

City and County of Swansea
Dinas A Sir Abertawe

Revenue and Capital Budgets
2008/2009

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Introduction

Council considered the reports reproduced on pages 7 to 184 on 25 February 2008.

The reports were agreed subject to the following amendments:

Revenue Budget 2008/09

<i>Page no.</i>	<i>Agreed amendment</i>
37	The line described as "Residents Parking Charges" under the heading Service Savings Proposals be deleted with a corresponding increase in the residual savings requirements in 2009/10, 2020/11 and 2011/12.
38	The line described as "Child and Family Services Review including Ty Gwaun and Ty Cwm residential units" be deleted for full consultation with stakeholders. There will be a corresponding increase in the residual savings requirements in 2009/10, 2010/11 and 2011/12. The budget shortfall in 2008/09 of £406,000 will be financed by a use of the Contingency Fund.

The above amendments result in an amended *Revenue Budget Summary 2008/09* - see page 5.

REVENUE BUDGET SUMMARY 2008/09
INCLUDING AMENDMENTS AGREED AT COUNCIL 25 FEBRUARY 2008

PORTFOLIO	ORIGINAL ESTIMATE 2007/08 £000	REVISED ESTIMATE 2007/08 £000	ORIGINAL ESTIMATE 2008/09 £000
COMMUNITY LEADERSHIP & DEMOCRACY	4,549	4,610	4,654
CULTURE, RECREATION & TOURISM	18,108	18,636	18,683
EDUCATION	148,927	149,659	153,546
ECONOMIC & STRATEGIC DEVELOPMENT	1,788	1,783	1,628
ENVIRONMENT	35,017	34,128	34,490
FINANCE	1,678	2,331	4,607
HOUSING	4,289	4,232	4,476
COMMUNITY REGENERATION	2,916	2,949	3,257
SOCIAL SERVICES	82,671	82,215	84,938
TOP PERFORMANCE AND EGOVERNMENT	16,454	16,892	15,631
NET SERVICE EXPENDITURE	316,397	317,435	325,910
<i>OTHER ITEMS</i>			
<i>LEVIES</i>			
SWANSEA BAY PORT HEALTH AUTHORITY	96	96	98
<i>CONTRIBUTIONS</i>			
MID & WEST WALES COMBINED FIRE AUTHORITY	10,340	10,340	10,936
SEA FISHERIES COMMITTEE	143	143	157
<i>CAPITAL FINANCING CHARGES</i>			
PRINCIPAL REPAYMENTS	11,034	10,445	12,263
NET INTEREST CHARGES	11,908	10,373	13,043
NET REVENUE EXPENDITURE	349,918	348,832	362,407
<i>MOVEMENT IN RESERVES</i>			
GENERAL RESERVES	-3,469	-1,828	-2,500
EARMARKED RESERVES	3,124	2,949	729
TOTAL BUDGET REQUIREMENT	349,573	349,953	360,636
DISCRETIONARY RATE RELIEF	210	230	250
TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT	349,783	350,183	360,886
COMMUNITY COUNCIL PRECEPTS	682	682	749
TOTAL REQUIREMENT	350,465	350,865	361,635
FINANCING OF TOTAL REQUIREMENT			
REVENUE SUPPORT GRANT	222,358	222,358	224,817
NATIONAL NON-DOMESTIC RATES	55,341	55,341	60,783
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	72,084	72,484	75,286
COUNCIL TAX - COMMUNITY COUNCILS	682	682	749
TOTAL FINANCING	350,465	350,865	361,635
COUNCIL TAX BASE for the City and County of Swansea	84,853	84,853	85,625
COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea	849.52	849.52	879.25
GENERAL RESERVES			
AT 1 APRIL	9,696	10,595	8,767
AT 31 MARCH	6,227	8,767	6,267



Budget 2008/09 – Overview Report

Report of the Section 151 Officer

Council - 25th February 2008

BUDGET 2008/09 – OVERVIEW REPORT

Purpose:	Elsewhere on this agenda are the detailed reports relating to both the Capital and Revenue Budgets. The purpose of this overview report is to highlight the key issues running through this technical analysis and in particular, to make clear the connections to: <ul style="list-style-type: none">- The budget reports to Council in February 2007.- Relevant Audit reports and comments, particularly in the Relationship Managers Annual Letter.
Policy Framework:	None
Reason for Decision:	To agree a revenue budget, capital budget and Council Tax 2008/09
Consultation:	Cabinet Members and Corporate Management Team
Recommendation:	For information; specific recommendations are contained in the following reports on the agenda

1. Background

When setting a budget in February 2007 the following key issues were clearly detailed:

- The Council faced significant risk in relation to the Equal Pay Settlement. Implicit within the Budget assumptions was, that given the lack of clarity about national funding, the Council had no capacity to use any reserves and balances for other purposes, unless and until the funding of Equal Pay was resolved.

It also faced significant risk in relation to:

- Pay and Grading – this risk continues, though the current assumption is that the scheme costs must be no more than the available funding.
- E-Government – the risk in relation to a contractor claim remains. The Budget includes lower targets for cashable savings based on achievements to-date.
- A risk around a planning issue.

The Budget Report also contained a forward financial forecast, which indicated potential shortfalls in future years (£11.3m rising to £18.9m).

In relation to capital, the Budget Reports made clear that there was no capacity for further prudential borrowing for new commitments until the funding source for the revenue effect was identified.

Both the Budget Reports and subsequent Audit comment made clear:

- a) The forward financial projections contained in the medium term financial plan (MTFP) were based on an assessment of essential spending need only. The projections took no account of likely increased resources, the ability to make savings, etc.
- b) The Council would need to address this imbalance in future budget rounds and has a track record of doing so.
- c) At the time of reporting, the potential shortfalls could exceed available reserves if no action was taken.

The remainder of this report updates Council on these issues and steps taken to address them.

2. Issues arising from likely Outturn 2007/8

Detailed in the technical reports are the myriad of variations, which inevitably occur in each financial year. The key messages that affect forward financial planning are summarised here, namely:

- A net underspend of £1.6m (0.5%) is anticipated for the year. Some significant Service overspends of £2.4m are offset by reductions in capital financing charges, mainly related to slippage in the Capital Programme and increased investment income resulting from higher interest rates.
- This forecast underspend means that the 2007/8 budget will not need to take £3.5m from reserves as planned, but in fact, only £1.8m.
- Furthermore the WAG has confirmed that the Council will receive a capitalisation directive of up to £9.4m and this will significantly reduce the forward risk on the Equal Pay issue.
- During 2007/8 an external review of the financial health of the insurance fund has been undertaken. Improvements in risk management and claims history mean that both annual premia and total fund size can be reviewed. This, together with the earlier referred to reduced risk on Equal Pay, creates an opportunity to establish a forward contingency fund of £10m. Given the previous audit comment and the risks around WAG settlements and future cost pressures, this is a necessary step whatever decisions are made in this budget process. I have taken the step of establishing this fund in the interests of the future financial health of the authority.

3. Financial Outlook at Feb 2008

The settlement from WAG is detailed elsewhere, but an uplift of 2.4% has to be viewed in the context of key financial pressures that include:

- Above inflation rises in care home fees.
- Significant risk arising in waste management from the decision to not fund landfill tax and uncertainty around recycling performance.
- Significant pressures in Education Services (especially pupil specific), against a backcloth of falling rolls in the secondary sector
- Pressures in Social Care, particularly Children's Services.
- Fuel cost increases

Such an outlook determines that any MTFP has to assume that funding increases will not match expenditure pressures. Consequently a clear signal that future efficiency improvement, cost reductions and/or potential service rationalisation is inevitable under all scenarios.

Given the proportion of the Council expenditure spent on employee costs, it is inevitable that a reduction in headcount will be necessary over the planning period.

4. Budget Process

The detailed reports have arisen from the following actions:

- A review of the essential spending needs going forward (SNAs). Where these are certain they are included in the budget. Where the extent or timing is uncertain an assessment has been made and provision made in the contingency requirement. This is a normal approach to managing risk. Provision has been made in the 2008/09 budget for additional service spending needs of £8.6m. This comprises £4.6m provided in service budgets and £4m provided on a contingency basis.
- Identification of a range of savings to be incorporated in the Budget for 2008/9 and financial targets for the future years. Savings incorporated in the Budget total £4.8m.
- The MTFP includes the following proposals/targets:
 - Reductions in costs of absence
 - Fees and charges greater than inflation
 - Reduction in staffing costs.
 - Service charges

5. Summary

How Is This Budget Balanced in 2008/09?

This has been achieved by:

- Robustly reviewing SNAs and only including where certain.
- Increasing selected fees and charges.
- Identifying savings.
- Establishing a contingency fund sufficient to deal with in year risk.
- Increasing the Council Tax Income.

How is the MTFP updated?

This has been achieved by:

- Including the impact of the above.
- Including forward resource assumptions on settlement and fees and charges.
- Targeting reductions in absence costs.
- Targeting reductions in staffing costs.

Immediately following the setting of this Budget, work must commence to deliver these future financial plans. As would be anticipated, year one issues are detailed in the attached reports and year 2 - 4 targets need to be worked up in the early part of 2008/09.

Issues Relating to Capital

The Capital Programme has been reviewed in light of the Audit comments. However, the nature of the programme as it stands is that schemes are either essential (maintenance, etc), or committed. No new optional schemes have been added.

Prudential borrowing necessitated by the plan, together with the unavoidable costs relating to the Equal Pay settlement, are included in the Budget.

Risk Management

As indicated above, clear risks remain in relation to forward cost pressures, pay and grading, etc. These, combined with the relatively bleak outlook for WAG funding, determine the need for the significant contingency fund in the short term, and a concerted effort to deliver the forward financial targets in the MTFP.

Contact officer : Jack Straw, Executive Director
Telephone no : 637531
Background papers : None



Revenue Budget 2008/09

Report of the Section 151 Officer

Council - 25th February 2008

REVENUE BUDGET 2008/09

Purpose:	This report proposes a Revenue Budget and Council Tax levy for 2008/09
Policy framework:	None
Reason for decision:	To agree a revised budget for 2007/08; a budget for 2008/09 and a Council Tax levy for 2008/09
Consultation:	Cabinet Members & Corporate Management Team
Recommendation:	The following budget proposals be approved: a) A revised budget for 2007/08 (paragraph 2) b) A budget for 2008/09 (paragraph 4) c) A Budget Requirement and Council Tax levy for 2008/09 (paragraph 8 and associated resolution)

1. Introduction

1.1 This report details:

- The revised budget 2007/08
- The Local Government Finance Settlement 2008/09
- Budget proposals 2008/09
- Risks and uncertainties
- The Medium Term Financial Plan 2009/10 - 2011/12
- Reserves and contingency provision
- The overall Budget Requirement and Council Tax 2008/09

2. Revised budget 2007/08

2.1 There is a forecast net underspending for the year of £1,640,000 as detailed in table 1.

2.2 Net service expenditure amounts to £317.435m, an increase of £2,364,000 after adjusting for transfers to and from reserves as detailed in table 2.

<i>Table 1</i>	£000
Service budgets overspending (before transfers to / from reserves)	2,364
Additional Discretionary Rate Relief	20
<i>less:</i>	
Contingency Fund (offset against above overspending)	-1,500
Reduced Capital Financing Charges	-2,124
Increased Council Tax income	-400
Net underspending	-1,640

<i>Table 2</i>				
CHANGES FROM APPROVED BUDGET				
	Service	Earmarked		Net
	Budgets	Reserves	Transfers	Change
	[1]	[2]	[3]	[4]
	£000	£000	£000	£000
Community Leadership & Democracy	8	22	31	61
Culture, Tourism & Recreation	526	-6	8	528
Education	185	547		732
Economic & Strategic Development	36	-41		-5
Environment	-89	-784	-16	-889
Finance	182	527	-56	653
Housing	-57			-57
Community Regeneration	19	14		33
Social Services	457	-890	-23	-456
Top.Performance & eGovernment	1,097	-715	56	438
TOTAL	2,364	-1,326		1,038

Note

Column [1] details overspendings / underspendings compared with approved 2007/08 budgets. Column [2] details additional (+) or reduced (-) use of earmarked reserves. Column [3] details transfers of responsibility between services in 2007/08. Column [4] details the overall change in net expenditure i.e the sum of columns [1] to [3].

2.3 Comments in relation to significant changes are as follows:

- 2.3.1 Community Leadership & Democracy. A net overspending of £8,000 compared with the approved budget arising from the additional pay award cost.
- 2.3.2 Culture, Recreation & Tourism. A net overspending of £526,000 compared with the approved budget arising from additional Leisure Centre costs (£275,000), shortfall in income (£50,000), additional museum costs (£40,000), a contribution to the Brynmill Park Restoration Scheme (£100,000), additional pay award costs (£80,000) and other items (£47,000). These additional costs are partly offset by reduced insurance costs (£66,000).

- 2.3.3 Education. A net overspending of £185,000 compared with the approved budget arising from reduced catering service income (£350,000), unachieved corporate training savings (£100,000), additional pay award costs (£172,000) and other items (£22,000). These additional costs are partly offset by reduced redundancy and retirement costs (£459,000). The increased use of reserves relates to expenditure provided for in the 2006/07 budget but incurred in 2007/08.
- 2.3.4 Economic & Strategic Development. A net overspending of £36,000 compared with the approved budget due to reduced income.
- 2.3.5 Environment. A net underspending of £89,000 compared with the approved budget arising from reduced insurance costs (£494,000), Environmental Health (£90,000), Environmental Protection (£200,000), additional grant (£200,000) and other items (£28,000). These savings are partly offset by additional pay award costs (£123,000), unachieved transport project savings (£250,000), reduced car park income (£250,000), Planning costs (£135,000) and increased street lighting costs (£165,000). The reduced use of reserves relates to expenditure (mainly Tir John £500,000) to be incurred in future years.
- 2.3.6 Finance. A net overspending of £182,000 compared with the approved budget arising from additional pay award costs (£61,000), additional energy costs (£153,000), Penllergaer office accommodation (£140,000) and reduced rent income (£274,000). These additional costs are partly offset by reduced insurance costs (£72,000), a rates refund (£227,000) reduced staffing costs (£110,000) and other items (£37,000). The increased use of reserves relates to additional grant received in 2006/07 to be applied in 2007/08.
- 2.3.7 Housing (General Fund). A net underspending of £57,000 compared with the approved budget arising from additional income.
- 2.3.8 Community Regeneration. A net overspending of £19,000 compared with the approved budget arising from a shortfall in grant income.
- 2.3.9 Social Services. A net overspending of £457,000 compared with the approved budget arising from increased Children and Family Services costs (£1,982,000) and additional pay award costs (£220,000). These additional costs are partly offset by reduced net expenditure on Adult Services (£1,688,000) and other items (£57,000). The reduced use of reserves relates to expenditure to be incurred in future years.
- 2.3.10 Top.Performance & eGovernment. A net overspending of £1,097,000 compared with the approved budget arising from a shortfall in eGovernment Programme savings (£900,000), additional pay award costs (£58,000), coroners costs (£40,000) and other items (£99,000). The reduced use of reserves includes eGovernment Programme costs to be incurred in future years (£910,000) offset by additional increased

consultant and legal costs in relation to the Equal Pay Back Pay settlement (£226,000).

2.4 A significant part of the above overspending were provided for in the Contingency Fund provision of £1,500,000. After deducting the Contingency Fund provision the net service overspending is £864,000.

2.5 Capital Financing Charges (£2,124,000). Reduced charges will be achieved as a result of:

- delayed capital spending in 2006/07 and 2007/08 (£1,600,000) and
- additional interest earned on investments due to higher interest rates (£524,000)

2.6 Council Tax income (£400,000). Additional properties and improved collection performance will result in additional income.

2.7 Overall , the above variations result in a reduced use of General Reserves of £1,640,000 compared to the original budget plan for 2007/08.

3. The Local Government Finance Settlement 2008/09

3.1 The Minister for Social Justice & Local Government announced the Final Settlement on 22 January 2008 .

3.2 The Settlement represented very little change from the Provisional Settlement announced in November. The main points were:

- A 2.4% increase in Revenue Support Grant compared with the average increase of 2.3%. The Minister also announced that no Council would receive an increase lower than 2%.
- Several transfers of specific grants in / out of Revenue Support Grant including Early Years Grant (£450,000); Cymorth (£321,000) and Civil Contingencies (£136,000).
- No provision for specific items apart from a small number of relatively low value items.
- A statement by the Minister that in his view, Council Tax increases should not exceed 5% in 2008/09.

There was no statement regarding any annual efficiency assumption made in the settlement.

The Final Settlement does not provide any significant increase in funding over above the Provisional Settlement announced in November.

4. Budget proposals 2008/09

Overall position

4.1 The 2008/09 budget process commenced immediately following the agreement of the 2007/08 budget. The process has entailed a structured consideration of additional spending needs and options to reduce costs and increase income. Importantly the process has included a simultaneous consideration of 2008/09 and the three subsequent years i.e the Medium Term Financial Plan - see paragraph 6.

4.2 The starting point for the 2008/09 budget was the summary budget forecast considered by Council on 27 February 2007. This forecast highlighted a potential net savings requirement of £11.3m in 2008/09 rising to £18.9m in 2010/11. It is important to note that these forecasts were only meant to highlight potential issues in future years and did not take account of :

- a) a process of challenge and review in relation to increased additional spending needs and
- b) strategies and options which would be available to the Council to resolve the shortfalls

4.3 The outcome of (a) was highlighted in paragraph 3.2 of the budget report to Cabinet on 13 December 2007, i.e a reduced forecast requirement in 2008/09 of £3.6m following a further detailed review by the Corporate Management Team of service spending plans together with a reduced insurance requirement.

4.4 Further to the report to Cabinet in December, careful consideration has been given to the implications of the Final Settlement and in particular, the fact that no funding has been provided for a number specific pressures such as the increase in Landfill Tax from 1 April 2008. In addition, budget provision will need to be made for a number of new spending needs which have been confirmed since December.

As such, budget provision will need to be made for the following additional spending requirements:

- Landfill Tax £800,000
- Increased energy charges £715,000
- Additional Pension Fund contributions £319,000
- Additional Social Care costs £1,595,000
- A 5.3% increase in the Fire Authority levy £314,000

An overall increased requirement of £3,743,000.

4.5 Further consideration has been given to three issues which comprised the updated budget forecast in December as follows:

- a) General Reserves. The original forecast considered by Council in February 2007 assumed that general reserves of £1.8m would be available to support the budget in 2008/09. However, in the light of the forecast underspending in 2007/08 (as detailed above), it is now proposed that the whole of the 2006/07 underspending (£710,000 as reported to Cabinet on 28 June 2007) be made available to support the budget in 2008/09 i.e a use of General Reserves of £2.5m . See also paragraphs 7.4 - 7.5.
- b) Council Tax Base. The amount of Council Tax collected has exceeded the budget assumption due to reduced write-offs of bad debts and additional properties. As such, it is proposed that the budget assumption be increased resulting in extra forecast income of £527,000.
- c) Council Tax increase. In the light of the Final Settlement it is proposed that the Council Tax be increased by 3.5%. If agreed, this increase will result in £873,000 more income than assumed in the December budget forecast.

The change in the 2008/09 forecast since February 2007 is summarised in table 3.

<i>Table 3</i>		
	£m	£m
Forecast shortfall February 2007		11.3
Review of additional spending needs	-2.7	
Reduced insurance costs	-1.0	
Other increases	0.1	-3.6
Forecast per Cabinet 13 December 2007		7.7
Fire levy	0.3	
Landfill Tax	0.8	
Energy costs	0.7	
Pension contributions	0.3	
Social Care costs	1.6	3.7
Additional Revenue Support Grant		-0.6
Increased use of General Reserves		-0.5
Increased Council Tax income		-1.4
Forecast shortfall		8.9

4.6 The reassessed shortfall in 2008/09 is £8.906m. However, It should be noted that this contains a contingency requirement of £4.090m which may partly or wholly arise in the year. As such, it is proposed that this requirement be met from the Contingency Fund of £10m - see paragraph 7.2.

4.7 The remaining shortfall of £4.816m will be financed by applying a number of savings proposals as detailed in col 1 of annex C(iii).

Service budget proposals

4.8 The proposed 2008/09 budget for each service is summarised in annex B and detailed in annex E together with Cabinet Member comments. The change in service budgets between 2007/08 and 2008/09 is summarised in annex B as follows:

- Original estimate as agreed by Council on 27 February 2007
- The one-off use of reserves in 2007/08
- Baseline transfers between services
- Adjusted baseline budgets 2007/08
- Inflation
- Additional spending needs
- Savings proposals
- Specific amounts provided on a contingency fund basis
- The one-off use of earmarked reserves in 2008/09
- The proposed budget 2008/09

4.9 Provision has been made in service budgets for pay and price increases as follows:

Teachers pay	2.5%
Other pay groups	2.2%
Price increases	1.5%

Capital Financing Charges

4.10 The assessment of Capital Financing Charges in 2008/09 takes account of:

- The proposals for unsupported borrowing as set out in the Capital Budget report and
- The implications of the Capitalisation Directive for a equal pay settlement as agreed by the Assembly.

4.11 Overall, net Capital Financing Charges are £2.364m higher than 2007/08. This represents a reduction of £0.493m on the original forecast for 2008/09 despite the fact that provision has been made for charges of £1.040m arising from the Capitalisation Directive. The improvement (£1.533m) is due to slippage in the capital programme (£0.358m), interest on higher than previously assumed cash balances (£0.621m) and higher interest rates on our investments (£0.554m).

Response to the budget consultation

4.12 The report to Cabinet on 13 December 2007 invited responses to the spending forecast and savings options set out in the report. One response was made by the School Budget Forum and the key points are highlighted below. The Forum:

- recognised the challenging financial position facing the Council.
- did not consider that it had enough information available to comment on the Education and wider Council proposals. In particular, the Forum was concerned about the potential impact of any cuts in the non-delegated Education budget.
- welcomed the Cabinet's positive response to a number of its recommendations .
- expressed concern about underlying shortfalls in many school budgets, additional cost pressures faced by schools and the impact on class sizes, funded pupil teacher ratios and the breadth of curriculum available to pupils.
- requested a direct targeted allocation of contingency funding to schools to seek to contain retirement and redundancy costs falling on the non delegated budget.
- requested a consolidation of one-off additional funding provided in 2007/08 into the base budget for future years in order to further stabilise the financial situation facing schools.
- highlighted the risks of not funding significant elements of essential spending needs
- restated its desire to work closely with the Council to find solutions
- stated that there should be no increase in Education fees and charges
- did not believe that significant savings could be found in the Education service without significant service impacts and believed that difficult decisions are needed to prioritise some services at the expense of the loss of other areas.
- requested the Chair of the Forum to contact Assembly Members to express disappointment at the poor budget settlement and non-attendance by Assembly Members at meetings of the Forum.

The full Forum response is available in the Members Library.

4.13 The Cabinet believes that the proposed settlement for schools represents a fair settlement in the light of a low Assembly Settlement. In particular:

- The proposed increase of 2.3% is consistent with the Assembly increase in Council funding and
- No savings requirement has been proposed for schools notwithstanding the fact that school rolls will continue to fall in 2008/09.

However, the difficulties facing schools in 2008/09 are recognised and it is the intention to work closely with schools to resolve issues of surplus capacity and staffing implications which may arise from the 2008/09 budget settlement.

5. Risks and uncertainties

5.1 As in previous years, a view needs to be taken about liabilities which may or not arise in 2008/09 and future years. The following issues have been considered:

a) eGovernment Programme.

- The planned reduction in Programme costs of £1.455m has been included in the attached budget proposals. As such it has been assumed that any additional costs arising from the completion of the programme will be contained within the overall approved budget.
- The eGovernment Programme savings target has been reduced from £1,196,000 to £300,000 in 2008/09 to reflect the delay in completing systems and the latest assessment of realisable savings.

b) Waste Management including Landfill Tax. Provision has been made for the £8 per tonne increase in Landfill Tax applicable from 1 April 2008. However, it is unclear to what extent this increased cost will be reduced by increased recycling activity. As such, the Landfill Tax increase has been provided in the Contingency Fund calculation until a better view can be taken on this issue.

In addition, it is uncertain to what extent the Assembly will fund additional spending requirements on recycling to achieve a long term reduction in landfill costs.

c) Equal pay settlement. Further financial implications will arise if:

- The Council's offer is not accepted by all staff and outstanding claimants subsequently achieve higher settlements following successful legal actions against the Council in the courts.
- The required payments are not made in 2007/08 resulting in a potential charge against the revenue budget in 2008/09 in the absence of a further Capitalisation Directive.
- Further groups of staff not covered by the current offer make successful claims against the Council.

d) Planning compensation claim A claim has been received in respect of a refusal of planning permission.

e) Interest rates. It is unclear if there will be further future reductions which will adversely impact on the Council's interest receipts.

6. The Medium Term Financial Plan (MTFP) 2009/10 – 2011/12

6.1 The 2008/09 budget process has included for 2008/09 and each of the three subsequent years, a structured consideration of:

- unavoidable and essential spending needs
- risks and uncertainties facing the Council
- likely resources
- the forecast overall budget position in each year
- savings options to achieve a balanced budget in each year

6.2 The overall forecast position is summarised in annex C(i) and includes for each year:

- a forecast spending requirement
- a forecast of resources
- an estimated budget shortfall
- proposals for achieving a balanced budget

6.3 The forecast spending requirement for each service is detailed in annex C(ii) and reflects:

- Known and certain additional unavoidable spending requirements in each year
- Planned cost reductions agreed in previous budget rounds
- Savings agreed for 2007/08 which need to be added to the base budget of affected services
- Requirements which are less certain in amount and / or timing which are provided on a contingency basis.

