



COUNCIL TAX SETTING FOR 2006/7 AND FINAL REVENUE AND CAPITAL BUDGET PROPOSALS

SUMMARY

- 1.1 The purpose of this report is to propose to Council the council tax increase for 2006/7 and to amend the 2006/7 revenue budget to deliver a balanced budget and address issues of public priority following the period of consultation on the budget proposals. Consequential changes to the indicative 2007/8 and 2008/9 budget plans are also made. Changes to the capital budget and prudential indicators are also made as part of this final set of proposals.
- 1.2 Recommendations are also made to Council to incorporate the council taxes set separately by the Derbyshire Police Authority and Derbyshire Fire Authority within bills for 2006/7.
- 1.3 The highlights of the Council's budget for 2006/7, including the changes in this report, include the following ...
 - A 2.4% increase in the 2006/7 council tax for Derby City services. This matches the current retail price index of inflation and is the lowest increase in council tax since the Council was created in its present form in 1997/98.
 - A net revenue budget increase of 3.4% in 2006/7, prioritised towards front line services to include a 5.5% increase for Social Services and a 4.9% increase for Development and Cultural Services.
 - Support within the budget for specific measures to improve services including:
 - the full year costs of a free home care service
 - continued roll out of twin bin recycling to two further areas of the City
 - new street and public space cleaning and streetcare in priority neighbourhoods
 - revenue funding to support major new capital investment including Connecting Derby, the Inner Ring Road, the QUAD, new Mickleover Library and a city-wide street lighting PFI investment
 - the introduction of free bus travel across Derbyshire for all people aged 60 and over and with disabilities, in place of current half fare provision.
 - In addition, an increase of 6.6% in funding, per pupil, within separate ring-fenced schools budgets in 2006/7.
- 1.4 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

Definitions: As part of this resolution, reference to the “the 21 February Cabinet report” refers to Item 18b on the 21 February 2006 Council Cabinet agenda: “General Fund Revenue Budget and Council Tax Setting for 2006/7”

2. To recommend to Council the following resolution, substituting this recommendation for the recommendation made to Council by the 21 February Cabinet report
- 2.1 To note the final local government finance settlement announcement.
[As recommended 21 February 2006]
- 2.2 To approve for 2006/7 the departmental revenue budget estimates and associated virements and use of reserves summarised in Appendices 2, 3 and 4 of this report, together with the full revenue budget proposals set out in Sections 4 to 6 and Appendix 4 of the 21 February Cabinet report, amended for the changes as set out in Sections 2 and 3 of this report and summarised in Tables 1 and 2.
- 2.3 To note the latest 2005/6 revenue budget monitoring position provided in Appendix 8 to the 21 February Cabinet report.
[As recommended 21 February 2006]
- 2.4 To approve the measures proposed to manage budget risks in 2006/7 and in future years, set out in Section 11 of the 21 February Cabinet report.
[As recommended 21 February 2006]
- 2.5 To approve the incorporation of specific grants and income as shown in Appendix 4 of the 21 February Cabinet report into the detailed budgets and in doing so authorise the relevant Chief Officers to publish any required notices and implement any increases in fees and charges that are consistent with the budget proposals.
[As recommended 21 February 2006]
- 2.6 To approve a budget requirement for Derby City Council for the year ended 31 March 2007 of £155,546,000.
- 2.7 To approve within this total:

	£
Net service estimates of:	
Commercial Services Department	4,124,000
Policy Directorate	5,985,000
Corporate Services Directorate	5,344,000
Finance Directorate	2,762,000
Other corporate budgets	6,670,000
Development and Cultural Services Department	41,011,000
Education Department	33,087,000
Social Services Department	72,284,000
Cross departmental contingencies	856,000
	172,123,000
Reverse capital charges within net service estimates	-28,572,000

Treasury management	13,092,000
	<u>156,643,000</u>
Appropriations to/from reserves:	
Pump Priming Fund	111,000
Corporate reserves	-672,000
Service reserves	-536,000
	<u>155,546,000</u>

- 2.8 To note that, at its meeting on 25 January 2006, the Council calculated the amount of 68,966 as the Council's Tax Base for the year 2006/7 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base)(Amendment)(England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.
- 2.9 To calculate the following amounts for the year 2006/7 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
- £535,406,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
 - £379,860,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
 - £155,546,000 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
 - £88,879,461 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax) and the sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charges) Directions under Section 98(4) of the Local Government Finance Act 1988 (Community Charge).
 - £966.66 as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 2.4 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	644.44	E	1,181.47
B	751.85	F	1,396.29
C	859.25	G	1,611.10
D	966.66	H	1,933.32

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each 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.

- 2.10 To note that for the year 2006/7, Derbyshire Police Authority, as a precepting authority, has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	90.10	E	165.18
B	105.12	F	195.22
C	120.13	G	225.25
D	135.15	H	270.30

- 2.11 To note that for the year 2006/7, Derbyshire Fire Authority, as a precepting authority, has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	38.43	E	70.45
B	44.83	F	83.26
C	51.24	G	96.07
D	57.64	H	115.28

- 2.12 Having calculated the aggregate in each case of the amount in 2.5, 2.6 and 2.7 above, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2006/7 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	772.97	E	1,417.10
B	901.80	F	1,674.77
C	1,030.62	G	1,932.42
D	1,159.45	H	2,318.90

- 2.13 To note the revenue budget plans for 2007/8 and 2008/9 set out in the 21 February Cabinet report as amended in Tables 1 and 2 of this report, and that they are for budget planning purposes and have indicative status.
- 2.14 To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
- 2.15 To approve the capital programme for 2006/7 to 2008/9 set out in this report and summarised in Appendix 5, incorporating the full proposals contained in the capital programme presented to Council Cabinet on 21 February 2006 as amended by the proposals in Sections 3.2 and 3.3 of this report.
- 2.16 To approve the planned prudential indicators set out in Appendix 6, noting that these replace the planned prudential indicators recommended for Council approval by Cabinet on 21 February 2006.
- 2.17 To note that the corporate property maintenance budget set out in Appendix 7 forms part of the capital and revenue budget proposals and that the detailed proposals are subject to approval by Cabinet on 14 March 2006 following review by Scrutiny Management Commission on 7 March 2006.



COUNCIL TAX SETTING FOR 2006/7 AND FINAL REVENUE AND CAPITAL BUDGET PROPOSALS

SUPPORTING INFORMATION

1. Recommendation on Council Tax 2006/7

- 1.1 Cabinet on 21 February agreed to meet on 1 March in order to make a recommendation to Council on the level at which the council tax should be set for 2006/7, together with the final changes to the Council's budget plans necessary to support this.
- 1.2 The recommendation being made is for a Band D council tax for Derby City Council services of £966.66 at Band D, a 2.4% increase in 2006/7.
- 1.3 The controlling political group has made a commitment to limit the council tax increase in 2006/7 to the rate of inflation, on the grounds of affordability. The 21 February report considered that retail price inflation (RPI) was the most relevant published measure. The most recent RPI increase, published in February, showed a 2.4% increase in the level of inflation over the 12 months to January 2006.
- 1.4 Recommendations are also being made that take into account the police and fire council tax precepts set independently by the Derbyshire Police Authority and Derbyshire Fire Authority. These separate taxes form part of the overall council tax bill, and the proceeds of the precepts are passed on to those authorities.
- 1.5 Further comparative details of council tax in Derby are given in Section 4 below.

