

Summary of Post Consultation Changes

	£000	
Funding		
Approval of Council Tax Base in December 2017	(463)	Additional income through the number of properties in the city
Net impact of Final Settlement	(2,426)	After taking account of new responsibilities
Updated Council Tax Rate for 2018/19	(1,719)	To reflect a 5% council tax increase in 2018/19
Total non-hypothecated funding	(4,608)	
Pressures		
Children's Services Realignment	990	To reflect the month 9 monitoring position
Employee's Pay	3,109	To reflect employers pay offer for NJC staff & updated assumptions for teachers
Additional Financial Pressures	310	Final pressures total £1.474 million compared to £1.164 million at consultation
Downwards Realignments	(1,887)	Reflecting month 9 monitoring information in relation to CTRS and insurance.
2017/18 Savings Write Outs	306	Due diligence - to reflect savings not considered achievable in 2018/19
Notification of amounts payable to other bodies	239	Including South Wales Fire Services, HM Coroner and the SRS.
Updated pricing information	600	In relation to Residential Nursing Costs
Updated forecasts of demand	216	In relation to Additional Learning Needs
Capital Financing	658	To reflect the in year monitoring position
Other Technical Adjustments	67	
Total	4,608	
Savings		
Council Wide Efficiencies Including business efficiencies, review of third party spend, changing processes, technology and staff resources.	0	Of the £1.2m proposed at consultation: £600,000 has been allocated to directorates to allow specific savings to be proposed £606,000 has been retained corporately to be met through modernisation measures including end-to-end process review and digital efficiencies.
Net Overall Impact	0	

Appendix 13

Financial Resilience Mechanism - one-off use for 2018/19		£000	
Visible Street Scene	Localised highway asset improvement works	720	Repairing defective carriage and footways to improve the condition of the network.
	Essential road marking, signs & street furniture refurbishment programme	250	The replacement or renewal of unsafe, defective or missing traffic signs and road markings throughout the city, to support the safe movement of traffic.
	City Centre Public Realm improvements	150	To maintain the city centre through the use of high quality paving materials and street furniture, ensuring a safe and presentable condition.
	Additional Deep Clean	277	Funding to provide a deep clean to the Southern Arc and outer wards.
	Neighbourhood Services - Continued funding of City Centre Afternoon Waste Enforcement Team	150	To enable city centre/city wide waste enforcement teams to work afternoon and weekends to enable delivery of a high quality Total Street Scene service to the residents of Cardiff.
	Recycling	200	To promote the free recycling collection service, to enhance public information in respect of recycling options and locations and to explore a recycling and reuse centre in the north of the city.
	Asset review and renewal programme for bins	150	Funding for replacement of 25% of public litter bins.
	Total	1,897	
Property Condition	Statutory Obligations - Inspection Work	200	Continuing the current programme of condition and mechanical electrical surveys across the Council's estate which will provide an accurate and up to date account of outstanding and priority works.
	Total	200	
Transitional Arrangements	Transitional Grant Relief	1,100	Provision of transitional funding to mitigate any specific grant issues during 2018/19.
	Old Library	80	Transitional funding to address rental income shortfalls at the Old Library.
	Total	1,180	

Appendix 13

Financial Resilience Mechanism - one-off use for 2018/19		£000	
City Centre Enforcement	Taxi Enforcement	40	To continue to provide an Enforcement Officer to ensure taxi drivers are complying with the terms of their licence.
	Total	40	
Other	Kerbside Recycling - One Off	165	To support the implementation of separate glass recycling collections and changes to domestic collections in order to reduce the risk of failing statutory recycling targets.
	Expansion of Meals on Wheels - Weekend and Bank Holidays	58	Funding to support the expansion of Meals on Wheels to cover weekend and Bank Holidays due to demand for the service.
	Corporate Initiatives	60	To support events, market the city and to respond to opportunities presenting themselves during 2018/19, potentially at short notice.
	Residential and Nursing Home Care	400	To provide funding for exceptional cost increases during the year.
	Total	683	
Grand Total		4,000	

Appendix 14

Directorate Revenue Budgets					
	2017/18 Adjusted Base*	Inflation & Commitments	Financial Pressures	Savings	Total 2018/19
	£000	£000	£000	£000	£000
Corporate Management	26,451	(429)	0	(877)	25,145
Economic Development	7,693	736	0	(2,486)	5,943
Education	249,980	7,498	225	(1,278)	256,425
People and Communities:					
- Communities & Housing	42,354	1,113	76	(689)	42,854
- Social Services	157,688	13,165	400	(5,160)	166,093
Planning, Transport & Environment	42,967	1,166	523	(1,838)	42,818
Resources:					
- Governance & Legal Services	6,004	103	0	(442)	5,665
- Resources	20,501	928	0	(1,526)	19,903
Capital Financing	33,717	1,519	0	0	35,236
Summary Revenue Account	8,319	262	250	0	8,831
Total Budget	595,674	26,061	1,474	(14,296)	608,913

*The adjusted base reflects the proposed use of the FRM in 2018/19

Appendix 15

Cabinet Member Portfolio Revenue Budgets

	2017/18 Adjusted Base*	Inflation & Commitments	Financial Pressures	Savings	Total 2018/19
	£000	£000	£000	£000	£000
Children & Families	49,280	6,643	291	(1,330)	54,884
Clean Streets, Recycling & Environment	29,145	1,052	523	(1,157)	29,563
Culture & Leisure	9,902	336	0	(803)	9,435
Education, Employment & Skills	255,598	7,503	225	(1,289)	262,037
Finance, Modernisation & Performance	18,444	851	0	(1,319)	17,976
Housing & Communities	40,290	1,084	0	(569)	40,805
Investment & Development	(2,208)	400	0	(1,683)	(3,491)
Leader's Portfolio	34,257	(293)	0	(1,401)	32,563
Social Care, Health & Wellbeing	111,148	6,602	185	(4,258)	113,677
Strategic Planning & Transport	7,782	102		(487)	7,397
Capital Financing	33,717	1,519	0	0	35,236
Summary Revenue Account	8,319	262	250	0	8,831
Total Budget	595,674	26,061	1,474	(14,296)	608,913

