Derby City Council

COUNCIL CABINET
8 February 2017

ITEM 9

Report of the Cabinet Member for Strategy & Policy

Capital Budget 2017/18 to 2019/20

SUMMARY

1.1 The report sets out the 2017/18 to 2019/20 capital programme for recommendation to Council on 1 March 2017. The main areas of the £212,924,271 programme over the next three years are …

- £23,220,000 for the Environmental Agency flood defence project Our City Our River.
- £25,000,000 to deliver the jointly funded waste disposal plant in partnership with Derbyshire County Council.
- £36,427,271 for the People's Directorate programme, including the conclusion of the current primary school expansion programme and repairs, maintenance and improvements to the fabric of school buildings. This is indicative, subject to confirmation of government allocations.
- £43,543,000 Housing programme including refurbishment to Council-owned houses in the Housing Revenue Account – HRA. This is indicative subject to the approval of the HRA business plan. Housing General Fund schemes to deliver decent homes and assistance to vulnerable householders, disabled facilities grants, other repairs and assistance in the private sector and support for affordable housing.
- £22,871,000 for Highways and Transport - to improve the highway network and deliver major schemes such as the A52/Wyvern Transport Improvements.
- £32,091,000 for Property improvements and new construction to Council buildings and infrastructure, including the addition of a new scheme to build a new swimming pool.
- £21,356,000 for Regeneration of the city centre and key regeneration areas, including Infinity Park Derby and the Innovation Centre.

1.2 The report outlines assumptions made on future year's government allocations which are still to be confirmed, as detailed in Paragraph 5.2.

RECOMMENDATION

2.1 To approve the capital programme for 2017/18 and note the indicative capital programme for 2018/19 and 2019/20 as set out in the report. A summary is shown in Appendix 2.

2.2 To approve the commencement of the capital schemes presented in the 2017/18 capital programme detailed in Appendix 2.

2.3 To note assumptions made for government funding allocations, detailed in paragraph 5.3.

2.4 To note the process of review undertaken on the current capital programme described in section 4.

2.5 To note the revenue budget implications of the proposed programme described in sections 6 and 8.

2.6 To approve the prudential indicators as outlined in section 9 and detailed in Appendix 5.

2.7 To approve the MRP statement detailed in Appendix 6.

REASONS FOR RECOMMENDATION

3.1 The Capital programme for 2017/18 and the indicative capital programme for 2018/19 and 2019/20 require Council approval under Contract and Financial Procedure Rules to ensure that the programme meets the corporate outcomes as detailed in paragraph 7.2.

3.2 In order to support the decision making process a review of the existing programme has been carried out to ensure that the limited funds available can be targeted appropriately to meet the Council's overall aims.

Derby City Council

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Report of the Chief Executive

SUPPORTING INFORMATION

4. DEVELOPMENT OF THE CAPITAL PROGRAMME

4.1 In February 2016, Council approved a capital programme for the period from 2016/17 to 2018/19 with 2017/18 and 2018/19 as indicative allocations only. This provisionally allocated corporate resources available in order to meet significant investment needs for service improvement.

4.2 The Council's budget strategy report for 2017/18 was presented to Council in 9th November 2016, and included details of the Council's proposed approach to development of the capital programme. Following adoption of this strategy, the proposed capital programme has been developed using the following methodology …

- The inclusion of the indicative funded programme for 17/18 & 18/19
- The addition of a 2019/20 programme funded through government grants, Single Capital Pot, S106, Major Repairs Allowance and capital receipts
- The strategy assumed no new borrowing for future years, apart from the proposed new pool however due to health and safety works on a number of council buildings as well as investing in the Councils ICT infrastructure additional borrowing has been included totalling £2,811,000 for 2018/19 and £4,287,000 for 2019/20 to enable refurbishment and safety works to Council buildings required in the delivery of the Councils services. Borrowing has been utilised on schemes of an enhancement nature in order to allow for borrowing costs to be spread over a longer life and with Single Capital Pot (SCP) funding being switched to be used on shorter term asset lives.
- No further new bids added apart from those which are self-funded or rolling programmes for transport, schools and HRA.
- Addition of the council's priority for the contribution to the build of a new swimming pool.

