0	0	0	0	0	0	5,350	0	0	0	0	0	0	0	0	0	0	0	5,350	5,350
87	Long Leasehold Dilapidations 07/08	0	0	0	0	0	0	525	0	0	0	0	0	0	0	0	0	0	0	525	525
88	Saltram Close Regeneration	0	0	0	0	0	1,054	0	0	0	0	0	0	0	0	0	0	0	0	1,054	1,054
	<b>Homes for Haringey</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,054</b>	<b>49,134</b>	<b>0</b>	<b>24,932</b>	<b>0</b>	<b>157,744</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>232,864</b>	<b>232,864</b>
	<b>Total Capital Programme</b>	<b>176,412</b>	<b>22,215</b>	<b>28,128</b>	<b>1,054</b>	<b>49,134</b>	<b>9,163</b>	<b>51,927</b>	<b>168,180</b>	<b>984</b>	<b>507,197</b>	<b>541,448</b>									

Schemes marked (\*) are estimates. Funding TBC

## TREASURY MANAGEMENT STATEMENT

### 1. Introduction

1.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. We have also set out our Prudential Indicators for year four of our financial planning process.

1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an annual investment strategy (as required by Investment Guidance issued subsequent to the Act); this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

1.3 The suggested strategy for 2007/08 in respect of the following aspects of the treasury management function is based upon the Council's Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's external treasury advisor. This strategy covers:

- treasury limits for 2007/08 to 2010/11, which will limit the treasury risk and activities of the Council;
- prudential indicators
- the current treasury position and borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- the extent of debt rescheduling opportunities;
- the annual investment strategy including the treasury management policy;

1.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
2. any increases in running costs from new capital projects

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

### 2. Treasury Limits for 2007/08 to 2010/11

2.1 It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit" (also referred to as "Authorised Limit").

2.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

2.3 Whilst termed an "Authorised Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

### 3. Prudential Indicators for 2007/08 – 2010/11

3.1 The following prudential indicators are relevant for the purposes of setting an integrated treasury management strategy.

3.2 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted in May 2002 by the Council.

3.3 The actual capital expenditure that was incurred in 2005/06 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Capital Expenditure						
	2005/06 £000 Actual	2006/07 £000 Estimate	2006/07 £000 Revised Estimate	2007/08 £000 Estimate	2008/09 £000 Estimate	2009/10 £000 Estimate	2010/11 £000 Estimate
General Fund	89,229	87,091	99,266	78,806	80,431	72,171	42,925
HRA	24,087	18,094	18,136	19,278	61,422	77,336	74,828
<b>Total</b>	<b>113,316</b>	<b>105,185</b>	<b>117,402</b>	<b>98,084</b>	<b>141,853</b>	<b>149,507</b>	<b>117,753</b>
<b>Funded by</b>							
Credit approvals/supported borrowing	35,576	39,394	21,177	23,666	54,605	74,461	67,375
Unsupported borrowing	6,059	715	594	592	0	0	392
Capital receipts	13,912	11,288	15,746	10,216	8,432	5,499	3,981
Government grants	42,367	46,031	66,373	41,090	57,135	49,760	26,539
Revenue and other contributions	15,402	7,757	13,512	22,520	21,681	19,787	19,466
<b>Total</b>	<b>113,316</b>	<b>105,185</b>	<b>117,402</b>	<b>98,084</b>	<b>141,853</b>	<b>149,507</b>	<b>117,753</b>

- 3.4 Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2005/06 are:

	Ratio of Financing Costs to Net Revenue Stream						
	2005/06 £000 Actual	2006/07 £000 Estimate	2006/07 £000 Revised Estimate	2007/08 £000 Estimate	2008/09 £000 Estimate	2009/10 £000 Estimate	2010/11 £000 Estimate
GF	8.16%	7.86%	7.24%	7.04%	6.75%	6.65%	6.93%
HRA	22.55%	33.03%	33.27%	33.41%	34.08%	35.20%	36.57%
Combined	6.34%	6.14%	5.65%	5.55%	5.33%	5.22%	5.47%

The estimates of financing costs include current commitments and the proposals in this budget report and elsewhere on the agenda.