*The adjusted base reflects the proposed use of the FRM in 2018/19

MEDIUM TERM FINANCIAL PLAN	2019/20 £000	2020/21 £000	2021/22 £000
Adjusted Base Budget Brought Forward	608,913	602,154	597,788
Employee Costs (non Schools)			
Pay Inflation	4,000	3,179	3,205
Other - Living Wage, Actuarial Review, Auto Enrolment	52	52	52
Total Pay Inflation	4,052	3,231	3,257
Price Inflation (non Schools)	3,146	3,167	3,469
Schools Growth			
Employee Costs	8,249	5,996	5,238
Price Inflation	62	65	67
Pupil Numbers	2,482	2,236	2,258
Special School Places & Complex Needs Enhancement	1,830	1,705	1,705
Other	120	0	0
Contribution to Band B and Asset Renewal	(1,090)	(1,090)	(1,090)
Total Schools Growth	11,653	8,912	8,178
Capital Financing	1,176	1,416	2,696
Commitments and Realignment			
Commitments	999	449	1,101
Realignments	0	(561)	0
Total Commitments	999	(112)	1,101
Demographic Growth (non Schools)			
Social Services - Adults	1,900	1,938	1,977
Social Services - Children's	1,500	1,500	1,500
Other	100	100	100
Total Demographic Growth	3,500	3,538	3,577
Financial Pressures	3,000	3,000	3,000
Resources Required	636,439	625,306	623,066
Resources Available:-			
Aggregate External Finance	(436,538)	(432,172)	(427,850)
Council Tax at 2018/19 level	(165,616)	(165,616)	(165,616)
Total Resources Available	(602,154)	(597,788)	(593,466)
BUDGET REDUCTION REQUIREMENT	34,285	27,518	29,600

THEMED OPPORTUNITIES FOR SAVINGS IN 2019/20 AND 2020/21

Theme	2019/20				2020/21			
	Communities & Wellbeing	Place	Corporate	Total	Communities & Wellbeing	Place	Corporate	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Income Generation	780	1,327	106	2,213	572	1,041	149	1,762
Collaboration	331	3,245	0	3,576	286	292	0	578
Business Processes inc Digitalisation	4,615	2,632	3,379	10,626	3,238	4,184	2,895	10,317
Review of External Spend	4,430	1,105	580	6,115	3,865	896	521	5,282
Prevention and Early Intervention	1,587	0	0	1,587	1,373	0	0	1,373
Total	11,743	8,309	4,065	24,117	9,334	6,413	3,565	19,312

APPENDIX 17

2017/18 £000	HOUSING REVENUE ACCOUNT	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
13,501	Employees	15,502	15,967	16,446	16,939
16,800	Premises - Council House Repairs	17,600	18,227	18,864	19,557
1,126	Premises - Other Repairs and Maintenance	1,064	1,096	1,129	1,163
2,571	Premises - Other Premises Costs	2,643	2,722	2,804	2,888
116	Transport	148	152	157	162
2,875	Supplies & Services	3,193	3,289	3,388	3,490
6,524	Support Services	6,461	6,675	6,891	7,105
29,730	Capital Financing	31,584	33,027	32,490	33,416
436	Contribution to Reserves/HRA Balances	0	0	1,400	1,900
73,679	Gross Expenditure	78,195	81,155	83,569	86,620
(71,307)	Rents	(75,768)	(78,707)	(81,101)	(84,135)
(50)	Interest - On Balances	(40)	(40)	(40)	(40)
(498)	Fees & Charges	(482)	(490)	(496)	(500)
(1,824)	Other Income	(1,905)	(1,918)	(1,932)	(1,945)
(73,679)	Total Income	(78,195)	(81,155)	(83,569)	(86,620)
0	NET EXPENDITURE	0	0	0	0

Appendix 18

2017/18 £000	School Organisation Plan Reserve	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
6,415	Estimated Opening Balance	2,860	1,583	1,765	2,418
7,697	<u>Contributions to Reserve:</u>				
0	Revenue Release Savings	7,697	7,697	7,697	7,697
	Band B Contributions	45	888	1,731	2,573
7,697	Total Contribution to Reserve	7,742	8,585	9,428	10,270
(6,490)	<u>Drawdowns from Reserve:</u>				
(4,762)	Organisational Restructuring	(3,083)	(2,105)	(1,725)	(1,725)
0	Capital Financing - Band A & General SOP *	(5,891)	(5,881)	(5,358)	(5,259)
	Capital Financing - Band B *	(45)	(417)	(1,692)	(4,159)
(11,252)	Total Drawdown from Reserve	(9,019)	(8,403)	(8,775)	(11,143)
2,860	Estimated Closing Balance	1,583	1,765	2,418	1,545
(3,555)	<i>Movement on Reserve</i>	(1,277)	182	653	(873)

* These amounts will continue to be required beyond the profile shown in this appendix, until borrowing costs in respect of 21st Century Schools schemes have been fully repaid.

Civil Parking Enforcement Account

2017/18 £000		2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
(351)	Parking Account Opening Balance	(479)	(223)	(285)	(476)
	Income				
(4,535)	On-Street Car Parking Fees	(4,784)	(4,911)	(5,039)	(5,128)
(1,096)	Off Street Car Parks	(1,237)	(1,320)	(1,403)	(1,461)
(325)	Residents Parking Permits	(325)	(325)	(325)	(325)
(1,980)	Penalty Charge Notices	(2,000)	(2,050)	(2,060)	(2,070)
(4,040)	Moving Traffic Offences	(3,840)	(3,589)	(3,210)	(2,905)
(6)	Other Income	0	0	0	0
(11,982)	Total Income	(12,186)	(12,195)	(12,037)	(11,889)
	Expenditure				
869	Operational costs, parking and permits	820	866	779	781
5,283	Enforcement service including Traffic Regulation Orders	5,530	5,540	5,507	5,556
6,152	Total Expenditure	6,350	6,406	6,286	6,337
(5,830)	CPE Annual (Surplus) / Deficit	(5,836)	(5,789)	(5,751)	(5,552)
5,025	Budgeted Eligible Expenditure*	5,025	5,025	5,025	5,025
(805)	Revised CPE Annual (Surpus) / Deficit	(811)	(764)	(726)	(527)
	Commitments				
335	Bus Corridor improvements	335	335	168	0
7	DFS maintenance / signs	7	7	7	7
50	Highways/Transport improvements	50	50	50	50
200	20 mph zones	240	0	0	0
35	Bay Edge Walkway Improvements	0	0	0	0
0	Transport LDP Monitoring	60	60	60	60
0	Active Travel Post	60	60	60	60
0	Car Free-Day	40	40	40	40
50	British Cycling Core Cities Cycling Partnership	50	50	50	50
0	Bike Hire	50	50	50	50
0	Residential Parking expansion	175	50	50	50
677		1,067	702	535	367
(479)	Estimated Closing Balance	(223)	(285)	(476)	(636)