4.3 The Quarter 2 monitoring report agreed by Cabinet on 9 November 2016 was used as the basis for the indicative 2018/19 – 2019/20 capital programme planning. This has since been revised with all of the amendments approved at further Cabinets since this date including the Quarter 3 capital monitoring report to this Cabinet.

4.5 Table 1 summarises the final revisions that have been made to the 2017/18 to 2019/20 capital programme since the consultation process and includes all cabinet changes and updated funding assumptions.

Table 1 Final changes to 2017/18 to 2019/20 capital programme since the Consultation process.

Change (cumulative)	**2017/18 £000's**	**2018/19 £000's**	**2019/20 £000's**
Capital Programme Consultation	101,713	55,778	35,682
Changes due to slippage from 2016/17	3,222	7,835	1,596
Unfunded programme now funded		2,811	4,287
Revised Capital programme	**104,935**	**66,424**	**41,565**
Funding Available at Consultation	101,713	55,778	35,682
Changes due to slippage (Various)	3,222	7,834	1,596
Additional borrowing for unfunded programme during consultation		2,811	4,287
Revised Funding Available	**104,935**	**66,423**	**41,565**

4.6 The provisional capital programme 2017-2020 was developed by the Council's Corporate Capital Programme Board (CCPB) in conjunction with Chief Officer Group and Council Cabinet.

4.7 **NEW ALLOCATIONS**

CCPB received a number of requests for new capital schemes from Directorates, for 2017/18 to 2019/20. Rolling programmes attracting their own funding totalled £24,240,000 and extended the existing programme, allocating indicative annual funding in 2019/20 for CYP, HRA and highways.

Schemes, totalling £4,287,000 requesting new corporate funding were as follows:

- Planned maintenance of corporate properties £3,287,000 (2019/20)
- Flood Defence £250,000 (2019/20)
- ICT £750,000 (2019/20)

4.8 Details of the finalised proposals for new capital schemes were included for Public Consultation between December 2016 and January 2017.

4.9 Further detailed updates on specific programme areas, as well as confirmation of funding allocations, for; Regeneration, Property Maintenance, Schools, Highways and Housing, will be reported to future Cabinet meetings. These will allocate funding to individual schemes within these areas and outline the objectives for the year.

4.10 Major projects are run using the Prince 2 methodology and carry individual risk registers. All risk implications are reported and monitored on a monthly basis at the appropriate Board.

5. FUNDING

5.1 The capital programme is financed from several resources, which are defined in Appendix 2.

5.2 All of the Capital allocations for the Single Capital Pot (Supported Capital Expenditure Capital through government grant allocations which are unringfenced) have not been received at the time of writing this report. Where confirmations of allocations have not been received, the previous year's allocations have been used. The programme will be amended if appropriate once these become available.

5.3 Broad levels of funding have been allocated to asset groups such as highways and schools. Detailed priority setting will follow to allocate this funding to specific schemes. This will be ultimately managed by the CCPB.

5.4 CAPITAL RECEIPTS

Only those capital receipts that have already been received have been added to the programme. Capital receipts that have yet to be received have been removed from the programme, this removes any reliance on the success of property sales and utilises borrowing and the use of the Single Capital Pot in a more prudent manner. Any future capital receipts will be retained and held in a corporate reserve mainly for the property rationalisation programme in accordance with the revised capital receipts policy with the exception of schools OCOR and regeneration receipts as specified in the policy.

5.5 S106 CONTRIBUTIONS

It was agreed through the S106 working group that any allocation of S106 monies would be reported to Cabinet during the year to inform members what specific contributions are intended to be used for. Any in year allocations are reported through the monthly Contract and Financial Procedure Matters reports, and quarterly Capital Monitoring reports, as they arise. No new S106 funding is required for the 2017/18 – 2019/20 capital programme therefore there is currently nothing to report or this section.