2. Summary of Revisions to Revenue and Capital Budgets 2006/7 to 2008/9

- 2.1 This section summarises the final revisions that have been made to the revenue and capital budgets for 2006/7 to 2008/9. Section 3 below provides more detail in explanation of the changes.
- 2.2 The revenue budget position reported to Cabinet on 21 February showed a variable gap between the interim budget requirement and the budget required to produce a given council tax increase in the 2.25% to 4.18% range in 2006/7. It also showed a larger variable gap in 2007/8 and 2008/9 if this 2006/7 increase were to be followed by a notional 5.0% increase in both of those latter years, consistent with earlier planning assumptions.

- 2.3 Table 1 restates the position reported on 21 February based on a 2.4% 2006/7 increase, and a 5% in later years. It then summarises changes that are proposed to the Council's revenue budget plans that generate sufficient savings to enable a balanced budget to be delivered in 2006/7, net of some additional spending commitments in response to issues raised during budget consultation. It also shows the extent to which savings have been identified against the 2007/8 and 2008/9 budget plans.

TABLE 1: SUMMARY OF ADDITIONAL BUDGET REVISIONS

	2006/7 £000	2007/8 £000	2008/9 £000
Interim Budget Requirement – at 21 February 2006	156,708	166,047	172,757
Budget Requirement for Planned Council Tax	155,546	162,800	169,555
Gap – as Reported at 21 February 2006	1,162	3,247	3,202
Further Net Savings Identified (Table 2)	-594	-541	-514
Further Savings Still to be Identified	0	-2,206	-2,688
Use of Reserves	-568	-500	0
Net Budget Changes – Since 21 February 2006	-1,162	-3,247	-3,202

- 2.4 The specific savings that have been identified as part of these proposals are detailed in Table 2 below. All of these are additional to the changes which were itemised in the report to Cabinet of 21 February 2006, and which amended the original consultation budget of 9 January 2006.

TABLE 2: ADDITIONAL BUDGET REVISIONS – DETAILED CHANGES

	2006/7 £000	2007/8 £000	2008/9 £000
Previous Year's Brought Forward Changes	0	-594	-541
£2m additional capital expenditure – financing costs	36	107	27
Maintenance savings following extra capital investment	-50	-50	0
Museums: Maintain current opening arrangements	95	0	0
Museums: Misc savings including reduced restructuring	-41	0	0
Libraries: Remove service contingency	-30	0	0
Social Services: Remove capital limits	250	0	0
Social Services: Savings in revised residential contracts	-216	0	0
Social Services: Adult care management overheads	-34	0	0
Reduce job evaluation budget to £1.5m 6/7, £2.5m 7/8	-300	0	0
Finance: Savings in Building on Excellence	-100	0	0
Treasury Management: S106 balances	-104	-4	0
Corporate: Savings on insurances	-50	0	0
Corporate: Reduced support costs recovered externally	50	0	0
Corporate: Residual reorganisation pension budgets	-40	0	0
Corporate: Corporate contingencies	-60	0	0
Total Net Savings Including Brought Forward	-594	-541	-514

- 2.5 A revised Summary General Fund Revenue Budget for 2006/7, incorporating these changes, is shown in **Appendix 2**. In addition to incorporating the other changes in this report, the expenditure and income within the Education Department budget has

been grossed up from the figures reported to Cabinet on 21 February to properly reflect the impact of the Dedicated Schools Grant and other external income.

- 2.6 Revised summaries of the changes in the annual 2006/7 budget and 2007/8 and 2008/9 indicative budgets by department and in total are shown in **Appendix 3**. Future cash limits will be subject to revision and are therefore now excluded from Appendix 3.
- 2.7 **Appendix 4** provides a revised Statement of Corporate Revenue Reserves. The commitment of £568k of reserves to balance the budget in 2006/7 is largely matched by a commitment of £500k in 2007/8, to ensure that medium term funding issues are being addressed. The availability of these reserves reflects the contribution made to reserves by the retrospective payments of funding from Government that correct earlier census errors, which are detailed in Appendix 4 and total £5.3m.
- 2.8 These final proposals deliver a balanced budget in 2006/7, with no reliance on savings yet to be identified. There remain £2.2m of savings yet to be found in 2007/8 if the Council is to be in a position to deliver a 5% council tax increase in that year. If those savings continue into 2008/9, then the Council will still need to find an additional £0.5m of savings in that year, to deliver a 5% tax increase. An additional further saving of approximately £670k would be required in 2007/8 and 2008/9 for every 1% reduction in the council tax below the notional 5% tax increase illustrated here, rising to £700k in 2008/9.
- 2.9 After these changes, the Council's adjusted net budget requirement will increase by 3.4% in 2006/7. Indicative budgets for 2007/8 and 2008/9, including savings yet to be identified, show increases of 4.7% and 4.1% respectively. Details by department can be found in Appendix 3.
- 2.10 Two changes are also being made to the capital programme previously considered at 21 February 2005 Cabinet, as part of these final changes. The revised revenue budget reflects these changes. Provision is made for additional capital expenditure on planned building maintenance of £1.5m in 2006/7 and £0.5m in 2007/8. This is funded by unsupported borrowing and underwritten by the commitment of the remaining Public Priorities Fund reserve, as explained below. In addition, £250k of the previously unallocated planned expenditure within the corporate capital programme in 2007/8 has been earmarked for further works to community centres. This reduces the unallocated balance to £73k in 2007/8.
- 2.11 **Appendix 5** restates the capital programmes for 2006/7 to 2008/9 accordingly, to reflect the changes that are explained further below and reflected in the consequential changes to the revenue budget. This includes £1.5m of additional unsupported borrowing in 2006/7, and £0.5m in 2007/8. It should also be noted that a further report monitoring expenditure on the 2005/6 capital programme is due to be taken to Cabinet on 14 March 2006. That report may identify consequential changes from further revisions to the 2005/6 programme that impact on 2006/7 or later years.
- 2.12 **Appendix 6** updates the prudential indicators to reflect the changes to the capital programme. A separate adjustment has also been made to the calculation of the incremental impact on council tax of the capital programme (Indicator 39) following further analysis of the impact of direct revenue contributions between the General Fund and Housing Revenue Account.

3. Details of Changes to the Revenue and Capital Budget Proposals

3.1 Allocation of the Public Priorities Fund

The consultation budget set aside a potential £500k in each of 2006/7 and 2007/8 to be available for public priorities. Following consideration of feedback, it is proposed to commit this in support of the following:

- a £2m additional capital programme to keep our public buildings operational (Section 3.2)
- the allocation of an additional £250k from the previously uncommitted 2007/8 corporate capital programme to fund improvements to Sunnyhill Community Centre (Section 3.3)
- the continuation of existing opening arrangements for the City's museums (Section 3.4).

3.2 Capital - Corporate Buildings Programme (Public Priorities Fund)

The corporate Asset Management Group has recently completed an exercise to reprioritise the most critical maintenance needs across the Council's buildings. Previous reports on the capital programme had anticipated that it would need to be expanded to accommodate 'other smaller and medium scale priorities that may be identified by the Asset Management Group' (SMC 24 January 2005, Cabinet 21 February 2005). The highest priorities identified are those necessary to keep buildings operational and in reasonable condition, and it is now clear that substantial investment cannot reasonably be postponed until 2007/8.

It is therefore proposed to commit £2m of additional capital spending to address this need, backed by the Public Priorities fund. Provision for £1.5m is made in 2006/7, and the remaining £0.5m in the early part of 2007/8, additional to the programme recommended at Cabinet on 21 February 2006. The financing costs of this programme are shown in Table 2 above.