Appendix 20

Capital Programme 2018/19 - 2022/23

General Fund Capital Programme

			<u>2018/19</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Indicative</u> <u>2021/22</u> <u>£000</u>	<u>Indicative</u> <u>2022/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>
<u>Annual Sums Expenditure</u>								
1	Disabled Adaptations Grants (see also Public Housing)	To provide adaptations and internal modifications to allow the recipient to live independently within their own home.	4,600	3,800	3,800	3,800	3,800	19,800
2	Owner Occupier Costs - Housing Regeneration	A coordinated approach to improving the city's oldest and worst condition housing stock including energy efficiency. Also to fund owner occupier costs of improvements to housing and boundary walls.	677	140	140	140	140	1,237
3	Alleygating	To prevent anti-social behaviour with other benefits such as reduced street cleansing and highway maintenance costs.	65	50	50	50	50	265
4	Neighbourhood Renewal Schemes (NRS)	Local regeneration schemes based on ward member priorities. Completion of final scheme in the programme at Hendre Park.	91	0	0	0	0	91
5	Community Shopping Centre Regeneration	To implement improvements to shop fronts at Clare Road / Penarth Road.	480	0	0	0	0	480
6	Schools Property Asset Renewal	To address the condition of the schools property stock within the Council in accordance with directorate Asset Management Plans and priority works arising from surveys such as fire risk assessments.	1,378	2,302	2,302	2,302	2,815	11,099
7	Schools Suitability and Sufficiency	To cater for increasing accessibility issues in schools, to address rising pupil numbers and works required in schools that are not part of the 21st Century Schools programme.	964	1,040	1,040	1,040	1,040	5,124
8	Highway Carriageway Reconstruction	Programme to address structural failure, beyond routine repairs.	1,304	300	300	300	0	2,204
9	Carriageway Investment	Road resurfacing - Priorities based on annual engineering inspections.	3,517	1,950	1,950	1,950	1,350	10,717
10	Footway Investment	Footway resurfacing including implementation of dropped kerbs - Priorities based on annual engineering inspections.	535	535	535	535	470	2,610
11	Footway Improvements around Highway Trees	To address the condition of tree roots and tree pits on footways.	125	125	125	125	125	625
12	Street Lighting Renewals	To replace and install new street lighting columns including renewal of electrical cabling.	270	270	270	270	270	1,350
13	Highway Structures including Bridges	The strengthening or replacement of sub standard bridges, culverts and other highways structures following principal inspection reports.	1,580	750	750	750	750	4,580
14	Bus Corridor Improvements	Bus corridor improvements with a focus on securing match funding.	170	110	110	110	335	835
15	Road Safety Schemes	Local network improvements including junction and pedestrian safety improvements, with a focus on securing match funding.	335	335	335	335	335	1,675
16	Telematics / Butetown Tunnel	Transportation infrastructure improvements including CCTV systems.	440	135	135	135	135	980
17	Transport Grant Match Funding	Match funding for Council bids to Welsh Government for transport schemes.	375	375	375	375	375	1,875
18	Strategic Cycle Network Development	Implementation and match funding of the cycling strategy as prioritised in the integrated network map. Installation of cycle parking and network improvements to improve network permeability.	1,200	800	800	800	400	4,000

Appendix 20

			<u>2018/19</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Indicative</u> <u>2021/22</u> <u>£000</u>	<u>Indicative</u> <u>2022/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>
19	Parks Infrastructure	To improve existing parks infrastructure e.g. allotments, hard surfaces, sports fields, parks utilities and outdoor leisure facilities.	140	140	140	140	140	700
20	Play Equipment	Replacement of existing play equipment in parks.	160	90	90	90	90	520
21	Non Schools Property Asset Renewal	To address the condition of the non-schools property stock within the Council in accordance with Directorate Asset Management Plans and priority works.	1,355	1,355	1,355	1,355	1,355	6,775
22	Materials Recycling Facility	To establish a planned regime for upgrades to minimise downtime at the Materials Recycling Facility.	45	45	45	45	45	225
23	ICT Refresh	To replace failing / non compliant hardware.	459	400	400	400	400	2,059
24	Contingency	To address unforeseen pressures in the Capital Programme that arise in year that cannot be managed within existing resources.	200	200	200	200	200	1,000
TOTAL ANNUAL SUMS			20,465	15,247	15,247	15,247	14,620	80,826