6. BALANCING THE PROGRAMME

6.1 The level of funding available is sufficient to support the existing programme.

6.2 **Borrowing** – the proposed programme includes total borrowing of £78,406,218 over the three years. New borrowing has been programmed to contribute to the build of a new swimming pool over the next three years totalling £20,000,000 as well as additional borrowing in 2018/19 and 2019/20 totalling £7,098,000 to help maintain the council's buildings and ICT infrastructure required for adequate service provision. The revenue budget also presented to this meeting includes the borrowing requirements.

6.3 This will be monitored closely and revised accordingly in future budget processes. The revenue implications of any additional borrowing will be reflected in the following year, i.e. the 2017/18 programme will require treasury management budget in 2018/19.

6.4 The proportion of the existing three year capital programme funded from borrowing is 28%. The proportion funded from borrowing for the next three years programme is 37%.

7. PROPOSED CAPITAL PROGRAMME 2017/18 to 2019/20

7.1 The overall proposed summary capital programme for 2017/18 to 2019/20 is £212,924,271. A more detailed summary is presented in Appendix 2. The total includes slippage from the 2016/17 programme, the detail of which can be found in the separate Quarter 3 capital monitoring report also presented to this Cabinet meeting.

7.2 The capital programme is consistent with the 15 Year Vision and Council Plan 2016-19 which sets out the priorities we will be working alongside our partners and communities to deliver.

Our partnership vision is for Derby in 2030 to be Safe, Strong and Ambitious. As a Council, we have set eight priority outcomes which are:

1. Protecting vulnerable adults and children
2. Enabling individuals and communities
3. Promoting health and wellbeing
4. Raising achievement and skills
5. Improving housing, job creation and regeneration
6. Making the most of our assets
7. Being more commercial
8. Delivering services differently

Appendix 2 shows which priorities are supported by each scheme.

7.3 In addition to corporate borrowing, allocations of additional prudential borrowing can be made available to support additional capital schemes on a self-financing basis. Spend-to-save schemes are those where the financing cost of the capital investment is matched or exceeded by direct revenue savings. Other self-financing borrowing may occur where financing costs are funded by contributions from existing core revenue budgets. In both cases, there is a need for a revenue budget virement from specific service department budgets to the corporate Treasury Management budget to fund these schemes..

7.4 Appendix 5 sets out details of the prudential borrowing that has been approved for future years. This is in addition to those in progress in 2016/17.

7.5 More schemes are expected to be brought forward for approval during the year. Self-financing schemes can be approved at any point in the financial year, on a case-by-case basis, as they are not competing for limited corporate resources. Departments are being encouraged as part of service savings option appraisals to consider the use of self-financing unsupported borrowing to re-shape service delivery. The CCPB is considering property solutions and opportunities as part of the property review programme.

7.6 Subsequent reports will be brought to Cabinet during the course of the year where block allocations have not been fully allocated to individual schemes. The programme for 2018/19 and 2019/20 remains indicative, with no future commitment beyond 2016/17 (other than those contractually committed) until the 2017/18 budget is agreed.

7.7 Analysis of corporate borrowing is on-going to ensure the best use of corporate borrowing to maximise Council Value for Money.

8. REVENUE IMPLICATIONS

8.1 The cost of unsupported borrowing in the revenue budget is dependent on the profiled spend in each financial year and the useful economic life of each capital asset being funded. The revenue costs of the proposed capital programme have been included in the revenue budget at this Cabinet meeting. Any changes to the recommendations in this report could therefore have a revenue budget impact.

8.2 A revenue budget provision to cover lifecycle and on-going maintenance costs should be provided from departmental revenue budgets for all schemes in the capital programme, where relevant. The availability of such revenue budgets for capital schemes will need to be confirmed before capital schemes can commence.