Full details of the expanded corporate buildings programme are given in **Appendix 7**, both for capital and existing revenue elements. Some of the additional capital commitments relating to Public Priorities funding include:

- Spondon Village Hall £100k
- Field Lane Community Centre £100k
- Bracken's Bowling Club £50k
- Sports Centres fire precaution work £47k
- Parks buildings (Markeaton and Alvaston) £45k
- Roe Farm Community Centre £10k
- St Augustine's Community Centre £35k
- Rycote, Weatherby and Humbleton View Day Centres £132k
- Markets £52k
- Assembly Rooms £35k

A contingency of £500k in both 2006/7 and 2007/8 will be allocated at a later stage once other priorities have been established from ongoing condition surveys and inspections.

The pre-emptive nature of some of the £2m proposed capital investment will also allow savings to be found in the revenue maintenance budget, as the need for unplanned emergency maintenance intervention is reduced. The revenue building maintenance budget is being reduced by £50k in 2006/7, rising to a £100k total saving from 2007/8 onwards, to reflect this.

It is proposed to seek the comments of the Scrutiny Management Commission on 7 March on this programme, following which Cabinet on 14 March will give full approval to the 2006/7 programme including authorisation to commence the individual capital schemes within it.

3.3 Capital – Sunnyhill Community Centre (Public Priorities Fund)

The existing 2007/8 indicative budget allocation for capital improvements works to community centres is being increased from £50k to £300k by reallocating £250k from the unallocated balance of the 2007/8 programme. The existing budget has already earmarked £45k in 2006/7 for Sunnyhill Community Centre as part of the commitment for its improvement. This will now be supplemented by use of the increased 2007/8 allocation should a worked up business case in partnership with the community demonstrate a need for a full refurbishment. This may be supplemented further by a lottery bid as community centres are a theme of lottery funding for the coming year.

3.4 Revenue - Museums Opening Hours (Public Priorities Fund)

The proposals to restrict the opening hours of the museums, that were put forward for consultation in January, have now been withdrawn in full. The loss of £95k of savings is being partly funded by the following alternative savings within the museums service: £30k from reduced costs of the museum service restructuring, £7k from miscellaneous establishment changes and £4k of additional trading income. A further £30k saving has been found from an ongoing service contingency budget within the libraries service. The remaining £24k per annum is being funded as part of the commitment of Public Priority funding, a net additional funding commitment of £72k over the three year budget period.

3.5 Revenue - Home Care Capital Limits

The consultation budget made it clear that the proposal to find savings in home care costs of £250k through making assessments against capital limits was still being evaluated. Following this evaluation, and taking account of feedback from consultation, the proposal has been withdrawn. This will deliver a free home care service for all users, regardless of their income or capital, maintaining the changes introduced by the current administration in 2005. The cost is being funded through a saving of £216k following further negotiation of fees for adult placements in residential and nursing care, and through a £34k saving on management overheads within adult services.

3.6 Revenue - Job Evaluation

The current programme, subject to ongoing negotiations with the trade unions, provides for implementation of job evaluation changes in 2007/8. To plan for some anticipated net increase in salary costs either as a one-off or on an ongoing basis, a

budget has been created. The original plan was to have created a budget of £2.8m by 2007/8, with £1.8m for retrospective costs in 2006/7. The revised budget reduces these provisions to £2.5m in 2007/8 and £1.5m in 2006/7. It is difficult to estimate the actual requirement until the job evaluation process is complete and renegotiations have commenced.

3.7 Revenue - Building on Excellence

A revenue budget of £0.5m was originally created to support the e-Derby investment programme to meet e-Government targets by 31 March 2006. The scope of this was widened to include the Building on Excellence programme. Given that the e-Government target date will have passed in 2006/7, it is proposed to reduce the budget slightly, by £100k.

3.8 Revenue - Section 106 Balances

The Treasury Management budget contained a pressure of £104k, to maintain the real terms value of unspent Section 106 balances paid by developers. No such contribution had been budgeted for in previous years. Other than for schools and to meet statutory accounting requirements, the Council has a general policy of retaining income earned on cash balances within the Treasury Management budget for corporate use, rather than earmarking income. It is not now proposed to introduce a policy of paying interest on S106 balances at this stage. The pressure shown in the consultation budget is therefore reversed to zero.

3.9 Revenue - Corporate Budgets

Net savings of £100k are available from other corporate budgets. Savings within the corporate insurances budget of £50k are offset by a reduction in the income from the current estimate of support service recharges to be recovered from outside of the general fund. Provision for pension costs associated with local government reorganisation has been reduced by £40k, and an unallocated corporate contingency provision of £60k has been removed.

4. Council Tax

- 4.1 Table 3 below shows how the Band D council tax for Derby City Council services of £966.66 has been calculated. The 2.4% increase proposed is the lowest that the Council will have approved since it was created in its present form as a unitary authority in 1997/98. The actual statutory calculation of the tax is made using the figures to the nearest £1 shown in the recommendations.

TABLE 3: CALCULATION OF CITY COUNCIL BAND D COUNCIL TAX 2006/7

	Expenditure £m
Budget requirement 2006/7	155.546
<i>Financed from:</i>	
Formula Grant - Revenue Support Grant	-14.381
Formula Grant – Share of National Business Rate	-74.498
Collection Fund Estimated Outturn 2005/6	0.000
Net Yield required from Council Tax 2006/7	66.667
Divided by tax base (Band D equivalent dwellings)	68,966
Tax rate for Band D property 2006/7	£966.66
Tax rate for Band D property 2005/6	£943.99
Increase £	£22.67
Increase %	2.40%

- 4.2 The Band D taxbase has already been approved by Council and has risen from 68,589.4 in 2005/6 to 68,966 in 2006/7.
- 4.3 The total budgeted tax yield of £66.667m divided by the 98,356 chargeable dwellings in Derby, means that the average 2006/7 tax per chargeable dwelling is £677.81 excluding the police and fire council tax. This is the average of what will be actually paid by households within Derby for City Council services, taking into account single person and other discounts.
- 4.4 The Derbyshire Police Authority and Derbyshire Fire Authority are required to separately set council taxes. The Police Band D tax has increased by 4.75% to £135.15, and the Fire Band D tax has increased by 4.90% to £57.64.
- 4.5 The different taxes to be paid at each tax band, for the City Council, Derbyshire Police Authority and Derbyshire Fire Authority council taxes and in total for Derby are shown within the statutory calculations forming part of the recommendations to this report. Households eligible for single persons discount receive a 25% reduction in these figures.
- 4.6 Table 4 below shows how total council tax in Derby – including the separate police and fire taxes – is expected to compare in 2006/7 with average levels across England, based on the Band D benchmark. The England average figure is at this stage an estimate, and has been increased by 4% from the actual 2005/6 average for England, based on the national survey findings published by the LGA at the end of February. Official ODPM comparisons will not become available until the end of March. The total tax is on average 8.2% below that for a property in the same band in another part of England. This percentage variation applies both to Band D and all other bands. The table also shows how tax increases in Derby have fallen behind the England average since the Council was created as a unitary authority in 1997/98, when Derby's tax was 2.5% below the average.

TABLE 4 – COMPARATIVE COUNCIL TAX LEVELS

	1997/8 Band D £	2006/7 Band D £
Derby (including Police and Fire)	671.76	1,159.45
England Average	688.94	1,262.36 Estimate
Difference	-17.18 -2.5%	-102.91 -8.2%

- 4.7 Derby currently has the lowest council tax at a given band of any of the 42 local authorities in the East Midlands region. It is expected that this will still be the case when other local authorities in the East Midlands have all set their taxes for 2006/7.