Ongoing Schemes / Amendments to Ongoing Schemes								
25	St Mellons Hub	Completion of Phase 2 of the expansion. Excludes Public Housing contribution.	504	0	0	0	0	504
26	Day Centre Opportunities Strategy	Upgrade and convert existing Grand Avenue and Fairwater Day Centres into specialist facilities for dementia and other high need clients.	1,050	0	0	0	0	1,050
27	Maelfa Centre	Enabling works for the regeneration of Maelfa Centre.	250	0	0	0	0	250
28	Domestic Abuse Multi Agency Hub	Development of a facility for victims of violence, domestic abuse and sexual violence.	1,150	0	0	0	0	1,150
29	Whitchurch High School DDA & Suitability Works	DDA adaptation works to the school to allow for progression of pupils and to determine longer term Council wide approach to ensuring a permanent solution to accessibility for disabled pupils and condition of facilities.	1,300	0	0	0	0	1,300
30	21st Century Schools - Band A	This represents the remaining 21st century schools Band A expenditure to be funded by capital receipts. Revenue release savings from schools (Invest to Save) and grants towards expenditure are shown elsewhere in the programme.	13,750	5,046	0	0	0	18,796
31	Schools Safeguarding: Secure Lobbies and Fencing upgrade	To manage safeguarding within existing schools asset renewal budgets. Work to manage visitors, including; perimeter fencing, keypad access control, CCTV, security personnel and 'air lock' systems.	100	100	0	0	0	200
32	Schools Kitchen Upgrades	To upgrade kitchen facilities. Work required includes; emergency lighting, ventilation, removal of asbestos, reconfiguration of walls and installation of new electronics.	200	200	0	0	0	400
33	Bereavement Strategy	Improvement of facilities at Thornhill Crematorium and other bereavement infrastructure funded by earmarked reserve.	325	285	170	145	130	1,055
34	Western Transport Bus Interchange	To create a public transport interchange in the west of the City as part of the redevelopment of the former household waste recycling centre.	0	1,400	0	0	0	1,400
35	Bus Corridor Improvements	Bus corridor improvements to be approved in line with an agreed governance process from Parking Enforcement income.	335	335	168	0	0	838
36	Bute East Dock Crane	To address health and safety issues, subject to detailed consideration of options and cost estimates.	25	0	0	0	0	25
37	Roath Park District Area	Utilise earmarked capital receipt towards structural works to the Dam and schemes to improve financial sustainability of the park and outbuildings.	200	693	0	0	0	893
38	Flood Risk Prevention	Completion of works to prevent water flows from parks and open spaces onto adjacent land causing flooding.	68	0	0	0	0	68

Appendix 20

			2018/19 Including Slippage £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Indicative 2022/23 £000	Total £000
39	Parc Cefn Onn	Provide a range of access improvements for users that want to be able to take advantage of this Grade 2 listed historic park.	111	0	0	0	0	111
40	Refurbishment of Sports Facilities	Complete current programme of upgrade to facilities.	80	0	0	0	0	80
41	Replacement of Athletics Track - Cardiff International Stadium	Replacement of the track, following transfer of operation to Cardiff and Vale College	250	250	0	0	0	500
42	Central Square - Public Realm	Public realm improvements as part of Central Square regeneration.	2,953	0	0	0	0	2,953
43	Economic Development Initiatives	A range of economic development schemes aiming to bring growth and new jobs to the City and region as well as other benefits to citizens, business and visitors. This will include the delivery of a Transport Interchange at Central Square (subject to finalisation of Metro Delivery Partnership), Dumballs Road regeneration and other commitments outlined in Cardiff Capital Ambition.	1,600	13,223	0	0	0	14,823
44	International Sports Village	To create temporary car park to meet parking obligations to the International Pool whilst releasing other areas of land for development. Any scheme is subject to there being no additional cost to Council in excess of resources available from capital receipts and external contributions.	1,243	0	0	0	0	1,243
45	Community Asset Transfer	To pump prime essential capital improvement works to buildings which local community groups are looking to take over from the Council. Maximum individual award of £25k.	50	50	0	0	0	100
46	Central Market Roof	Refurbishment of the market roof in order to prevent water ingress.	300	0	0	0	0	300
47	St David's Hall	Funding towards priority one works.	306	0	0	0	0	306
48	Modernising ICT to Improve Business Processes	Investment in corporate technology projects allowing the Council to make business process improvements and so improve service delivery.	800	800	900	625	0	3,125
49	Learning Disabilities Internal Day Care	Short term condition and access improvements at Tremorfa for people with complex behavioural needs.	225	0	0	0	0	225
50	Children's Services Accommodation Strategy	Capital receipt from disposal of 150 Thornhill Road. Funds ring-fenced for schemes which provide direct benefit to children.	100	131	0	0	0	231
TOTAL ONGOING SCHEMES			27,275	22,513	1,238	770	130	51,926

New Capital Schemes/Annual Sums (Excluding Invest to Save)

51	Neighbourhood Renewal Schemes	A further programme of local regeneration schemes based on ward Member priorities.	0	310	310	550	300	1,470
52	Travellers Site Expansion	Match funding in order to increase the number of pitches - Subject to successful grant award	450	0	0	0	0	450
53	Targeted Regeneration Investment Programme	Match funding towards a WG three year programme for the region - Subject to successful grant award	100	600	600	0	0	1,300
54	Butetown Pavilion	Create a new hub in order to offer an increased range of services.	596	0	0	0	0	596
55	City Centre Youth Hub	Improve existing facilities in the City Centre to create a multi agency youth hub.	220	577	0	0	0	797
56	Schools Additional Property Asset Renewal	Schools Property - Health & Safety, Additional Learning Needs (ALN)	4,000	6,500	6,500	6,000	2,000	25,000
57	21st Century Schools - Band B	Part of the Council's £139m match funding towards WG Grant of which £25m is assumed to be from the proceeds of asset sales, with the balance being additional invest to save borrowing.	0	0	10,000	10,000	5,000	25,000