Whilst it is possible to assess spending needs in 2008/09 with a high degree of certainty in most services, this is less so in future years.

6.4 Savings proposals have been considered under three broad headings:

- Specific service proposals and targets to be implementing in 2008/09 and future years - see annex C (iii).
- Additional income targets for future years
- Targets for reducing management , administrative and support staff costs by 5% per annum from 2009/10

6.5 The overall forecast position in each year is summarised in annex C(i).

Proposals for resourcing the 2008/09 budget requirement are set out in paragraph 4 .

Having taken account of the savings proposals and targets described in paragraph 6.4 above, the residual savings requirements are as follows:

2009/10 £3.155m
 rising to 2010/11 £4.932m
 rising to 2011/12 £5.664m

The above figures represent the position in each year if further savings are not achieved. For example, if further savings of £3.155m are agreed in 2009/10 then the shortfall in 2010/11 will be reduced to £1.777m.

Strategies and explicit plans for dealing with these residual savings requirements will need to be developed over the coming year. In the absence of other options, it is inevitable that staffing costs will need to be reduced preferably by natural turnover of staff.

6.6 Whilst significant progress has been made in developing a Medium Term Financial Plan over the last year, we need to take the work forward over the coming months , in particular:

- Agree explicit plans and timescales for achieving savings targets
- Further develop the relationship between service and financial planning

7. Reserves and contingency provision

7.1 It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating the Budget Requirement. Whilst there is no statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.

Review of earmarked reserves in 2007/08

7.2 Following a consideration of a number of financial risks facing the Council in 2008/09 and future years, a review of earmarked reserves was completed in 2007/08 with the aim of providing a significant Contingency Fund to be available from 1 April 2008. In particular an actuarial review of the Council's Insurance Fund has been completed and this identified a sum of £10m which has been transferred to the Contingency Fund to provide for:

- Liabilities which may or may not arise in future years
- Potential budget shortfalls which may arise if the savings proposals, strategies and targets set out in annex C are not achieved as planned
- The risks detailed in paragraph 5.1
- Other items which have not been quantified at this time

7.3 Given the considerable risks and uncertainties facing the Council in 2008/09 and future years, it is my advice as the officer designated with responsibility for the overall finances of the Council that the above represents prudent financial management.

General Reserves

7.4 The general reserve amounted to £10.595m at 1 April 2007. Due to a forecast net underspending in 2007/08 – as described in paragraph 2 - a reduced amount will be utilised from the general reserve in 2007/08, resulting in a general reserve balance of £8.767m on 1 April 2008.

7.5 As stated in paragraph 4.5(a), it is proposed to utilise general reserves of £2.5m in support of the budget in 2008/09 pending the implementation of strategies to achieve savings in future years as set out in annex C. This will leave a balance of £6.267m at 1 April 2009 and is consistent with the overall financial position of the Council including the risks and uncertainties detailed in this report.

Earmarked reserves

7.6 The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny.

7.7 The attached budget proposals include assumptions about individual services maintaining and using earmarked reserves in 2007/08 and 2008/09.

7.8 The forecast transfers to and from reserves are detailed in annex B & annex D.

Adequacy of reserves

7.9 Whilst the proposed use of reserves in 2008/09 funds some recurring expenditure, taking into account the level of general and earmarked reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2008/09 and future years, I am satisfied that the proposed use of reserves in 2008/09 will result in a forecast level of general reserves and provisions which is adequate, subject to the potential financial implications of the risks described in paragraph 5 above.

8. Budget Requirement and Council Tax 2008/09

8.1 I am also satisfied that the attached budget proposals represent a realistic and achievable financial plan for 2008/09 subject to the potential financial implications of the risks described in paragraph 5 above.

8.2 The Council's recommended requirement is set out in annex A. Net expenditure of £360.886m will be financed by Revenue Support Grant £224.817m, National Non-Domestic Rates £60.783m and Council Tax £75.286m. The Council Tax in respect of the Council's own requirement would be £879.25p for a band 'D' property – an increase of 3.5% compared to 2007/08.

8.3 Including community councils, the total requirement is £361.635m.

8.4 The overall Council Tax amounts, including the requirements of the South Wales Police Authority and Community Councils will be set out in the Resolutions to be made in accordance with the regulations in the setting of the Council Tax 2008/09.

9. Legal implications

9.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

10. Recommendations

The following budget proposals be approved:

- a) A revised budget for 2007/08 (paragraph 2)
- b) A budget for 2008/09 (paragraph 4)
- c) A Budget Requirement and Council Tax levy for 2008/09 (paragraph 8 and associated resolution)

Contact officer : Mike Trubey, Head of Budget & Grants

Telephone No. : 636391

Background papers: None

REVENUE BUDGET SUMMARY 2008/09

PORTFOLIO	ORIGINAL	REVISED	ORIGINAL
	ESTIMATE	ESTIMATE	ESTIMATE
	2007/08	2007/08	2008/09
	£000	£000	£000
COMMUNITY LEADERSHIP & DEMOCRACY	4,549	4,610	4,654
CULTURE, RECREATION & TOURISM	18,108	18,636	18,683
EDUCATION	148,927	149,659	153,546
ECONOMIC & STRATEGIC DEVELOPMENT	1,788	1,783	1,628
ENVIRONMENT	35,017	34,128	34,490
FINANCE	1,678	2,331	4,607
HOUSING	4,289	4,232	4,476
COMMUNITY REGENERATION	2,916	2,949	3,257
SOCIAL SERVICES	82,671	82,215	84,532
TOP PERFORMANCE AND EGOVERNMENT	16,454	16,892	15,631
NET SERVICE EXPENDITURE	316,397	317,435	325,504
<i>OTHER ITEMS</i>			
<i>LEVIES</i>			
SWANSEA BAY PORT HEALTH AUTHORITY	96	96	98
<i>CONTRIBUTIONS</i>			
MID & WEST WALES COMBINED FIRE AUTHORITY	10,340	10,340	10,936
SEA FISHERIES COMMITTEE	143	143	157
<i>CAPITAL FINANCING CHARGES</i>			
PRINCIPAL REPAYMENTS	11,034	10,445	12,263
NET INTEREST CHARGES	11,908	10,373	13,043
NET REVENUE EXPENDITURE	349,918	348,832	362,001
<i>MOVEMENT IN RESERVES</i>			
GENERAL RESERVES	-3,469	-1,828	-2,500
EARMARKED RESERVES	3,124	2,949	1,135
TOTAL BUDGET REQUIREMENT	349,573	349,953	360,636
DISCRETIONARY RATE RELIEF	210	230	250
TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT	349,783	350,183	360,886
COMMUNITY COUNCIL PRECEPTS	682	682	749
TOTAL REQUIREMENT	350,465	350,865	361,635
FINANCING OF TOTAL REQUIREMENT			
REVENUE SUPPORT GRANT	222,358	222,358	224,817
NATIONAL NON-DOMESTIC RATES	55,341	55,341	60,783
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	72,084	72,484	75,286
COUNCIL TAX - COMMUNITY COUNCILS	682	682	749
TOTAL FINANCING	350,465	350,865	361,635
COUNCIL TAX BASE for the City and County of Swansea	84,853	84,853	85,625
COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea	849.52	849.52	879.25
GENERAL RESERVES			
AT 1 APRIL	9,696	10,595	8,767
AT 31 MARCH	6,227	8,767	6,267

REVENUE BUDGET 2008/09

NET PORTFOLIO BUDGET PROPOSALS

	Community Leadership & Democracy £000	Culture, Recreation & Tourism £000	Education £000	Economic & Strategic Development £000	Environment £000	Finance £000	Housing £000	Community Regeneration £000	Social Services £000	Top Performance & e-Government £000	Total £000
Original estimate 2007/08	4,549	18,108	148,927	1,788	35,017	1,678	4,289	2,916	82,671	16,454	316,397
Transfer to (+) / from (-) reserves 2007/08	25	-69		-168	-19	4,414		-17	-892	-1,151	2,123
Original estimate 2007/08 excluding reserves	4,574	18,039	148,927	1,620	34,998	6,092	4,289	2,899	81,779	15,303	318,520
Baseline adjustments	31		483		-3	1			154	224	890
Adjusted service budgets 2007/08	4,605	18,039	149,410	1,620	34,995	6,093	4,289	2,899	81,933	15,527	319,410
Inflation	108	383	3,548	31	775	431	87	71	1,657	486	7,577
Spending Needs	11	516	1,707	54	4	3,022	159	232	3,138	-217	8,626
Savings	-406	-280	-322	-57	-1,011	-260	-59	-64	-1,862	-495	-4,816
Total excluding reserves	4,318	18,658	154,343	1,648	34,763	9,286	4,476	3,138	84,866	15,301	330,797
Less provided in Contingency Fund		-55	-1,060	-50	-800	-501			-1,620	-5	-4,091
Original estimate 2008/09 excluding reserves	4,318	18,603	153,283	1,598	33,963	8,785	4,476	3,138	83,246	15,296	326,706
Transfer to (-) / from (+) reserves 2008/09	336	80	263	30	527	-4,178		119	1,286	335	-1,202
Net portfolio budgets 2008/09	4,654	18,683	153,546	1,628	34,490	4,607	4,476	3,257	84,532	15,631	325,504

**MEDIUM TERM FINANCIAL PLAN
SUMMARY**

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
Budget baseline	352,252	352,252	352,252	352,252
add baseline adjustments (RSG transfers)	890	890	890	890
Adjusted baseline	353,142	353,142	353,142	353,142
Inflation	7,577	7,577	7,577	7,577
Additional service spending needs - see annex C(ii)	8,626	7,657	10,250	12,424
Additional capital financing charges	2,364	2,573	3,126	3,284
Levies	612	612	612	612
Other	-29	42	42	42
Total spending requirement	372,292	371,603	374,749	377,081
<i>less:</i>				
Revenue Support Grant	-285,600	-285,600	-285,600	-285,600
Council Tax	-75,286	-75,286	-75,286	-75,286
General Reserves	-2,500			
Budget shortfall	8,906	10,717	13,863	16,195
To be funded by :				
Contingency Fund	4,090			
Service savings proposals / targets see annex C(iii)	4,816	6,290	6,487	7,015
Additional income targets		200	400	600
Management, administrative and support staff		1,072	2,044	2,916
Specific proposals / targets	8,906	7,562	8,931	10,531
Residual savings requirement		3,155	4,932	5,664
Total funding	8,906	10,717	13,863	16,195

Residual savings requirement expressed as a percentage of:

Overall Council budget	0.87%	1.37%	1.57%
Total staffing budget excluding schools	2.10%	3.29%	3.78%

Note:

The above figures represent the position in each year if further savings are not achieved. For example, if further savings of £3.155m are agreed in 2009/10 then the shortfall in 2010/11 will be reduced to £1.777m.

MEDIUM TERM FINANCIAL PLAN
ADDITIONAL SERVICE SPENDING NEEDS

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
COMMUNITY LEADERSHIP & DEMOCRACY				
Pension contributions	8	16	24	24
Insurance	3	3	3	3
TOTAL	11	19	27	27
CULTURE, RECREATION & TOURISM				
<i>ADDITIONAL SPENDING NEEDS</i>				
Insurance	28	28	28	28
Pension contributions	32	64	96	96
Leisure Centre (full year cost)	300	300	300	300
Bowls (full year cost)	60	60	60	60
New library	129	105	105	105
<i>PLANNED COST REDUCTIONS</i>				
Operation of Pontarddulais Sports Hall and Community Pools	-35	-70	-70	-70
Enforcement Notice - Parks Water Supply	-50	-100	-100	-100
Dylan Thomas Centre - increased income generation		-180	-180	-180
Penyrheol Leisure Centre			-120	-120
Early retirement costs			-20	-20
eGovernment savings	-3	-3	-3	-3
<i>CONTINGENCY FUNDED ITEMS</i>				
Brangwyn Hall organ and kitchen maintenance	55	55	55	55
TOTAL	516	259	151	151
EDUCATION				
<i>ADDITIONAL SPENDING NEEDS</i>				
RSG item - Cymorth grant	17	17	17	17
Pension contributions	60	120	180	180
Post 16 Eastside Initiative	158	100	100	
Special Education Needs - Specialist Teaching Facilities	531	971	1,228	1,388
Special Education Needs - One to One Support	536	536	536	536
Child Protection & Admissions	14	14	14	14
Lifelong Learning Service	60	30		
<i>PLANNED COST REDUCTIONS</i>				
Council budget amendment 27/02/07	-656	-656	-656	-656
Insurance	-144	-144	-144	-144
eGovernment savings	-29	-29	-29	-29
<i>ADD ONE YEAR ONLY SAVINGS 2007/08</i>				
Better Schools Fund	100	100	100	100
<i>CONTINGENCY FUNDED ITEMS</i>				
Schools - provision for early retirements / redundancy costs	1,000	1,000	1,000	1,000
Special Education Needs - One to One Support		426	908	1,455
Special Education Needs - Out of County placements	60	120	240	360
TOTAL	1,707	2,605	3,494	4,221
ECONOMIC & STRATEGIC DEVELOPMENT				
<i>ADDITIONAL SPENDING NEEDS</i>				
Pension contributions	6	12	18	18
Contribution to Regional Knowledge Economy Strategy	30	30	30	30
<i>PLANNED COST REDUCTIONS</i>				
Insurance	-31	-31	-31	-31
eGovernment savings	-1	-1	-1	-1
<i>CONTINGENCY FUNDED ITEMS</i>				
City Centre Major projects	50	53	55	55
TOTAL	54	63	71	71

MEDIUM TERM FINANCIAL PLAN
ADDITIONAL SERVICE SPENDING NEEDS

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
ENVIRONMENT				
<i>ADDITIONAL SPENDING NEEDS</i>				
RSG item - Stray Dogs	25	25	25	25
RSG item - Trading Standards	20	20	20	20
Pension contributions	52	104	156	156
Street Lighting - increased energy cost	315	315	315	315
Litter Enforcement	50	50	50	50
Neighbourhood Environmental Action Teams	200	200	200	200
Tachographs	25	25	25	25
Shuttle bus - Penllergaer	35	35	35	35
<i>PLANNED COST REDUCTIONS</i>				
Insurance	-746	-746	-746	-746
eGovernment savings	-13	-13	-13	-13
Marina pontoons (Invest to Save)	-50	-50	-50	-50
Litter Enforcement (see above)	-50	-50	-50	-50
Neighbourhood Environmental Action Teams (see above)	-200	-200	-200	-200
Tir John - saving in transport costs		-2,000	-2,000	-2,000
Tir John - pre opening costs	-500	-1,000	-1,000	-1,000
Introduction of Decriminalised Parking Regime (Invest to Save)	-5	-260	-270	-270
<i>ADD ONE YEAR ONLY SAVINGS 2007/08</i>				
Bus Pad income	46	96	96	96
<i>CONTINGENCY FUNDED ITEMS</i>				
Waste management - landfill / recycling costs	800	1,600	2,400	2,400
Waste treatment				1,000
TOTAL	4	-1,849	-1,007	-7
FINANCE				
<i>ADDITIONAL SPENDING NEEDS</i>				
Loss of Local Authority Business Growth Incentive Scheme Grant	1,825	1,825	1,825	1,825
Pension contributions	28	56	84	84
Reduced Performance Incentive Grant	6	6	6	6
Civic Centre additional security	91	91	91	91
Occupancy Costs for Penllergaer	728	678	678	678
<i>PLANNED COST REDUCTIONS</i>				
Pool Sanctuary	-70	-70	-70	-70
eGovernment savings	-12	-12	-12	-12
Insurance	-75	-75	-75	-75
<i>CONTINGENCY FUNDED ITEMS</i>				
Provision for pay award	466	466	466	466
Pool Sanctuary	35			
TOTAL	3,022	2,965	2,993	2,993
HOUSING				
<i>ADDITIONAL SPENDING NEEDS</i>				
Insurance	49	49	49	49
Pension contributions	10	20	30	30
Legionella & asbestos management	100	100	100	100
TOTAL	159	169	179	179
COMMUNITY REGENERATION				
<i>ADDITIONAL SPENDING NEEDS</i>				
Bonymaen Youth Development Worker		25	26	27
Out of School Activities	65	67	69	71
Bonymaen Healthy Living Centre	90	95	100	100
Community Regeneration Partnership Initiative - grants falling out	82	82	82	82

MEDIUM TERM FINANCIAL PLAN
ADDITIONAL SERVICE SPENDING NEEDS

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
Pension contributions	6	12	18	18
<i>CONTINGENCY FUNDED ITEMS</i>				
Out of school hours learning		42	44	46
Play Development Team and Playscheme grants		142	146	148
TARDIS		74	76	78
<i>PLANNED COST REDUCTIONS</i>				
Insurance	-11	-11	-11	-11
TOTAL	232	528	550	559
SOCIAL SERVICES				
<i>ADDITIONAL SPENDING NEEDS</i>				
RSG item - Court fees	202	202	202	202
RSG item - Service Principles Grant	2	2	2	2
RSG item - Cymorth	72	72	72	72
Foster Care/Adoption Services	2	3	4	5
121 Fostering Service (Invest to Save)	218	236	254	265
Parenting Support (Invest to Save)	2	5	7	9
Child & Family - Access & Information Team	39	40	41	43
Registration costs of care staff	8	8	8	10
Adult Intake Team - Workload	20	20	20	20
NCH - Child Disability Respite Services	50	50	50	50
Child & Family - workforce development	350	350	350	350
Child & Family - social work regradings	102	102	102	102
Child & Family - CSOs regradings	50	50	50	50
Adult Services - social work regradings	131	131	131	131
Adult Services - CMOs regradings	127	127	127	127
Individual support package cost	140	140	140	140
Pension contributions	92	184	276	276
<i>CONTINGENCY FUNDED ITEMS</i>				
Learning Disability Services - Accommodation	50	125	225	350
Mental Health Services - Accommodation	100	150	200	250
Placements for adults with a disability	150	225	300	375
Learning Disability Services - Day Services	25	50	100	150
Direct Payments	55	65	75	85
Adoption Placement Costs	18	23	25	38
Asylum Seekers	50	50	50	50
Front line social work services in Child and Family	70	105	140	175
Unified Assessment	74	74	74	74
Care Home fees	835	1,835	2,205	2,205
Domiciliary Care Fees	63	125	188	250
Child & Family - recruitment and retention	130	130	130	130
<i>PLANNED COST REDUCTIONS</i>				
Insurance	-54	-54	-54	-54
eGovernment savings	-35	-35	-35	-35
Revised continuing care responsibilities		-1,000	-1,000	-1,000
TOTAL	3,138	3,590	4,459	4,897
TOP PERFORMANCE AND EGOVERNMENT				
<i>ADDITIONAL SPENDING NEEDS</i>				
Reduced eGov savings	900	600	600	600
Pension contributions	25	50	75	75
ICT	37	37	37	37
Contact centre (full year cost)	72	72	72	72
Coroner increased costs	45	45	45	45

**MEDIUM TERM FINANCIAL PLAN
ADDITIONAL SERVICE SPENDING NEEDS**

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
<i>PLANNED COST REDUCTIONS</i>				
Insurance	-19	-19	-19	-19
eGovernment savings - transfers from other services	130	130	130	130
eGovernment savings	-37	-37	-37	-37
eGovernment Programme costs	-1,455	-1,655	-1,655	-1,655
<i>ADD ONE YEAR ONLY SAVINGS 2007/08</i>				
Microsoft licenses	80	80	80	80
<i>CONTINGENCY FUNDED ITEMS</i>				
Monitoring Officer Role / Standards Committee	5	5	5	5
TOTAL	-217	-692	-667	-667
TOTAL ADDITIONAL SERVICE SPENDING NEEDS	8,626	7,657	10,250	12,424

MEDIUM TERM FINANCIAL PLAN
SERVICE SAVINGS PROPOSALS / TARGETS

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
COMMUNITY LEADERSHIP & DEMOCRACY				
Swansea Bay Futures - cost reduction	5	5	5	5
Members Allowances - freeze SRAs	13	13	13	13
Members Allowances - freeze Basic Allowances	31	31	31	31
Members - reduced printing costs	10	10	10	10
Members refreshments	5	5	5	5
Compact - align budget to current spending	25	25	25	25
Elections - reduced costs	25	25	25	25
Democratic Services staff saving	9	9	9	9
Swansea Bay Futures - increased partner contribution		20	30	50
Lord Mayor's design awards - every two years	8		8	
Senior Management Review (to be allocated)	275	300	300	300
TOTAL	406	443	461	473
CULTURE, RECREATION & TOURISM				
Swansea Show - remove subsidy	24	24	24	24
Gymnastic Centre - reduce level of subsidy	15	15	15	15
Swansea Summer Festival - online promotion	25	25	25	25
Cultural facilities - cost reductions				427
Increase external income	120	120	120	120
Review of St.Helens management arrangements	50	100	100	100
Review of catering operations		85	85	85
Library Book Fund - reduction of fund	36	36	36	36
Increased charges for floral decoration	10	10	10	10
TOTAL	280	415	415	842
EDUCATION				
Appetite for life	29	50	50	50
School Meals - increased meal charges	25	42	42	42
Closed nurseries (full year saving)	53	53	53	53
Post 16 transport charges		80	232	232
Cleaning service - reduction in supervision	9	9	9	9
Funding requirement School Organisation Strategy - staff changes	46	63	38	34
School Development Adviser - vacant post	46	46	46	46
Teacher advisers Inclusion - vacant post	27	46	46	46
Managed savings - catering , cleaning and rate reductions	80	152		
Employment Training - increased income	7	7	7	7
Lifelong Learning - reduce support to schools		22	37	37
Restructure management of behaviour support		1	1	1
Restructure lifelong learning service		42	74	74
TOTAL	322	613	635	631
ECONOMIC & STRATEGIC DEVELOPMENT				
Increase in shopmobility income	15	15	15	15
Reduce sustainable development project budget	4	4	4	4
Business Centre - reduce administration	10	10	10	10
Economic Development - reduce staffing cost	28	28	28	28
TOTAL	57	57	57	57
ENVIRONMENT				
Trading Standards cost reduction	3	3	3	3
Registrars cost reduction	7	7	7	7
Rechargeable works - increased income	3	3	3	3
Building control searches - increased income	0	0	0	0
Building regs - increased income	6	6	6	6

MEDIUM TERM FINANCIAL PLAN
SERVICE SAVINGS PROPOSALS / TARGETS

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
Burials - increased income	5	5	5	5
Animal licences - increased income	0	0	0	0
Civil partnerships - increased income	1	1	1	1
Street trading - increased income				
Restructure of licensing team	28	28	28	28
Environmental Health temporary admin contract	11	11	11	11
Trading Standards staffing review	25	25	25	25
Marina berthing fees - increased income	10	10	10	10
Boatyard fees - increased income	1	1	1	1
Trade waste fees - increased income	100	100	100	100
Refuse disposal gate fees & savings	300	300	300	300
Review residual waste arrangements		100	100	100
LAWDC - align budget to current spending	90	90	90	90
HMOs - increased income	4	4	4	4
Reduction in survey/equipment costs	6	6	6	6
Reduced overtime working	5	5	5	5
Bulk collection increased income		50	100	100
Planning charges	49	49	49	49
Lord Mayor's design awards - every two years	8		8	
Rights of way - reduce materials budget	10	10	10	10
Car park increased income		160	160	160
Park & Ride service - increased charge	50	100	100	100
Traffic Engineering Services - increase fee income	10	10	10	10
Survey team	22	22	22	22
Residents parking charges		50	50	50
Purchase of plant & equipment (Invest to Save)	90	90	90	90
Abandoned vehicles reduced costs	8	8	8	8
Section 38 & 278 development agreements - increased income	30	30	30	30
Staff reorganisation - loss of one vacant post	40	40	40	40
Early retirement costs	25	25	25	25
Timesheets & stores requisition - efficiency improvements	10	20	20	20
Reduce use of agency personnel	10	10	10	10
Reduce overtime to staff	5	5	5	5
5% fees for local road maintenance grant	40			
TOTAL	1,011	1,384	1,441	1,434
FINANCE				
Empty property inspections - reduced requirement	21	21	21	21
Corporate Grants - align budget to current spending	46	46	46	46
Reduce subscriptions	21	21	21	21
Close cash office in Guildhall	20	20	20	20
Reduce 1/2 post in accountancy	15	15	15	15
Housing Benefit admin - reduce staffing & overtime	50	50	50	50
Reduction of 1 post in internal audit	30	30	30	30
Former Deputy Chief Executive-reduction in minor budgets	35	35	35	35
County Supplies cost reduction	22	22	22	22
TOTAL	260	260	260	260
HOUSING				
Reduction in renewal & adaptations budget	15	15	15	15
Housing Options - delete vacant post	28	28	28	28
Relocate carpenter in Corporate Building Services	6	6	6	6
Design and Maintenance Team - increased income	10	10	10	10
TOTAL	59	59	59	59