For more information contact: Philip Walker 01332 256288 e-mail Philip.walker@derby.gov.uk

Background papers:

List of appendices:

1. Implications
2. Summary General Fund Revenue Budget 2006/7 (Revised)
3. Summary of Annual Changes in Revenue Budget (Revised)
 - 2006/7
 - 2007/8 Indicative
 - 2008/9 Indicative
4. Statement of Corporate Reserves 2006/7 to 2008/9 (Revised)
5. Summary Capital Programme 2006/7 to 2008/9 (Revised)
6. Prudential Indicators 2006/7 to 2008/9 (Revised)
7. Proposed Allocation of Corporate Buildings Programme

IMPLICATIONS

Financial

1. As described in the report.

Legal

- 2.1 The Council is obliged to set a balanced budget for 2006/7. It must set the Council Tax for the City Council's own budget requirement, and determine the combined Council Tax figure, including the Tax set independently by the Derbyshire Police Authority and Derbyshire Fire Authority. The Council cannot delegate these responsibilities. The role of Cabinet is to advise the Council.
- 2.2 In setting its budget, the Council is obliged to take account of spending guidance issued by the Government, including the availability of reserve capping powers.
- 2.3 In exercising its powers under the Local Government Act 2003 to undertake unsupported borrowing in support of its capital programme, the Council must also ensure the affordability of those plans in the medium term in terms of the impact on revenue budgets beyond 2006/7.
- 2.4 The method of calculation of the Council's Budget and Council Tax is prescribed in the Local Government Finance Act 1992 and associated Regulations.

Personnel

3. Specific personnel proposals arising from the budget decisions made as a result of this report will be dealt with in accordance with normal personnel procedures and approval arrangements, including consultation with trade unions.

Equalities impact

4. The Council's budget consultation extended to the relevant committees that advise on equalities issues and a response to the most relevant issues arising during consultation meetings was given in the report to Cabinet of 21 February 2006.

Corporate objectives and priorities for change

5. The close relationship between the budget and corporate objectives and priorities was made clear in the report to Cabinet of 21 February 2006. The further changes in this report reflect the need to deliver a balanced budget while achieving the policy goal of an inflation linked council tax, together with specific changes following public consultation.

Summary General Fund Revenue Budget 2006/2007

Department	Controllable Expenditure		Gross Expenditure 2006/07 £000's	Controllable Income		Gross Income 2006/07 £000's	Proposed Controllable Budget 2006/07 £000's	Add		Total Departmental Budget 2006/07 £000's	Memorandum Reserve Movements	
	Employees	Running Costs		Grants	Other Income			Capital Charges	Net Support Services		Service	Other
	£000's	£000's		£000's	£000's			£000's	£000's		£000's	£000's
Commercial Services	21,269	28,073	49,342		(46,523)	(46,523)	2,819	1,019	286	4,124	(210)	
Chief Executive's Department												
Policy	6,210	13,238	19,448	(11,380)	(2,257)	(13,637)	5,811	308	(134)	5,985		
Corporate Services	8,693	9,436	18,129		(7,486)	(7,486)	10,643	1,320	(6,619)	5,344	(81)	(569)
Finance	7,630	4,598	12,228	(2,224)	(2,719)	(4,943)	7,285	67	(4,590)	2,762	(10)	41
Corporate Budgets	1,514	74,121	75,635	(64,609)	(4,927)	(69,536)	6,099		571	6,670		(138)
Treasury Management		26,969	26,969		(13,877)	(13,877)	13,092			13,092		55
Development & Cultural Services	14,993	30,949	45,942	(307)	(16,612)	(16,919)	29,023	8,675	3,313	41,011	(235)	(26)
Education	142,097	48,543	190,640	(165,468)	(11,018)	(176,486)	14,154	15,978	2,955	33,087		
Social Services	39,610	55,679	95,289	(8,290)	(20,138)	(28,428)	66,861	1,205	4,218	72,284		
Cross Departmental Contingencies	1,500	1,381	2,881		(2,025)	(2,025)	856			856		76
Departmental Total	243,516	292,987	536,503	(252,278)	(127,582)	(379,860)	156,643	28,572	-	185,215	(536)	(561)
Less Capital Charges			-			-		(28,572)		(28,572)		
Net Expenditure	243,516	292,987	536,503	(252,278)	(127,582)	(379,860)	156,643	0	-	156,643		
Appropriations to / from reserves:												
Service reserves											(536)	
Pump priming fund											111	
Corporate reserves											(672)	
Total General Fund Budget Requirement										155,546		

OVERALL SUMMARY BUDGET POSITION
2006/07

SUMMARY OF REVENUE BUDGET PROPOSALS													
DEPARTMENT TOTAL													
	Commercial Services	Chief Executive's Department					Development and Cultural Services	Education		Social Services	Cross Department Contingency	To/(from) Reserves	Budget Requirement
		Policy	Corporate Services	Finance	Corporate Budgets	Treasury Management		Schools	LEA and Sports				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PROPOSED BUDGET													
Controllable Base Budget (2005/6)	3,092	5,807	10,328	7,373	6,664	12,246	28,242	120,666	14,135	62,283	(4,341)	3,184	269,679
Add/Less budget service transfers between Council services/departments	-	274	-	-	(1,554)	(274)	-	1,554	-	-	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(517)	-	-	-	(255)	1,097	(325)	-	-	-	-	-	-
Add/Less external service transfers	-	-	85	-	1,788	-	-	(122,220)	-	1,120	-	-	(119,227)
Base for Comparison - After Use of Reserves													
Add/Less one-off adjustments from previous year	(13)	(140)	(621)	(32)	-	-	(506)	-	-	-	-	-	150,452
Base for Comparison - 2005/6 Services	2,562	5,941	9,792	7,341	6,643	13,069	27,411		14,135	63,403	(4,341)	3,184	149,140
Add/Less other base adjustments	144	100	-	38	(426)	274	-	-	50	-	5,497	(2,429)	3,248
Less full year effects of additional 2005/06 savings	-	(14)	-	-	-	-	-	-	-	-	-	-	(14)
Less new savings already approved by Cabinet in 2005/06	-	(67)	-	(86)	-	-	(41)	-	-	(1,031)	-	-	(1,225)
Adjusted Base Budget	2,706	5,960	9,792	7,293	6,217	13,343	27,370	-	14,185	62,372	1,156	755	151,149
Add/Less Proposed Budget changes													
Funded Inflation	149	173	435	155	129	-	1,216	-	505	2,928	-	-	5,690
Savings planned in previous indicative budget	-	(119)	(26)	-	(4)	(201)	(1,024)	-	(314)	-	-	-	(1,688)
New proposals for Gershon efficiency savings	(22)	(160)	(170)	(96)	(100)	(258)	(102)	-	(63)	(504)	-	-	(1,475)
New proposals for other budget savings	(92)	(271)	(680)	(197)	(434)	(1,138)	(1,125)	-	(696)	(2,540)	(300)	-	(7,473)
Pressures and developments planned in previous indicative budget	3	126	-	5	-	1,346	1,852	-	64	-	-	-	3,396
New pressures met within cashlimit	55	132	1,095	79	273	-	720	-	242	4,528	-	-	7,124
New developments met within the cashlimit	20	(30)	197	46	18	-	116	-	231	77	-	-	675
Total proposed budget changes	113	(149)	851	(8)	(118)	(251)	1,653	-	(31)	4,489	(300)	-	6,249
Net budget before use of reserves	2,819	5,811	10,643	7,285	6,099	13,092	29,023	-	14,154	66,861	856	755	157,398
Less use of reserves:													
Departmental	(210)	-	(81)	(10)	-	-	(235)	-	-	-	536	(536)	(536)
Corporate	-	-	(569)	(15)	(138)	-	(26)	-	-	-	748	(1,316)	(1,316)
NET BUDGET PROPOSED	2,609	5,811	9,993	7,260	5,961	13,092	28,762	-	14,154	66,861	2,140	(1,097)	155,546
Proposed Budget % increase over Base for Comparison	1.8%	-2.2%	2.1%	-1.1%	-10.3%	0.2%	4.9%		0.1%	5.5%			3.4%