8.3 The revenue budget provision for the current Medium Term Financial Plan includes sufficient treasury provision for the treasury management function including additional borrowing requirements.

8.4 The revenue implications of the 2019/20 programme funded from borrowing will create a revenue pressure in 2020/21.

9. THE PRUDENTIAL INDICATORS AND MRP

9.1 Following the Local Government Act 2003, the Prudential Code requires that the Council adopts a set of annual prudential indicators relating to capital expenditure and treasury management. The key objectives of the Prudential Code are to ensure that the capital investment plans are affordable, prudent and sustainable.

9.2 The prudential indicators adopted by the Council relate to:

- affordability, specifically with reference to the impact of the capital programme on council tax.
- prudence, comparing actual Council borrowing with its need to borrow.
- capital expenditure, highlighting the planned expenditure of the Council and its impact on the need to borrow.
- external debt, specifying the limit determined by Council above which further borrowing is not permitted.
- Treasury management, outlining the limits relating to interest rate exposure and principal exposure on both investments and borrowing.

9.3 The Prudential Indicators 2017/18 to 2019/20 are included at Appendix 5 and demonstrate that the Council has fulfilled the objectives of the code.

9.4 The Council is required to declare its Minimum Revenue Provision (MRP set aside for the repayment of debt) Policy each year. 2017/18 policy is detailed at Appendix 6.

10. NEXT STEPS

10.1 The full capital programme will be considered for approval by Council on 1 March 2017.

10.2 Subsequent to these decisions:

- For block programmes, approval will be needed to the content of programmes, where this is not set out in the initial programme. This will include the Local Transport Plan, Regeneration programme, the Schools programme and the HRA programme details of which will be reported to Cabinet in February/March 2017.
- The Council is aware there is a requirement in future years for increased cemetery provision. Funding for this has not yet been included on the proposed capital programme. The current proposed programme allows for survey work and design costs of the provision

OTHER OPTIONS CONSIDERED

5.1 None considered.

This report has been approved by the following officers:

Legal officer	Janie Berry, Director of Governance and Monitoring Officer
Financial officer	Toni Nash, Head of Finance Organisation & Governance
Human Resources officer	Janie Berry, Director of Governance and Monitoring Officer
Estates/Property officer	Christine Durrant, Acting Strategic Director of Neighbourhoods
Service Director(s)	Martyn Marples, Director of Finance & Procurement
Other(s)	Nick O Reilly, Director of Digital Services

For more information contact:	Nicola Goodacre, Group Accountant Capital 01332 643352 nicola.goodacre@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 - Implications Appendix 2 - Capital Programme Summary 2017/18 – 2019/20 Appendix 3 – Funding Definitions Appendix 4 - Summary of unsupported borrowing Appendix 5 – Prudential Indicators Appendix 6 – MRP statement 2017/18

Appendix 1

IMPLICATIONS

Financial and Value for Money

1.1 As set out in the report. Revenue implications of capital schemes will need to be considered as part of the options appraisal undertaken before each scheme commences, and will be built into future revenue budgets as appropriate. Funding from unsupported borrowing in 2017/18 - 2019/20 is dependent on the approval of the revenue budget.

Legal

2.1 The rules governing decisions on the capital programme are set out in the Local Government Act 2003 and in regulations and guidance issued under the Act, including the Prudential Code for Capital Finance in Local Authorities issued by CIPFA. This allows for additional unsupported borrowing provided that this is consistent with the Prudential Code, particularly in terms of affordability.

Personnel

3.1 The Capital Programme is considerable and will require substantial employee resource to deliver, with the appropriate levels of skills, strengths and abilities of employees at a time of significant budget savings.

IT

4.1 The IT schemes included in the capital programme are necessary to ensure that the Council's IT infrastructure remains fit for purpose. This represents a considerable amount of work, but the investment will benefit all council staff that uses IT in delivery of their duties.