MEDIUM TERM FINANCIAL PLAN
SERVICE SAVINGS PROPOSALS / TARGETS

	[1] 2008/09 £000	[2] 2009/10 £000	[3] 2010/11 £000	[4] 2011/12 £000
COMMUNITY REGENERATION				
Graffiti removal - increased income	10	10	10	10
Reduction in youth clubs budget	5	5	5	5
Residential & outdoors Services - increased income	22	22	22	22
Reduction in advertisement costs	10	10	10	10
Community Safety - reduce administration costs	12	12	12	12
CRU - reduction in publicity/room hire budget	5	5	5	5
TOTAL	64	64	64	64
SOCIAL SERVICES				
Child & family Services review incl Ty Gwaun & Ty Cwm residential units	406	654	654	654
Training unit-reduce mainstream support	52	52	52	52
Reduce Youth Offending Team budget	50	50	50	50
Staff development - improved efficiency	9	9	9	9
Reduced number of placements in Neath Port Talbot homes	60	60	60	60
Reduced funding requirement - for an individual	60	60	60	60
Suresprung - efficiency savings	50	50	50	50
Placement budget for older people - align to current spending	400	400	400	400
Reduce admin hours / increase income	7	7	7	7
Homecare - improved management of absence	200	200	200	200
Learning disability service placements - align budget to current spending	200	200	200	200
Mental Health Services placements - align budget to current spending	75	75	75	75
Supporting people team - align budget to current spending	10	10	10	10
Reduce hours in commissioning support unit	14	14	14	14
Domiciliary care - align budget to current spending	200	200	200	200
Internal homes for older people budget - increased income	50	50	50	50
Increase charges for meals and non-residential services	20	20	20	20
Review of respite services for older people		200	200	200
Review discretionary transport arrangements		90	90	90
TOTAL	1,863	2,401	2,401	2,401
TOP PERFORMANCE AND EGOVERNMENT				
Corporate Training - external payments	224	224	224	224
Health & safety - restructure	25	25	25	25
ICT - deletion of finance & admin post	15	15	15	15
ICT - deletion of training manager post	36	36	36	36
ICT - deletion of data technician post	20	20	20	20
ICT - reduce transport, supplies & services budget	12	12	12	12
ICT - cut consultancy & marketing budget	12	12	12	12
ICT - cease paying for Gartner research	10	10	10	10
ICT - review overall spending		100	200	300
Remove call boxes in County Hall & Guildhall	1	1	1	1
Business Audit savings	20	20	20	20
Access & service & business performance	43	43	43	43
Corporate complaints - reduce one post	20	20	20	20
Legal Services - additional income	53	53	53	53
Legal Services - staff saving	5	5	5	5
TOTAL	495	595	695	795
TOTAL SERVICE SAVINGS PROPOSALS / TARGETS	4,816	6,290	6,487	7,015

REVENUE BUDGET 2008/09

EARMARKED RESERVES

	Balance 01/04/07	2007/08	Balance 01/04/08	2008/09	Balance 01/04/09
	£000	£000	£000	£000	£000
PORTFOLIO RESERVES					
Equalisation reserves	812		812		812
Development projects	830	8	838	-30	808
Pay & Gradings review		4,184	4,184	4,463	8,647
Service reserves	7,542	-804	6,738	-2,881	3,857
Renewal funds	1,664	928	2,592	-250	2,342
eGovernment Programme	620	-10	610	-100	510
TOTAL PORTFOLIO RESERVES	11,468	4,306	15,774	1,202	16,976

CORPORATE RESERVES

Contingency Fund	500	9,500	10,000		10,000
Insurance	12,946	-10,857	2,089		2,089
Other corporate reserves	2,020		2,020		2,020
TOTAL CORPORATE RESERVES	15,466	-1,357	14,109		14,109

SCHOOLS DELEGATED RESERVES

	5,254	-2,832	2,422		2,422
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TOTAL EARMARKED RESERVES

	32,188	117	32,305	1,202	33,507
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NOTES ON EARMARKED RESERVES

DESCRIPTION	PURPOSE AND COMMENTS
PORTFOLIO RESERVES	
Equalisation reserves	To provide for potential shortfalls in Council Tax and Housing Benefits income. A small shortfall in the rate of collection (council tax) or subsidy (benefits) could result in a large shortfall in income.
Development projects	To provide contributions to agreed projects. These reserves have been set aside to provide finance for specific projects and includes sums provided by partner organisations for specific purposes.
Pay & Grading review	To finance the costs of any future agreement excluding the cost of a back pay settlement (see below).
Service reserves	To provide for future commitments
Renewal funds	To finance the replacement of specified assets
eGovernment Programme	To finance future costs to complete the programme in accordance with the approved budget
CORPORATE RESERVES	
Contingency Fund	To provide for future potential liabilities as set out in paragraph 7.2 of the report. Includes £10m re-allocated from the Insurance reserve.
Insurance	To provide additional cover for insurance claims over and above established accounting provisions. The reduction in 2007/08 reflects the 2007 actuarial valuation.
Other Corporate Reserves	To provide for the Equal Pay Back Pay settlement and future changes in interest rates
SCHOOLS DELEGATED RESERVES	Reserves delegated to schools. The latest forecast position in 2007/08 is as detailed. The forecast position in 2008/09 is not known at this time

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**COMMUNITY LEADERSHIP & DEMOCRACY PORTFOLIO
COMMENTS OF THE LEADER**

ADDITIONAL SPENDING NEEDS

Spending pressures in this portfolio will need to be contained within service budgets, other than the proportionate cost of increased insurance contributions and pension contributions which affect all services .

SAVINGS PROPOSALS

In order to meet a fair share of corporate savings targets, the portfolio is recommending a range of savings to be gained from freezing members basic allowances and SRAs; matching the Compact budget to current levels of spending; gradually reducing the Council's grant to Swansea Bay Futures as it generates more income from other sources; some efficiency savings in Elections and Democratic Services; adjusting the Lord Mayor's Design Awards from annual to every two years; and, most significantly, by reducing senior management costs by £275,000 across the Council.

Revenue Budget 2008/2009

Community Leadership & Democracy

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Communications			
Corporate Marketing	255,000	261,000	254,100
Public Relations	400,800	400,000	408,900
	655,800	661,000	663,000
Chief Executive			
Swansea Futures	112,800	112,700	110,300
	112,800	112,700	110,300
Head of Community Leadership and Democracy			
Chief Executive & Corporate Management Team	557,900	529,700	549,900
Community Strategies	121,800	164,600	163,600
Compact Funding	497,800	471,200	480,300
Democratic Services	462,600	482,600	485,600
Elections	302,000	348,800	565,700
Local Leadership	1,711,400	1,668,200	1,779,700
Mayoral Service	127,900	171,200	130,900
Senior Management Review	0	0	-275,000
	3,781,400	3,836,300	3,880,700
Total Community Leadership & Democracy			
	4,550,000	4,610,000	4,654,000

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**CULTURE, RECREATION AND TOURISM PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

The majority of the spending needs relates to full year costs of operation for the LC and the new Bowls Hall.

It is highly likely that we will also need to invest in the Brangwyn Hall organ and catering facilities during this financial year.

SAVINGS PROPOSALS

During 2008/9 we will be seeking to run some of our events more efficiently and commercially, including the Swansea Show and the Swansea Bay Summer Festival. We will also be seeking to increase external income across a large number of areas.

We will also be working in partnership with our sports club partners to find ways of improving the efficiency of management of the St Helens sports ground, whilst, of course, maintaining first class sports events there.

Thanks to the massive investment in the new central library we are also able to make a small saving in the library book fund.

RISKS & UNCERTAINTIES

The opening of new facilities always requires estimating usage, income and costs and we will be monitoring this very carefully over the next financial year.

We are reviewing our building portfolio with the Wales Audit Office.

Revenue Budget 2008/2009

Culture, Recreation and Tourism

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Director of Regeneration & Housing			
Directorate & Other Costs	193,600	198,600	197,400
	193,600	198,600	197,400
Head of Culture and Tourism			
Archives	318,400	353,400	338,100
Arts	2,642,000	2,794,600	2,593,700
Development & Outreach	501,800	569,500	478,600
Libraries	3,011,300	2,982,700	3,150,700
Parks	5,777,300	5,725,700	6,010,700
Sport & Recreation	3,241,400	3,499,300	3,485,700
Tourism, Marketing & Events	1,606,100	1,591,900	1,596,000
Directorate & Other Costs	816,100	920,300	832,100
	17,914,400	18,437,400	18,485,600
Total Culture, Recreation and Tourism			
	18,108,000	18,636,000	18,683,000

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**EDUCATION PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

The additional spending needs arise mainly in relation to special educational needs. The funding for the rollout of the specialist teaching facilities in the secondary phase provides investment that may help to avoid the significantly higher costs of out of county placements and some aspects of costs incurred from special school placements. It also builds on a more inclusive approach to meeting the needs of pupils with special educational needs. The significant demand for one to one support in schools continues but with careful management this is regulated and the year on year increase is declining.

Two schools with 6th forms have been at risk of not being able to deliver courses from September 2008 and so funding has been provided to underpin staffing whilst the schools work towards combining their 6th forms. This investment avoids high redundancy costs and keeps quality 6th form provision in place.

As a result of falling rolls over several years and other pressures on schools, many secondary schools are currently in a deficit position. Implementation of a staff management strategy will continue to help reduce the level of redundancies but in year costs will be incurred to achieve this. Whilst schools will be able to achieve a balanced position in year, many will remain in deficit.

SAVINGS PROPOSALS

Most of the savings are linked to staff changes. Where vacancies or early retirement have occurred an analysis of the impact of not filling these posts has been carried out. The services will be reconfigured to take into account the impact of the changes. Some changes will impact on the level of services to schools and others are part of a refocus of services to meet corporate requirements.

Consultation on Post 16 transport will occur but with a view to moving towards a different approach to providing the service.

RISKS & UNCERTAINTIES

Whilst the budget covering special educational needs is very well managed, it can be subject to pressures as pupil circumstances change or new children are diagnosed as needing support.

The gap between the end of objective 1 and the start of convergence is creating significant risks to some of the services to disengaged pupils.

With the reduction in staffing, service levels to schools will reduce for advisory services potentially resulting in the need for greater targeting of resources to schools. In terms of family & lifelong learning support the service will be reduced or cease in some schools.

There are risks around the levels of redundancies in schools and whether the contingency provide sufficient funding to offset these costs. As for all services, there are also risks around the need to contain other spending pressures within the budget.

The poor condition of many schools and the possibility of failure in terms of mechanical, structural and electrical aspects provide significant risks on an ongoing basis. Whilst the QED2020 programme will be delivered over the long term and require investment, the immediacy of some problems may require rapid remedial action.

Revenue Budget 2008/2009

Education

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Delegated Schools			
Delegated Schools	115,967,000	116,017,000	119,345,000
	115,967,000	116,017,000	119,345,000
Head of Education Effectiveness			
Better Schools Fund Admin	1,104,300	1,104,000	1,065,500
Education Library and Resources	28,100	27,300	27,600
ELIS	29,200	44,200	29,900
Ethnic Minority Language Service	479,500	482,500	524,600
Management and Admin	228,600	219,600	233,500
Miscellaneous Grants	0	0	242,300
Music Service	561,500	562,000	557,700
Remodelling Central Teachers	16,700	0	0
Remodelling Secondment	10,000	0	5,100
School Effectiveness	1,398,300	1,382,500	1,402,800
School Intervention	892,600	1,080,600	834,600
Support for the Arts	145,300	127,500	127,700
Travellers Service	63,300	63,400	63,400
Welsh Service	405,600	405,400	428,300
	5,363,000	5,499,000	5,543,000
Head of Education Inclusion			
Access to Learning Mgt and Admin	241,600	250,800	244,800
Adult Education	-5,600	-3,100	-2,800
Behaviour and Learning Support	1,536,600	1,482,600	1,587,900
Community Education	655,400	705,400	674,200
Early Years and Childcare Partnership	0	0	17,000
Employment Training	698,100	842,600	805,900
EOTAS Pathways	744,100	632,700	742,200
Home Tuition Service	570,000	586,500	601,800
Mgt and Admin	89,900	140,400	143,100
Miscellaneous Grants	11,700	11,400	11,400
One to One Support Primary	3,459,000	3,569,200	3,972,800
One to One Support Secondary	1,846,800	1,763,500	1,942,900
Psychological Service	689,800	675,900	729,400
Pupil Referral Units	1,657,100	1,715,100	1,757,900
Recoupment	499,900	530,400	676,900
School and Governor Unit	179,300	184,700	246,900
SEN Statementing and Support	3,142,800	3,017,700	3,125,100
Student Finance	241,700	218,600	257,300
Welfare Service	587,700	553,600	599,300
	16,845,900	16,878,000	18,134,000

Revenue Budget 2008/2009

Education

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Education Planning and Resources			
Asset Management	441,900	436,300	445,900
Cleaning Service	953,700	964,600	959,300
Continuing Education	776,200	793,100	802,300
ELWA	-5,952,200	-5,697,400	-6,266,800
Empty Properties	700	700	600
Health and Safety	60,700	60,700	61,600
ICT Strategy	1,027,300	1,076,300	1,141,900
Management and Admin	1,163,500	1,395,900	1,116,300
Non Delegated Schools	10,952,100	10,422,100	10,954,300
School Funding and Information	103,100	89,000	106,800
School Meals Client	1,162,300	1,164,000	1,163,100
School Meals Service	0	499,200	-25,000
School Planning and Information	61,800	60,500	63,700
	10,751,100	11,265,000	10,524,000
Total Education			
	148,927,000	149,659,000	153,546,000

ANNEX E

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

ECONOMIC AND STRATEGIC DEVELOPMENT PORTFOLIO COMMENTS OF THE CABINET MEMBER

ADDITIONAL SPENDING NEEDS

The main additional spending need for the Economic and Strategic Development Portfolio is the requirement to contribute to the development of the regional Knowledge Economy Strategy for the Spatial Plan area.

In addition progress on the regeneration of the City Centre is progressing more rapidly than anticipated and an element has been added to the contingency fund to meet this demand should it continue apace.

SAVINGS PROPOSALS

The charges for Shopmobility have not been reviewed for some years and a small increase is proposed. In addition a small reduction can be made in the Sustainable Developments Project budget as well as reducing administrative costs in the Business Centre and Economic Development areas without significantly impacting on service provision.

RISKS & UNCERTAINTIES

The requirements for Convergence funded projects and their management are still unclear and further reports will need to be brought to Council on a project by project basis to identify any necessary match funding issues in the revenue and capital budgets.

Revenue Budget 2008/2009

Economic & Strategic Development

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Economic and Strategic Development			
Business Support	375,800	508,400	373,400
City Centre	-176,300	-134,900	-185,300
Property Development	754,900	596,600	586,600
Strategy Development	588,300	545,900	579,500
Directorate & Other Costs	245,200	267,000	273,800
	1,787,900	1,783,000	1,628,000
Total Economic & Strategic Development	1,787,900	1,783,000	1,628,000

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**ENVIRONMENT PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

For Environment, these relate to providing continuation of the funding of the successful Streetforce and Neighbourhood Environment Action Team initiatives, covering costs associated with installation of tachographs to meet new driving regulations, and the provision of the Penllergaer Shuttle Bus.

SAVINGS PROPOSALS

The savings cover a wide range of areas across the portfolio which broadly fall into the categories of increased charges, minor staffing reductions, revisions to services and a significant reduction in landfill costs arising from the recent retendering exercise. The purchase of plant and equipment within highways, as opposed to leasing, is also being considered as an invest to save proposal.

RISKS & UNCERTAINTIES

The major risk within the portfolio is within waste management, and relates to the extent to which the promised increase in the WAG sustainable waste management grant will enable the Department to roll forward the Council's recycling/composting plans, in particular kitchen, garden and cardboard collections, and the impact these will have on the landfill costs and in particular the additional landfill tax (which has been provided for in the contingency).

Revenue Budget 2008/2009

Environment

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Director of Environment			
Directorate & Other Costs	-13,100	268,000	-7,000
	-13,100	268,000	-7,000
Head of Environmental Health			
Building Regs	71,600	91,000	106,000
Burials and Cremations	182,900	97,000	43,600
Food	507,200	471,700	511,600
Licensing	-100,600	-131,700	-91,900
Registrars	162,300	171,900	145,900
Trading Standards	906,700	838,600	922,200
Directorate & Other Costs	769,900	764,500	759,600
	2,500,000	2,303,000	2,397,000
Head of Environmental Protection			
City Centre	107,600	106,900	107,600
Pollution	674,600	712,000	706,400
Public Health	859,600	911,100	889,700
Swansea Marina	62,300	61,600	1,000
Waste Management	16,923,000	16,165,700	16,713,800
Directorate & Other Costs	117,900	117,700	105,500
	18,745,000	18,075,000	18,524,000
Head of Planning Services			
Environment & Conservation	657,500	681,100	679,100
Planning Applications & Administration	331,700	249,700	324,300
Planning Policy & Appeals	620,600	822,800	637,200
Directorate & Other Costs	289,900	287,400	293,400
	1,899,700	2,041,000	1,934,000
Head of Transportation and Engineering			
Car Parks	-1,567,600	-1,326,600	-1,479,000
Central Transport	-150,400	-147,500	-146,600
Engineering	151,200	287,700	220,700
Highways	8,429,100	7,970,600	8,105,400
Traffic Management	1,248,000	1,035,900	1,248,300
Transportation	3,255,300	3,058,200	3,245,400
Directorate & Other Costs	520,200	562,700	447,800
	11,885,800	11,441,000	11,642,000
Total Environment	35,017,400	34,128,000	34,490,000

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**FINANCE PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

The significant increases in the Finance portfolio relate to the loss of Local Business Growth Scheme Incentive Grant and the occupation costs of the Penllergaer Civic Centre. The latter is being used in the medium term to house staff affected by the Guildhall works.

Provision has been made for additional County Hall security costs as a result of greater public use of County Hall when the new Central Library is opened.

SAVINGS PROPOSALS

A review of subscriptions to external organisations has resulted in a reduced spending requirement. There are a small number of staffing reductions which can be achieved without detriment to service provision.

RISKS & UNCERTAINTIES

Risks and uncertainties relate to the building maintenance backlog which is being addressed within limited resources.

Revenue Budget 2008/2009

Finance

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Director of Finance			
Directorate & Resources	226,500	179,300	196,200
Grants & Contributions	529,100	484,100	470,000
Miscellaneous	-3,731,000	-3,244,700	-1,922,500
	-2,975,400	-2,581,300	-1,256,300
Head of Budget and Grants			
Budgets and Grants	148,800	143,600	155,300
	148,800	143,600	155,300
Head of Financial Services			
Accountancy & Audit	2,999,600	2,995,800	3,052,100
Housing Benefits	667,600	710,600	708,200
Revenues	1,747,500	1,775,200	1,780,600
Directorate & Other Costs	-785,200	-794,800	-780,000
	4,629,500	4,686,800	4,760,900
Head of Procurement			
Procurement	626,100	523,900	908,100
	626,100	523,900	908,100
Corporate Property			
Design and Print	443,800	439,100	424,900
Facilities Management	2,574,000	2,661,300	3,483,900
Strategic Estates Properties	-3,769,800	-3,542,400	-3,869,800
	-752,000	-442,000	39,000
Total Finance			
	1,677,000	2,331,000	4,607,000

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**HOUSING PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

The (non HRA) Housing Service has identified no additional revenue spending needs above the costs of insurance and pension contributions faced by all portfolios. The service is currently demonstrating very high performance with 90% of indicators on target and we are determined to maintain the cost effectiveness of the service by continuing strong financial management.

SAVINGS PROPOSALS

Savings can be made in the Renewal & Adaptations and Housing Options budgets without impacting on service delivery.

RISKS & UNCERTAINTIES

A number of trends are difficult to predict for 2008/9, including the rate of homeless presentations. Whilst we have no reason to believe that these will necessarily increase the budget is set to cope with current levels of demand.

Revenue Budget 2008/2009

Housing

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Housing			
Corporate Properties	-1,100	-1,300	-1,100
Homeless Prevention	-6,300	-4,600	-5,300
Housing Other	38,800	38,500	43,700
Local Energy Advice Centre	67,300	9,000	75,400
Grants to Independent Sector	85,500	85,500	85,500
Urban Renewals	276,000	274,900	266,900
Housing Options	767,800	767,200	765,900
	1,228,000	1,169,200	1,231,000
Head of Corporate Building Services			
Corporate Building Services	221,000	111,800	151,000
Property Preventative Maintenance	2,846,000	2,951,000	3,094,000
	3,067,000	3,062,800	3,245,000
Total Housing	4,295,000	4,232,000	4,476,000

ANNEX E

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

COMMUNITY REGENERATION PORTFOLIO COMMENTS OF THE CABINET MEMBER

ADDITIONAL SPENDING NEEDS

The additional spending needs for the Community Regeneration portfolio are caused by the falling out of grants for community based projects. This will enable us to continue some of the excellent work in targeted communities in Swansea.

SAVINGS PROPOSALS

An element of our graffiti work has been carried out for the Housing Service and our charge to the Housing Revenue Account will need to reflect this

We can afford to make a small reduction in the youth clubs budget and this will have minimal implications for the service.

We also intend to increase income on residential outdoors services which are currently thriving.

We are also making small reductions in community safety and the Community Regeneration Unit but these will be achieved through increased efficiency with no significant impact on service delivery.

RISKS & UNCERTAINTIES

The portfolio budget remains, as it has always been, an area of high risk due to its reliance on external funding sources including the Communities First, Cymorth, European Union, and Home Office Community Safety budgets. The changes that will be made by the Welsh Assembly Government to the Communities First Programme, when it becomes "Communities Next" cannot currently be predicted ; nor can the impact on specific projects. Home Office funding for community safety has also been reduced and the full impact of this is not yet known.

We are unaware of specific problems with respect to asset management of the portfolio's building stock but we are working closely with the Wales Audit Office on a review which we will report on later this year.

Revenue Budget 2008/2009

Community Regeneration

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Community Regeneration			
Children & Play	109,200	123,100	111,300
Community Recreation	436,600	461,900	517,300
Community Regeneration	279,800	271,700	357,800
Community Safety	658,500	657,900	772,400
Residential and Outdoor	274,300	271,100	323,300
Youth Service	1,039,500	1,058,700	1,055,600
Directorate & Other Costs	117,600	104,600	119,300
	2,915,500	2,949,000	3,257,000
Total Community Regeneration	2,915,500	2,949,000	3,257,000

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**SOCIAL SERVICES PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

The focus for identifying increased financial requirements has been based on those areas of activity that have clearly identifiable requirements. Key areas for consideration include the need to further develop arrangements for Child and Family Services, particularly looked after children and to address the position for social work capacity. This reflects the overall position that needs to be addressed by the Local Authority and this has been a significant part of determining the priorities that need to be considered.

SAVINGS PROPOSALS

The total budget for Social Services has been carefully reviewed during the last year, and in so doing a number of proposals resulted in adjustments to particular areas of activity to reflect known service demand. Considerable effort has taken place to improve budget monitoring, maximise income and to seek efficiencies wherever possible. Some of the proposals will require further work and planning to ensure that they are delivered. It is recognised that all areas of expenditure will require continued review and a focus will need to be maintained on managing service change.

RISKS & UNCERTAINTIES

The additional spending needs and saving proposals reflect a balance of the known and immediate requirements that need to be addressed. It is also recognised that some possible pressures for expenditure may occur but are not yet absolute commitments. A number of these financial pressures have been identified within the arrangements for the contingency fund. In particular the following matters have an element of risk and uncertainty.

- Demographic change and increased service demand
- Further increases in the looked after children population
- Costs for Care Homes
- Recruitment and retention of social work staff
- New legislative requirements.

Revenue Budget 2008/2009

Social Services

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Older People			
Assessment and Care Management Older People	2,461,900	2,532,000	2,794,600
Community Alarms Older People	345,100	404,900	347,600
Community Meals	193,300	212,500	184,300
Day Services Older People	1,303,100	1,332,000	1,382,600
Domicillary Care Older People	10,939,800	10,085,000	10,738,800
Intermediate Care Older People	245,800	242,400	223,600
Occupational Therapy Older People	452,100	406,900	488,000
Older People & Disability Services Administration	1,617,500	1,464,700	1,671,630
Residential Long Term Older People	13,734,500	12,741,700	13,205,000
Residential Short Term Older People	669,400	617,300	692,100
Voluntary Agencies Service Contributions Older People	56,300	56,300	57,500
Assessment and Care Management Disability Services	899,400	849,400	966,300
Community Alarms Disability Services	4,500	1,500	-800
Day Services Disability Services	921,200	970,800	1,013,000
Domicillary Care Disability Services	1,716,500	1,633,200	1,743,500
Equipment and Adaptations	467,800	436,800	400,700
Occupational Therapy Disability Services	150,700	191,500	229,700
Residential Long Term Disability Services	1,294,900	1,308,100	1,295,100
Suresprung	229,000	199,000	209,000
Voluntary Agencies Service Contributions Disability Services	280,500	219,300	224,300
	37,983,300	35,905,300	37,866,530
Head of Mental Health and Learning Disabilities			
Carers	487,200	489,800	497,900
Central Management and Administration	1,876,400	1,738,100	1,738,900
Commissioning Support Unit	2,077,300	2,230,400	2,181,600
Community Mental Health Teams	989,900	998,300	1,007,500
Community Support Teams	877,500	879,400	929,900
Flexible Support Services Learning Disabilities	300,300	328,200	341,500
Learning Disabilities Respite Services & Maesglas	1,481,500	1,459,900	1,499,800
Learning Disability Day Services	4,931,600	4,948,000	5,086,800
Llanfair House	466,600	425,500	369,700
Mental Handicap Strategy	-1,673,200	-1,688,200	-1,688,200
Mental Health Day Services	2,100,300	1,999,000	2,209,970
Protection of Vulnerable Adults	151,300	126,200	172,200
Residential Services-External Provision Mental Health	7,129,800	6,645,100	7,398,900
Substance and Alcohol Abuse	136,600	136,600	139,300
Supporting People Services	629,400	637,900	620,000
Transport Depot	116,000	121,200	39,900
	22,078,500	21,475,400	22,545,670

Revenue Budget 2008/2009

Social Services

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Head of Child and Family Services			
Assessment and Care Mgt Child and Family	4,759,900	5,935,300	5,387,200
Accommodation Services-External	3,751,600	4,549,700	4,208,700
Accommodation Services-Internal	3,997,800	3,703,800	4,046,400
Residential Care-Internal Provision	1,747,800	1,874,100	1,430,100
Adoption Services	509,800	617,500	542,700
Aftercare-External	463,200	463,200	468,300
Aftercare-Internal	363,400	513,400	370,600
Family Support Services-External	1,378,300	1,352,300	1,762,300
Family Support Services-Internal	1,187,100	1,069,800	1,194,200
Other Children's Services-External	1,700	1,700	1,700
Other Children's Services-Internal	444,900	544,900	444,900
Preventing Youth Offending	1,027,500	1,130,100	1,040,500
Review and Quality Assurance	475,700	362,800	414,100
Mgt and Admin Child and Family	1,466,100	1,733,700	1,772,700
Central Services	607,300	610,900	677,700
Service Strategy and Regulation	106,000	125,600	110,100
Social Services Training Section	318,100	245,500	247,500
	22,606,200	24,834,300	24,119,700
<hr/>			
Total Social Services	82,668,000	82,215,000	84,531,900

REVENUE BUDGET PROPOSALS 2008/09 - 2011/12

**TOP.PERFORMANCE & EGOVERNMENT PORTFOLIO
COMMENTS OF THE CABINET MEMBER**

ADDITIONAL SPENDING NEEDS

The eGovernment budget will reduce in 2008/09 to reflect the end of the Programme.