- 3.5 The actual capital financing requirement for 2005/06 and estimates of the capital financing requirement for the council for the current and future years are:

	Capital Financing Requirement						
	2005/06 £000 Actual	2006/07 £000 Estimate	2006/07 £000 Revised Estimate	2007/08 £000 Estimate	2008/09 £000 Estimate	2009/10 £000 Estimate	2010/11 £000 Estimate
GF	256,080	279,009	256,215	258,103	251,049	250,498	246,061
HRA	358,681	358,489	364,914	371,147	420,436	485,406	547,590
<b>Total</b>	<b>614,761</b>	<b>637,498</b>	<b>621,129</b>	<b>629,250</b>	<b>671,485</b>	<b>735,904</b>	<b>793,651</b>

- 3.6 The capital financing requirement (CFR) measures the authority's underlying need to borrow for a capital purpose. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices.
- 3.7 The CFR is planned to increase significantly from 2008/09 onwards primarily because of the additional supported investment in respect of the Arms Length Management Organisation (ALMO) decent homes that will be funded by supported borrowing.
- 3.8 CIPFA's *Prudential Code for Capital Finance in Local Authorities* includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing

requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

- 3.9 The Council will meet this requirement. This view takes into account current commitments, existing plans, and the proposals in this budget report and elsewhere on the agenda.

	Net borrowing and Capital Financing Requirement					
	2006/07 £000 Estimate	2006/07 £000 Revised Estimate	2007/08 £000 Estimate	2008/09 £000 Estimate	2009/10 £000 Estimate	2010/11 £000 Estimate
Gross borrowing	619,874	640,162	635,291	677,526	741,945	799,692
Investments	(60,000)	(60,000)	(30,000)	(30,000)	(30,000)	(30,000)
<b>Net Borrowing</b>	<b>559,874</b>	<b>580,162</b>	<b>605,291</b>	<b>647,526</b>	<b>711,945</b>	<b>769,692</b>
<b>Capital Financing Requirement</b>	<b>637,498</b>	<b>621,129</b>	<b>629,250</b>	<b>671,485</b>	<b>735,904</b>	<b>793,651</b>

- 3.10 The proposed operational and authorised limits for 2007/08 take account of the additional £17m borrowed in 2006/07 as reported to Executive on 31 October 2006. Our external treasury advisers, Sector, alerted the Council to the opportunity to take up some long term borrowing at very advantageous rates (4.10%). The additional borrowing is part of approved plans of supported funding for next years capital programme and therefore this fitted in with the Treasury Management Strategy approved by Council on 6 February 2006. The Acting Director of Finance has delegated authority to approve treasury management decisions. A delegated decision was made on 26 September 2006 to take out long term loans for £17m to secure these advantageous rates. As this relates to financing for the capital programme in 2007/08 this went above the operational boundary for borrowing in 2006/07 and therefore the Council approved an increase in this limit for 2006/07. This additional early borrowing was still within the Council’s authorised limit for 2006/07. These limits are part of the prudential indicators included in the approved Treasury Management Strategy.
- 3.11 In respect of its external debt, it is recommended that the Council approve the following authorised and operational limits for its total external debt for the next four financial years. These limits separately identify borrowing from other long-term liabilities such as leases. The operational boundary represents a key management tool for in year monitoring by the Acting Director of Finance. The operational boundary excludes the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate.
- 3.12 The Council is asked to approve the following limits and to delegate authority to the Acting Director of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value

for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

	<b>Authorised Limit for External Debt</b>			
	<b>2007/08 £000 Estimate</b>	<b>2008/09 £000 Estimate</b>	<b>2009/10 £000 Estimate</b>	<b>2010/11 £000 Estimate</b>
Borrowing	663,561	705,561	770,561	827,561
Other long term liabilities	5,439	5,439	5,439	5,439
<b>Total</b>	<b>669,000</b>	<b>711,000</b>	<b>776,000</b>	<b>833,000</b>

- 3.13 The proposed authorised and operational limits for external debt in 2007/08 to 2010/11 are consistent with the authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of the most likely forecast position, but with sufficient headroom over and above this to allow for operational cash flow management.