Equalities Impact

5.1 Many of the projects highlighted under the Capital programme will make life more accessible for people with protected characteristics under the Equality Act 2010. In addition equality impact assessments are done for regeneration work with members of the Diversity Forums.

Health and Safety

6.1 Health safety capital schemes are included in the property maintenance programme shown at Appendix 2.

Environmental Sustainability

7.1 All capital schemes make considerations to the Council's Environmental Policy.

Property and Asset Management

8.1 Valuations will be updated during the 2016/17 closedown process where properties have had major works undertaken on those of which can be found in appendix 2.

Risk Management

9.1 As detailed in paragraph 4.11 of the report.

Corporate objectives and priorities for change

10.1 The process set out for approval is intended to deliver a capital programme that is consistent with corporate objectives and priorities.

Appendix 2

Summary Programme 2017/18 - 2019/20

Programme area	2017/18 Revised £	2018/19 Revised £	2019/20 original £	Total £
Expenditure				
Schools	11,238,433	17,888,838	7,300,000	36,427,271
Housing General Fund	3,233,000	2,925,000	3,530,000	9,688,000
Property	7,061,000	11,743,000	13,287,000	32,091,000
Flood Defence	13,952,000	9,831,000	250,000	24,033,000
Highways & transport	14,345,000	4,551,000	3,975,000	22,871,000
Vehicles Plant & Equipment	25,564,000	530,000	997,000	27,091,000
Regeneration	13,100,000	6,215,000	2,041,000	21,356,000
ICT	2,747,000	2,015,000	750,000	5,512,000
HRA	13,695,000	10,725,000	9,435,000	33,855,000
Total	**104,935,433**	**66,423,838**	**41,565,000**	**212,924,271**
Funding				
SCE C	15,588,215	21,545,838	10,000,000	47,134,053
Devolved	1,033,000	608,000	600,000	2,241,000
Corporate Borrowing	50,031,218	12,170,000	13,987,000	76,188,218
Serviced Financed borrowing	691,000	530,000	997,000	2,218,000
Government Grants	16,841,000	15,779,000	2,491,000	35,111,000
MRA	13,695,000	10,725,000	9,435,000	33,855,000
Capital Receipts	4,259,000	2,300,000	3,041,000	9,600,000
External contributions	642,000	1,627,000	514,000	2,783,000
Lottery	187,000	339,000	-	526,000
Section 106	1,116,000	300,000	-	1,416,000
RCCO	801,000	500,000	500,000	1,801,000
Service Reserves	30,000	-	-	30,000
Capital Reserves	21,000	-	-	21,000
Total Funding	**104,935,433**	**66,423,838**	**41,565,000**	**212,924,271**

Summary of Priorities and Funding Definitions **Appendix 2**

Key

Local Priorities	Abbreviation
1.Protecting vulnerable adults and children	PVAC
2. Enabling individuals and communities	EI&C
3. Promoting health and wellbeing	PH&W
4. Raising achievement and skills	RA&S
5. Improving housing, job creation and regeneration	IHJC&R
6. Making the most of our assets	MMA
7. Being more commercial	MC
8. Delivering services differently	DD

Funding	**Abbreviation**
Supported Capital Expenditure Capital	SCE C
Unsupported Borrowing Corporate	UBC
Unsupported Borrowing Service Financed	UBSF
Unsupported Borrowing Spend to Save	UBSS
Unsupported Borrowing External	UBE
Government Grants	GG
Capital Receipts	CR
Major Repairs Allowance	MRA
External Contributions	EC
Lottery	HLF
Section 106	S106
Revenue Contributions to Capital Outlay	RCCO
Service Reserves	SR
Capital Reserves	CRES