Appendix 20

		<u>2018/19</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Indicative</u> <u>2021/22</u> <u>£000</u>	<u>Indicative</u> <u>2022/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>	
58	Highway Carriageway Reconstruction	Additional Asset Renewal allocation - Structural failure, beyond routine repairs.	100	100	100	100	100	500
59	Carriageway Resurfacing Investment	Additional Asset Renewal allocation - Carriageways, A48 vehicle safety fence replacement, strategic and distributor route preventative carriageway resurfacing.	300	300	500	800	100	2,000
60	Footway Resurfacing Investment	Additional Asset Renewal allocation for area based improvements	250	500	500	600	200	2,050
61	Street Lighting Columns and Electrical Signs	Additional Asset Renewal allocation - including upgrade of Eastern Avenue electrical cabling and ducting.	150	200	300	200	230	1,080
62	Structures, Telematics, and Drainage	Additional Asset Renewal allocation - Towards Roath Park dam, Llandaff Weir, Highways Drainage schemes and other structures.	50	600	450	350	150	1,600
63	Non Schools Property Asset Renewal	Additional Asset Renewal allocation - To be prioritised following review of property condition surveys and in accordance with Property Asset Management Plan.	500	1,000	1,000	1,000	500	4,000
64	Play Equipment	Additional Asset Renewal allocation - Subject to review and updating of Asset Management Plan.	0	200	200	100	0	500
65	Materials Recycling Facility and Household Waste Recycling Sites	Additional Asset Renewal allocation - Fire suppressant system and other safety improvements at waste management facilities, skip renewal and retaining wall replacement.	700	300	200	100	100	1,400
66	City Centre and Key Links Transport Improvements Design	Funding required to design transport schemes in the east side of the City Centre, Adamsdown and Cardiff Bay to improve connectivity. Subject to successful grant award.	300	0	0	0	0	300
67	Llanrumney Public Transport / Cycling Link via Cardiff East Park & Ride	To design a public transport and cycling link - Subject to successful grant award.	50	50	0	0	0	100
68	Cycling Infrastructure (Priority Cycle Routes) - Active Travel	Additional funding to provide connected routes creating a network for cyclists to safely use and facilitate a significant mode shift from private car to cycling resulting in reduced congestion, improved road safety.	500	1,500	2,500	1,500	0	6,000
69	Coastal Erosion / Flood risk	A scheme to manage flood and erosion risk at the estuary of the river Rumney, including protection of landfill material, key road infrastructure and the Rover Way Travellers Site - Subject to successful grant award.	125	125	1,220	750	0	2,220
70	Cardiff Riding School	Improve the condition of the outdoor riding surface - Subject to successful grant award.	10	0	0	0	0	10
71	New Northern Household Recycling and Service Centre	To explore options and any required land acquisition for a new Household Waste Recycling Centre to meet predicted growth in the north of the city and deliver new Reuse Centre facilities in partnership with the third sector.	200	1,400	1,725	0	0	3,325
72	Recycling collection containers (Glass)	Provide a separate glass collection to residents, so reducing processing and treatment costs; securing high quality end markets and protecting the risk of failing to meet the statutory recycling targets.	300	0	0	0	0	300
73	CCRCDC	Council commitment of £28.4m over a number of years towards the £120m Investment Fund - Profile based on January 2018 Model to Regional Cabinet where £5.73m is to be paid in 2017/18.	4,196	1,198	1,198	1,887	1,887	10,366
74	Cardiff Indoor Market Restoration	Invest in the fabric of the building to improve appearance, tackle known structural issues and enhance its commercial attractiveness - Subject to successful grant award.	50	50	100	250	0	450
75	Learning Disabilities Internal Day Care Tremorfa	To review long term options for this site providing services to vulnerable adults - Subject to successful grant award.	100	0	0	0	0	100
TOTAL NEW SCHEMES / ADDITIONAL ANNUAL SUMS			13,247	15,510	27,403	24,187	10,567	90,914

Appendix 20

			2018/19 Including Slippage £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Indicative 2022/23 £000	Total £000
New Invest to Save Bids								
92	21st Century Schools - Band B	Strategic investment programme for priority schools including land acquisition, funded by additional borrowing.	2,969	14,040	34,323	41,380	19,704	112,416
93	Moving Traffic Offences Scheme/Controlled Parking Enforcement	Enforcement of yellow box junctions, new bus lanes and banned turns throughout the city.	395	0	0	0	0	395
94	Loan to Cardiff City Transport Services Limited	Subject to due diligence and Cabinet approval, a debenture loan for investment in vehicles	2,000	0	0	0	0	2,000
95	New Cemetery Cardiff North	Increase burial provision in the North of the City subject to land acquisition or suitable sites in Council ownership.	65	2,935	0	0	0	3,000
96	Parks Events Infrastructure for Pontcanna Fields	Introduce event specific infrastructure to Pontcanna and Llandaff fields to attract major events to the City and to compliment the Parks offer in Coopers Field.	150	100	0	0	0	250
97	Energy - Salix	Installation of a range of energy efficiency measures (mainly LED lighting replacements) in a range of Council schools and other buildings.	500	500	500	500	500	2,500
98	Energy - REFIT Buildings	To develop options under the Refit framework with suppliers to recommend a range of energy efficiency measures on a whole building perspective. The contractor guarantees energy savings from the work that it is undertaking over a given period, allowing initial investment to be repaid.	500	500	500	500	500	2,500
99	Lamby Way Solar farm	Working with WG and Local Partnerships to deliver a solar farm facility on the former landfill site at Lamby Way.	195	3,810	0	0	0	4,005
TOTAL INVEST TO SAVE			18,292	22,385	35,823	42,880	21,204	140,584

TOTAL GENERAL FUND	99,739	96,001	131,208	134,464	71,225	532,637
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Public Housing Capital Programme (HRA)

100	Regeneration and Area Improvement Strategies	Environmental works including defensible space, demolition, conversion and road/footpath realignment; energy efficiency schemes; improvements to flats, garages, gullies and open spaces.	2,400	2,000	2,000	2,000	900	9,300
101	External and Internal Improvements to Buildings	Improvements include central heating, fencing, roofing, high rise cladding, door entry systems, kitchens and bathrooms, CCTV and improvements to sheltered housing.	15,000	7,600	8,650	7,950	8,100	47,300
102	New Build Council Housing / Acquisition	Develop or acquire new housing and land in order to increase the level of affordable housing.	21,975	17,622	26,250	30,280	23,500	119,627
103	Hub Developments	Public housing contribution to complete hub scheme at St Mellons.	350	0	0	0	0	350
104	Disabled Facilities Service	Adaptations and associated improvements to the homes of disabled persons.	2,300	2,300	2,300	2,300	2,300	11,500
TOTAL PUBLIC HOUSING			42,025	29,522	39,200	42,530	34,800	188,077

TOTAL CAPITAL PROGRAMME EXPENDITURE	141,764	125,523	170,408	176,994	106,025	720,714
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Capital Resources 2018/19 - 2022/23