	<b>Operational Boundary for External Debt</b>			
	<b>2007/08 £000 Estimate</b>	<b>2008/09 £000 Estimate</b>	<b>2009/10 £000 Estimate</b>	<b>2010/11 £000 Estimate</b>
Borrowing	638,561	680,561	745,561	802,561
Other long term liabilities	5,439	5,439	5,439	5,439
<b>Total</b>	<b>644,000</b>	<b>686,000</b>	<b>751,000</b>	<b>808,000</b>

- 3.14 The Council's actual external debt at 31 March 2006 was £587.2 million and is currently £634.2 million including approved borrowing undertaken in 2006/07. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.
- 3.15 In taking its decisions on this budget report, the Council is asked to note that the authorised limit determined for 2007/08 (see paragraph 3.9 above) will be the statutory limit determined under Part 1 s.3 (1) of the Local Government Act 2003.
- 3.16 The Band D Council Tax that would result for the Council for 2007/08 from the totality of the capital and revenue plans recommended in this budget report and elsewhere on the agenda is £1,127.83.
- 3.17 Forward estimates for the Band D Council Tax for 2008/09, 2009/10 and 2010/11 are £1,161.66, £1,196.51 and £1,232.41 respectively. These forward estimates are not fixed and do not commit the Council. They are based on the Council's existing commitments, current plans and the totality of the approved capital and revenue plans.
- 3.18 With respect to the HRA, the average weekly rent that would result for 2007/08 from the totality of the capital and revenue plans is £75.49.

- 3.19 Forward estimates for housing rents for 2008/09, 2009/10 and 2010/11 are £79.26, £83.22 and £87.38 respectively. Again, these forward estimates are not fixed and do not commit the Council. They are based on the Council's existing commitments, current plans and the totality of the approved capital and revenue plans.

### **Consideration of options for the capital programme**

- 3.20 In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:
- Affordability, e.g. implications for Council Tax
  - Prudence and sustainability, e.g. implications for external borrowing
  - Value for money, e.g. option appraisal
  - Stewardship of assets, e.g. asset management planning
  - Service objectives, e.g. strategic planning for the authority
  - Practicality, e.g. achievability of the forward plan.
- 3.21 A key measure of affordability is the impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax. The Council considers future capital investment options through its business planning process including the pre-business plan reviews.

### **Treasury management**

- 3.22 It is recommended that the Council set upper limits on its fixed interest rate exposures as follows: 2007/08 £635 million, 2008/09 £677 million, 2009/10 £741 million and 2010/11 £799 million.
- 3.23 It is recommended that the Council set upper limits on its variable interest rate exposures as follows; 2007/08 £190 million, 2008/09 £203 million, 2009/10 £222 million and 2010/11 £239 million.
- 3.24 It is recommended that the Council set upper and lower limits for the maturity structure of its borrowings during 2007/08 as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period.

	<b>Upper limit</b>	<b>Lower limit</b>
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

- 3.25 There are currently no proposals for the Council to invest sums for periods longer than 364 days. Any future proposals will be considered in line with the Treasury Management Strategy.



3.26 The capital finance regulations contained in the Local Government Act 2003 do not deal with investments and this has been dealt with through guidance from the ODPM.

#### 4. The Current Treasury Position and Borrowing Requirement

4.1 The Council's treasury portfolio position at 31 March 2006 comprised:

		Principal sum	Average rate
<b>Debt</b>		<b>£m</b>	<b>%</b>
Fixed Rate Funding	PWLB	462.2	
	Market	125.0	
		<b>587.2</b>	
Other long term liabilities		5.4	
<b>Total Debt</b>		<b>592.6</b>	7.35%
<b>Total Investments</b>		<b>27.9</b>	4.66%
<b>Current net borrowing</b>		<b>564.7</b>	

4.2 The capital financing requirement (CFR) is planned to increase in 2007/08 by £8.1 million as a consequence of capital expenditure.

4.3 The CFR is planned to increase significantly from 2008/09 onwards primarily because of the anticipated additional supported investment in respect of Housing – Arms Length Management Organisation (ALMO) decent homes – potentially up to £158m of capital investment in housing stock from 2008/09 to 2010/11. This will be financed by supported borrowing. The supported borrowing in revenue impact terms will be in the housing revenue account. The costs of borrowing will be met by actual government support and this will be kept under close review. The total bid for investment funding for the decent homes scheme is £228m over the duration of the whole scheme.