OVERALL SUMMARY BUDGET POSITION
2007/08

SUMMARY OF REVENUE BUDGET PROPOSALS													
DEPARTMENT TOTAL													
	Commercial Services £'000	Chief Executive's Department					Development and Cultural Services £'000	Education		Social Services £'000	Cross Department Contingency £'000	To/(from) Reserves £'000	Budget Requirement £'000
		Policy £'000	Corporate Services £'000	Finance £'000	Corporate Budgets £'000	Treasury Management £'000		Schools £'000	LEA and Sports £'000				
PROPOSED BUDGET													
Controllable Base Budget	2,819	5,811	10,643	7,285	6,099	13,092	29,023		14,154	66,861	856	755	157,398
Add/Less budget service transfers between Council services/departments	-	-	-	-	-	-	-	-	-	-	-	-	-
Add/Less Prudential Borrowing budget transfers to Treasury Management	(301)	-	-	-	(52)	613	(99)	-	-	(161)	-	-	-
Add/Less external service transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Base for Comparison - Before Use of Previous Year's Reserves	2,518	5,811	10,643	7,285	6,047	13,705	28,924	-	14,154	66,700	856	755	157,398
Base for Comparison - After Use of Reserves	2,308	5,811	9,993	7,260	5,909	13,705	28,663	-	14,154	66,700	2,140	(1,097)	155,546
Add/Less one-off adjustments from previous year	-	-	(636)	(20)	-	-	(261)	-	-	-	-	-	(917)
Add/Less other base adjustments	4	-	-	-	(547)	-	-	-	-	-	3,720	(2,019)	1,158
Less full year effects of additional 2005/06 savings	-	-	-	-	-	-	-	-	-	-	-	-	-
Less new savings already approved by Cabinet in 2005/06	-	(2)	-	-	-	-	-	-	-	-	-	-	(2)
Adjusted Base Budget	2,522	5,809	10,007	7,265	5,500	13,705	28,663	-	14,154	66,700	4,576	(1,264)	157,637
Add/Less Proposed Budget changes													
Funded Inflation	142	165	259	157	127	-	1,021		371	3,193			5,435
Savings planned in previous indicative budget	-	(30)	-	-	(138)	(419)	(454)		(36)	-			(1,077)
New proposals for Gershon efficiency savings	(8)	(37)	-	(15)	-	-	-		-	-			(60)
New proposals for other budget savings	-	(31)	(50)	(36)	-	(148)	128		(136)	15			(258)
Pressures and developments planned in previous indicative budget	106	-	-	-	-	1,947	1,084		83	-			3,220
New pressures met within cashlimit	-	16	762	-	-	202	195		-	290			1,465
New developments met within the cashlimit	4	-	(13)	-	-	-	101		-	-			92
Unidentified future savings to be found											(2,206)		(2,206)
Total proposed budget changes	244	83	958	106	(11)	1,582	2,075	-	282	3,498	(2,206)	-	6,611
Net budget before use of reserves	2,766	5,892	10,965	7,371	5,489	15,287	30,738	-	14,436	70,198	2,370	(1,264)	164,248
Less use of reserves:													
Departmental	(186)	-	15	(21)	-	-	(149)		(95)	-	436	(436)	(436)
Corporate	-	-	(512)	-	-	-	-		-	-	512	(1,012)	(1,012)
NET BUDGET PROPOSED	2,580	5,892	10,468	7,350	5,489	15,287	30,589	-	14,341	70,198	3,318	(2,712)	162,800
Proposed Budget % increase over Base for Comparison - Before Reserves	9.8%	1.4%	3.0%	1.2%	-9.2%	11.5%	6.3%		2.0%	5.2%			4.4%
Proposed Budget % increase over Base for Comparison	11.8%	1.4%	4.8%	1.2%	-7.1%	11.5%	6.7%		1.3%	5.2%			4.7%

**OVERALL SUMMARY BUDGET POSITION
2008/09**

SUMMARY OF REVENUE BUDGET PROPOSALS														
DEPARTMENT TOTAL														
	Commercial Services £'000	Chief Executive's Department					Development and Cultural Services £'000	Education		Social Services £'000	Cross Department Contingency £'000	To/(from) Reserves £'000	Budget Requirement £'000	
		Policy £'000	Corporate Services £'000	Finance £'000	Corporate Budgets £'000	Treasury Management £'000		Schools £'000	LEA and Sports £'000					
PROPOSED BUDGET														
Controllable Base Budget	2,766	5,892	10,965	7,371	5,489	15,287	30,738		14,436	70,198	2,370	(1,264)	164,248	
Add/Less budget service transfers between Council services/departments	-	-	-	-	-	-	-		-	-	-	-	-	
Add/Less Prudential Borrowing budget transfers to Treasury Management	(39)	-	-	-	(179)	368	(150)		-	-	-	-	-	
Add/Less external service transfers	-	-	-	-	-	-	-		-	-	-	-	-	
Base for Comparison - Before Use of Previous Year's Reserves	2,727	5,892	10,965	7,371	5,310	15,655	30,588	-	14,436	70,198	2,370	(1,264)	164,248	
Base for Comparison - After Use of Reserves	2,541	5,892	10,468	7,350	5,310	15,655	30,439	-	14,341	70,198	3,318	(2,712)	162,800	
Add/Less one-off adjustments from previous year	-	-	(512)	(16)	-	-	(149)		-	-	-	-	(677)	
Add/Less other base adjustments	(5)	-	-	-	102	-	-		-	-	-	6	103	
Less full year effects of additional 2005/06 savings	-	-	-	-	-	-	-		-	-	-	-	-	
Less new savings already approved by Cabinet in 2005/06	-	(2)	-	-	-	-	-		-	-	-	-	(2)	
Adjusted Base Budget	2,722	5,890	10,453	7,355	5,412	15,655	30,439	-	14,436	70,198	2,370	(1,258)	163,672	
Add/Less Proposed Budget changes														
Funded Inflation	129	158	257	160	128	-	1,023		364	3,411			5,630	
Savings planned in previous indicative budget	-	-	-	-	-	(357)	(60)		-	-			(417)	
New proposals for Gershon efficiency savings	-	(4)	-	-	-	-	-		-	-			(4)	
New proposals for other budget savings	-	(3)	-	-	-	-	(11)		-	-			(14)	
Pressures and developments planned in previous indicative budget	-	-	-	(5)	-	771	(51)		-	-			715	
New pressures met within cashlimit	-	10	691	-	-	72	89		-	99			961	
New developments met within the cashlimit	-	-	3	-	-	-	(199)		-	-			(196)	
Further unidentified future savings to be found											(488)		(488)	
Total proposed budget changes	129	161	951	155	128	486	791	-	364	3,510	(488)	-	6,187	
Net budget before use of reserves	2,851	6,051	11,404	7,510	5,540	16,141	31,230	-	14,800	73,708	1,882	(1,258)	169,859	
Less use of reserves:														
Departmental	(190)	-	-	-	-	-	(64)		(50)	-	304	(304)	(304)	
Corporate	-	-	-	-	-	-	-		-	-	-	-	-	
NET BUDGET PROPOSED	2,661	6,051	11,404	7,510	5,540	16,141	31,166	-	14,750	73,708	2,186	(1,562)	169,555	
Proposed Budget % increase over Base for Comparison - Before Reserves	4.5%	2.7%	4.0%	1.9%	4.3%	3.1%	2.1%		2.5%	5.0%			3.4%	
Proposed Budget % increase over Base for Comparison	4.7%	2.7%	8.9%	2.2%	4.3%	3.1%	2.4%		2.9%	5.0%			4.1%	