However, as previously reported, there is a shortfall of £900,000 in the savings target.

The budget proposals also provide for the full year running costs of the Contact Centre together with increased Coroner service costs.

SAVINGS PROPOSALS

Following a review of training needs, there will be a reduced usage of external providers of training. There are a small number of staffing reductions but these can be achieved without detrimental affect on the services concerned.

RISKS & UNCERTAINTIES

Whilst the current assumption is that the eGovernment Programme will be completed by the contractor, there is a risk that outstanding issues will not be fully resolved with consequent financial implications.

Revenue Budget 2008/2009

Top Performance and E-Government

	ORIGINAL BUDGET 2007/2008 £	REVISED BUDGET 2007/2008 £	ORIGINAL BUDGET 2008/2009 £
Assistant Chief Executive (Performance)			
Directorate & Other Costs	126,700	124,500	125,200
	126,700	124,500	125,200
Head of E Government			
E Government Project	2,386,600	1,564,900	650,000
E Government Savings	-1,196,000	-155,000	-166,000
	1,190,600	1,409,900	484,000
Head of Human Resources and OD			
Corporate Training	635,300	588,700	472,300
Health and Safety	803,600	812,100	799,300
Payroll and Pensions	578,700	594,800	444,600
Personnel Services	1,138,100	1,685,700	1,328,400
	3,155,700	3,681,300	3,044,600
Head of Information & Customer Services			
Corporate Telephones	442,600	416,300	405,200
ICT	7,208,000	6,781,200	6,907,900
Service@Swansea	1,067,700	1,100,600	1,232,300
	8,718,300	8,298,100	8,545,400
Head of Performance & Strategic Projects			
Performance and Strategic Planning	661,600	669,000	635,700
Resilience Unit	22,100	51,700	135,300
Strategic Projects	357,800	382,200	393,900
	1,041,500	1,102,900	1,164,900
Head of Legal Services			
Business Support	247,900	239,000	259,200
Coroners Service	298,500	343,400	349,100
Corporate Complaints	229,700	235,200	215,000
Practice Management	1,443,700	1,457,700	1,443,600
	2,219,800	2,275,300	2,266,900
Total Top Performance and E-Government			
	16,452,600	16,892,000	15,631,000



Statutory Resolution

Report of the Section 151 Officer

Council 25th February 2008

STATUTORY RESOLUTION – RESOLUTIONS TO BE MADE IN ACCORDANCE WITH THE REGULATIONS IN THE SETTING OF THE COUNCIL TAX 2008/2009

- (1) THAT the Council notes and adopts the statutory resolutions set out below.
- (2) THAT it be noted that at its meeting on 6 December 2007 the Council calculated the following amounts for the year 2008/2009 in accordance with Regulations made under Section 33(5) of the Local Government Finance Act 1992 -
- a) 85,625 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax base for the year.
- b) Parts of the Council's Area -

Bishopston	1,940
Clydach	2,524
Gorseinon	2,845
Gowerton	1,959
Grovesend	404
Ilston	331
Killay	2,090
Llangennith, Llanmadoc & Cheriton	482
Llangyfelach	886
Llanrhidian Higher	2,250
Llanrhidian Lower	305
Llwchwr	3,109
Mawr	720
Mumbles	9,404
Penllergaer	1,168
Pennard	1,460
Penrice	443
Pontarddulais	2,007
Pontlliw	1,034
Port Eynon	390
Reynoldston	285
Rhossilli	186
Upper Killay	566

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for dwellings in those parts of its area to which special items relate.

(3) **THAT** the following amounts be now calculated by the Council for the year 2008/2009 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 -

- (a) £592,586,530 being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(2)(a) to (d) of the Act.
- (b) £231,201,000 being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(3)(a), 32(3)(c) and 32(3a) of the Act.
- (c) £361,385,530 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- (d) £285,350,475 being the aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of redistributed non-domestic rates, and revenue support grant less discretionary Non Domestic Rate relief.
- (e) £888.00 being the amount at (3)(c) above less the amount at (3)(d) above, all divided by the amount at (2)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- (f) £749,274 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) £879.25 being the amount at (3)(e) above less the result given by dividing the amount at (3)(f) above by the amount at (2)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate.

(h) Parts of the Council's Area -

Bishopston	895.06
Clydach	896.29
Gorseinon	898.23
Gowerton	896.20
Grovesend	891.63
Ilston	887.75
Killay	889.78
Llangennith, Llanmadoc & Cheriton	893.77
Llangyfelach	899.57
Llanrhidian Higher	921.47
Llanrhidian Lower	889.09
Llwchwr	900.23
Mawr	919.33
Mumbles	890.84
Penllergaer	914.35
Pennard	911.44
Penrice	899.57
Pontarddulais	917.12
Pontlliw	910.20
Port Eynon	886.94
Reynoldston	895.39
Rhossili	889.65
Upper Killay	911.05

being the amounts given by adding to the amount at (3)(g) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (2)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(l) Parts of the Council's Area -

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
Bishopston	596.71	696.16	795.61	895.06	1,093.96	1,292.86	1,491.77	1,790.12	2,088.47
Clydach	597.53	697.11	796.70	896.29	1,095.47	1,294.64	1,493.82	1,792.58	2,091.34
Gorseinon	598.82	698.62	798.43	898.23	1,097.84	1,297.44	1,497.05	1,796.46	2,095.87
Gowerton	597.47	697.04	796.62	896.20	1,095.36	1,294.51	1,493.67	1,792.40	2,091.13
Grovesend	594.42	693.49	792.56	891.63	1,089.77	1,287.91	1,486.05	1,783.26	2,080.47
Ilston	591.83	690.47	789.11	887.75	1,085.03	1,282.31	1,479.58	1,775.50	2,071.42
Killay	593.19	692.05	790.92	889.78	1,087.51	1,285.24	1,482.97	1,779.56	2,076.15
Llangennith, Llanmadoc & Cheriton	595.85	695.15	794.46	893.77	1,092.39	1,291.00	1,489.62	1,787.54	2,085.46
Llangyfelach	599.71	699.67	799.62	899.57	1,099.47	1,299.38	1,499.28	1,799.14	2,099.00
Llanrhidian Higher	614.31	716.70	819.08	921.47	1,126.24	1,331.01	1,535.78	1,842.94	2,150.10
Llanrhidian Lower	592.73	691.51	790.30	889.09	1,086.67	1,284.24	1,481.82	1,778.18	2,074.54
Llwchwr	600.15	700.18	800.20	900.23	1,100.28	1,300.33	1,500.38	1,800.46	2,100.54
Mawr	612.89	715.03	817.18	919.33	1,123.63	1,327.92	1,532.22	1,838.66	2,145.10
Mumbles	593.89	692.88	791.86	890.84	1,088.80	1,286.77	1,484.73	1,781.68	2,078.63
Penllergaer	609.57	711.16	812.76	914.35	1,117.54	1,320.73	1,523.92	1,828.70	2,133.48
Pennard	607.63	708.90	810.17	911.44	1,113.98	1,316.53	1,519.07	1,822.88	2,126.70
Penrice	599.71	699.67	799.62	899.57	1,099.47	1,299.38	1,499.28	1,799.14	2,099.00
Pontarddulais	611.41	713.32	815.22	917.12	1,120.92	1,324.73	1,528.53	1,834.24	2,139.95
Pontlliw	606.80	707.93	809.07	910.20	1,112.47	1,314.73	1,517.00	1,820.40	2,123.80
Port Eynon	591.29	689.84	788.39	886.94	1,084.04	1,281.14	1,478.23	1,773.88	2,069.53
Reynoldston	596.93	696.41	795.90	895.39	1,094.37	1,293.34	1,492.32	1,790.78	2,089.24
Rhossili	593.10	691.95	790.80	889.65	1,087.35	1,285.05	1,482.75	1,779.30	2,075.85
Upper Killay	607.37	708.59	809.82	911.05	1,113.51	1,315.96	1,518.42	1,822.10	2,125.78
All other parts of the Council area	586.17	683.86	781.56	879.25	1,074.64	1,270.03	1,465.42	1,758.50	2,051.58

being the amounts given by multiplying the amounts at (3)(g) and (3)(h) above by the number which, in the population set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of the categories of dwellings listed in the different valuation bands.

- (4) THAT it be noted that for the year 2008/2009 the South Wales Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below -

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
South Wales Police Authority	92.92	108.40	123.89	139.38	170.35	201.32	232.30	278.75	325.21

- (5) THAT having calculated the aggregate in each case of the amounts at (3)(i) and (4) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2008/2009 for each of the categories of dwelling shown below –

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £	Band I £
Bishopston	689.63	804.56	919.50	1,034.44	1,264.32	1,494.18	1,724.07	2,068.87	2,413.68
Clydach	690.45	805.51	920.60	1,035.67	1,265.82	1,495.96	1,726.12	2,071.33	2,416.55
Gorseinon	691.74	807.02	922.32	1,037.61	1,268.19	1,498.76	1,729.35	2,075.21	2,421.08
Gowerton	690.39	805.44	920.52	1,035.58	1,265.71	1,495.83	1,725.97	2,071.15	2,416.34
Grovesend	687.34	801.89	916.45	1,031.01	1,260.12	1,489.23	1,718.35	2,062.01	2,405.68
Ilston	684.75	798.87	913.00	1,027.13	1,255.38	1,483.63	1,711.88	2,054.25	2,396.63
Killay	686.11	800.45	914.81	1,029.16	1,257.86	1,486.56	1,715.27	2,058.31	2,401.36
Llangennith, Llanmadoc & Cheriton	688.77	803.55	918.36	1,033.15	1,262.74	1,492.32	1,721.92	2,066.29	2,410.67
Llangyfelach	692.63	808.07	923.51	1,038.95	1,269.83	1,500.70	1,731.58	2,077.89	2,424.21
Llanrhidian Higher	707.23	825.10	942.98	1,060.85	1,296.59	1,532.33	1,768.08	2,121.69	2,475.31
Llanrhidian Lower	685.65	799.91	914.20	1,028.47	1,257.02	1,485.56	1,714.12	2,056.93	2,399.75
Llwchwr	693.07	808.58	924.10	1,039.61	1,270.63	1,501.65	1,732.68	2,079.21	2,425.75
Mawr	705.81	823.43	941.08	1,058.71	1,293.98	1,529.24	1,764.52	2,117.41	2,470.31
Mumbles	686.81	801.28	915.75	1,030.22	1,259.16	1,488.09	1,717.03	2,060.43	2,403.84
Penllergaer	702.49	819.56	936.65	1,053.73	1,287.89	1,522.05	1,756.22	2,107.45	2,458.69
Pennard	700.55	817.30	934.06	1,050.82	1,284.34	1,517.85	1,751.37	2,101.63	2,451.91
Penrice	692.63	808.07	923.51	1,038.95	1,269.83	1,500.70	1,731.58	2,077.89	2,424.21
Pontarddulais	704.33	821.72	939.11	1,056.50	1,291.28	1,526.05	1,760.83	2,112.99	2,465.16
Pontlliw	699.72	816.33	932.96	1,049.58	1,282.82	1,516.05	1,749.30	2,099.15	2,449.01
Port Eynon	684.21	798.24	912.28	1,026.32	1,254.39	1,482.46	1,710.53	2,052.63	2,394.74
Reynoldston	689.85	804.81	919.80	1,034.77	1,264.72	1,494.66	1,724.62	2,069.53	2,414.45
Rhossili	686.02	800.35	914.69	1,029.03	1,257.70	1,486.37	1,715.05	2,058.05	2,401.06
Upper Killay	700.29	816.99	933.72	1,050.43	1,283.86	1,517.28	1,750.72	2,100.85	2,450.99
All other parts of the Council area	679.09	792.26	905.45	1,018.63	1,244.99	1,471.35	1,697.72	2,037.25	2,376.79



Capital Budget & Programme
2007/08 – 2011/12

Report of the Section 151 Officer

Council – 25th February 2008

CAPITAL BUDGET & PROGRAMME 2007/08– 2011/12

Purpose:	This report proposes a capital budget for 2007/08 - 2011/12
Policy framework:	None
Reason for decision:	To agree a revised budget for 2007/08; a budget for 2008/09 – 2011/12
Consultation:	Cabinet Members & Corporate Management Team
Recommendations:	a) The current practice of pooling capital receipts be amended in relation to the QED 2020 programme (and other projects which rely on capital receipts funding) subject to the achievement of the overall capital receipts target. b) The revised budget for 2007/08 and budget 2008/09 – 2011/12 be approved.

1. Introduction

1.1 This report details:

- Revised capital expenditure and financing proposals for 2007/08 and
- Capital expenditure and financing proposals for 2008/09 – 2011/12

1.2 For completeness, the annexes to the report include capital expenditure in relation to the Housing Revenue Account (HRA). However, the specific proposals relating to the HRA are subject to a separate report to be considered by Council on 25 February 2008.

1.3 The budget proposals are detailed as follows:

Annex A Summary of capital expenditure and financing

Annex B Summary of schemes funded by new borrowing, capital grant and capital receipts in 2007/08 - 2011/12

Annex C Material changes to the original 2007/08 programme

Annex D A detailed breakdown of the programme portfolio by portfolio

2. Revised budget 2007/08

2.1 Spending in the current year will be £118.426m, an increase of £39.110m over the original estimate of £79.316m. Material changes are detailed in annex C .

2.2 Net additional spending of £39.110m will be financed as follows:

	£m
Use of Prudential Borrowing Powers	13.861
Grants & contributions	17.588
Other financing	7.661
Total additional financing	39.110

2.3 The additional use of Prudential Borrowing Powers in 2007/08 includes the Equal Pay Backpay Capitalisation Directive (£9.478m) and delayed spending from 2006/07 (£4.383m).

3. Capital budget 2007/08 – 2011/12

3.1 The overall capital budget is summarised in annex A. The budget comprises:

- a) Schemes financed from Council borrowing and capital receipts
- b) Schemes financed by grants and contributions from other bodies
- c) For completeness, schemes financed from Housing Revenue Account (HRA) resources.

3.2 Schemes falling within the scope of b) and c) do not result in any implication for the Council's general capital borrowing requirement.

3.3 Schemes falling within the scope of a) above are detailed in annex B. Brief details as follows:

3.4 Pre 2007/08 commitments. These are schemes agreed in previous capital programme reports which need to be financed in 2007/08 and future years.

3.5 Top Performance & eGovernment.

- *Civic Centre including New Central Library*. The budget for the Call Centre has been reduced by £450,000 following implementation of a reduced scheme. The revised budget also reflects the budget amendment agreed at Council in February 2007.
- *eGovernment Programme*. It is presently assumed that the contract will be completed within the approved budget.

3.6 Finance.

- *Project feasibility studies*. To facilitate better project planning and achieve more accurate pre-scheme costings.

- *Contingency Fund.* To meet unexpected expenditure.
- *Liberty Stadium under-soil heating.* Scheme approved by Cabinet on the 25 May 2006.
- *Equal Pay Backpay settlement.* It is assumed that relevant payments will be made to affected staff by 31 March 2008 in accordance with the Capitalisation Directive granted by the Assembly.
- *Corporate Property - Capital maintenance.* Provision has been made for :
 - Phases 1 to 4 of the programme of works agreed in relation to the Guildhall (£19.378m). Further phases required in 2012/13 and 2013/14 are:

Phase 5 – Brangwyn Hall	£5.580m
Phase 6 – Law Courts	£3.144m
 - a general provision of £4m per annum (less £130k allocated to Penyrheol school rebuilding budget in 2008/09) to meet minimum capital maintenance requirements.

3.7 Education.

- *School Organisation Programme.* Net cost of agreed programme includes YGG Llwynderw new Welsh Medium School, Profound and Multiple Learning Difficulties Facility and several smaller schemes.
- *School buildings improvements.* Priority schemes.
- *Penyrheol Fire - demountables.* The cost of providing temporary classrooms over and above the Council's insurance cover.
- *Special Teaching Facilities Development Plan.* Provision of additional places within two Welsh-medium primary schools to meet the needs as approved under the Welsh Education Scheme
- *Welsh Medium strategy.* Provision of additional places within two Welsh medium primary schools to meet the needs as approved under the Welsh Education Scheme.
- *Special Education Needs adaptations.* To address compliance with DDA legislation and approved inclusion policy.
- *Penyrheol Sprinklers.* Budget amendment agreed at Council February 2007.

3.8 Housing.

- *Housing General Fund - Disabled Facilities & Housing Improvement Grants.* Annual programme in accordance with assessed need.

3.9 Community Regeneration

- *Forge Fach Resource Centre.* Scheme approved by Cabinet on the 27 July 2006.

3.10 Culture, Recreation & Tourism

- *Swansea Leisure Centre.* Whilst the forecast net cost of the scheme remains £32.075m there has been a change in the balance of funding between capital and revenue budget of £1,182,000. The revenue funding requirement has reduced due to lower than expected equipment leasing costs. The capital funding requirement has increased mainly as a result of additional contract payments.
- *Glyn Vivian Art Gallery.* Match funding contribution to access Arts Council and Lottery grants.
- *Landore Bowls Hall.* Scheme as approved by Council.
- *Oystermouth Castle match funding.* To access restoration grant.

3.11 Environment.

- *Members environmental improvements.* Annual Members allocations.
- *Maintenance of infrastructure assets.* Annual provision to meet minimum maintenance requirements. The following points should be noted.
 - The 2007/08 budget includes £350,000 brought forward from 2008/09 to achieve better value for money on contracted expenditure.
 - The annual allocations include £1.230m of capitalised revenue spending
 - The 2008/09 budget will be further enhanced by a special Local Road Maintenance Grant of £895,000 announced in the Final Local Government Finance Settlement.
- *Marina pontoons.* Investment to generate income as detailed in the Capital Programme agreed by Council on 2 March 2006.

- *Waste strategy.* The development of a compost facility.
- *Tir John.* The pre-opening works required prior to the re-opening of Tir John as a landfill disposal site. Provision is also made for future maintenance and remediation costs
- *St.Davids multi-storey car park.* Completion of urgent electrical works
- *Urgent infrastructure works.* To provide for urgent works not otherwise included in the capital budget.

3.12 Social Services.

- *Nant-y-Felin Childrens Home.* Provision of a new home as approved by Cabinet on 16 November 2006.

4. **Financing of capital budget 2007/08 – 2011/12**

- 4.1 The financing of the overall capital budget is detailed in annex A. The financing of the requirement set out in annex B is as follows

	£m
Borrowing supported by Welsh Assembly Grant	66.222
Capital Grant	21.579
Capital receipts	26.735
Use of Prudential Borrowing Powers	79.823
Total financing	194.359

- 4.2 Borrowing supported by Welsh Assembly Grant. This represents supported borrowing which will be provided for in future Revenue Support Grant settlements.
- 4.3 Capital grant. This represents the general capital grant provided by the Assembly in the annual Local Government Finance Settlement.
- 4.4 Capital receipts. This represents the latest assessment of the corporate disposals programme. The capital receipts forecast of £26.735m represents a £1.045m increase on the previous forecast and takes account of:
- a. progress made in achieving the previous target and
 - b. the addition of a further year to the programme.
- 4.5 Use of Prudential Borrowing Powers. The Council is empowered to undertake additional unsupported borrowing subject to compliance with the *CIPFA Prudential Code for Capital Finance in Local Authorities*. However, any such additional borrowing is not supported by Revenue Support Grant and resulting interest and principal repayments must be met from the Council's revenue

budget. The budget proposals detailed in annex B result in an unsupported borrowing requirement of £79.823m.

This represents a £9.478m increase over the previous forecast approved by Council on 27 February 2007 and is entirely due to the Capitalisation Directive for equal pay backpay mentioned in paragraph 3.6 and approved by Council on 21 November 2007.

Members will be aware that the section 151 officer has previously advised that further unsupported borrowing can not be considered unless it is certain that the resulting interest and principal payments can be financed from current and future revenue budgets. In addition, the external auditor has expressed concern about the implications of unsupported borrowing in the absence of a Medium Term Financial Plan.

In order to address these concerns, provision has been made in the revenue budget proposals and Medium Term Financial Plan for the capital financing charges which will arise from the unsupported borrowing as detailed in annex B.

Members will also wish to note that a further unavoidable unsupported borrowing requirement of £8.724m may arise in 2012/13 - 2013/14 as a result of the completion of further essential maintenance works at the Guildhall. The financial implications of any associated unsupported borrowing will be considered in an updated Medium Term Financial Plan to be considered by Council next February.

- 4.6 QED 2020 Programme. As part of the Quality in Education 2020 Initiative launched in October 2007, the Leader highlighted the Council's commitment to raise standards of achievement and attainment for all children and young people, improve the quality of the learning environment and make the best use of human, physical and financial resources. For the QED 2020 development, capital provision will be made on the assumption that relevant capital receipts will be allocated to the proposed programme subject to the achievement of the overall corporate capital receipts target and the agreement of a comprehensive business case. However, this assumption will require a change of practice as all capital receipts are currently pooled in support of the overall capital programme. The same requirements will apply to any additional schemes (e.g City Centre redevelopment and Convergence Programme) which rely on capital receipt funding.

5. Revenue budget implications

- 5.1 The unsupported borrowing requirement as set out in annex B will result in estimated capital financing charges as follows:

	2007/08	2008/09	2009/10	2010/11	2011/12
	£000	£000	£000	£000	£000
Unsupported borrowing costs	3,500	6,623	7,205	7,492	7,650

Provision has been made in the 2008/09 revenue budget and Medium Term Financial Plan for these additional costs.

6. Legal implications

- 6.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

7. Prudential Code.

- 7.1 Under the Local Government Act 2003 and subsequent regulations, a local authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when setting its budget and must determine and keep under review how much it can afford to borrow.

- 7.2 The next report on the agenda will detail what is required under the requirement of the Code and set out in detail Prudential Borrowing Indicators for 2007/08 and subsequent years.