	<u>2018/19</u> £000	Indicative <u>2019/20</u> £000	Indicative <u>2020/21</u> £000	Indicative <u>2021/22</u> £000	Indicative <u>2022/23</u> £000	<u>Total</u> £000
General Fund						
WG Unhypothecated Supported Borrowing	(8,468)	(8,468)	(8,468)	(8,468)	(8,468)	(42,340)
WG General Capital Grant	(5,153)	(5,153)	(5,153)	(5,153)	(5,153)	(25,765)
Additional Borrowing to cover estimated slippage from 2017/18	(9,028)	0	0	0	0	(9,028)
Additional Borrowing to balance existing Capital Programme	(2,491)	(2,866)	(1,316)	(1,041)	(789)	(8,503)
Additional Borrowing for New Capital Schemes	(10,247)	(13,510)	(15,403)	(12,187)	(3,567)	(54,914)
Additional Borrowing - Invest to Save Schemes to be repaid from revenue savings/income or directorate budgets	(18,292)	(22,385)	(35,823)	(42,880)	(21,204)	(140,584)
21st Century Schools Band A - Earmarked Capital Receipts	(13,750)	(5,046)	0	0	0	(18,796)
Central Square - Earmarked Capital Receipts and Contributions	(2,953)	(13,223)	0	0	0	(16,176)
Other Earmarked Capital Receipts	(3,647)	(1,174)	0	0	0	(4,821)
Non Earmarked Capital Receipts	(4,000)	(3,000)	(13,000)	(13,000)	(7,000)	(40,000)
Direct Revenue Financing	(210)	(210)	(210)	(210)	(210)	(1,050)
Parking and Enforcement - Earmarked Reserve	(335)	(335)	(168)	0	0	(838)
Other Earmarked Reserves	(705)	(285)	(170)	(145)	(130)	(1,435)
External funding estimates and contributions	(20,460)	(20,346)	(51,497)	(51,380)	(24,704)	(168,387)
Total General Fund	(99,739)	(96,001)	(131,208)	(134,464)	(71,225)	(532,637)
Public Housing Resources (HRA)						
Major Repairs Allowance WG Grant	(9,532)	(9,532)	(9,532)	(9,532)	(9,532)	(47,660)
Additional Borrowing	(19,783)	(10,640)	(22,068)	(21,048)	(16,618)	(90,157)
Direct Revenue Financing / Reserves	(8,775)	(7,050)	(6,100)	(6,150)	(6,150)	(34,225)
External funding estimates and contributions	(1,935)	(1,300)	(1,000)	(5,300)	(2,000)	(11,535)
Capital Receipts - Dwelling and land sales	(2,000)	(1,000)	(500)	(500)	(500)	(4,500)
Total Public Housing	(42,025)	(29,522)	(39,200)	(42,530)	(34,800)	(188,077)
Total Capital Programme Resources Required	(141,764)	(125,523)	(170,408)	(176,994)	(106,025)	(720,714)

Glossary of Terms

Bank Rate

The rate of interest set by the Bank of England as a benchmark rate for British banks.

Bonds

A long-term debt security issued by a company, a financial institution, a local authority, national government or its affiliated agencies. It represents an undertaking to repay the holder the fixed amount of the principal on the maturity date plus a specified rate of interest payable either on a regular basis during the bond's life (coupon) or at maturity.

Borrowing

Loans taken out taken out by the authority to pay for capital expenditure or for the prudent management of the Council's financial affairs, which are repayable with interest.

Capital Expenditure

Capital expenditure pays for improvements to existing and new assets used in the delivery of Council services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 as amended. Statute relies on the accounting measurement of cost in International Accounting Standard (IAS) 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

Capital Financing Requirement (CFR)

An authority's underlying need to borrow for a capital purpose. It measures capital expenditure incurred but not yet financed by the receipt of grants, contributions and charges to the revenue account.

Capital Market

A market for securities (debt or equity), where companies and governments can raise long-term funds (periods greater than one year). The raising of short-term funds takes place on other markets (e.g. the money market).

Capital Programme

The Capital Programme sets out the Council's capital expenditure plans for the forthcoming financial year as well as for the medium term. It is approved annually at Council and identifies the estimated cost of those schemes, their projected phasing over financial years as well as the method of funding such expenditure.

Certificates of Deposits (CDs)

A certificate issued for deposits made at a deposit-taking institution (generally a bank). The bank agrees to pay a fixed interest rate for the specified period of time, and repays the principal at maturity. CDs can be purchased directly from the banking institution or through a securities broker. An active interbank secondary market exists to buy and sell CDs.

Chartered Institute of Public Finance & Accountancy (CIPFA)

CIPFA is the professional body for people in public finance. As a specialised public services body, they provide information, guidance, and determine accounting standards and reporting standards to be followed by Local Government.

Collective Investment Scheme Structures

Schemes whereby monies from a number of investors are pooled and invested as one portfolio in accordance with pre-determined objectives.

Corporate Bonds

Bonds that are issued by a company or other non-government issuers. They represent a form of corporate debt finance and are an alternative means of raising new capital other than equity finance or bank lending.

Counterparty

One of the parties involved in a financial transaction with whom the Council may place investments.

Counterparty / Credit Risk

Risk that a counterparty fails to meet its contractual obligations to the Council to repay sums invested.

Credit Criteria

The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

Credit Default Swaps

A financial transaction which the buyer transfers the credit risk related to a debt security to the seller, who receives a series of fees for assuming this risk. The levels of fees reflect the perceived level of risk.

Credit Rating

A credit rating assesses the credit worthiness of an individual, corporation, or even a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. Ratings usually consist of a long-term, short term, viability and support indicators. The Fitch credit rating of F1 used by the Council is designated as "Highest Credit quality" and indicates the strongest capacity for timely payment of financial commitments.

Debt Management Account Deposit Facility (DMADF)

The Debt Management Office provides this service as part of its cash management operations and of a wider series of measures designed to improve local and central government's investment framework and cash management. The key objective of the DMADF is to provide users with a flexible and secure facility to supplement their existing range of investment options while saving interest costs for central government.

Debt Restructuring

Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

Diversification of Investments

The process of creating a portfolio of different types of financial instruments with regard to type, price, risk issuer, location, maturity, etc. in order to reduce the overall risk of the portfolio as a whole.

Duration (Maturity)

The length of time between the issue of a security and the date on which it becomes payable.

External Borrowing

Money borrowed from outside of the Council.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Typical financial liabilities are borrowing and financial guarantees. Typical financial assets include bank deposits, amounts owed by customers, loans receivable and investments.

Fitch Credit Ratings

A commercial organisation providing an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The opinion is usually provided in the form of a credit rating.

Fixed Rate

An interest rate that does not change over the life of a loan or other form of credit.

Floating Rate Notes

A money market security paying a floating or variable interest rate, which may incorporate a minimum or floor.