4.4 Children and Young People's Service – Building Schools for the Future (BSF) – A total of £194m is planned to be spent on BSF (made up of £179m of central government resources, £10m from the Learning Skills Council contributing towards the cost of the new 6<sup>th</sup> form centre and revenue contributions from the DSG).

4.5 In the Council's 2007/08 to 2010/11 budget plans the capital programme is mainly based on the amount of supported borrowing and grant from central government and a projection of potential capital receipts. However there are three relatively small unsupported borrowing schemes with spend totalling £984k that will be funded within available resources and are 'spend to save' projects. Therefore there is no increase in council tax or housing rent to fund a higher level of spend above the level of resources available.

- 4.6 Council's estimated borrowing requirement in future years as set out in the prudential limits is as follows:

	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
New borrowing	8.1	42.2	64.4	57.7
Alternative financing arrangements	0	0	0	0
Replacement borrowing	0	0	0	0
<b>Totals</b>	<b>8.1</b>	<b>42.2</b>	<b>64.4</b>	<b>57.7</b>

- 4.7 As reported in paragraph 3.10 the above new borrowing requirement for 2007/08 was borrowed in 2006/07 due to the opportunity to take up some long term borrowing at very advantageous rates.
- 4.8 Although there is no scheduled replacement borrowing in the period as shown above, there are some LOBO option start date reviews on existing borrowing in 2007/08 to 2010/11 where replacement borrowing may be required depending on the outcome of those reviews.

## 5. Prospects for interest rates

- 5.1 The Council appointed Sector Treasury Services as its treasury adviser and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the forecast, which is Sector's central view.
- 5.2 **Sector View:** Interest rate forecast – January 2007 with a current base rate of 5.25%.

	Q/E1 2007 %	Q/E2 2007 %	Q/E3 2007 %	Q/E4 2007 %	Q/E1 2008 %	Q/E2 2008 %	Q/E3 2008 %	Q/E4 2008 %	Q/E1 2009 %	Q/E2 2009 %	Q/E3 2009 %	Q/E4 2009 %	Q/E1 2010 %
Bank rate	5.50	5.50	5.50	5.25	5.00	4.75	4.75	4.75	4.75	5.00	5.00	5.00	5.00
5yr PWLB rate	5.25	5.25	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
10yr PWLB rate	5.00	5.00	4.75	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
25yr PWLB rate	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
50yr PWLB rate	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25

- 5.3 Sector's reviews of economic background during 2006 and looking forward through 2007 and into 2008 for UK, US and EU are as follows.

### 5.4 UK economic background

- 5.4.1 Gross domestic product (GDP) growth is on the upswing of the economic cycle from a low point reached in June 2005. Robust growth is expected to continue for a little longer but a modest cooling is expected in 2007 (2006 2.5%, 2007 2%) and to continue at below the trend rate thereafter. The

recovery in consumer spending and retail sales has underpinned this upswing in GDP.

- 5.4.2 The housing market has proved to be more robust than expected with house price inflation over 8% per annum. Increases in Bank Rate in August 2006, November 2006 and January 2007 are likely to dampen the housing market and also increases in unsecured borrowing.
- 5.4.3 Higher than expected immigration from Eastern Europe has strengthened growth and dampened wage inflation.
- 5.4.4 The Bank of England's monetary policy committee (MPC) raised Bank Rate to 5% in November 2006 and to 5.25% in January 2007 to bring inflation down to the 2% target level two years ahead. The MPC has been concerned that short term price increases could feed through into wage settlements in the next pay round.
- 5.4.5 The public sector real increase in expenditure per annum is anticipated to weaken to 2.5% over the next few years from 3% average between 2000 and 2005.
- 5.4.6 US and EU economic positions and outlooks have also been reviewed and taken into account in formulating a view on interest rates.
- 5.4.7 The forecast within this strategy statement has also taken account of data from a variety of forecasts published by a number of institutions.