8. Recommendation

a) The current practice of pooling capital receipts be amended in relation to the QED 2020 programme (and other projects which rely on capital receipts funding) subject to the achievement of the overall capital receipts target.

b) The revised budget for 2007/08 and budget 2008/09 – 2011/12 be approved

Contact officer : Mike Trubey, Head of Budget & Grants

Telephone No. : 636391

Background papers: None

CAPITAL PROGRAMME 2007/2008 - 2011/2012
SUMMARY OF CAPITAL FINANCING

Source of Finance	Financing					
	2007/08		2008/09	2009/10	2010/11	2011/12
	Original	Revised	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000
Loans	14,708	14,708	14,688	14,688	14,688	14,688
- Supported Borrowing/General Grant						
- Unsupported Borrowing	27,450	41,790	6,604	3,999	217	4,752
Grants	10,004	22,836	1,459	80		
- Welsh Assembly Government						
- Major Repairs Allowance (MIRA)	9,000	9,000	9,100	9,000	9,000	9,000
- European	1,634	3,788	92			
- Other	873	2,127	18			
Contributions	560	2,150	5,793	3,120		
Capital Receipts	239	1,715				
- Earmarked						
- General Fund	11,666	7,929	8,171	1,740	1,500	1,870
- Housing Revenue Account	500	4,444	550	500	500	
Revenue Contributions	717	3,608	1,507	10		
- General Fund						
- Housing Revenue Account	860	1,729	2,460			
Add : Financing Adjustment	1,105	3,450				
Less : Sundry Creditor Funding		-848				
Total	79,316	118,426	50,442	33,137	25,905	30,310

CAPITAL PROGRAMME 2007/2008 - 2011/2012

SUMMARY OF CAPITAL EXPENDITURE

Portfolio	2007/08		2008/09 Original £'000	2009/10 Original £'000	2010/11 Original £'000	2011/12 Original £'000
	Original £'000	Revised £'000				
Community Leadership & Democracy	2,383	2,528	513			
Top Performance & e-Government	8,623	8,596	1,500			
Finance	7,750	7,123	7,685	6,667	6,853	10,058
- Corporate Building	1,300	12,031	2,050	1,000	1,000	1,000
- Finance Other						
Education	10,253	13,205	10,189	3,325		
Housing	10,360	15,048	12,110	9,500	9,500	9,000
- Housing Revenue Account	7,000	7,353	5,200	5,200	5,200	5,200
Community Regeneration	1,299	3,897				
Regeneration -	22,509	25,324	1,143	93		
- Culture, Recreation & Tourism	285	1,882	200			
- Economic & Strategic Development						
Environment	6,575	19,676	9,852	7,352	3,352	5,052
Social Services	979	1,763				
Total	79,316	118,426	50,442	33,137	25,905	30,310

**CAPITAL PROGRAMME 2007/08 - 2011/12
SUMMARY OF SCHEMES FUNDED BY NEW BORROWING, CAPITAL GRANT AND CAPITAL RECEIPTS IN 2007/08 - 2011/12**

ANNEX B

Scheme	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total
	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE							
Pre 2007/08 schemes	4,499	4,423	932				9,854
Top Performance & e-Government							
Civic Centre including new Central Library	2,857	7,501	950				11,308
E-Government Programme	9,389	913	550				10,852
Finance							
Project feasibility studies		300	300				600
Contingency Fund	809	1,191	1,750	1,000	1,000	1,000	6,750
Liberty Stadium undersoil heating	220						220
Equal Pay Back Pay Settlement		9,478					9,478
Capital maintenance - all services							
Guildhall	2,525	1,600	3,675	2,667	2,853	6,058	19,378
Other property	2,988	5,012	4,000	4,000	4,000	4,000	24,000
Education							
School Organisation Programme	131	1,152	1,458				2,741
School buildings improvements		849					849
Penyrheol Fire - demountables		380					380
Special Teaching Facilities Development Plan		430	990				1,420
Welsh Medium Strategy		185	20	15			220
Special Education Needs adaptations		75	100	100			275
Penyrheol sprinklers			300				300
Housing							
Disabled Facilities & Housing Improvement Grants	5,490	5,410	5,200	5,200	5,200	5,200	31,700
Community Regeneration							
Forge Fach Resource Centre		89					89
Culture, Recreation & Tourism							
Swansea Leisure Centre	8,496	18,735	500				27,731
Glyn Vivian Art Gallery	14	486					500
Landore Bowls Hall		900	100				1,000
Oystermouth Castle match funding		143	286	93			522

**CAPITAL PROGRAMME 2007/08 - 2011/12
SUMMARY OF SCHEMES FUNDED BY NEW BORROWING, CAPITAL GRANT AND CAPITAL RECEIPTS IN 2007/08 - 2011/12**

Scheme	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	Total
	£000	£000	£000	£000	£000	£000	£000
Environment							
Members Environmental Improvements	55	89	72	72	72	72	432
Maintenance of infrastructure assets	3,978	2,902	2,930	3,280	3,280	3,280	19,650
Marina Pontoons	184	16					200
Waste Strategy	17	483	800				1,300
Tir John		2,500	5,200	4,000		1,700	13,400
less Tir John reserve		-2,500	-1,000				-3,500
St.Davids multi-storey car park - electrical works		250					250
Urgent infrastructure works		700	350				1,050
Social Services							
Nant-y-Felin Childrens Home	675	735					1,410
TOTAL EXPENDITURE	42,327	64,427	29,463	20,427	16,405	21,310	194,359

RESOURCES							
Supported Borrowing/Capital Grant	14,341	14,708	14,688	14,688	14,688	14,688	87,801
Capital Receipts Forecast	5,525	7,929	8,171	1,740	1,500	1,870	26,735
Use of Prudential Borrowing Powers	22,461	41,790	6,604	3,999	217	4,752	79,823
TOTAL RESOURCES	42,327	64,427	29,463	20,427	16,405	21,310	194,359

CAPITAL PROGRAMME 2007/08 - 2011/12

MATERIAL CHANGES TO THE ORIGINAL 2007/08 PROGRAMME

Scheme	Source Of Funding	2007/08 Change £'000
Finance		
Equal Pay Backpay Settlement	Loan	9,478
Education		
Post 16 Learning Centres	Grant	621
14-19 Learning Pathways	Grant	167
Early Years Grant	Grant	175
School Sprinklers	Grant	395
Penyrheol Comprehensive Re-build	Insurance	580
Tregwyr Re-modelling	Contribution	106
Housing		
Additional Hafod Renewal Area Grant	Grant	150
Community Regeneration		
Active Lifestyle	Grant	40
Culture, Recreation & Tourism		
Active Lifestyle	Grant	149
Gorseinon Library Refurbishment	Grant	100
Swansea Leisure Centre	Contribution	66
Swansea Leisure Centre	Loan	1,182
Restoration of the 'Olga'	Grant	50
Environment		
Transport Grant Schemes	Grant	7,966
Fabian Way Express Bus Route	Grant	367
Landore Express Bus Route	Grant	451
Local Road Safety Schemes	Grant	371
Local Road Maintenance Grant	Grant	895
Delayed Spending From 2006/07 - All Portfolios	Various	18,337
Delayed Spending Into 2008/09 - All Portfolios	Various	-6,623
Other Minor Changes	Various	4,087
TOTAL MATERIAL CHANGES		39,110

ANNEX D

CAPITAL PROGRAMME SCHEMES

CAPITAL PROGRAMME 2007/2008 - 2011/2012

COMMUNITY LEADERSHIP AND DEMOCRACY

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
	CITY CENTRE REDEVELOPMENT (91681)						
C06323	York St Road Improvements		30				
C06324	Uni Floc Reclamation		18				
C06325	City Centre Redevelopment	133	68	133			
C06332	Waterfront City Centre Link		38				
C06335	Wind Street Traffic Regulation Orders		18				
C06336	City Centre Core Improvements	2,250	2,313	380			
C06342	City Centre Core Multi Media Points	2,383	2,528	513			
	COMMUNITY LEADERSHIP AND DEMOCRACY	2,383	2,528	513			

CAPITAL PROGRAMME 2007/2008 - 2011/2012

TOP PERFORMANCE & e-GOVERNMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
CIVIC CENTRE PROJECT (91743)											
C08941	Contact Centre Build	211	867								
C08943	Civic Centre Feasibility		19								
C08944	Civic Centre New Entrance	294	88								
C08946	New Café/Canteen/Foyer	731	758								
C08947	New Library - Works	3,488	1,574	500							
C08948	Oldway House Refurbishment		11								
C08950	Project Management Civic Centre	121	157								
C08951	Traffic/Transport Civic Centre	150	480								
C08952	Archives Fit Out	56	56								
C08953	Part 4 Back Office Accommodation	350	350								
C08954	Civic Centre Security Work	208	269								
C08958	New Library-Artwork/Signage		137								
C08959	New Library - Books		656								
C08960	New Library Close down etc		175								
C08962	New Library - Fit Out		379								
C08963	New Library - ICT		289								
C08964	New Library - LMS		228								

CAPITAL PROGRAMME 2007/2008 - 2011/2012

TOP PERFORMANCE & e-GOVERNMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	CIVIC CENTRE PROJECT (91743)										
C08965	New Library - RFID		300								
C08966	New Library - Stock Prep		256								
C08967	Part 1 Accommodation Works	429	48								
C08968	Part 2 Accommodation Works	982	557								
C08969	Call Centre	1,074	29	450							
		8,094	7,683	950							
	E-GOVERNMENT (91750)										
C09448	E-Government Programme	529	913	550							
		529	913	550							
	TOP PERFORMANCE & e-GOVERNMENT	8,623	8,596	1,500							

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C09400	OTHER COUNTY BUILDINGS (91746) Feasibility 07/08-Penllergaer Council Offices		50				
			50				
C08692	MISC. CORPORATE PROPERTY (91741) CM 5/6 - Condition Survey (External)		1				
C08698	CM 5/6 - Asset Management System		153				
C08700	CM 7/8 - Capital Maintenance Unallocated		156				
C08703	CM 6/7 -DDA Access Audit Surveys		31				
C08704	CM 6/7 - DDA Management		30				
C08708	CM 7/8 Legionella Survey Works		100				
C08709	CM 7/8 - Asbestos		100				
C08710	CM 7/8 - DDA Compliance		300				
C08711	CM 7/8 - Energy/Sustainability Invest.		100				
C08712	Feas 07/08 Building Capital Maintenance		40				
			1,011				
C08996	COUNTY BUILDINGS - COUNTY HALL (91744) CM 6/7 - DDA Registrars		22				
C08998	CM 6/7 - IT Suite A/C Replacement County Hall		70				
C08999	CM 7/8-Council Chamber Lighting		35				

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C09000	COUNTY BUILDINGS - COUNTY HALL (91744) CM 7/8 - County Hall Air Conditioning		100	100							
C09001	CM 7/8 - New Gas Booster		15								
			242	100							
C08593	BUILDING DLO OFFICE (91730) CM DAS Clydach Depot		16								
			16								
C09192	COUNTY BUILDINGS - GUILDHALL (91745) DDA/Fire Precautions - Guildhall		18								
C09193	Guildhall - System Design Work		129								
C09194	Guildhall - RCD Devices		1								
C09196	Lift Refurbishment		97								
C09198	CM 6/7 - DDA Guildhall		32								
C09199	Guildhall - Car Park Barrier		38								
C09201	Guildhall Refurbishment Phase 2 Part 1	2,350	200								
C09202	Guildhall Refurbishment Phase 3 Part 1 Boiler	1,400	1,400								
C09203	Guildhall Refurbishment Phase 2 Part 2			3,675							
C09204	Guildhall Refurbishment Phase 3 Part 2				2,667						
C09205	Guildhall Refurbishment Phase 4							2,853		6,058	
		3,750	1,915	3,675	2,667			2,853		6,058	

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C08894	MANSION HOUSE (91742) CM 7/8 - Boundary Wall Rhianfa Lane		25				
C08895	CM 7/8 - Mansion House Boiler Renewal		10				
			35				
C00019	EDUCATION ADMINISTRATION (91501) CM 6/7 - Pre Filming Survey Works		86				
C00026	CM 7/8-Glazing/filming compliance wks		50				
C00027	CM 7/8-Drainage Surveys Various sites		50				
			186				
C00204	PRIMARY SCHOOLS (91502) CM 5/6 - Glais Primary Structural Analysis		1				
C00272	CM 6/7 - Crug Glas Structural Post in Hall		20				
C00274	CM 6/7 - Cwm Primary Boundary Wall		7				
C00275	CM 6/7 - Danygraig Prim Structural Issues		60				
C00276	CM 6/7 - Dunvant Primary Remedial Works		8				
C00277	CM 6/7 - Glazing Compliance Primary		147				
C00278	CM 6/7 - Hafod Prim Hall Floor		3				
C00279	CM 6/7 - Manselton Primary Demolition of Shelter		12				
C00282	CM 6/7 - Minor Access Works Primary		13				

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	PRIMARY SCHOOLS (91502)										
C00284	CM 6/7 - Terrace Road Remedial Works		20								
C00290	CM 6/7 - Graigfelen Primary Roof Replacement		12								
C00291	CM 6/7 - Tre Uchaf Primary Drainage Work		10								
C00298	CM DAS Manselton Prim Repairs		7								
C00299	CM DAS Cwmbwrla Prim Repairs		6								
C00311	CM 7/8 - Parklands Prim Mech & Heat		150								
C00312	CM 7/8-Oystermouth Prim Mech & Heat		85								
C00321	CM 7/8 - Glais Primary Toilets		60								
C00325	CM 7/8 -Tregwyr Infants Structural & Roofing		30								
C00326	CM 7/8 - Danygraig Prim Struct & Roof		90								
C00327	CM 7/8 - B'maes Prim Asset Mgmt Plan		20								
C00330	CM 7/8-D'ygraig Prim Lintel/Wall Cracking		40								
C00331	CM 7/8-Pengelli Prim Playground resurf		4								
C00335	CM 7/8-M'ston Prim classroom Floor repl		6								
C00336	CM 7/8 - Brynhyfyd infants classroom floor		10								
C00337	CM 7/8-Gors Comm Prim Asset Mgmt Pl		6								
C00338	CM 7/8-Pontlliw Prim Windows		10								

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	PRIMARY SCHOOLS (91502)										
C00339	CM 7/8-Penyfro Prim Classroom Extn		75								
C00340	CM 7/8-Casllwchr Prim Classroom Floor		18								
C00342	CM 7/8-YGG Tirdeunaw Compliance Wks		50								
C00343	CM 7/8-Trallwn Prim Balcony Renewal		19								
C00344	CM 7/8 - Plasmarl Prim Bound Ret Wall		50								
C00345	CM 7/8 - Clwyd Prim Water Leak		16								
C00346	CM 7/8 - Portmead Prim Water Leak		20								
			1,085								
	SECONDARY SCHOOLS (91503)										
C00958	CM 5/6 Bishop Gore Repairs		2								
C00961	CM 6/7 - Bishop Gore Elec Work Phase 1		30								
C00963	CM 6/7 - Cefn Hengoed External Mains		3								
C00966	DDA/Cap Main-Bishop Vaughan		14								
C00994	CM 6/7 - Glazing Compliance Work - Secondary		81								
C00998	CM DAS Penyrheol Comp - Gas Main		1								
C01008	CM 7/8-Bishop Gore Elec Wk (Next Ph)		280								
C01009	CM 7/8-Bishop Vaughan Elec Wk		210								
C01010	CM 7/8-Pentrefhafod Comp Mech & Heat		170								

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	SECONDARY SCHOOLS (91503)										
C01011	CM 7/8- Bishop Gore Mech & Heat		150								
C01012	CM 7/8 - Bishop Vaughan Mech & Heat		170								
C01013	CM 7/8-Swimming Pool Mech & Heat		96								
C01016	CM 7/8-Olchfa Struct & Roofing Works		80								
C01034	CM 7/8 - Morryston Comp Pool Wall Sur		8								
C01035	CM 7/8 - KS4 Brondeg Hse Fire Alarm		30								
			1,325								
	COMMUNITY BUILDINGS (91726)										
C08501	CM 6/7 - South Penlan CC H&S Work		23								
C08509	CM DAS-Demo Dunvant OAP Pavilion		6								
C08510	CM 7/8 - South Penlan C C Electrical		30								
C08513	CM 7/8-Victoria Park OAP		17								
C08514	CM 7/8 - Treboeth CC		8								
C08515	CM 7/8-Llansamlet CC		35								
C08517	CM 7/8 - Heol Las Park Pavilion Demo		10								
C08518	CM 7/8-Gorseinon Institute Front Render		17								
			146								

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	MUSEUM AND GALLERIES (91631)										
C05601	CM 5/6 - The Helwick Electrical Works		4								
C05614	CM 6/7 - DDA Museum Lifts		60	40							
	THEATRES / ARTS ACTIVITIES (91632)		64	40							
C05705	CM 6/7 - Brangwyn Hall Ceiling Void		24								
C05706	CM 6/7 - Grand Theatre Fabric Repair		18								
C05711	CM 7/8-Grand Theatre Lighting Controls		162								
	LIBRARY SERVICES (91633)		204								
C05806	CM 6/7 - Central Library		-23								
C05807	CM 6/7 - Clydach Library Roof/Windows		21								
C05808	CM 6/7 - DDA Oystermouth Library		54								
			52								
	LEISURE CENTRES (91643)										
C05972	CM 6/7 - Morrision CLC Roof		46								
C05973	CM 6/7 - Tennis Centre External Lights		4								
C05975	CM 6/7 - Penlan CLC Flooring Replacement		1								
C05977	CM DAS-Penyrrheol LC Fire Doors		1								
C05983	CM 7/8 - Penlan LC Activa Cooling Unit		11								
			63								

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C07798	PARKS (91720) DDA/Cap Maint-Bishops Wood Cent		1								
C07578	CEMETERIES/CREMATORIUM (91711) CM 6/7 - Crematorium Roof/Downpipes		1								
C07731	GYPSY SITES (91711) CM 7/8 - Gypsy Asset Mgmt Plan		33								
C03652	CAR PARKS (91561) CM 6/7 - High Street Car Park Rewiring		33								
C01861	CHILDREN & FAMILY (91531) CM 6/7 - Mayhill Family Centre		15								
C02093	ADULT SERVICES (91532) DDA/Cap Maint - Tredilion House		15								
C02120	CM 5/6 - Cartref HFA Fire Doors		60								
C02128	CM 6/7 - The Hollies Rewiring		60								
C02381	CM 6/7 - Suresprung Workshop Rewiring		7								
			7								
			30								
			2								
			74								
			1								

FINANCE CORPORATE BUILDING

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	ADULT SERVICES (91532)										
C02384	CM DAS Fforestfach Trsp Depot Roof		15								
C02386	CM 7/8 - Suresprung Electrical Final Ph		55								
C02387	CM 7/8 - Ty Waunarwydd Electrical Wk		62								
C02388	CM 7/8 - Norton Lodge Electrical Wk		50								
C02389	CM 7/8 - The Hollies Mech & Heating		240								
C02393	CM 7/8-Glanyarfon Gdns Asset Mgt Plan		66								
C02394	CM 7/8 - Ty Waunarwydd HFA Lighting		18								
			613								
	MISC. CORPORATE PROPERTY (91741)										
C08691	Capital Maintenance Allocation	4,000		3,870		4,000		4,000		4,000	
		4,000		3,870		4,000		4,000		4,000	
		7,750	7,123	7,685	6,667	6,853	10,058				
	FINANCE CORPORATE BUILDING										

FINANCE OTHER

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C09391	OTHER COUNTY BUILDINGS (91746) Gorseinon Cash Office - Disabled Access		19								
			19								
C09493	GENERAL ADMINISTRATION-FINANCE (91755) Corporate Contingency Fund - Part Reallocated	1,000	1,577	1,750	1,000	1,000	1,000	1,000	1,000	1,000	1,000
C09494	WEFO Grant Repayment		955								
C09495	Project Feasibility Studies - Reallocated	300	2	300							
	Equal Pay Backpay Settlement		9,478								
		1,300	12,012	2,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	FINANCE OTHER	1,300	12,031	2,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C00003	EDUCATION ADMINISTRATION (91501) Broadband Installation/Local Area Network		20								
C00007	Critical Safety Work School Kitchens		8								
C00008	Electronic Attendance Mgt System	147	156								
C00011	Fire Precautions (FBI) 05/06		4								
C00014	Remove Asbestos - Boiler Houses		27								
C00015	SOP Phase 2 Feasibility		54								
C00018	Teacher Assessment Data - Computers		2								
C00020	School Data Survey		45								
C00022	CFS 3/4 - Re-design Substandard Toilets		5								
C00023	CFS 3/4 - Fire Precaution Work		10								
C00025	Welsh Medium Strategy Future Years			20	15						
		147	331	20	15						
C00234	PRIMARY SCHOOLS (91502) CFS 3/4 - Brynhyfryd Jr Gable Wall		3								
C00241	Danygraig Primary - Structure Failure		26								
C00242	Dunvant Primary - Feas Work		7								
C00245	Early Years YGG Bryniago		6								

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	PRIMARY SCHOOLS (91502)										
C00248	Feasibility YGG Lon Las		5								
C00255	Early Years Block - Pontlliw Prim		8								
C00256	Pontlliw Primary - Class Extn		4								
C00258	Sketty Prim - New Build		44								
C00259	SOP - Townhill Primary		2								
C00261	St Joseph's VA - Contribution		12								
C00262	St Thomas New School Including Library	1,110	464								
C00263	Swansea Children's Centre - Clwyd Primary		85								
C00265	Tre Gwyr Roofing Work at Kitchen		13								
C00266	Welsh Medium Primary Facility	25	28		20						
C00268	YGG Gellionnen - Phase 6 Accom Works		6								
C00271	BLF Unstructured/Structured Play Primary Schools		19								
C00285	Early Years Whitestone Primary		3								
C00287	St Helen's Primary Remodelling		3								
C00294	Flying Start Programme		395								
C00296	Flying Start Blaenymaes Primary	285	143								
C00297	Flying Start Sea View Primary		142								

EDUCATION

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C00301	PRIMARY SCHOOLS (91502) Danygraig Prim Improve Facility		10				
C00302	St Joseph's Clydach-rewiring		135				
C00303	Manselton Prim-Water Ingress		149				
C00304	Cwmbwrla Prim - Fabric Failure		150				
C00305	Trallwn Prim - Asbestos/Windows		35				
C00306	Tre Uchaf Prim Boiler Replacement		30				
C00307	Morrleston Prim - Flood Prevention Measures		10				
C00308	YGG Y Login Fach-Flood Prevention Measures		10				
C00309	Cwm Prim - Fabric Failure Kitchen		110				
C00310	Birchgrove Prim - Structural Failure		50				
C00315	Purchase Vehicle for Mobile Toy Library		1				
C00316	Welsh Medium Strategy-YGG Lon Las	150	150				
C00317	Welsh Medium Strategy-YGG Pontybrenin	35	35				
C00318	Early Years - Pontarddulais Prim		10				
C00319	Early Years - YGG Y Login Fach		10				
C00320	Early Years - Minor Improvements 5 Sites		5				
C00332	Feas 07/08 - YGG Pontybrenin		10				

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	PRIMARY SCHOOLS (91502)										
C00333	Feas 07/08 Duvant Prim Rationalisation		10								
C00334	Tregwyr Jnr Re-modelling		106								
C00341	YGG Tirdeunaw - Gym Windows		15								
C00347	Early Years - Pen Y Fro Primary		150								
	School Buildings Improvements - Reallocated	849									
		2,454	2,609	20							
	SECONDARY SCHOOLS (91503)										
C00968	Birchgrove Comp Sports Hall		16								
C00975	Daniel James CS phase 2 Curtain Wall		4								
C00977	Daniel James Sports Development		-239								
C00979	Dylan Thomas CS Roofing/Fabric		25								
C00983	Olchfa Comp - Walkway		3								
C00986	Pentrehafod Comp Sports Facility		10								
C00987	Penyrheol Comp - Roofing Works		16								
C00997	CFS 3/4 - Daniel James Pool Dehumidifier		5								
C00999	Y G Gwyr Learning House		6								
C01000	SOP Feasibility - Pentrehafod Speech & Language		15								
C01001	Penyrheol Fire - Temporary Classroom Blocks	380	380								

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	SECONDARY SCHOOLS (91503)										
C01005	Daniel James-Mech Fabric Failure		38								
C01006	Gowerton Comp-New Mains Sub Stn		80								
C01007	Dylan Thomas Comp Gym Heating		50								
C01015	Penyrheol Comprehensive Re-build		580	5,970	3,130						
C01017	14-19 Learn Pathway-Bishopston		23								
C01018	14-19 Learn Pathway-Morrison Canteen		153								
C01019	14-19 Learn Pathway-General Building Works		165								
C01020	14-19 Learn Pathway-Electrical Install Wks		55								
C01021	14-19 Learn Pathway-Asbestos Removal		30								
C01022	14-19 Learning Pathway-Mech Install		85								
C01023	14-19 Learn Pathway-Finishes & Décor		45								
C01024	14-19 Learning Pathway-Furniture		48								
C01025	14-19 Learning Pathway-Prof Fees		53								
C01026	14-19 Learning Pathway-ICT Equipment		140								
C01027	Dylan Thomas Comp Science Lab Refurb		57								
C01028	Feas 07/08Cefn Hengoed Rationalisation		20								
C01029	Feas 07/08 Morrison Comp next phase		20								

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	SECONDARY SCHOOLS (91503)										
C01030	Feas 07/8 Pentrehafof Rationalisation		20								
C01031	Feas 07/8 Daniel James Rationalisation		10								
C01032	Feas 7/8Gowerton Comp Rationalisation		10								
C01033	Gowerton Comp - Demountable Demo		65								
		380	1,988	5,970	3,130						
	SPECIAL NEEDS (91504)										
C01451	Gowerton Comp Aspergers		233								
C01453	Clwyd Primary ASD		7								
C01456	SEN Development Strategy		20								
C01457	Secondary MLD (East) Feasibility		20								
C01458	Special Education Needs (SEN) Adaptations	75	76	100	100						
C01459	STF Dev Speech & Lang Prov Pentrehafof	650	300	574							
C01460	STF Dev MLD Cefn Hengoed	100	30	90							
C01462	STF Dev Plan-ASD Dylan Thomas	320	100	454							
C01464	STF Dev Plan - Extension MLD			50							
C01465	STF Dev Plan - HI Development			50							
		1,145	786	1,318	100						

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	SCHOOL BLDG IMP GRANT (£9M) (91506)										
C01551	Dunvant Primary Rationalisation		154								
C01552	Gowerton Comp New Teaching Block	500	810								
C01553	Morrison Comp New Teaching Block	1,900	2,103								
C01554	YG Bryn Tawe Building Improvements		233								
C01555	YG Gwyr Accom Repairs/Improvements	800	1,050	196							
C01559	Pentrepoeth Prim Dry Rot		10								
C01560	Townhill Community School Prim Lintels		7								
		3,200	4,367	196							
	SCHOOL BLDG IMP GRANT 2005/06 (91508)										
C01563	Llangyfelach Primary Remodelling		11								
C01564	Clydach Jnr. Multi Purpose Hall		15								
C01591	Secondary STF (PMLD)		42								
C01595	CCS Funding 05/06 Schemes		69								
			137								

EDUCATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C01611	SCHOOL BLDG IMP GRANT 06/07& 07/08 (91509) Bishopston Comp - Improved Access		3								
C01612	Clydach Jnr - Multi Purpose Hall		11								
C01613	Gendros Prim - 2 Classroom Extension		24								
C01614	YGG Llwynderw Replacement School	2,927	2966	2,665	80						
C01616	YGG Brynymor Disabled Toilet	2,927	-17	2,665	80						
			2,987	2,665	80						
		10,253	13,205	10,189	3,325						
	EDUCATION										

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	REPAIRS/IMPS PRC PROPERTIES (91573)										
C03801	BISF Regeneration Penllergaer		110								
C03802	PRC Penyrheol		23								
C03803	PRC Loughor		17								
C03804	PRC Pontarddulais		570								
C03805	BISF Programme 07/08		220								
			940								
	WINDOWS PROGRAMME (91574)										
C03863	Window Repl 06/07 - @ Craig Cefn Parc		21								
C03865	Window Repl 06/07 - @ Gowerton		190								
C03866	Window Repl 06/07 - @ Loughor		8								
C03867	Window Repl 06/07 - @ Penlan		24								
C03869	Window Repl 06/07 - @ Pontarddulais		140								
C03871	Window Repl 06/07 - @ St Thomas		160								
C03881	Window 05/06-85 Props Llansamlet		54								
C03887	Window Repl 05/06 - Safety Glass		90								
C03893	Window Repl 06/07 - @ Brokesby Road		5								
C03894	Windows @ Llwynceithin Rd (24) Gendros		100								

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	WINDOWS PROGRAMME (91574)										
C03895	Windows @ St Thomas, Midland Court (12)		25								
C03896	Windows @ Penllergaer (30)		90								
C03897	Windows @ Clydach (90 props)		225								
C03898	Windows @ Gendros (73)		190								
C03899	Windows @ Morryston (25)		60								
C03900	Windows @ Pentrechwyth (75)		30								
C03901	Windows- props @ Pontarddulais		150								
C03902	Windows @ West Cross (18)		50								
C03904	Windows @ Gowerton		100								
C03905	Windows 07/08-props @ Gorseinon		90								
	Window Repl Programme Future Years	1,110		980	800	600					
	Balconies Future Years			120	40						
		1,110	1,802	1,100	840	600					
	WIND & WEATHERPROOFING (91575)										
C04251	Enveloping @ Mayhill Phase 2		555								
C04253	Enveloping - Cwmrhydyceirw		875								
C04255	Enveloping - Port Tennant		18								
C04257	Enveloping @ Penplas Road		660								

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000
	WIND & WEATHERPROOFING (91575)						
C04258	Enveloping @ Pensalem		189				
C04260	Re-roofing @ Clydach		162				
C04261	Re-roofing @ Penlan/Blaenymaes		19				
C04264	Wind & Weatherproofing - 41 Props @ Pt Tennant		50				
C04265	Enveloping Repairs 06/07 - Various		71				
C04266	Re-Roofing 06/07 - @ Bonymaen		130				
C04267	Roof Bonding		10				
C04268	Envelope Repairs Mayhill		850				
C04269	Envelope Repairs Morriston		350				
C04270	Envel Repairs M Type Flats Pt Tennant		960				
C04271	Re-roofing Eiddwen Road		92				
C04272	Re-roofing Penderry Road		143				
C04273	Re-roofing Landore		155				
C04275	Replacement Flat Roof Flats @ Penlan		200				
	Enveloping Repairs Traditional Properties	2,210		2,500	1,430	1,320	
	Enveloping Repairs Non Traditional Properties	1,210		2,220	1,450	2,170	
	Re-Roofing Programme Future Years	400		350	300	200	
		3,820	5,489	5,070	3,180	3,690	

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	REFURBISHMENT PROGRAMME (91576)										
C04451	Bedsit Conversions 05/06		584								
C04458	Rewiring Prog 06/07 - 162 Props @ Penlan		86								
C04460	Rewiring Prog 06/07 - 50 Props @ Gorseinon		15								
C04461	Rewiring Prog 06/07 - 63 Props @ Cwmrhydyceirw		79								
C04463	Rewiring Prog 06/07 - 73 props @ Penlan		79								
C04464	Unallocated programme 07/08		65								
C04465	Rewiring - Penlan 75 dwells		150								
C04466	Rewiring - Sketty 73 dwells		146								
C04467	Rewiring - Penclawdd 67 dwells		175								
C04468	Rewiring - Clydach 41 dwells		82								
C04469	Rewiring - Upper Killay		96								
	Rewiring Programme Future Years	710		710	740	700					
		710	1,557	710	740	700					
	REGENERATION (91577)										
C04552	Hazel Court Enhancement		2								
C04558	Pemcrete Phase 4		90								
C04561	WNF @ Heol Emrys/Gendros Ave		63								

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C04562	REGENERATION (91577) WNF @ Penlan		570								
C04663	SECURITY MEASURES (91578) Voice Entry Refurbishment 06/07		725	20							
C04667	Smoke Alarm Programme 07/08	10		10							
C04668	Repeat Burglary Prevention Scheme	100	100								
C04669	Voice Entry Refurbishment 07/08	100	100								
C04670	Fire Safety to Sheltered Complexes	50	50								
C04671	Voice Entry Hosea Row		13								
	Voice Entry Refurbishment Future Years			110	100	100	100				
	Repeat Burglary Prevention Scheme Future Years			150	120	120	100				
	Smoke Alarm Programme Future Years			10	10	10					
	Fire Safety to Sheltered Complexes Future Years			75							
	Door Programme Future Years				500	500	750				
		260	293	345	730	950					

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	LIFT REFURBISHMENT PROG (91579)										
C04753	Lift Replacement Programme 06/07		98								
C04754	Lift Replacement Programme 07/08		116								
	Lift Replacement Programme Future Years	420		900	250	100					
		420	214	900	250	100					
	ENERGY EFFICIENCY PROG (91580)										
C04853	Boiler Replacement Prog 06/07		363								
C04855	Heating Upgrades Energy Efficiency		66								
C04858	HEES 06/07		13								
C04861	Boiler Replacement Prog 07/08	1,200	1,200								
C04862	Heating Upgrades Energy Efficiency Future Years	170	170								
C04863	HEES 07/08	40	38								
	HEES Programme Future Years			40	40	40					
	Heating Upgrades Energy Efficiency Future Years			155	150	150					
	Boiler Replacement Programme Future Years			1,300	1,100	1,000					
		1,410	1,850	1,495	1,290	1,190					

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C04951	LANDSCAPING/AREA ENHANCEMENT (91581) Area Enhan 6/7 - CCTV @ Emrys Court		24								
C04952	Area Enhan 6/7 - Heol Frank/Morlais/Arrenig		32								
C04953	Area Enhan 6/7 - Gwernos Fencing & Turning Area		30								
C04954	Area Enhan 6/7 - Maes Yr Efail Car Park Extn		1								
C04955	Area Enhan 6/7 - Penrhiw Ct Laundry Room		16								
C04957	Area Enhan 6/7 - Rowan Close Fencing		12								
C04958	Area Enhan 6/7 - 4 Props @ Penlan		8								
C04959	Cadle Mill Site Improvements		5								
C04961	Cwm Road Regeneration		359								
C04962	Demolition @ Penlan		105								
C04963	Demolition Woodford Road		95								
C04965	Hillside Regeneration		5								
C04969	Landscaping at Brokesby Close		13								
C04976	Subsidence & Regeneration	50	50								
C04977	Landscaping Cadle Cres		24								
C04978	Land Clearance Heol Cadifor		10								
C04979	Fencing Maesglas		9								

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	LANDSCAPING/AREA ENHANCEMENT (91581)										
C04980	Car Park Clyne Court		70								
C04981	Restrict Access Llwyn Bedw		4								
C04982	Fencing Bardsey		20								
	Area Enhancement Programme Future Years	150		150	150	150	100				
		200	892	150	150	150	100				
	ADAPTATIONS PROGRAMME (91582)										
C05155	Central Heating 06/07		22								
C05164	Plas Melyn Adaptations		25								
C05167	Stairlifts 05/06										
C05171	Adaptations & DFG's		1,529								
C05173	Internal Layout 07/08 - Llanrhidian Close		30								
	Adaptations & DFG's Future Years	2,100		2,100	2,100	2,000					
	Internal Layout Improvements Future Years	280		110	100	100					
	Stairlifts Renewal			40	40	40	40				
		2,380	1,606	2,250	2,240	2,140					
	MISCELLANEOUS SCHEMES (91583)										
C05352	Asset Management Surveys		5								
C05355	Replacement DHO Furzeland Drive		50								

HOUSING REVENUE ACCOUNT

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C05356	MISCELLANEOUS SCHEMES (91583) Fascia Soffits & Rain Water Goods 07/08	50	50				
C05357	Unallocated Building Fees 06/07		-425				
	Fascia Soffits & Rain Water Goods Repairs			30	30	30	
	Digital TV Conversions			60	50		
		50	-320	90	80	30	
	COUNTY WIDE New Programme						9,000
							9,000
	HOUSING REVENUE ACCOUNT	10,360	15,048	12,110	9,500	9,500	9,000

HOUSING (GENERAL FUND)		Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
			Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.		
Project No.			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
C05452	RENOVATION GRANTS (91611) DFG's -1996 Act		5,200	3,292	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
C05507	RENEWAL AREAS (91612) Hafod Renewal Area Ph 6		1,800									
C05510	Hafod Renewal Area - GRS			1,899								
C05511	Hafod Renewal Area - Repair Grants			100								
			1,800	1,999								
C05551	OTHER HOUSING GRANTS (91613) Care and Repair			68								
C05552	Empty Property Strategy Grant			100								
C05555	Independent Living Grant 07/08			1,457								
C05556	Emergency Repair Fund			50								
C05557	Property Appreciation Loans			237								
C05558	Grant For NOMS			100								
C05559	Comfort Safety & Security Grants (CSS)			25								
C05560	Mini Adaptation Grants (MAG)			25								
				2,062								
			7,000	7,353	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
		HOUSING (GENERAL FUND)										

COMMUNITY REGENERATION

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
	YOUTH ACTIVITIES (91505)						
C01502	FEES 02/3 - O/Door Pursuits Centre		14				
C01503	Yth Strat Prog-B'maes Youth Club		13				
C01509	Danycoed Bathroom Refurbishment		25				
			52				
	COMMUNITY REGENERATION PROG (91701)						
C07271	217 Community Resource Centre		2				
C07273	ARC Centre		1				
C07275	Caemawr Resource Building (POD)		9				
C07280	Clydach Youth Centre		4				
C07289	Forge Fach Resource Centre		162				
C07291	Gateway to Clase Signage		2				
C07294	Gorseinon Christmas Lantern Parade		3				
C07297	Graigfelen Demountable		25				
C07302	Improved Community Access Caemawr		4				
C07303	Improved Road Access - Caemawr		6				
C07304	LASA Equipment for Credit Union		1				
C07309	Penlan Rugbywise Pilot		25				
C07312	Pentre Menter Cyber Café etc	60	330				

COMMUNITY REGENERATION

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	COMMUNITY REGENERATION PROG (91701)										
C07313	Pentre Menter Main Build	1,239	3,173								
C07314	Pentrechwyth Boundary Wall		15								
C07324	Demo of 43/45 John Penry Cres		12								
C07325	Penplas Family centre		5								
		1,299	3,779								
	COMMUNITY BUILDINGS (91726)										
C08495	The Institute - Gorseinon		7								
C08511	Active Lifestyle-Mayhill Comm Centre		24								
C08512	Active Lifestyle-B'meas Comm Centre		25								
C08516	Vetch Field Community Centre Feasibility		10								
			66								
	COMMUNITY REGENERATION	1,299	3,897								

CULTURE, RECREATION & TOURISM

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
	MUSEUM AND GALLERIES (91631)										
C05603	Contribution to Refurbishment - Glynn Vivian		486								
C05611	Museum Digitisation		10								
C05616	Restoration of the Olga		98								
			594								
	LIBRARY SERVICES (91633)										
C05802	DDA Works - Libraries		21								
C05803	Libraries - I.T. Automation		6								
C05805	Killay Library		39								
C05809	St Thomas New Library Equipment		31								
C05811	Improvements to Gorseinon Library		100								
			197								
	LIBERTY STADIUM (91642)										
	Liberty Stadium		461		200						
			461		200						
	LEISURE CENTRES (91643)										
C05962	Landore Bowls Hall	1,000	1,401		100						
C05966	DDA Works @ Penlan CLC		2								
C05970	Penyrheol CLC - Refurb of Pool Changing Rooms		20								

CULTURE, RECREATION & TOURISM

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	LEISURE CENTRES (91643)										
C05971	Penyrheol CLC - Refurbishment of Interior		11								
C05974	Swansea Leisure Centre	20,337	20,717	500							
C05979	FSI Fund - Penyrheol CLC		34								
C05980	FSI Fund - Penlan CLC		3								
C05982	Feas 07/08 - Re-siting of tennis centre		20								
C05984	Penyrhoel Pool-Ugrade Chan Room & Reception		38								
		21,337	22,246	600							
	SWIMMING POOLS (91645)										
C06151	National Swimming Centre		107								
			107								
	PLAYING FIELDS (91646)										
C06171	Elba New All Weather Pitch		6								
			6								
	PARKS (91720)										
C07801	Brynmill Park Redevelopment	1,029	1,265								
C07805	Oystermouth Castle Restoration	143	161	286		93					
C07806	New Playground at Parc William		10								
C07808	Refurbishment of Thistleboon Caravan Park		1								

CULTURE, RECREATION & TOURISM

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
	PARKS (91720)						
C07810	Active Lifestyle-Mobile Climbing Tower		26				
C07811	Active Lifestyle-Coed Gwilym		25				
C07812	Active Lifestyle-Oyermouth Green		18				
C07813	Active Lifestyle-Morrison Park		15				
C07814	Active Lifestyle-Clyne Gdns		20				
C07815	Active Lifestyle-Coedbach Park		25				
C07816	Active Lifestyle-Various Open Spaces		25				
C07817	Hendrefoilan Woods Hard Play/Sports		38				
C07818	Parks - Vehicles/Equipment		83				
	St Thomas Playing Fields			57			
		1,172	1,712	343	93		
	FORESHORE & MARINA (91721)						
C08293	Land Train		1				
			1				
	CULTURE, RECREATION & TOURISM	22,509	25,324	1,143	93		

ECONOMIC AND STRATEGIC DEVELOPMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C06522	GENERAL REDEVELOPMENT (91682) Alberto Culver Land Rec Project		1								
C06525	CFS 03/4 - Hafod Copper Works - Master Plan		1								
C06526	Clydach Environmental Improvements		4								
C06528	Gorseinon 03/04 Road Corridors		6	6							
C06529	Gorseinon 03/04 Key Gateways		12	12							
C06532	Feasibility Swansea Bay		26								
C06535	Infrast Works Players Ind Est		2								
C06545	YIM & White Rock Development		65	182							
C06546	Feas 07/08 Flood Risk Study Sx Bay		40								
C06548	Upper Bank Feasibility		40								
C06549	Feas Normandy Rd Ind Est		15								
			212	200							
C06722	SWANSEA VALE (91685) CBP Landscaping		3								
C06723	Knotweed Eradication		7								
C06724	Lakes Landscaping		1								
C06725	Landscaping @ Tregof Corridor		173								
C06726	Landscaping Improvements		59								

ECONOMIC AND STRATEGIC DEVELOPMENT

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C06729	SWANSEA VALE (91685) East Earthworks etc		77				
C06731	Feasibility Studies/Site Investigation		60				
C06733	H'ways Remedial Wk Adopt Standard		50				
C06736	Primary Electricity Infrac		6				
C06741	Miscellaneous Works		5				
C06748	Tregof Remedial Works Near Resource Centre		4				
C06761	East FWS/SWS N of Spine Rd 2		20				
C06762	Swansea Vale Signs		1				
C06766	Fendrod Culvert Works		70				
			536				
C06931	ENVIRONMENTAL IMPROVEMENTS (91690) Environmental Regeneration Programme		6				
C06933	High Street Regeneration		28				
C07121	GRANTS IN IIA'S / CIA'S (91695) CRA Grants - Gorseinon		34				
C07123	Gorseinon Property Develop Grants		10				
C07126	Pontarddulias Business Grants		310				
			20				
			340				

ECONOMIC AND STRATEGIC DEVELOPMENT

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C08391	MISC ENVIRONMENTAL SERVICES (91725) Land Acquisition - General		24				
C08394	Show Hut Langland Bay		10				
			34				
C08641	MARKET (91731) Swansea Market Old Works		62				
C08642	Refurbishment Swansea Market	285	664				
		285	726				
	ECONOMIC AND STRATEGIC DEVELOPMENT	285	1,882	200			

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C02401	TRANSPORT GRANT PROGRAMME (91551) Carmarthen Road Park & Ride		550								
C02402	Enhancing Rural Access		150								
C02403	Fabian Way Express Bus Route		2,367								
C02406	Quadrant Bus Station Redevelopment		595								
C02414	Landore Express Bus Route		1,951								
C02422	SWITCH - Corporate Bid		85								
C02423	Junction 45 Stages 2		250								
C02432	Metro Stage 2		2,350								
C02433	SRTS - Oystermouth		138								
C02434	SRTS - Newton Primary		168								
C02435	Metro/Morrison		450								
	Metro/Civic Centre	270									
		270	9,054	0							

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	STRUCTURAL MAINT. PRINCIPAL RDS (91553)										
C02859	A484 Llanelli Link Resurfacing		26								
C02860	Local Road Maintenance Grant - Principal Roads		425								
			451								
	STRUCTURAL MAINT. OTHER RDS (91554)										
C02905	CM 5/6 - Access Issues Dropped Crossings		8								
C02908	CM 5/6 - Safety Fencing		40								
C02916	Capitalised Revenue Expenditure	1,230		1,230		1,230		1,230		1,230	
C02918	Loughor Bridge		49								
C02919	Loughor Bwrw Road to Castle	123	194								
C02921	Members Environmental Improvements	72	95			72		72		72	
C02922	Pont y Cob to Bwrw Road		28								
C02925	Swansea Tir John to Vale of Neath		-13								
C02927	Improved Pedestrian Access Sx Point/Trawler Rd		10								
C02929	Capital Maintenance Allocation	1,300		1,700		2,050		2,050		2,050	
C02930	Traffic Model for Gytratory		1								
C02931	HCM 7/8 - Bryn Street Widening		55								
C02932	HCM 7/8-Footways		140								

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000
	STRUCTURAL MAINT. OTHER RDS (91554)						
C02933	HCM 7/8 - Carriageway Resurfacing		1,070				
C02934	HCM 7/8 - North Gower Trail		30				
C02935	CM 7/8-Carriageway (incl Jet Patcher)		430				
C02936	CM 7/8-Kerb on Flat		300				
C02937	CM 7/8-Safety Fencing		50				
C02938	CM 7/8-Access Issues		20				
C02939	Local Rd Maint Grant-Non Principal Rds		470				
		2,725	2,977	3,002	3,352	3,352	3,352
	STRUCTURAL MAINT. BRIDGES & WALLS (91555)						
C03301	CFS 3/4-Retain Wall Liansamlet		7				
C03302	CFS 3/4 - Retain Wall Uplands/Sketty		5				
C03305	HCM 6/7 - Bridges/Retaining Walls		262				
C03306	Slip Bridge Refurbishment		141				
C03307	Urgent Infrastructure Works		700	350			
C03310	Retaining Wall Foxhole Road		125				
C03311	HCM 7/8-Bridges Strengthening		85				
C03312	HCM 7/8 - Glais Slip		320				
C03314	HCM 7/8 - Tabernacle Wall Remedials		30	350			
		1,050	1,675	350			

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C03354	STREET LIGHTING (91556) HCM 7/8 - Lighting		300								
C03355	Street Lighting Column Failure			500							
			300	500							
C03407	ROAD SAFETY/TRAFFIC (91557) Local Road Safety Schemes		371								
C03408	Misc Bollards Lining Signs etc		1								
C03409	Pedestrian Crossing Facilities		2								
			374								
C03501	HIGHWAYS DRAINAGE (91558) CM 5/6 - Highway Drainage		11								
C03504	CM 7/8 - Highway Drainage		100								
			111								
C03554	OTHER HIGHWAYS (91559) Demolition of Properties on Gower Road		48								
			48								
C03602	BUS FACILITIES (91560) HCM 6/7 - Bus Shelters		14								
C03603	HCM 7/8 - Bus Shelters		65								
			79								

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C03656	CAR PARKS (91561) St David's Multi Storey - Electrical Works	250	250								
C06223	COAST PROTECTION (91661) HCM 6/7 - Coastal Paths		250	1							
C06224	Redcliffe Retaining Wall			53							
C06226	HCM 7/8 - Coastal Paths			10							
C06271	LAND DRAINAGE (91665) 99/00 Capel Road Relief			64							
C06821	FELINDRE DEVELOPMENT (91688) Felindre Tarmacadam Works			98							
C06922	ENVIRONMENTAL IMPROVEMENTS (91690) C'side 01/02 - Knotweed Eradication			98							
C06925	Knotweed Eradication Ph 10			7							
C06928	Swansea Community Projects 05/06			7							
C06929	00/01 Former BRS Depot Hafod			4							
C06941	Cattle Grids on Gower Peninsula			5							
				4							
				4							
				1							
				149							

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog.	Revised Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.	Original Prog.
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
C06942	ENVIRONMENTAL IMPROVEMENTS (91690) Active Lifestyle - Kilvey Community Woodland		27								
			190								
C07575	CEMETERIES/CREMATORIUM (91711) DDA Crematorium Chapel		8								
			8								
C07671	POLLUTION CONTROL (91712) Air Quality Management Action Plan Ph1		123								
			123								
C07744	WASTE DISPOSAL (91715) Waste Strategy	100	483	800							
C07748	Tir John Remediation and Pre-opening Work	1,600	2,500	5,200	4,000					1,700	
		1,700	2,983	6,000	4,000					1,700	
C08297	FORESHORE & MARINA (91721) HCM 7/8 - Marina Barrage		137								
C08298	Marina Dredging		42								
C08299	Marina pontoons	20	79								
C08300	Marina Safety Fencing		46								
C08301	New Swing Bridge @ Marina	560	560								
		580	864								

ENVIRONMENT

Project No.	Scheme	2007/08		2008/09		2009/10		2010/11		2011/12	
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000		
C09399	OTHER COUNTY BLDGS (91746) Feas 7/8 Pipehouse Wharf Rational		20								
			20								
		6,575	19,676	9,852	7,352	3,352	5,052				
	ENVIRONMENT										

SOCIAL SERVICES

Project No.	Scheme	2007/08		2008/09	2009/10	2010/11	2011/12
		Original Prog. £'000	Revised Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000	Original Prog. £'000
C01853	CHILDREN & FAMILY (91531) Cockett House Rewiring		6				
C01855	Nant Y Felin Children's Home	735	897				
		735	903				
C02097	ADULT SERVICES (91532) Bonymaen HFA Ext Fabric Repair		11				
C02106	Hollies HFA Balance of Work		14				
C02113	Rose Cross HFA - Additional Detectors		1				
C02261	Trewarren Conservatory/Changing Rooms		1				
C02351	Swansea Vale Resource Centre		19				
C02385	Relocation of Gorseinon Day Services	244	244				
C02390	Telecare Life Line Central Control		193				
C02391	Community Equipment Store		277				
C02395	Refurbishment 6th Floor Oldway - Homecare Team		100				
		244	860				
	SOCIAL SERVICES	979	1,763				



Housing Revenue Account (HRA)
Revenue Budget 2008/09 and
Capital Budget 2008/09 to 2010/11

Report of the Section 151 Officer and the Director of Regeneration and Housing

Council - 25th February 2008

HOUSING REVENUE ACCOUNT – REVENUE BUDGET 2008/09 AND CAPITAL BUDGET 2008/09 TO 2010/11

Summary	
Purpose:	This report proposes a Revenue Budget 2008/09, a Capital Budget 2008/09 to 2010/11 and a rent increase for properties within the Housing Revenue Account.
Policy Framework:	None.
Reason for Decision:	To agree a revenue and capital budget as indicated and a rent increase for 2008/09.
Consultation:	The Cabinet Members for Housing and Finance; Director of Regeneration and Housing, Finance & Legal
Recommendation:	<p>The following budget proposals be approved:</p> <ul style="list-style-type: none"> (a) In line with the Wales Assembly Government guideline, to increase rents by £3.17p per week (average of 5.7%) over a 50 week rent year as detailed in section 1. (b) Continue the policy of rent harmonisation as detailed in section 3. Table D in the appendix provides a more detailed analysis. (c) Approve the increase for fees, charges and allowances as outlined in section 4. (d) Approve the revenue budget and capital programme as detailed in sections 2 ,5 and appendix.