Four Clauses of Treasury Management

In compliance with the First Clause, this Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.

- Suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

In compliance with the Second Clause, this Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMP's.

In compliance with the Third Clause, this Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director Resources in accordance with existing delegations, who will act in accordance with the organisation's policy statement, TMP's and CIPFA's Standard of Professional Practice on Treasury Management.

In compliance with the Fourth Clause, this Council requires the scrutiny of the accounting, audit and commercial issues of its Treasury Management Strategy and Practices to be undertaken by the Council's Audit Committee due to the technical nature of the documents.

Fraud / Error Risk

Risk of losses being incurred as a result of fraud, error or corruption in treasury management and failure to institute adequate systems, procedures and other arrangements to prevent irregularities.

Housing Revenue Account (HRA)

The HRA is an account of expenditure and income that every local authority housing department must keep in accordance with the Local Government & Housing Act 1989. The account is kept separate or ring fenced from other Council activities. Income is primarily generated by the rents and service charges paid by tenants, while expenditure is on the management and maintenance of the housing stock, and capital financing charges on the HRA's outstanding loan debt.

Interest Rate Risk

Risk that fluctuations in interest rates could impose extra costs against which the Council has failed to protect itself adequately.

Internal Borrowing

Money borrowed from within the Council, sourced from temporary internal cash balances.

Investments

The purchase of financial assets in order to receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

Lender Option Borrower Option Loans (LOBOs)

Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The council at this point has the option to repay the loan.

Liquidity

The ability of the Council to meet its financial obligations as they fall due.

Market Loans

Borrowing that is sourced from the market i.e. organisations other than the Public Works Loan Board or a Public Body.

Medium Term Financial Plan

Plan outlining the financial strategies and actions that are envisaged by the Council in the medium term regarding the budget.

Markets in Financial Instruments Directive (MiFID)

EU legislation that regulates firms who provide financial instrument services. MiFID was applied in the UK from November 2007, but was revised with changes taking effect from **3 January 2018 (MiFID II)**.

The aim is to ensure financial institutions undertake more extensive checks on their client's suitability for investment products. Organisations undertaking investments will be either classified as 'retail' or 'professional'.

MiFID II requires all Local Authorities to be initially treated as "retail clients" unless they "opt up" to a "professional client". The assumption being that retail clients require a greater level of due diligence and support for investment decision making. Financial institutions will owe a greater duty of care to retail clients, however, they will have no greater financial protection than professional clients.

Minimum Revenue Provision (MRP)

This is the amount which must be charged to the authority's revenue account each year and set aside as provision for repaying external loans and meeting other credit liabilities. The prudent amount is determined having regard to guidance issued by WG. This has the effect of reducing the Capital Financing Requirement (CFR).

Money Market

The market for short-term securities or investments, such as certificates of deposit, commercial paper or treasury bills, with maturities of up to one year.

Money Market Funds

An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different financial instruments and counterparties. Funds with a constant Net Asset Value (NAV) are those where any sum invested is likely to be the same on maturity. Funds with a variable Net Asset Value (NAV) are those where the sum on maturity could be higher or lower due to movements in the value of the underlying investments.

Net Asset Value (NAV)

The market value of an investment fund's portfolio of securities as measured by the price at which an investor will sell a fund's shares or units.

Pooling

The process whereby investments or loans are held corporately rather than for specific projects or parts of the Council, with recharges to those areas for their share of the relevant income and expenditure using an agreed methodology, where such a recharge is required to be made.

Prudential Code for Capital Finance

The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Public Works Loans Board (PWLB)

The Public Works Loans Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Refinancing Risk

Risk that maturing borrowing or other financing of capital projects cannot be renewed on terms that reflect existing assumptions and that the Council will suffer extra costs as a result.

Regulatory Risk

Risk that actions by the Council or by any person outside of it are in breach of legal powers or regulatory requirements resulting in losses to the Council, or the imposition of extra costs.

Security

Protecting investments from the risk of significant loss, either from a fall in value or from default of a counterparty.

Sovereign Credit Ratings

The credit rating of a country. It indicates the risk level of the investing environment of a country, taking into account political risk and other factors.

Sterling

The monetary unit of the United Kingdom (the British pound).

Term Deposits

A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

Treasury Management

The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Treasury Bills

Debt securities issued by a government with a short-term maturity of up to 6 months.

UK Government Gilts

Fixed-interest debt securities issued or secured by the British Government. Gilts are always denominated in sterling though the Government occasionally also issues instruments in other currencies in the Eurobond market or elsewhere.

Variable Rate

An interest rate that changes in line with market rates.

Yield

The annual rate of return paid out on an investment, expressed as a percentage of the current market price of the relevant investment.

Prudential Indicators

The Prudential Code

The current system of capital finance is CIPFA's Prudential Code.

It is a professional Code of practice to support the decisions local authorities have to make to plan for capital investment. Originally introduced in 2004, its latest update was in 2017. Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part I of the Local Government Act 2003 i.e. compliance with the Code is a statutory requirement.

Objectives of the Code

The key objectives of the Code are:-

- To ensure that capital expenditure plans are affordable, prudent and sustainable
- That Treasury Management decisions are taken in accordance with good professional practice
- That local strategic planning, asset management planning and proper option appraisal are supported
- To provide a clear and transparent framework to ensure accountability

Required Prudential Indicators

The indicators required are shown below, with further explanation as to their meaning:

1(a). External Debt - Operational Boundary

The most likely, prudent view of the level of gross external indebtedness. External debt includes both borrowing and long term liabilities (e.g. finance leases). It encompasses all borrowing, whether for capital or revenue purposes.

1(b). External Debt - The Authorised Limit

The upper limit on the level of gross external indebtedness, which must not be breached without Council approval. It is the worst-case scenario. It reflects the level of borrowing which, while not desired, could be afforded but may not be sustainable. Any breach must be reported to the executive decision making body, indicating the reason for the breach and the corrective action undertaken or required to be taken.

1(c). External Debt - Actual External Debt

The indicator for actual external debt will not be directly comparable to the operational boundary and authorised limit, since the actual external debt will reflect the actual position at one point in time.

2. Capital Financing Requirement (CFR)

The Capital Financing requirement (CFR) replaced the 'Credit Ceiling' measure of the 1989, Local Government and Housing Act. It measures an authority's underlying need to borrow or use other long-term liabilities, to pay for capital expenditure.