## **6 Borrowing Strategy**

- 6.1 The Sector forecast is as follows: -
  - The 50 year PWLB rate is expected to remain flat at 4.25%. As the Sector forecast is in 25bp segments there is scope for the rate to move around the central forecast by +/- 25 basis points without affecting this overall forecast.
  - The 25-30 year PWLB rate is expected to remain at 4.5% for the foreseeable future.
  - The 10 year PWLB rate will remain at 5% until Q3 2007 when it will fall to 4.75% and then fall in Q1 2008 to 4.50% and remain at that rate for the foreseeable future.
  - 5 year PWLB rate will remain at 5.25% until Q3 2007 when it will fall to 5%. It is then expected to reduce to 4.75% in Q4 2007 and then reduce again to 4.5% in Q1 2008 and remain at that rate for the foreseeable future.
- 6.2 This forecast indicates that the borrowing strategy for 2007/08 should be set to take very long dated borrowing at any time in the financial year. Variable rate borrowing and borrowing in the five year area are expected to be more

expensive than long term borrowing and will therefore be unattractive throughout the financial year compared to taking long term borrowing.

6.3 The main strategy to minimise debt interest costs is as follows:

- With 50 year PWLB rate at 4.25%, borrowing should be made in this area of the market at any time in the financial year. This rate will be lower than the forecast rates for shorter maturities in the 5 year and 10 year area. A suitable trigger point for considering new fixed rate long term borrowing, therefore, would be 4.25%.

6.4 Against this background caution will be adopted with the 2007/08 treasury operations. The Acting Director of Finance will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions as required by the policy.

6.5 Sensitivity of the forecast - the main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- if it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or in increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
- if it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates weakening, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.

## **7. Debt Rescheduling and restructuring**

7.1 As the first fall in Bank Rate is expected in Q4 2007, it is therefore expected that there will be a sharp difference between higher shorter term rates and cheaper long term rates in quarters 2 to 3 of 2007. Later on in 2008, this advantage will diminish once Bank Rate, and short term rates generally, start falling. There will therefore be an opportunity during quarters 2 to 4 of 2007 to restructure shorter term debt into long term in order to optimise the potential savings achievable in the financial year 2007/08. Any positions taken via rescheduling will be in accordance with the strategy position outlined in paragraph 6 above.

7.2 In addition, the Council will actively give consideration during the year to taking advantage of small movements in PWLB rates to reduce the cost of existing debt in the portfolio by reborrowing at lower rates without making significant changes to the type of debt (fixed / variable) or maturity periods.

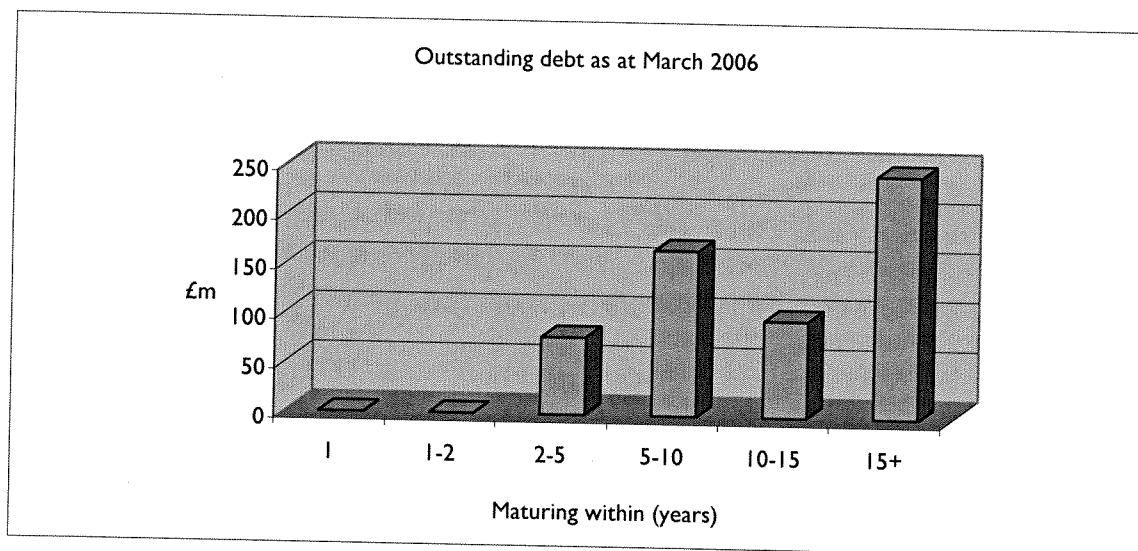
7.3 The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk;
- in order to help fulfil the strategy outlined in paragraph 6 above; and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

7.4 CIPFA issued a draft accounting standards document (SORP 2007) on 18 October 2006 which includes major potential changes in the treatment of the valuation of debt and investments, the calculation of interest and the treatment of premia and discounts arising from debt rescheduling. There will be a three month consultation period before proposals are finalised. It is also expected that these proposals, once finalised, may make necessary the issue of legislation by the Government to take effect from 1 April 2007. The Authority's treasury management strategy will be reviewed once the final decisions in this area are known to see whether any changes will be required in borrowing, investment or debt rescheduling strategies.