This report is in 5 sections as follows:-

<i>Section 1</i>	<i>Rent Increase 2008/09</i>
<i>Section 2A</i>	<i>Revised estimate 2007/08</i>
<i>Section 2B</i>	<i>Estimate 2008/09</i>
<i>Section 3</i>	<i>Rent Harmonisation proposals</i>
<i>Section 4</i>	<i>Proposed Fees, Charges and Allowances</i>
<i>Section 5</i>	<i>3 year capital programme 2008/09 – 2010/11</i>

SECTION 1

1. Rent Increase 2008/09

- 1.1 The calculation of the amount of negative housing subsidy payable by local authorities is made by the Welsh Assembly. The calculation is based on a notional Housing Revenue Account (HRA) which includes an assumed level of rent known as the guideline rent. The assumption used for this Council in respect of 2008/09 results is an average rent increase of 5.7% compared to the current rent.
- 1.2 The notional HRA and the guideline rents are “theoretical” and authorities are free to charge higher or lower real rents. In practice this freedom is highly constrained as detailed below.
- Where rents are increased by more than the guideline then the additional amount of Housing Benefit payable by the Department of Work and Pensions (DWP), as a result of the increase above guideline would be clawed back. Approximately 70% of rent receipts are “paid” by the DWP and for every £1 increase above guideline 70p would have to be repaid to the DWP. Thus a £1 increase above guideline will only provide an additional 30p for the Council.
 - If rents are increased by less than the guideline, the Council would not be maximising the amount of DWP funding available in the form of Housing Benefits. For example, a rent increase which is £1 per week less than the guideline would result in reduced income of £707K compared to a rent increase based on the guideline. As 70% of rent income is paid by the DWP in the form of Housing Benefits then £495K of the £707K is the opportunity cost of DWP subsidy foregone.
- 1.3 Therefore the recommendation is to increase rents by an average of 5.7% in accord with the guideline increase used in the subsidy calculation.

SECTION 2

A. Revised estimate 2007/08

- 2.1 Table A in the Appendix shows a summary HRA for each year.
- 2.2 Column B of table A shows the 2007/08 budget approved by Council last February but amended for :
- slippage on schemes carried forward from 2006/07 (£506K) and
 - in year budget transfers
- 2.3 Presently, it is forecast that there will be slippage on repairs schemes into 2008-09 of some £400K. Assuming that any further underspend on repairs schemes at the end of the financial year will be carried forward as additional slippage then the amount required as a transfer from reserves to balance the account in 2007-08 is £106K.

2.4 The main changes from original estimate 2007/08 are:

- Reduction in the forecast expenditure on repairs as noted above arising from slippage into 2008/09 of £397K.
- Increased rent income of £160K resulting from right to buy sales, and the rent loss from void properties both being less than forecast.
- Reduction in capital charges of £176K resulting from reduction in external interest charges.
- Reduction in insurance charges of £100K.
- Reduction in forecast Corporate Building Transfer of £200K.

B. Estimate 2008/09

2.5 Assuming the recommended rent increase of 5.7% is agreed then a transfer from reserves of £400K to fund the slippage on repairs will allow a balanced HRA to be achieved. The additional net resources available following this increase allows for an additional £1.6m increase in the revenue contribution to the capital improvement programme bringing the total to £2.46m. The major reasons for the budget movement from estimate 2007/08 (before carry forwards) to the estimate for 2008/09 are shown in the table below.

Item	Additional Resource £'000	Use of Resource £'000
Decrease in negative subsidy payable (net of loan charges)	102	
Increased income - rent increase at £3.17 pw	2,266	
Other Grant/ misc. income movements		268
Pay awards/increments/superannuation increase		400
Reduced management costs	159	
Increased contribution to capital		1,600
Increase in repairs provision		259
Total Movement 2007/08 to 2008/09	2,527	2,527

2.6

The main points shown by this analysis of movements are:

- The draft budget includes a contribution from the HRA of £2,460K to enhance the capital programme. The 2008/09 budget allows for this enhancement to continue and represents a step to meeting the Welsh Housing Quality Standard. Full details of the recommended capital programme are shown in section 5 of this report.
- After taking into account pay awards and increased employers superannuation costs, there is a reduction in overall HRA management costs of £159K.

SECTION 3

3. Rent Harmonisation proposals

3.1 This will be the thirteenth year of rent harmonisation with the vast majority of rents now harmonised. The basic principle approved by the Council at its budget meeting of February 1996 was that all tenants living in similar types of property pay the same rent. The long term objective is, for example, to have one rent for all 3

bedroom houses another rent for all 1 bedroom flats. This follows a requirement of the 1989 Housing Act which requires local authorities rent setting processes to take into account rent differentials between different types of properties in the private sector.

- 3.2 Assuming the recommended rent increase is approved, rent capping applies if average rents increase by more than £3.17p per week therefore the overall effect of the harmonisation changes must be neutral. To stay within the rent capping rules and to continue the process of harmonisation will mean that some tenants will have an increase of more than £3.17p per week and some less than that. The maximum increase in rent for 2008/09 being £4.17 per week (based on a 50 week year) for 13 properties ; 47 properties will have a harmonisation increase greater than 40p per week. Table D in the Appendix summarises the harmonisation increases/decreases.
- 3.3 Before harmonisation there were 425 different rent levels with tenants paying significantly different amounts for similar properties. If the recommendations in this report are accepted, the number of rent levels for next year will have been reduced to 16. At the end of the harmonisation process there will be 12 different rent levels. In addition, the range of different rents between highest and lowest for similar properties will be much reduced.

SECTION 4

4. Fees, Charges and Allowances

- 4.1 Fees, charges and allowances are increased either in line with the Authority's own inflation assumption or in line with the agreed rent increase. If the recommendations relating to the rent increase are approved then these rent related items will increase by 5.7%.

SECTION 5

5. HRA Capital Programme 2008/09 – 2010/11

- 5.1 This section details the financial resources available for repair and maintenance schemes to HRA properties over the next 3 financial years from 2008/09 to 2010/11 inclusive. The repair and maintenance schemes will contribute towards achievement of the Welsh Assembly Government's (WAG) Welsh Housing Quality Standard (WHQS). The advantage of a 3 year programme is that it allows schemes to be developed at an early stage which will assist in maximising planned spending.

Financial Resources

- 5.2 Resources available for housing repairs consist of Major Repair Allowance (MRA), capital receipts and revenue contribution to capital outlay (RCCO).
- 5.3 The WAG introduced the MRA regime in 2004 to fund repairs to council owned housing. In 2008/09, the WAG will determine its 3 year budget for housing in Wales and its allocation to Swansea is likely to remain consistent.

5.4 The table below identifies the capital resources budget for the next 3 financial years and includes the source of the investment. It should be noted that the MRA figure is currently provisional subject to the confirmation of the WAG. Once the final figure is provided the capital programme will be amended accordingly.

	2008/09 £'000s	2009/10 £'000s	2010/11 £'000s
MRA	9,100	9000	9,000
Capital Receipts	550	500	500
Revenue Funded	2,460	0	0
Total	12,110	9,500	9,500

5.5 The total estimated for capital receipts is based on a prudent estimate of council house sales for financial years 2008/09 through to 2010/11.

5.6 The proposed repair and maintenance schemes are designed and intended to contribute to the WAG's Welsh Housing Quality Standard. The WHQS is a target standard for all social housing and sets minimum standards for homes in that they should be:

- In a good state of repair
- Safe and secure
- Adequately heated, fuel efficient and well insulated
- Contains up-to-date kitchens and bathrooms
- Well managed
- Located in attractive and safe environments
- As far as possible, suit the specific requirements of the household.

The Investment proposals are targeted towards the repair and renewal of the basic building elements that make up the fabric of the dwellings i.e. roofs, walls, electrical wiring and central heating. The proposed programme focuses resources in these areas due to the long term repair requirements within public sector housing stock across the City & County of Swansea.

5.7 Table E contains a list of the proposed schemes for the three year period and the proposed allocation.

Financial Implications

5.8 Expenditure is ring fenced to the HRA so there are no financial implications for the Council Fund.

Legal Implications

5.9 Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985.

6 Recommendations

The following budget proposals be approved:

- (a) In line with the Wales Assembly Government guideline, to increase rents by £3.17p per week (average of 5.7%) over a 50 week rent year as detailed in section 1.
- (b) Continue the policy of rent harmonisation as detailed in section 3. Table D in the appendix provides a more detailed analysis.
- (c) Approve the increase for fees, charges and allowances as outlined in section 4
- (d) Approve the revenue budget and capital programme as detailed in sections 2 ,5 and appendix.

Appendix	Table A: Summarised HRA 2006/07 to 2008/09
	Table B: Movement in Balances 2006/07 to 2008/09
	Table C: Management expenditure 2006/07 to 2008/09.
	Table D: Rent Harmonisation Proposals 2008/09
	Table E: Capital Programme 2008/09 – 2010/11

Background Papers: None

Contact Officer: Amanda Thomas/Dave Bratley

Telephone Number: 636415/635215

Table A: Summarised HRA 2006/07 to 2008/09 – Objective Analysis

Classification	Actual 2006/07	Original Estimate 2007/08	Revised Estimate 2007/08	Estimate 2008/09
	A	B	C	D
	£'000	£'000	£'000	£'000
<u>Expenditure</u>				
Repairs	12,394	13,584	13,187	13,337
District Office Services	4,718	5,058	5,115	5,130
Housing Central Dept	4,604	4,987	4,725	4,934
Sheltered Accommodation	1,688	1,630	1,659	1,727
Other Special Services	1,694	1,739	1,738	1,834
Capital Charges	7,208	6,668	6,492	6,042
Other	1,097	500	500	500
Revenue support for capital prog.	0	860	860	2,460
Negative subsidy	5,142	5,640	5,618	6,164
Total Expenditure	38,545	40,666	39,894	42,128
<u>Income</u>				
Dwellings rents and other rents	35,970	37,581	37,743	39,705
Interest Receipts/Other	1,782	1,693	1,645	1,623
Use of balances/c/fwds	884	506	106	400
Corporate building transfer	497	600	400	400
Total Income	39,133	40,380	39,894	42,128
Net Deficit (- surplus)	(588)	286	0	0

The £588k surplus in 2006-07 includes £506k in relation to repairs slippage into 2007-08. The balance of £82k was returned to HRA balances.

Table B: Movement in Balances 2006/07 to 2008/09

Description	Actual 2006/07	Original 2007/08	Revised 2007/08	Estimate 2008/09
Balance at 1 st April	7,837	7,720	7,720	7,614
Use of balances	-705	-506	-106	-400
HRA deficit		-286		
HRA surplus	588			
Forecast balance 31st March	7,720	6,928	7,614	7,214

Table C: Management Expenditure 2006/07 to 2008/09

Classification	Actual 2006/07	Original Estimate 2007/08	Revised Estimate 2007/08	Estimate 2008/09
	A	B	B	C
	£'000	£'000	£'000	£'000
Employees and related costs	9,200	9,680	9,504	10,176
Non Employees	5,124	5,392	5,333	5,225
Management Expenditure (excl. income and recharges)	14,324	15,072	14,837	15,401

Table D: Rent Harmonisation (additional to/reduction from basic increase of £3.17p)

Harmonisation Variation (pence per week/50week year)	Number of Properties
<u>Harmonisation Increase</u>	
£1	14
From 90p to 99p	3
From 80p to 89p	
From 70p to 79p	
From 60p to 69p	1
From 50p to 59p	29
From 40p to 49p	
From 30p to 39p	318
From 20p to 29p	
From 10p to 19p	4,830
From 1p to 9p	
Harmonisation element increases	5,195
<u>Harmonisation Decrease</u>	
0p (nil effect)	4,167
From 1p to 9p	
From 10p to 19p	1,976
From 20p to 29p	
From 30p to 39p	2,088
From 40p to 49p	
From 50p to 59p	
From 60p to 69p	
From 70p to 79p	
From 80p to 89p	173
From 90p to 99p	
£1	1
Harmonisation element decreases/nil effect	8,405

Table E: Capital Programme 2008/09 – 20010/11**Detail of schemes**

Programme	2008/09 £'000s	2009/10 £'000s	2010/11 £'000s
Good State of Repair			
Envelope Repairs to Traditional Type Properties – Various Sites	2,500	1,430	1,320
Envelope Repairs to Non Traditional Type Properties – Various Sites	2,220	1,450	2,170
Re-roofing - Various Locations	350	300	200
Window Replacement	980	800	600
Fascia Soffits and Rain Water Goods Repairs	30	30	30
Balconies	120	40	0
Safe and Secure			
Smoke Alarms	10	10	0
Repeat Burglary Prevention Scheme	150	120	100
Voice Entry Refurbishment	110	100	100
Door Programme	0	500	750
Lift Replacement	900	250	100
Rewiring	710	740	700
Fire Safety to Sheltered Complexes	75	0	0
Adequately Heated			
Boiler Replacement	1,300	1,100	1,000
Heating Upgrades – Energy Efficiency	155	150	150
HEES	40	40	40
Located in Safe Attractive Environment			
Digital TV conversion	60	50	0
Area Enhancement Various Schemes	150	150	100
Meeting Requirements of the Household			
Adaptations and D.F.G.s	2,100	2,100	2,000
Stairlift Renewal	40	40	40
Internal Layout Improvements	110	100	100
Total	12,110	9,500	9,500



Capital Programme – Prudential Code and Prudential Indicators for 2008/09

Report of the Section 151 Officer

Council - 25th February 2008

CAPITAL PROGRAMME – PRUDENTIAL CODE AND PRUDENTIAL INDICATORS FOR 2008/09

Summary	
Purpose:	To outline the requirements of the CIPFA Prudential Code and set prudential indicators for 2008/09.
Policy Framework:	Prudential indicators must be an integral part of the budget setting process by Council.
Reason for Decision:	Under the Local Government Act 2003 and subsequent Regulations, a local authority is required to comply with the CIPFA Code when setting its budget and must determine and keep under review how much it can afford to borrow.
Consultation:	Legal and Finance.
Recommendations:	That the prudential indicators and proposals set out in the appendix to this report be approved.

1. Introduction

- 1.1 Under the Local Government Act 2003 and subsequent regulations a local authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when setting its budget.
- 1.2 Whilst the Code's title refers to "Capital Finance" it must be remembered that capital expenditure and financing decisions impact directly and significantly on revenue expenditure and therefore this report should be considered alongside both the revenue and capital budget reports.
- 1.3 It is a requirement of the Code that setting and revising of prudential indicators is done by the same body that agrees the authority's budget and is completed prior to the year to which the prudential indicators relate.
- 1.4 A glossary of terms used in this report is included in the *Treasury Strategy Statement and Investment Strategy for 2008/09* report.

2. Objectives of the Code

2.1 Compliance with the Code demonstrates that:-

- Capital expenditure plans are affordable
- External borrowing is within prudent and sustainable levels
- Treasury Management decisions are taken in accordance with professional good practice.

2.2 Compliance with the Code also demonstrates that in taking decisions the authority is accountable by providing a clear and transparent framework, and the framework established by the Code should support:-

- Local strategic planning
- Local asset management plans
- Proper option appraisal

3. Prudential Indicators

3.1 In setting and revising prudential indicators the authority is required to have regard to:-

- Affordability e.g implications for Council Tax/Housing rents
- Prudence and sustainability e.g implications for external borrowing
- Value for money e.g option appraisal
- Stewardship of assets e.g strategic planning
- Practicality e.g achievability of forward plans

3.2 The required prudential indicators, which fall into two broad categories as set out below, must be set for 2008/09 and the following two years, and for some, set separately for General Fund and Housing Revenue Account (HRA).

3.2.1 Capital Expenditure and Borrowing

- a) Estimates of capital expenditure.
- b) Estimates of the ratio of financing costs to net revenue stream.
- c) Estimates of the incremental impact of capital investment decisions on Council Tax/Housing Rents.
- d) Estimates of the capital financing requirement.
- e) Net borrowing and the capital financing requirement.
- f) Authorised limit for external debt.
- g) Operational boundary for external debt.

3.2.2 Treasury Management

- a) Compliance with CIPFA Code of Practice for Treasury Management in the Public Sector.
- b) Upper limit on fixed interest rate exposure.
- c) Upper limit on variable interest rate exposure.
- d) Upper and lower limit for maturity structure of borrowing.
- e) Upper limit for total principal sums invested over 364 days.

3.3 It is a requirement of the Code that prudential indicators are regularly monitored and systems are in place to achieve compliance.

4. Prudential Indicators for 2008/09 Budget Setting Process

4.1 The attached appendix sets out in detail the prudential indicators recommended for approval. The prudential indicators are based on the revenue and capital budget reports being considered at the meeting, which provide for prudential borrowing as follows: 2006/07 £22.461m, 2007/08 £41.790m, 2008/09 £6.604m, 2009/10 £3.999m and 2010/11 £0.217m.

4.2 The Treasury Management prudential indicators will also be reflected in the Treasury Management Strategy Statement and Investment Strategy 2008/09, which will also be considered at this meeting.

5. Legal implications

5.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

6. Recommendation

That the prudential indicators and proposals set out in the appendix to this report be approved.

Contact Officer: Mike Trubey, Head of Budget and Grants

☎: 6391

Background Papers: Nil

Prudential Indicators for 2008/09 Budget Setting Process

(NB. figures for 2006/07 and 2007/08 are included where appropriate for comparative purposes).

1. Estimates of Capital Expenditure

1.1 The actual capital expenditure that was incurred in 2006/07 and estimates of expenditure to be incurred in the current year and future years that are proposed for approval are:-

Capital Expenditure						
	Actual 2006/07 £'000	Revised 2007/08 £'000	Estimate 2008/09 £'000	Estimate 2009/10 £'000	Estimate 2010/11 £'000	Estimate 2011/12 £'000
General Fund	67,351	103,378	38,332	23,637	16,405	21,310
HRA	11,698	15,048	12,110	9,500	9,500	9,000
TOTAL	79,049	118,426	50,442	33,137	25,905	30,310

2. Estimates of Ratio of Financing Costs to Net Revenue Streams

2.1 Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2006/07 are:-

Ratio of Financing Costs to Net Revenue Stream						
	Actual 2006/07 %	Revised 2007/08 %	Estimate 2008/09 %	Estimate 2009/10 %	Estimate 2010/11 %	Estimate 2011/12 %
General Fund	5.31	5.94	7.02	7.08	7.23	7.27
HRA	18.42	16.59	14.46	13.55	12.22	11.00

3. Estimates of Incremental Impact of Capital Investment Decisions on Council Tax

3.1 The following represents the incremental impact on Council Tax (band D) as a result of the Prudential borrowing indicated in the Capital Budget report 2008/09.

Incremental Impact on Council Tax (Band D)				
2007/08	2008/09	2009/10	2010/11	2011/12
£41.25	£77.35	£84.15	£87.50	£89.34

4. Estimates of Capital Financing Requirement

- 4.1 The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. (See paragraph 5)
- 4.2 Estimates of the year end capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31 March 2007 are:-

Capital Financing Requirement						
	Actual 2006/07 £'000	Revised 2007/08 £'000	Estimate 2008/09 £'000	Estimate 2009/10 £'000	Estimate 2010/11 £'000	Estimate 2011/12 £'000
General Fund	263,239	306,823	315,842	321,803	323,836	330,323
HRA	85,431	78,573	75,273	71,973	68,673	65,373
TOTAL	348,670	385,396	391,115	393,776	392,509	395,696

5. Net Borrowing and the Capital Financing Requirement

- 5.1 Net borrowing is the total of external borrowing less total external investments and in order to ensure that over the medium term net borrowing will only be for a capital purpose, the 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 capital financing requirement for the current and future years.
- 5.2 The Head of Financial Services reports that the authority had no difficulty meeting this requirement in 2006/07, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this report.

6. Operational Boundary for External Debt

- 6.1 The operational boundary is the estimate of the most likely, prudent but not worst case scenario, of the maximum external debt of the Council.
- 6.2 It is proposed that the authority approve the following operational boundary for external debt for the same period. The proposed operational boundary is based on the same estimates as the authorised limit (see paragraph 7.1).

Operational Boundary for External Debt				
2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000
413,776	413,776	415,696	415,696	415,696

The Council's actual external debt at 31/3/2007 was £300.907M. It should be noted that actual external debt is not comparable to the authorised limit (see below) and operational boundary, since the actual external debt reflects the position at one point in time.

7. Authorised Limit for External Debt

- 7.1 The authorised limit is the estimate of the most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements.
- 7.2 In respect of its external debt, it is proposed that the authority approves the following authorised limits for its total external debt, gross of investments for 2007/08 – 2010/11.
- 7.3 The Head of Financial Services reports that these authorised limits are consistent with the authority's current commitments and existing plans. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

Authorised Limit for External Debt				
2007/08	2008/09	2009/10	2010/11	2011/12
£'000	£'000	£'000	£'000	£'000
541,767	541,767	541,767	541,767	520,727

8. Compliance with CIPFA Treasury Management Code

- 8.1 The City and County of Swansea has adopted and is compliant with the CIPFA Code of Practice for Treasury Management in the Public Sector.

9. Upper Limit for Fixed Interest Rate Exposure

- 9.1 It is proposed that the Council sets an upper limit on its fixed interest rate exposures on net principal outstanding as follows:-

Fixed Interest Rate Exposure				
2007/08	2008/09	2009/10	2010/11	2011/12
100%	100%	100%	100%	100%

10. Upper Limit for Variable Rate Exposure

- 10.1 It is proposed that the Council sets an upper limit on its variable interest rate exposures on net principal outstanding as follows:-

Variable Rate Interest Rate Exposure				
2007/08	2008/09	2009/10	2010/11	2011/12
40%	40%	40%	40%	40%

11. Upper Limit for Total Principal Sums Invested for Over 364 Days

11.1 It is proposed that the Council sets an upper limit for principal sums invested over 364 days as follows:-

Investments Over 364 Days				
2007/08	2008/09	2009/10	2010/11	2011/12
£'000	£'000	£'000	£'000	£'000
53,000	55,000	49,000	49,000	50,100

12. Upper and Lower Limits for the Maturity Structure of Borrowing

12.1 It is proposed that the Council sets upper and lower limits for the maturity structure of its fixed rate borrowing in 2008/09 as follows:-

Maturity Structure of Fixed Rate Borrowing in 2006/07		
	Upper Limit %	Lower Limit %
Under 12 months	35	0
12 months and within 24 months	35	0
24 months and within 5 years	50	0
5 years and within 10 years	75	0
10 years and above	95	25



Treasury Strategy Statement and Investment Strategy for 2008/09

Report of the Section 151 Officer

Council - 25th February 2008

TREASURY STRATEGY STATEMENT AND INVESTMENT STRATEGY FOR 2008/09

Summary	
Purpose:	To recommend the Treasury Strategy Statement and Investment Strategy for 2008/09.
Policy Framework:	None
Reason for Decision:	To allow for the proper management of the Council's borrowing and investments, to comply with statute, and the adopted CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice
Consultation:	Legal and Finance.
Recommendations:	That the: ➤ Treasury Management Strategy ➤ Investment Strategy be approved

1. Introduction

- 1.1 The Local Government Act 2003 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.
- 1.2 The Council shall formally consider the prudential indicators as reported in the "Capital Programme - Prudential Code and Prudential Indicators Report 2008/09 " also to be received by Council on the 25th February 2008 and are included here for completeness.
- 1.3 The Act also 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. The management of the Council's treasury management activities are in line with the Cipfa Treasury Management Code of Practice formally adopted by Council on the 7th March 2002.

- 1.4 The suggested strategy for 2008/09 is based upon the Treasury officers' views on interest rates, having consulted with leading market forecasts provided by the Council's treasury advisor. The strategy covers:
- treasury limits in force which will limit the treasury risk and activities of the Council
 - Prudential Indicators
 - the current treasury position
 - the borrowing requirement
 - prospects for interest rates
 - the borrowing strategy
 - debt rescheduling
 - the investment strategy
- 1.5 A glossary of terms used within this report is attached at Appendix B.

2. Treasury Limits for 2008/09 to 2011/12

- 2.1 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.

- 2.2 Under statute, the Council is required to set its "Affordable Borrowing Limit" which outlines the limits of how much the Council can afford to borrow. The Prudential code has also prescribed an "Authorised Limit" (definition in 2.4 below). Whilst determining its "Affordable Borrowing Limit", the Authority has deemed it appropriate to equate it to the "Authorised Limit".

2.3 The Authorised Limit is to be set for the forthcoming financial year and two successive financial years.

2.4 The Prudential Code for Capital Finance in Local Authorities states that certain prudential indicators which demonstrate applicable prudence in the formulation of borrowing proposals are calculated. These are namely the :

- Operational Boundary :
“is based on expectations of the maximum external debt of the authority according to probable not simply possible – events and being consistent with the maximum level of external debt projected by the estimates.”
- Authorised Limit :
“The authorised limit must therefore be set to establish the outer boundary of the local authority’s borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit that an authority will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes.”
- Upper limits for borrowing of fixed and variable rate loans.
- Upper limit for investments for over 364 days.
- Upper and lower limits for the maturity profile of the Council’s debt.

2.5 Prudential Indicators for 2008/09 – 2010/11

The Council has set the following prudential indicators approved in the Capital Programme – Prudential Code and Prudential Indicators for 2008/09 Report which are relevant for the purposes of setting an integrated treasury management strategy.