UNCOMMITTED AND GENERAL CORPORATE RESERVES

General Corporate Reserve							
Reserve	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000
General Reserve (2% of budget requirement)	5,767	137	5,904	150	6,054	0	6,054

Corporate Reserves Held for Defined Uses							
Reserve	Balance 31 March 2006 £000	Changes 2006/07 £000	Balance 31 March 2007 £000	Changes 2007/08 £000	Balance 31 March 2008 £000	Changes 2008/09 £000	Balance 31 March 2009 £000
Treasury Management Commutation reserve	2,861	0	2,861	0	2,861	0	2,861
Other Treasury Management reserves	695	0	695	0	695	0	695
Total Treasury Management reserves	3,556	0	3,556	0	3,556	0	3,556
Trading Services reserve	1,000	0	1,000	0	1,000	0	1,000
Job Evaluation	759	-224	535	0	535	0	535
Pump Priming Fund - Existing Budgeted Commitments	509	111	620	112	732	0	732
Add approved use for Decriminalised Parking Enforcement	-180	180	0	0	0	0	0
Add approved use for Jayex signboard	-45	45	0	0	0	0	0
Add approved use for Creative Industries	-52	-88	-140	82	-58	0	-58
Net Pump Priming Reserve	232	248	480	194	674	0	674
Corporate Investment Fund	999	0	999	0	999	0	999
Less budgeted approved use:							
Head of Procurement	-66	-44	-110	-12	-122	0	-122
DCS Transport coordinator post	-32	-26	-58	0	-58	0	-58
Accommodation strategy	-32	0	-32	0	-32	0	-32
Building on Excellence / Change Management	-27	-15	-42	0	-42	0	-42
Less other approved use:							
Financial Systems Strategy	-70	-30	-100	0	-100	0	-100
Net Corporate Investment Fund	772	-115	657	-12	645	0	645
LPSA1 Reward funding reserve	2,025	2,025	4,050	0	4,050	0	4,050
Less LPSA1 scheme support	-537	-537	-1,074	-537	-1,611	0	-1,611
Less LPSA2 scheme support	-333	-334	-667	-333	-1,000	0	-1,000
Less LPSA1 and 2 Inflation Contingency	0	-40	-40	-80	-120	0	-120
Net LPSA Reserve	1,155	1,114	2,269	-950	1,319	0	1,319
Total	7,474	1,023	8,497	-768	7,729	0	7,729

APPENDIX 4

Uncommitted Corporate Reserves							
	Available and Uses in 2005/6 £000	Additions 2006/7 £000	Available and Uses in 2006/7 £000	Additions 2007/8 £000	Available and Uses in 2007/8 £000	Additions 2008/9 £000	Available and Uses in 2008/9 £000
Reserves Available							
NDR refunds reserve	663	0	663	0	663	0	663
Existing budget uncertainties reserve/corporate planned forecast underspend 2004/5	1,799	0	1,799	0	1,799	0	1,799
Backdated Census - 2003/04 Settlement	2,200	0	2,200	0	2,200	0	2,200
Backdated Census - 2004/05 and 2005/06 Settlement	3,079	0	3,079	0	3,079	0	3,079
Net 2005/06 Out-turn excluding Census	95		95	0	95	0	95
Previously Earmarked Corporate Reserves now Uncommitted	43	0	43	0	43	0	43
Balance of Reserves Available Before Use	7,879	0	7,879	0	7,879	0	7,879
Balance of Previous Year's Approved Uses Brought Forward	-1,064		-2,860		-4,108		-5,258
Budgeted approved uses of Reserves							
Supporting People 2005/2006 and 2006/2007 budget support	-200		0				
Urban Regeneration Company contribution full-year effect 2005/06	-125						
Bus Station one-off transitional costs 2005/2006 and 2006/2007	-25		-25				
Repair and Maintenance 2005/06 revenue budget	-500						
Repair and Maintenance 2006/07 and 2007/08 unallocated corporate reserve			-500		-500		
Public Priority Fund 2005/2006 revenue budget	-534				-500		
General use of reserves in 2006/07 budget including reallocated Public Priorities Fund			-568				
Integrated Children's Services 2005/2006 and 2006/2007	-138		-138				
General use of reserves in 2005/06 budget	-137						
Maintain general reserves at 2% of budget requirement 2004/05							
Other potential uses of Reserves							
Maintain general reserves balances	-137		-137		-150		
Corporate funding of HTS transport problem (up to)			-180				
Supporting people - Repayment of corp contribution in 6/7			300				
Total future years approved uses	-2,860		-4,108		-5,258		-5,258
Net Balance of Uncommitted Reserves Available	5,019		3,771		2,621		2,621

APPENDIX 5

Summary Capital Programme 2005/06 to 2008/09

Revised 2005/06 £'000	Costs and Funding	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000	Total 2006/7 to 2008/9 £'000
	Scheme Costs				
15,606	Education	24,647	18,549	12,250	55,446
17,462	Development and Cultural Services	24,472	20,522	18,679	63,673
37,070	Chief Executive - Housing	22,379	21,523	15,712	59,614
3,788	Chief Executive - Other	4,059	2,707	2,020	8,786
4,086	Commercial Services	2,962	2,732	250	5,944
2,357	Social Services	1,069	482	277	1,828
0	Unallocated Corporate Resources	0	73	758	831
80,369	Total Costs	79,588	66,588	49,946	196,122
	Funding				
14,414	Supported Capital Expenditure - SCE (R)	16,390	9,568	8,704	34,662
7,937	Supported Capital Expenditure - SCE (C)	21,637	28,237	17,441	67,315
18,915	Supplementary Credit Approval	0	0	0	0
	Unsupported Borrowing				
3,121	Corporate Programme	3,740	2,535	2,000	8,275
2,724	Service Financed Unsupported Borrowing	2,117	1,108	200	3,425
1,372	Service Financed Spend to Save	1,308	812	120	2,240
8,809	Government Grant	8,782	7,556	9,577	25,915
1,433	External Contributions	3,418	4,130	309	7,857
2,510	S106	581	157	0	738
1,945	Lottery	812	195	0	1,007
	Revenue Contributions	1,610	2,230	2,200	6,040
10,932	Major Repairs Allowance - MRA (Housing)	7,465	7,570	7,532	22,567
928	Capital Reserves	4,012	200	0	4,212
2,161	Service Revenue Reserves	0	0	0	0
3,168	Capital Receipts	7,716	2,290	1,863	11,869
80,369	Total Funding	79,588	66,588	49,946	196,122