7.5 All rescheduling will be reported as required by the policy.

7.6 Profile of long term debt maturity as at 31 March 2006 is as follows. Currently debt maturing within 5 to 10 years is relatively high. This is monitored as part of our continual review of our debt profile with our advisors to ensure that a balanced portfolio is maintained that takes due account of risk.



## 8. Annual investment strategy

### 8.1 Investment Policy

8.1.1 The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA Treasury Management Code"). The Council's investment priorities are: -

- the security of capital and
- the liquidity of its investments.

- 8.1.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 8.1.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
- 8.1.4 Specified Investments. (All such investments will be sterling denominated, with maturities up to maximum of 1 year). Investment is permitted with the following organisations registered in the UK, European Union or North America, up to the following investment limits.

	Counterparty limits £m
All banks authorised under the Banking Act 1987 which have an acceptable rating in the rating matrix	10
The Council's banker (currently Co-operative Bank PLC)	7
All building societies which have an acceptable rating in the rating matrix	10
Local Authorities	10
HM Government	20
Money Market Funds	10

- 8.1.5 The ratings matrix referred to in the above table is prepared by the Council's treasury advisors. The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored on an ongoing basis. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 8.1.6 Possible review of the types of specified investments permitted will be discussed with Sector and reported back should any changes in policy be proposed.
- 8.1.7 The Council's current policy is not to deal in non-specified investments (i.e. cash investments longer than 1 year). Possible review of this policy will be discussed with Sector and reported back for approval should any changes in policy be proposed.
- 8.1.8 The Treasury Management Policy document is included at Section 9.

## 8.2 Investment Strategy

### In-house funds

- 8.2.1 Based on its cash flow forecasts, the Council anticipates its fund balances in 2007/08 to range between £0m and £100m, however, cashflow variations can sometimes occur where this may vary.

- 8.2.2 Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for interest rates (i.e. rates for investments up to 12 months and beyond 12 months).
- 8.2.3 Giving due consideration to the Council's balances over the next 4 years, the need for liquidity, its spending commitments and provisioning for contingencies, the Council has determined that some of its overall fund balances could possibly be prudently committed to longer term investments (i.e. those with a maturity exceeding a year). This will be reviewed in consultation with Sector.

### **Interest Rate Outlook**

- 8.2.4 Sector advise that the base rate is expected to rise again to 5.50% in Q1 2007, then fall to 5.25% in Q4 2007, reduce to 5% in Q1 2008 and then to 4.75% in Q2 2008. Then base rate is expected to increase to 5% in Q2 2009. We are advised to lock in longer period investments at higher rates before this fall starts for some element of our investment portfolio which represents our core balances. For 2007/08 we are advised to budget for a cautious investment return of 5%.
- 8.2.5 Attractive trigger rates for 1-year lending will be kept under review in consultation with Sector. 5.60% is identified as the current attractive rate.
- 8.2.6 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (overnight to 3 months) in order to benefit from the compounding of interest.

### **End of year Investment Report**

- 8.2.7 At the end of the financial year, the Council will report on its investment activity as part of its outturn report.

## **9. Treasury Management Policy**

### **Introduction**

- 9.1 This policy is prepared in accordance with the Code of Practice on Treasury Management in Local Authorities, published by CIPFA ('the Code'). In adopting the Code, the following policies have been agreed.
- 9.2 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.
- 9.3 Accordingly, the Council has created and will maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and objectives of its treasury management activities

- suitable treasury management practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how those activities will be managed and controlled.
- 9.4 The content of the policy statement and TMP's will follow the recommendations contained in Sections 6 and 7 of the code subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the code's key recommendations.
- 9.5 The Council receives reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, and an annual report after its close, in the form prescribed in its TMP's.
- 9.6 The Council delegates responsibility for the monitoring of the implementation of its treasury management policies and practices to the Lead Member. The Council delegates the execution and administration of treasury management decisions to the Acting Director of Finance, who will act in accordance with the organisation's statement and TMP and CIPFA's Standard of Professional Practice on Treasury Management.