Treasury Management Prudential Indicators					
	2006/07	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
	Actual	Probable	Estimate	Estimate	Estimate
Capital Expenditure	79,049	118,426	50,442	33,137	25,905
Capital Financing Requirement	348,670	385,396	391,115	393,776	392,509
Authorised limit for external debt	515,539	541,767	541,767	541,767	541,767
Operational boundary for external debt	429,539	413,776	413,776	415,696	415,696
Upper limit for fixed interest rate exposure	100%	100%	100%	100%	100%
Upper limit for variable rate exposure	40%	40%	40%	40%	40%
Upper limit for total principal sums invested for over 364 days	46,000	53,000	55,000	49,000	49,000

Maturity structure of fixed rate borrowing during 2007-2011		
	Upper limit %	Lower limit %
Under 12 months	35	0
12 months and within 24 months	35	0
24 months and within 5 years	50	0
5 years and within 10 years	75	0
10 years and above	95	25

(Shown as a percentage of total debt)

3. Current Portfolio Position

3.1 The Council's probable debt portfolio position at 31/3/08 comprises:

	Principal outstanding 31 March 2008 £'000	Average rate of Interest %
Fixed Interest Rates		
Public Works Loan Board (fixed)	315,911	5.94
Stocks/Bonds	-	-
Money Market	20,000	4.03
Variable Interest Rates		
Public Works Loan Board (variable)	-	-
Money market	38,000	4.45
Trusts and charities/internal/temp	721	5.71
TOTAL	374,632	5.91

3.2 The Council's probable investment portfolio at 31 March 2008 will be as follows:

	Investments 31 March 2008	2008/09 Estimated Investment Return
	£M	%
Externally Managed Investments	20.5	6.19
Internally Managed Investments	108	5.00
TOTAL	128.5	5.19

4. Borrowing Requirement

4.1 The Council will have the following capital borrowing/repayment requirements for 2008/09 to 2010/11.

	2006/07	2007/08	2008/09	2009/10	2010/11
	Actual	Probable	Estimate	Estimate	Estimate
	£M	£M	£M	£M	£M
To finance new capital expenditure by supported borrowing	11.034	11.036	11.038	11.038	11.038
To finance new capital expenditure by prudential borrowing	22.461	41.790	6.604	3.999	0.217
To replace loans maturing	12.791	40.894	5.154	0.882	10.978
Less					
Repayments	11.278	12.239	13.926	14.139	14.312
Voluntary contributions (formerly set aside capital receipts)	4.384	3.3	2.475	1.856	1.392
TOTAL TO BE BORROWED OR REPAID	30.624	78.181	6.395	-0.076	6.529

4.2 The above may be financed from the Public Works Loan Board or the Council may decide to use money market borrowing/internal borrowing dependant upon market conditions.

5. Prospects for Interest Rates

5.1 The following table gives our treasury advisors' interest rate forecast as at 31st January 2008

	Q1 2008 %	Q2 2008 %	Q3 2008 %	Q4 2008 %	Q1 2009 %	Q2 2009 %	Q3 2009 %	Q4 2009 %	Q1 2010 %	Q2 2010 %
Base Rate	5.25	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.00	5.00
5yr Gilt Yield	4.55	4.55	4.5	4.5	4.55	4.65	4.70	4.75	4.80	4.85
10yr PWLB	4.60	4.55	4.50	4.50	4.55	4.55	4.65	4.70	4.75	4.80
25yr PWLB	4.55	4.50	4.50	4.50	4.50	4.55	4.60	4.65	4.70	4.70
50yr PWLB	4.50	4.45	4.45	4.45	4.45	4.50	4.55	4.60	4.60	4.65

5.2 Economic background

- Gross Domestic Product (GDP): growth has been strong during 2007 and hit 3.3% year on year in Q3. Growth is expected to reduce from 3.0% in 2007 as a whole to 2.0% in 2008.

- Higher than expected immigration from Eastern Europe has underpinned strong growth and dampened wage inflation.
- House prices started on the downswing in Q3 2007 and this is expected to continue into 2008.
- The combination of increases in bank rate and hence mortgage rates, short term mortgage fixes expiring and being renewed at higher rates, food prices rising at their fastest rate since 1993 and increases in petrol prices, have all put consumer spending power under major pressure.
- Banks have also tightened their lending criteria since the sub prime crisis started and that will also dampen consumer expenditure via credit cards and on buying houses through obtaining mortgages.
- Government expenditure will be held under a tight reign for the next few years, undermining one of the main props of strong growth during this decade.
- The Monetary Policy Committee (MPC) is very concerned at the build up of inflationary pressures especially the rise in the oil price \$90-\$100 a barrel (\$30 in 2003) and the consequent likely knock on effects on general prices. Consequently, the MPC is going to be much more cautious about cutting rates compared to the Fed in the face of these very visible inflationary pressures. However, the MPC's room for cutting rates is currently limited by concerns over inflationary pressures. However, if those pressures subside, then there is further downward risk to the forecast which currently only allows for 0.25% cuts in Q1 and Q2 2008 before bank rates stabilises at 4.75%-5.00% in the next 2 years.

The above economic outlook is sourced from Sector Treasury Advisors, Capital Economics and United bank of Switzerland (UBS).

5.3 Interest rate forecast

The current interest rate view agreed between Treasury officers and our Treasury advisors is that Bank Rate will: -

- Experience further cuts in Q1 2008 to 5.25% and to 5.00% in Q2 2008 and then further to 4.75% in Q3 2008
- Then remain unchanged for a year
- There is downside risk to this forecast if inflation concerns subside and so open the way for the MPC to be able to make further cuts in bank rate

5.4 PWLB interest rate forecast

- The 50 year PWLB rate is expected range between 4.45% and 4.5% through 2008 and early 2009 and then rising to 4.60- 4.65 late on in 2009 early 2010.
- The 25-30 year PWLB rate is expected to range between 4.5% and 4.55% through 2008 and early 2009 rising then to 4.60-4.70 late in 2009 and early 2010.
- The 10 year PWLB rate will fall from 4.6% to 4.5% in Q3 2008 before rising steadily to 4.85% in Q2 2010.

- 5 year PWLB rate will fall from 4.55% to 4.5% in Q4 2008 before rising steadily to 4.85% in Q2 2010.

6. The Borrowing Strategy

6.1 The forecast identified above indicates, therefore, that the borrowing strategy for 2008/09 should be set to take long dated borrowing (25 year plus) towards the end of the financial year because rates are low, although opportunities could arise earlier in the year due to market volatility. 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.

6.2 The main strategy (with a view to minimising interest costs) is therefore as follows:

- Focus on undertaking new borrowing in or near the 25-30 year period so as to minimise the spread between the PWLB new borrowing and early repayment rates as there is little, or no difference in the new borrowing rate between rates in these periods and the 50 year rate. This then maximises the potential for debt rescheduling at a later date by minimising the spread between these two rates. In order to accommodate flexibility in the maturity profile and to afford rescheduling opportunities throughout the yield curve, consideration will also be given to 50 year PWLB borrowing at a target rate of 4.5%.
- When the 25-30 year PWLB rates fall back to the central forecast rate of about 4.5%, borrowing should be made in this area of the market at any time in the financial year. This rate is likely to be lower than forecast rates in the 5 and 10 year periods. A suitable trigger point for considering new fixed term borrowing, therefore, would be 4.5%. However if differing maturities become available around these rates, these will also be considered.
- Consideration will also be given to borrowing fixed rate market loans below PWLB target rates.

6.3 Against this background caution will be adopted with the 2008/09 treasury operations. The Head of Financial Services in conjunction with the Treasury Advisors will monitor the interest rate market and adopt a pragmatic approach to changing circumstances reporting to the Cabinet member for Finance in the next quarterly report.

6.4 **Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. Treasury officers, in conjunction with 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 sudden and sustained rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further 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 sudden and sustained 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**

- 7.1 The introduction of different PWLB rates on 1 November 2007 for new borrowing as opposed to early repayment of debt, and the setting of a spread between the two rates (of about 0.4%-0.5% for the longest period loans narrowing down to 0.25%-0.30% for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date. However, significant savings may still be achievable through using LOBOs (Lender's option, borrower's option) loans and other market loans.
- 7.2 As average PWLB rates are expected to be minimally higher at the start of the financial year than later on in the year, and as bank rate is expected to fall more than longer term borrowing rates during the year, this will mean that the differential between long and short rates will narrow during the year and there should therefore be greater potential for making interest rate savings on debt by doing debt restructuring earlier in the year. Any positions taken via rescheduling will be in accordance with the strategy position outlined above.
- 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 above; and
 - In order to enhance the balance of the long-term portfolio (amend the maturity profile and/or the balance of volatility).
- 7.4 All rescheduling will be reported to the Cabinet Member for Finance at the quarterly report following its action.

8. **Annual Investment Strategy**

- 8.1 The Council will have regard to the National Assembly of Wales' 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") and the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2004 SI 1010(W.107). The Council's investment priorities are: -
- (a) the security of capital and
 - (b) the liquidity of its investments.
- 8.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

- 8.3 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.
- 8.4 Investment instruments identified for use in the financial year are listed in Appendix A under the 'Specified' and 'Non-Specified' Investments categories. Investment limits with individual institutions will be as set through the Council's Treasury Management Practices – Schedules.
- 8.5 Amendments to arrangements detailed in Appendix A may be made by the Head of Financial Services and reported to the Cabinet Member in the quarterly report of activity following its action.
- 8.6 The Council retains the services of two external fund managers who manage a portion of the Council's investments. They are Investec Asset Management who currently have no Council assets under management and Invesco Investment management. The fund managers will comply with the Annual Investment Strategy. The fund managers' investment criteria are outlined at Appendix A.
- 8.7 The Council uses Fitch (credit rating agency) ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's *or other rating agency* rating will be used. All credit ratings will be monitored monthly. The Council is alerted to changes in Fitch ratings through its use of its advisor's 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.
- 8.8 It is anticipated that the Council will continue to hold externally and internally managed funds during 2008/09 ensuring a suitable spread of investment risks. The performance of the investments for both external funds and internal funds will be reported to the Cabinet Member in the quarterly report. The Council has fixed benchmarks against which investment performance will be measured, i.e. the three month and 7 day LIBID rate.
- 8.9 Interest Rate Outlook: Our Treasury Advisors are forecasting Bank Rate to be cut twice in 2008 to 4.75% before finally rising to 5.0% in Q4 2009 and strategic long term investments will be made against this view.
- 8.10 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.
- 8.11 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.
- 8.12 It is considered appropriate to maintain the level of investments because:

- Housing Revenue Account Subsidy – there would be a detrimental effect on the subsidy received from the National Assembly for Wales if debt was repaid from the investments held by the Council
- Market Conditions – market conditions continue to vary. The flexibility made available by holding investments enable net improved returns and reduced interest payments across the whole debt and investment portfolio.

9. Legal implications

9.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

10. Recommendation

10.1 That the :

- Treasury Management Strategy
- Investment Strategy

be approved

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Background papers: The Prudential Code for Capital Finance in Local Authorities
 The CIPFA Treasury Management Code of Practice

File Reference: 3c/TM Strategy /strategy 2008/09/TM strategy 2008 09 v2

1. **Investment Criteria for Specified and Non Specified Investments**

1.1 Investments will be made in accordance with the following terms:

1.1.1 **Specified Investments:**

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable and the principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.)

Instrument	Minimum Credit Criteria	Use	Max investment
Debt Management Agency Deposit Facility	--	In-house	£40M
Term deposits – UK government	--	In-house	£40M
Term deposits – other LAs	--	In-house	£15M with each counterparty
Term deposits – banks and building societies	Short-term F1,P1,A1, Long-term AA-,	In-house and fund managers	£15M with each counterparty/ See 2 and 3 below
Certificates of deposits issued by banks and building societies	Short-term F1,P1,A1 Long-term AA-	Fund managers	See 2 and 3 below
UK Government Gilts	-	Fund Managers/in house	See 2 and 3 below/£30M
Treasury Bills	-	Fund Managers/in house	See 2 and 3 below/£40M

1.1.2 Non-Specified Investments:

A maximum of 35% will be held in aggregate of Council managed funds in non-specified investments. A maximum of 50% of aggregate funds managed by the Council's external fund managers will be held in non-specified investments.

Instrument	Min Credit Criteria	Use	Maximum Period	Maximum Investment
Term deposits – UK government (with maturities in excess of 1 year)		In-house	5 years	£15M with each counterparty
Term deposits – other Local Authorities (with maturities in excess of 1 year)		In-house	5 years	£15M with each counterparty
Term deposits – banks and building societies (with maturities in excess of 1 year)	Short-term F1,P1,A1 Long-term AA-,	In-house	5 years	£15M with each counterparty
Certificates of deposits issued by banks and building societies	Short-term F1,P1,A1 Long-term AA-,	fund managers/in house	10 years	See 2 and 3 below/£15M
UK Government Gilts with maturities in excess of 1 year	AAA	Fund Managers/in house	10 years	See 2 and 3 below/£15M
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.	5 years	£15M and
		Also for use by fund managers	10 years	See 2 and 3 below
Bonds issued by a financial institution which is guaranteed by the UK government	-	In-house on a 'buy-and-hold' basis.	5 years	£15M with each counterparty
		Also for use by fund managers	10 years	See 2 and 3 below
Sovereign bond issues (i.e. other than the UK govt)	AAA	In- house	5 years	£15M
		Fund Managers	10 years	See 2 and 3 below
Corporate Bonds : [under SI 1010 (W.107)]	Long-term AA-	In- house	5 years	£15M with each counterparty
		Fund Managers	10years	See 2 and 3 below

Gilt Funds and Bond Funds	Long-term AA-	In- house Fund Managers	5 years 10years	£15M See 2 and 3 below
Money Market Funds	AAA	In- house Fund Managers	n/a n/a	£15M See 2 and 3 below
Floating Rate Notes	Long-term AA-	Fund managers	10 years	See 2 and 3 below
Treasury Bills	N/A	Fund Managers	10 years	See 2 and 3 below
Fixed term deposits with variable rate and variable maturities				
1. Callable deposits	Short-term F1,P1,A1 Long-term AA-,	In-house and fund managers	5/10 years	£15m with each counterparty /see 2 and 3 below
2. Range trade	Short-term F1,P1,A1 Long-term AA-,	In-house and fund managers	5/10 years	£15m with each counterparty /see 2 and 3 below
3. Snowballs	Short-term F1,P1,A1 Long-term AA-,	In-house and fund managers	5/10 years	£15m with each counterparty /see 2 and 3 below

- 1.2 The Council's external fund managers will comply with the Annual Investment Strategy. The agreements between the Council and the fund managers additionally stipulate guidelines and duration and other limits in order to contain and control risk.
- 1.3 The Council uses Fitch (credit rating agency) ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's or other rating agency rating will be used. All credit ratings will be monitored monthly. The Council is alerted to changes in Fitch ratings through its use of its advisor's 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.

2. Investment Criteria - Invesco

- 2.1 The Fund will normally be invested in short term fixed interest rate deposits and certificates of deposit carrying interest rates of up to one year or debt instruments guaranteed by the UK government. At any given time, a maximum of 50% of the portfolio by market value may be invested in negotiable securities carrying rates of interest for periods of over one year from the date of investment.

- 2.2 The maximum exposure to any one counter party is not to exceed 10% of the fund value or £2,000,000 whichever is the lower. Variances to be agreed by the Head of Financial Services.
- 2.3 The average duration of the investments for the fund shall not exceed 3 years, with the maximum maturity of any individual investment shall not exceed 10 years.
- 2.4 The fund will only lend to counterparties on the Invesco Standard lending list. The minimum criteria for the same is :
- Short term rating of A1, F1,P1 from the credit ratings agencies Moody's Fitch and Standard and Poor.
 - Long term rating of AA- from Standard and Poor or equivalent from Moody's or Fitch.
 - Invesco reserve the right to amend the standard lending list if internal research generated supports such a move.

N.B if there is a variation in ratings between agencies for a particular counterparty the lowest rating will be applied.

3. **Investment Criteria – Investec**

Note – Investec currently have no Council assets under management.

- 3.1 The managed fund will normally be invested in investments or deposits carrying rates of interest fixed for up to one year from the date of purchase. However, at any given time, a maximum of 50% of the nominal value of the managed fund may be invested in securities carrying interest rates fixed for periods between one and ten years and within this 50%, 20% of the nominal value of the managed fund may be invested in securities carrying interest rates fixed for periods of longer than ten years.
- 3.2 The average duration of the investments for the fund shall not exceed 3 years, with the maximum maturity of any individual investment shall not exceed 10 years.
- 3.3 The maximum exposure to any one counterparty is not to exceed 10% of the fund value or £2,000,000 whichever is the lower. Variances to be agreed by the Head of Financial Services.
- 3.4 The fund will only lend to counterparties on the Investec standard lending list. The minimum criteria for the same is:
- Short term rating of F1 as specified by the Fitch credit ratings agency or equivalent
 - Long term rating of AA- or better as specified by Fitch credit ratings agency or equivalent

Treasury Management – Glossary of Terms

Annualised Rate of Return	Represents the average return which would have been achieved each year.
Authorised Limit	The authorised limit must be set to establish the outer boundary of the local authority's borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit that an authority will expect to borrow up to on a regular basis. It is crucial that it is not treated as an upper limit for borrowing for capital expenditure alone since it must also encompass borrowing for temporary purposes. It is the expected maximum borrowing need, with some headroom for unexpected movement.
Bank Rate	The Official Bank rate paid on commercial bank reserves i.e. reserves placed by commercial banks with the Bank of England as part of the Bank's operations to reduce volatility in short term interest rates in the money markets.
Base Rate	Minimum lending rate of a bank or financial institution in the UK.
Borrowing	In the Code, borrowing refers to external borrowing. Borrowing is defined as both:- <ul style="list-style-type: none"> • Borrowing repayable with a period in excess of 12months • Borrowing repayable on demand or within 12months
Capital Expenditure	The definition of capital expenditure starts with all those items which can be capitalised in accordance with the Statement of Recommended Practice (SORP). To this must be added any items that have/will be capitalised in accordance with legislation that otherwise would not be capitalised. Prudential indicators for current and future years are calculated in a manner consistent with this definition.
Capital Financing Charges	These are the net costs of financing capital i.e. interest and principal, premium less interest received and discounts received.

Capital Financing Requirement	The Capital Financing Requirement is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.
CIPFA	The Chartered Institute of Public Finance and Accountancy. One of the leading professional accountancy bodies in the UK and the only one which specialises in the public services.
Counterparty	The organisations responsible for repaying the Council's investment upon maturity and for making interest payments.
Credit Rating	<p>This is a scoring system that lenders issue people with to determine how credit worthy they are.</p> <p>The Credit Rating components are as follows:</p> <ol style="list-style-type: none"> 1. The AAA ratings through to C/D are long-term rating definitions and generally cover maturities of up to five years, with the emphasis on the ongoing stability of the institution's prospective financial condition. AAA are the most highly rates, C/D are the lowest. This Council does not invest with institutions lower than AA- for investments over 364 days 2. F1/A1/P1 are short-term rating definitions used by Moody's, S&P and Fitch Ratings for banks and building societies based on their individual opinion on an institution's capacity to repay punctually its short-term debt obligations (which do not exceed one year). This Council does not invest with institutions lower than F1/A1/P1 for investments under 364 days.
Debt	For the purposes of the Code, debt refers to the sum of borrowing (see above) and other long-term liabilities (see below). It should be noted that the term borrowing used with the Act includes both borrowing as defined for the balance sheet and other long terms liabilities defined as credit arrangements through legislation.
Discounts	Where the prevailing interest rate is higher than the fixed rate of a long-term loan, which is being repaid early, the lender can refund the borrower a discount.

	This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender is able to offer the discount, as their investment will now earn more than when the original loan was taken out.
Financing Costs	<p>The financing costs are an estimate of the aggregate of the following:-</p> <ul style="list-style-type: none"> • Interest payable with respect to borrowing • Interest payable under other long-term liabilities • Gains and losses on the repurchase or early settlement of borrowing credited or charged to the amount to be met from government grants and local taxpayers (premiums and discounts) • Interest earned and investment income • Amounts required in respect of the minimum revenue provision plus any additional voluntary contributions plus any other amounts for depreciation/impairment that are charged to the amount to be met from government grants and local taxpayers
Financial Reporting Statements (FRSs)	These are standards set by governing bodies on how the financial statements should look.
Investments	<p>Investments are the aggregate of:-</p> <ul style="list-style-type: none"> • Long term investments • Short term investments (within current assets) • Cash and bank balances including overdrawn balances <p>From this should be subtracted any investments that are held clearly and explicitly in the course of the provision of, and for the purposes of, operational services.</p>
LOBO (Lender's Option/ Borrower's Option)	Money Market instruments that have a fixed initial term (typically one to ten year) and then move to an arrangement whereby the lender can decide at pre-determined intervals to adjust the rate on the loan. At this stage the borrower has the option to repay the loan.
London Inter-Bank Bid Rate (LIBID)	The interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
Managed Funds	<u>In-House Fund Management</u> Surplus cash arising from unused capital receipts

	<p>can be managed either by external fund managers or by the Council's staff in-house. The in-house funds are invested in fixed deposits through the money markets for periods up to one year.</p> <p><u>Externally Management Funds</u> Fund managers appointed by the Council invest surplus cash arising from unused capital receipts in liquid instruments such as bank certificates of deposit and government stocks. The fund managers' specialist knowledge should ensure a higher rate of earnings on the managed funds than would be otherwise obtained.</p>
Maturity	The date when an investment is repaid or the period covered by a fixed term investment.
Monetary Policy Committee (MPC)	This is a body set up by the Government in 1997 to set the repo rate (commonly referred to as being base rate). Their primary target (as set by the Government) is to keep inflation within plus or minus 1% of a central target of 2% in two year time from the date of the monthly meeting of the Committee. Their secondary target is to support the Government in maintaining high and stable levels of growth and employment.
Money Market	<p>Consists of financial institutions and deals in money and credit.</p> <p>The term applied to the institutions willing to trade in financial instruments. It is not a physical creation, but an electronic/telephone one.</p>
Net Borrowing	For the purposes of the Code, net borrowing refers to borrowing (see above) net of investments (see above).
Net Revenue Stream	Estimates for net revenue stream for current and future years are the local authority's estimates of the amounts to be met from government grants and local taxpayers.
Operational Boundary	This is based on expectations of the maximum external debt of the authority according to probable not simply possible – events and being consistent with the maximum level of external debt projected by the estimates. It is not a limit and actual borrowing could vary around this boundary for short periods.

Other Long Term Liabilities	The definition of other long term liabilities is the sum of the amounts in the Council's accounts that are classified as liabilities that are for periods in excess of 12months, other than borrowing (see definition above).
Premature Repayment of Loans (debt restructuring/rescheduling)	A facility for loans where the Council can repay loans prior to the original maturity date. If the loan repaid has a lower interest rate than the current rate for a loan of the same maturity period the Council can secure a cash discount on the repayment of the original loan. If the loan replaced has a higher rate of interest than the current rate for a loan of the same maturity period, a cash penalty is payable to the lender.
Premia	Where the prevailing current interest rate is lower than the fixed rate of a long term loan, which is being repaid early, the lender can charge the borrower a premium. This is calculated on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender may charge the premium, as their investment will now earn less than when the original loan was taken out.
Prudential Code	The Prudential Code is the largely self regulatory framework outlined by CIPFA for managing/monitoring capital investment in local government.
Public Works Loan Board (PWLB)	A Government agency which provides loans to local authorities. Each year, it issues a circular setting out the basis on which loans will be made available and a quota formula for the amount that can be borrowed. Loans can be either at a fixed rate or on a variable rate basis. They can be repaid on either an annuity, equal instalment of principal or maturity basis. The interest rate charged is linked to the cost at which the Government itself borrows.
Risk	<p><u>Credit Risk</u> The risk that a counterparty defaults on its obligations.</p> <p><u>Inflation Risk</u> The risk that growth in the Authority's investment income does not keep pace with the effects of inflation on its expenditure.</p>

	<p><u>Interest Rate Risk</u> The risk that changes in rates of interest create an unexpected or unbudgeted burden on the Council's finances.</p> <p><u>Liquidity Risk</u> The risk that cash will not be available when it is needed.</p> <p><u>Operational Risk</u> The risk of loss through fraud, error, corruption, system failure or other eventualities in treasury management dealings, and failure to maintain effective contingency management arrangements.</p> <p><u>Refinancing Risk</u> The risk that the Authority is unable to replace its maturing funding arrangements on appropriate terms.</p>
Set Aside Capital Receipts	A proportion of money received by the Council for the sale of fixed assets must be set aside to repay debt.
SORP	Statement of Recommended Practice, published by CIPFA (Local Authority Accounting Body). This sets out guidelines regarding the Council's financial matters.
Specified/Non Specified investments	Specified investments are sterling denominated investments for less than 364 days as identified in Appendix A in line with statutory investment regulations. Non- specified investments are all other investments identified in Appendix A in line with statutory investment regulations.
Supranational Bonds	These are bonds issued by institutions such as the European Investment Bank and World Bank. As with Government bonds (Gilts) they are regarded as the safest bond investments with a high credit rating.
Temporary Borrowing and Investment	Loans which are capable of being repaid within one year. The term of the loans will be negotiated from overnight to 364 days.
Treasury Management	<p>Treasury management has the same definition as in CIPFA's code of Practice of Treasury Management in the Public Services.</p> <p>"The management of the organisation's cash flows its banking, money market and capital market transactions; the effective control of the risks</p>

	associated with those activities; and the pursuit of optimum performance consistent with those risks.”
Yield Curve	The line resulting from portraying interest rate graphically for a series of periods, e.g. 7days, 1month, 3, 6, 9, and 12months. When longer-term interest rates are higher than short-term rates the yield curve slopes upwards and is described as positive. When the opposite prevails the yield curve is referred to as inverse.