APPENDIX 6

Prudential Code Indicators Summary 2006/07 - 2008/09

Prudential Code		Actual	Estimated:			
Reference	Indicator	2004/05	2005/06	2006/07	2007/08	2008/09
Affordability						
35 - 36	Forecast Financing cost to Net Revenue Stream Ratio					
	- General Fund %		4.12%	8.42%	9.39%	9.52%
	- HRA %		23.84%	22.19%	22.37%	21.94%
37-38	Actual Financing cost to Net Revenue Stream Ratio					
	- General Fund %	3.82%				
	- HRA %	21.41%				
39	Incremental Impact on Council Tax: Band D £/year			15.14	37.60	51.69
Local	Marginal Impact on Council Tax: Band D £/year per £1m extra revenue cost - full year effect			14.50	14.41	14.41
40-41	Incremental Impact on Housing Rents £/week			1.75	3.15	3.34
Prudence						
45	Actual / Forecast Borrowing compared to CFR					
	- External Debt excluding Transferred Debt £m	285.5	328.5	331.1	338.2	341.8
	- CFR £m		362.6	380.2	387.3	390.9
Local	- External Debt including Transferred Debt £m		378.8	379.4	384.6	386.4
	- CFR £m		362.6	380.2	387.3	390.9
Capital Expenditure						
51-52	Total Capital Expenditure					
	- General Fund £m			69.5	55.9	39.2
	- HRA £m			10.1	10.7	10.7
	- Total £m			79.6	66.6	49.9
53-54	Estimated Capital Financing Requirement					
	- General Fund £m		173.3	190.0	196.0	198.6
	- HRA £m		189.2	190.2	191.2	192.2
	- Total £m		362.6	380.2	387.3	390.9
57-58	Actual Total CFR £m	326.5				
External Debt						
59	Authorised Limit for borrowing £m			437	445	449
	Authorised Limit for other long term liabilities £m			1	1	1
	Authorised Limit £m			438	446	450
60	Operational Boundary for borrowing £m			418	426	430
	Operational Boundary for other long term liabilities £m			1	1	1
	Operational Boundary £m			419	427	431
Treasury Management						
66	Adopted CIPFA Treasury Management Code of Practice	Yes	Yes	Yes	Yes	Yes
67-70	Interest Rate Exposure - Fixed					
	Upper limit %			120	120	120
	Lower limit %			80	80	80
67-70	Interest Rate Exposure - Variable					
	Upper limit %			20	20	20
	Lower limit %			-20	-20	-20
Local	Long term Borrowing - Fixed rate					
	Upper limit %			100	100	100
	Lower limit %			80	80	80
Local	Long term Borrowing - Variable rate					
	Upper limit %			20	20	20
	Lower limit %			0	0	0
Local	Investments - Fixed rate					
	Upper limit %			100	100	100
	Lower limit %			30	30	30
Local	Investments - Variable rate					
	Upper limit %			70	70	70
	Lower limit %			0	0	0
74	Maturity Structure of Debt - % of all debt			Upper Limit %	Lower Limit %	
	Under a year			15	0	
	Between 1 and 2 years			15	0	
	Between 2 and 5 years			30	0	
	Between 5 and 10 years			50	0	
	Over 10 years			100	50	
77	Investments over a year - limit £m			£25m	£25m	£25m
	Additionally, no investment to be longer than three years from date of investment					

CORPORATE REVENUE AND CAPITAL BUILDINGS PROGRAMME

1. This Appendix is set out as follows:
 - Table 7.1 shows how the combined budget available in 2006/7 has been increased from £4.552m to £6.002m.
 - Table 7.2 shows the proposed allocation of programme between revenue and capital schemes, how the allocation compares with the current 2005/6 budget, and demonstrates that the allocation for planned projects has been increased by £1.5m to £1.767m.
 - Table 7.3 provides a detailed schedule of the 2006/7 revised allocation for planned projects of £1.767m, between building works and mechanical and electrical engineering works. The works included have been given a high prioritisation by the corporate Asset Management Group. A series of further projects have been deferred pending further investigation for the reasons shown, after which they will be reconsidered by the Group.
2. Experience has shown that it is at this stage necessary to maintain a significant contingency. Inevitably, given the scale of maintenance backlogs, there will be failures of building elements, such as boilers, that will require urgent and unplanned remedial work. Consequently, the budget for 2006/7 contains a contingency of £550,000 which will need to be allocated during the summer/autumn.
3. The programme for 2007/8 has yet to be allocated, other than where schemes starting in 2006/7 are planned to be completed in 2007/8. The additional capital allocation of £0.5m now proposed for that year will be fully committed on planned projects once investigations are complete into the deferred schemes shown in Table 7.3. The likelihood of other unplanned remedial work is a further reason not to commit the 2007/8 budget at this stage.
4. All figures shown are based on initial budget estimates. The detailed allocation of costs between capital and revenue schemes in Table 7.2 is provisional and the Council's overall revenue and capital budgets are based on the available budget shown in Table 7.1. Revenue expenditure cannot exceed the £3.727m shown in Table 7.1. If the capital works exceed £2.275m, then the revenue budget can make a capital contribution and the capital programme will be adjusted accordingly.

TABLE 7.1
AVAILABLE BUDGET 2006/7 AFTER REVISIONS

	£000	£000
Allocation - at 21 Feb 2005 Cabinet		
Revenue – Ongoing	3277	
Revenue – Corporate Reserves	500	
Corporate Capital Programme	775	
Total 21 Feb 2005 Allocation		4552
Changes to Allocation		
Capital – part of £2m additional programme to 7/8	1500	
Revenue – Savings from extra Capital	-50	
Net Changes to Allocation		1450
Total Available Budget 2006/7		6002
of which		
Revenue		3727
Capital		2275

TABLE 7.2
DETAILS OF BUDGET 06/07

	2005/6 £000	2006/7 £000	2006/7 Revenue £000	2006/7 Capital £000
Day to day repairs – base	1550	1750	1750	
Day to day repairs – impact of extra allocation		-50	-50	
Planned maintenance excluding projects				
▪ Servicing etc	593	585	585	
▪ Buildings at risk	385	450	450	
▪ Boundary walls/fences	100	100	26	74
▪ Asbestos inspection and removal	141	100	30	70
▪ Gas pipework	40	0		
▪ Glazing works	50	50	50	
▪ Cyclical painting	50	50	50	
▪ Buildings at risk surveyor	35	0		
▪ Water hygiene	250	260	260	
▪ Computer maintenance	10	10	10	
▪ WEE regulations	5	5	5	
▪ Fire risk assessments	0	200	200	
▪ Energy Performance of Buildings Directive	0	20	20	
Sub-total: Planned maintenance	1659	1830		
Disabled adaptations	100	100		100
Professional salaries (to be transferred)	40	55	55	
Contingency	300	550	150	400
Projects (Table 7.3)				
▪ Planned maintenance (revenue)	0	100	100	
▪ Planned projects – before extra allocation	800	167		167
▪ Planned projects – extra capital allocation	0	1500		1500
Sub-total: Projects	800	1767		
Total	4449	6002	3691	2311