### **Definitions**

- 9.7 The Code defines treasury management as:
- “the management of the local authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks”.
- 9.8 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 9.9 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.

### **Approved activities**

- 9.10 The approved activities for the treasury management function are:
- borrowing
  - lending
  - debt repayment and rescheduling
  - consideration, approval and use of financial instruments and treasury management techniques



- managing the underlying risk associated with the Council's capital financing and cashflows
- leasing.

### **Strategy**

9.11 An annual strategy report will be presented to Council. The report will set out projections of treasury management activity for the year and for subsequent years and propose actions to be taken.

9.12 The strategy will consider:

- interest rate prospects
- borrowing strategy
- annual investment strategy
- debt rescheduling
- any other treasury management activity

9.13 The strategy will further set out:

- the Council's Prudential Indicators for the following 4 financial years
- the Council's current portfolio position and borrowing requirement

### **Approved methods and sources of funding**

9.14 Borrowing is raised in accordance with the Local Government and Housing Act (1989) and is permitted via the following instruments:

- overdraft
- short term loans
- Public Works Loan Board loans
- other loan instruments.

### **Investment Policy**

9.15 The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA Treasury Management Code"). The Council's investment priorities are: -

- the security of capital and
- the liquidity of its investments.

9.16 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

9.17 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

9.18 Specified Investments. (All such investments will be sterling denominated, with maturities up to maximum of 1 year). Investment is permitted with the

following organisations registered in the UK, European Union or North America, up to the following investment limits.

	<b>Counterparty limits £m</b>
All banks authorised under the Banking Act 1987 which have an acceptable rating in the rating matrix	10
The Council's banker (currently Co-operative Bank PLC)	7
All building societies which have an acceptable rating in the rating matrix	10
Local Authorities	10
HM Government	20
Money Market Funds	10

- 9.19 The ratings matrix referred to in the above table is prepared by the Council's treasury advisors. The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored on an ongoing basis. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 9.20 There are no suggested changes to the types of specified investments permitted, but a review will be carried out during the year with Sector and will be reported back for approval during the year should any changes be proposed.
- 9.21 The Council's current policy is not to deal in non-specified investments (i.e. cash investments longer than 1 year). Possible review of this policy will be discussed with Sector and reported back for approval should any changes in policy be proposed.

### **Investment Strategy**

- 9.22 Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates (i.e. rates for investments up to 12 months and beyond 12 months).
- 9.23 Attractive trigger rates for 1-year lending will be kept under review in consultation with Sector.
- 9.24 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (1-3 months) in order to benefit from the compounding of interest.

## **Brokers and advisors**

9.25 The following brokers are approved for open market transactions:

- ICAP PLC
- Prebon Marshall Yamane (UK) Ltd
- Tradition UK Ltd
- Sterling Brokers Ltd
- The Co-operative Bank PLC
- Martins Brokers (UK) PLC

9.26 The following brokers are approved for leasing transactions:

- Sector Leasing Services Ltd
- Unilink
- Dovetail solutions Ltd.

9.27 The Acting Director of Finance is authorised to deal with other brokers or agents, from time to time, when the Acting Director of Finance considers it to be beneficial to the Council.

9.28 The Council's treasury management advisor is Sector.

## **External managers**

9.29 The use of external managers is not permitted.

## **Delegation**

9.30 The following delegations will apply for treasury management:

### Executive

Annual review of policy  
Consideration of the strategy

### Acting Director of Finance

Implementation of the policy and strategy, including the authority to raise loans, enter into leases and make investments. In each case this will be in accordance with procedures determined by the Acting Director of Finance as set out in the Treasury Management Practices.

Any decision to invest in specified investments not currently used or in non-specified investments will be made following advice from Sector.

## **Reporting**

9.31 The Acting Director of Finance will:

- prepare an annual strategy report and review of the policy for the consideration of Executive;

- report annually to the Executive on the achievement of the previous year's strategy;
- report relevant, key details of the treasury management activities to the Lead Member.