3. Capital Expenditure

The level of capital expenditure incurred and likely to be incurred in future years. This is to be based on an accruals basis and on the definition of capital expenditure.

4. Gross External Borrowing and the Capital Financing Requirement

The level of external borrowing is required to be compared to the Capital Financing Requirement which represents the underlying need to borrow. Requires that borrowing in the medium term can only be for capital purposes.

5. Maturity Structure of Borrowing

Local Authority debt portfolios consist of a number of loans with differing maturities. Setting limits assists in ensuring any new borrowing in particular when combined with existing borrowing does not result in large concentrations of borrowing maturing in a short period of time.

6. Principal sums invested for greater than one year

This indicator measures the exposure of a local authority to investing for periods of greater than one year.

Locally determined Prudential Indicators

7. Ratio of Financing Costs to Net Revenue Budget Stream

This indicator is a measure of affordability of historic and future capital investment plans. It identifies the trend in the cost of capital financing which include:

- interest payable on borrowing and receivable on investments
- penalties or any benefits receivable on early repayment of debt
- prudent revenue budget provision for repayment of capital expenditure paid for by borrowing
- reimbursement of borrowing costs from directorates in respect of Invest to Save schemes.

For the General Fund, the net revenue stream is the amount to be met from non-specific WG grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers.

8. Capital financing costs expressed as a ratio Controllable Budget

Addresses limitations in the ratio above which:

- does not take into account the fact that some of the Council's revenue budget is non-controllable, delegated or protected
- is impacted by transfers in and out of the settlement
- includes investment income which is highly unpredictable, particularly in future years
- does not reflect gross capital financing costs for schemes where additional borrowing is undertaken to be repaid from within Directorate budgets e.g. invest to save or invest to earn schemes.

Accordingly an additional indicator is developed for the General Fund showing the ratio of capital financing costs of the Council expressed as a percentage of its controllable budget, excluding investment income:

Annual Minimum Revenue Provision (MRP) Policy Statement for 2018/19

It is proposed that the Council's MRP Policy is as follows, with any change in the level, timing and method of provision in year delegated to the Section 151 Officer. The Policy was considered by the Council's Audit Committee at its meeting in November 2017.

The broad aim of the 'prudent provision' is to ensure that debt arising from Capital expenditure is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits to service delivery (useful life) or in the case of borrowing supported by the WG, reasonably in line with the period implicit in the determination of any grant.

- Council Fund historic expenditure prior to 1 April 2004 as well as subsequent supported borrowing approved by the WG is to be provided for at 4.0% on a reducing balance basis in 2018/19. This is consistent with the support provided by WG as part of the Revenue Support Grant for Supported borrowing. This approach will continue unless WG change the approach to providing support as part of the RSG formula or any revision to MRP Guidance either in Wales or in England, albeit regular reviews of the position will continue.
- HRA supported borrowing, which was part of the previous housing subsidy system is to be provided for at 2% on a straight line basis. MRP on the significant £187 million settlement buyout payment is to be on 2% straight line basis as a minimum but with voluntary repayments to create headroom against the HRA debt cap for future development and reduce long term costs of servicing debt.
- Additional borrowing for a general increase in investment either in the Council Fund or HRA to balance the Capital Programme in a year is to be provided for on a straight line basis over the estimated average life of the assets created.
- Any additional expenditure linked to specific schemes e.g. Invest to Save, 21st Century Schools etc. is to be provided for on a straight line basis, or over the estimated useful life of assets being created or a shorter period as determined by the Section 151 Officer or suggested periods determined by WG as is the case with Local Government Borrowing Initiative.
- Revenue Provision in excess of the above requirements can be made subject to affordability and following advice of the Section 151 officer.
- Subject to agreement of the S151 Officer, MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases, loan repayments) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.
- The MRP charged against liabilities under finance leases, or contracts that have the characteristics of finance leases, shall be equal to the principal element of the lease repayment, calculated on an annual basis.

Approved list of Counterparties proposed as part of TM Strategy who are authorised to accept sterling deposits in the UK

	£	Duration
Australia AAA		
Australia and New Zealand Banking Group	12m	2 years
Commonwealth Bank of Australia	12m	2 years
National Australia Bank	12m	2 years
Canada AAA		
Canadian Imperial Bank of Commerce	12m	2 years
Toronto Dominion Bank	12m	2 years
France AA		
Credit Industriel et Commercial	10m	1 year
Societe Generale	10m	1 year
Germany AAA		
DZ Bank (Deutsche Zentral-Genossenschaftsbank)	12m	2 years
Netherlands AAA		
Cooperatieve Rabobank U.A.	12m	2 years
Singapore AAA		
DBS Bank	12m	2 years
Oversea Chinese Banking Corporation	12m	2 years
United Overseas Bank	12m	2 years
Sweden AAA		
Skandinaviska Enskilda Banken	12m	2 years
Svenska Handelsbanken	12m	2 years
Switzerland AAA		
UBS AG	12m	2 years
U.K AA		
Barclays Bank	10m	1 Year
Close Brothers	10m	1 Year
Goldman Sachs International Bank	10m	1 Year
HSBC Bank plc	12m	2 years
Santander UK plc	10m	1 Year
Standard Chartered Bank	10m	1 Year
Bank of Scotland	10m	1 Year
Lloyds Bank	10m	1 Year
Royal Bank of Scotland	12m	2 Years
Coventry BS	10m	1 Year
Nationwide BS	10m	1 Year

UK Local Authority	12m	2 Years
Debt Management Agency Deposit Facility	n/a	6 Months

Money Market Funds

BlackRock ICS Sterling Fund	12m	Liquid
Deutsche Managed Sterling Fund	12m	Liquid
Fidelity GBP ICF	12m	Liquid
Goldman Sachs Sterling Reserves Fund	12m	Liquid
Insight Sterling Liquidity Fund	12m	Liquid
LGIM Sterling Liquidity Fund	12m	Liquid
Northern trust sterling Government Liquidity Fund	12m	Liquid
Royal Bank of Scotland Global Treasury Fund	12m	Liquid
SLI Sterling Liquidity	12m	Liquid