TABLE 7.3
SCHEDULES OF PRIORITISED PLANNED PROJECT WORKS 2006/7

Building Work

	Establishment	Description	Budget Cost £000s				Comments
			06/07		07/08	Deferred	
			Revenue	Capital			
1	Moorfield Children's centre	Fire precaution works to upgrade bedroom doors		10			
2	Lancaster Sports Centre	Upgrade Fire Precautions				43	Pending further review
3	Arthur Neal House	Essential repairs/other works		15			
4	Eagle Centre Market – loading bay area	Replacement Glass Roof and anti climb measures		12			
5	Moorways Pool	Fire precaution works	5				
6	Moorways Sports Centre	Fire precaution works		25			
7	Queens Leisure Centre	Fire precaution works		22			
8	Shaftesbury Leisure Centre	Fire precaution works	5				
9	Markeaton Glass House and store building	Rotten timber work, glass removed and windows boarded				20	Pending external funding bid
10	Markeaton Park - Train Shed	Repairs to structure		10			
11	Allestree Hall Gents Golf Club Toilets	Repairs to plaster /wall tiles	8				Minimum work pending future of Hall
12	Alvaston Park Changing Rooms	Replacement ceilings and windows required in addition to fire damage repairs		20			
13	Ashtree House	Contact Room repairs windows doors , joists damp and render		10			
14	Brackens Bowls Club	Repairs to timber framed building		50			
15	Children's Centre – Leopold Street	Render replacement and external decorations	8				
16	Darley Abbey Bake House (store)	Replacement of timber ground floor				10	Taken out of use
17	Kedleston Road Training Centre	Fire precaution works		50			
18	Guildhall	Fire precaution works		10			
19	Markeaton Park Pitch & Putt Building	Repairs required to 16 defective timber panels and support frame		15			
20	Rycote Day Centre	Repair of timber windows and potential for concrete panel fixing failure		52			
21	Weatherby Day Centre	Investigations into the condition of the structural frame including hammer testing and specialist survey, followed		30			

	Establishment	Description	Budget Cost £000s				Comments
			06/07		07/08	Deferred	
			Revenue	Capital			
		by remedial works to repair and protect the concrete					
22	Roe Farm Community Centre	Repairs to Spalling concrete to column.		10			
23	Queen's Leisure Centre	Access route and edge protection to teaching pool roof				5	Managed by permit to work
24	Spondon Village Hall	Replacement roof and ceilings		100			
25	Stores Road Depot –Stable Block	Phase 1 - essential repairs to masonry		50			
26	Allenpark Centre	Repairs to concrete roof deck and roof covering	5				
27	St Augustine Community Centre	Repairs to windows and		35			
28	Assembly Rooms	Darwin Suite – Repairs / replacement of maple wood strip floor. Total cost £70,000		35			Total cost £70 000. Regeneration and Community to fund 50%
29	Humbleton View Day Centre	Phase 1 Repairs – Timber frame, windows and roof.		50			
30	Moorways Pool	New fire alarm system				46	Existing alarm system pending review of fire risk assessments
31	Moorways Sports Centre	New fire alarm				50	Ditto
32	Rowditch House – Museum Store	Internal and external structural refurbishment of building to maintain structurally sound				100	Future of buildings to be reviewed
33	St Mary's Gate	Phase 1 – Repairs to render and masonry		50			
34	The Space	Replacement of metal windows		30			
35	Market Place Water Feature	Failing render to block wall				20	Review later in year
36	Wholesale Market	Phase 1 - essential repairs to access roads		20			
37	Cattle Market	Phase 1 - essential repairs to access roads		20			
38	Chester Green CC	Window replacements and external decoration	5				
39	Guildhall	Dressing Room cubicle replacement and ladies toilet tile replacement	6				
40	Shaftesbury Leisure Centre	Footpath repairs	6				
41	Allenton Market	Uneven paving slabs	5				
42	Moorways Stadium	Emergency lighting upgrade				4	Existing alarm system pending review of fire risk assessments
43	Nottingham Road Toilets	Replacement of sanitary fittings with more Vandal resistant alternatives				6	Toilets remain closed pending review
44	Nunsfield House	Repairs to flat roof recovering and insulation	6				
45	Shot Tower Shops	Failing brickwork and window lintels				100	Possible tenancy will cover work
46	Field Lane Community Centre	Various repairs/ replacement required which include vandalism reinstatement, roof strengthening, boiler		100			

	Establishment	Description	Budget Cost £000s				Comments
			06/07		07/08	Deferred	
			Revenue	Capital			
		repairs, installation of gas main and security improvement works.					
47	Kedleston Road Training Centre	First floor Numeracy and Literacy Rooms - defective roof trusses require replacement along with full refurbishment of the rooms.				100	Pending review of centre
48	Market Hall	Phase 2 - Replacement of copper roof covering to dome				400	Defer to future year
49	Moorways Stadium	Repairs to disabled changing room drainage, Repairs to main corridor floor				5	Service revenue budget
50	Southgate Youth Centre	Renew surface to the car park and install additional drainage.				60	Lower priority
51	Local Studies Library	Floor repairs				10	Lower priority
52	St Helens House	Pearson Building -Roof and masonry repairs				20	Building currently closed and not in use
53	Moorways Pool	New hose reels identified from Fire Risk Assessment				8	Existing system pending review of fire risk assessments
54	Moorways Sports Centre	New hose reels identified from Fire Risk Assessment				8	
55	Queen's Leisure Centre	New hose reels identified from Fire Risk Assessment				16	
56	Council House	Installation of additional fire barriers in roof space to prevent spread of fire		46			
57	Council House	Structural investigations into cracking of external brickwork and internal floor slabs	25				
58	Council House	Phase 2 – Roof walk ways		15			
59	Council House	Repairs to wood block floor finishes		35			
60	Council House	Phase 1 – Provide tanking to prevent ground water ingress into Basement				58	Further investigation and rationalisation of use
61	Silk mill – Fire Escape	Additional repairs		30			
62	Sunnyhill Community Centre repairs			45			
		Total – Building Work	84	1002			

Mechanical and Electrical Engineering Work

	Establishment	Description	Budget Cost		07/08	Deferred	Comments
			06/07				
			Revenue	Capital			
63	27 St Mary's Gate	Replacement Water heaters (toilets)	5				
64	Markeaton Park	Repair / replace leaking water main I		50			
65	Nottingham Road Cemetery	Repair leaking water mains				50	Review water collection points
66	Markeaton Crematorium	Reline cremators Phase 1		40	20		Tree year programme. Total cost £80 000
67	Perth St Social Services office	Fire alarm installation		15			
68	Eagle Centre Market	Smoke vents repairs	6				
69	Markeaton Park Mundy Play Centre	Battery room ventilation		12			
70	Moorways	Repairs / replacement ductwork				200	Pending further investigation
71	Council House	Repairs to heating system.		20			
72	Chesapeake Family Centre	New boiler and calorifier		15			
73	Assembly Rooms	Replacement boiler burners		18			
74	Moorways Pool	Replace boiler burner	5				
75	55 Coronation Av	Heating system £150,000		140			
76	Newton's Walk	Replace cast iron heating system				120	Not highest priority
77	Central library and museum	Replace cast iron heating system				250	Not highest priority
78	Staff development centre	Replace cast iron heating system				100	Pending review of centre
79	Museum	Replace air conditioning				300	Not highest priority
80	Industrial Museum	New goods lift				60	Not highest priority
81	Market Hall North tower	New lift				46	Not highest priority
82	Market Hall goods	New lift				50	Not highest priority
83	Assembly Rooms goods lifts	New lifts		155			
84	Assembly Rooms stage lift	New lift		200			
85	Bold Lane car park	New lift				50	Not highest priority
86	Chapel St car park	New lift				50	Not highest priority
		Total – Engineering Services	16	665	20		