Appendix 2

Schools 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Schools	Adaptions For Foster Carers	SCE C	100,000	88,000	-
Schools	Basic Need/Additional Places	SCE C	1,883,729	14,246,000	3,800,000
Schools	Bemrose Primary Phase 2	SCE C	1,277,254	9,000	
Schools	Bemrose School - Secondary expansion	SCE C/UBC	1,940,000	3,000	-
Schools	The Bemrose School - extension scheme to create Primary Phase accommodation and	SCE C	5,000	-	-
Schools	Brackensdale Infant/junior	S106	335,000	-	-
Schools	Brackensdale Infant School additional temporary classrooms	SCE C	22,352	34,838	-
Schools	Buildings at Risk urgent condition and suitability schemes	SCE C/UBC	262,098	-	-
Schools	Capital works delivered by schools	RCCO	500,000	500,000	500,000
Schools	Chellaston Junior School - Hall extension	EC/UBCSC E C DEV	264,000	8,000	-
Schools	Devolved Formula Cap	SCE C	1,003,000	600,000	600,000
Schools	Fire Risk Assessment Works	UBC	48,000	-	-
Schools	Noel Baker BSF Scheme - agreed PFI contribution	GG	20,000	-	-
Schools	School Condition work	SCE C	3,096,000	2,400,000	2,400,000

Appendix 2

Schools 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Schools	Littleover Community School - Phase 1 M and N Block roofing and FRA works	SCE C	30,000		
Schools	Two Year Old Capital Programme	GG	182,000	-	-
Schools	Works to teaching and learning areas to address shortfall in accommodation	UBC	230,000	-	-
Schools	Rosehill Infant School	UBC	37,000	-	-
Schools	Schools Access Initiative	SCE C/UBC	3,000	-	-
	Total Schools Programme		**11,238,433**	**17,888,838**	**7,300,000**

Appendix 2

Housing General Fund 2017/18 - 2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Housing General Fund	Hi4EM	GG	80,000	-	-
Housing General Fund	Disabled Facilities Grant 96 Act	GG/CR	1,823,000	1,856,000	2,016,000
Housing General Fund	Capitalised Salaries	EC	74,000	74,000	74,000
Housing General Fund	Healthy Housing Assistance	EC	65,000	65,000	40,000
Housing General Fund	Empty Property Assistance	EC/GG	185,000	180,000	150,000
Housing General Fund	Community Energy Savings Project (CESP)	EC	250,000	250,000	250,000
Housing General Fund	Affordable Housing external RP	CR	686,000	500,000	1,000,000
Housing General Fund	London Road Refurbishment	CR	70,000	-	-
	Total Housing General Fund Programme		**3,233,000**	**2,925,000**	**3,530,000**

Appendix 2

Property Improvement 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
	Essential Maintenance				
Property	Lift Replacement Projects	UBC/SCE C	120,000	200,000	85,000
Property	Water Hygiene	SCE C	30,000	-	-
Property	Boundary Improvements	UBC/SCE C	150,000	100,000	100,000
Property	Fire Precaution Works	UBC/SCE C	450,000	450,000	450,000
Property	Replacement Windows	UBC/SCE C	270,000	200,000	200,000
Property	Boiler Replacements	UBC/SCE C	60,000	100,000	100,000
Property	Electrical Rewiring	UBC/SCE C	50,000	100,000	100,000
Property	External Areas	UBC/SCE C	50,000	50,000	50,000
Property	Preliminary Design work for future years	UBC/SCE C	150,000	150,000	150,000
Property	Capitalised Valuer	UBC/SCE C	37,000	37,000	37,000
Property	Market Hall emergency lighting	GG	91,000	-	-
Property	Lift Refurbishment Market Hall	UCB/GG	65,000	-	-
Property	Guild Hall Passenger lift	GG	101,000	-	-
Property	Lift Refurbishment/ Replacement- Assembly Room Car Park Lift	GG	134,000	-	-
Property	Climate Change ERDF	GG	272,000	273,000	
Property	Contingency	SCE C	45,000	-	-
	Total Essential Maintenance		**2,075,000**	**1,660,000**	**1,272,000**
	Major Maintenance (£500k+)				
Property	Guild Hall roof covering and stonework replacements	UBC/SCE C/GG	812,000	750,000	
Property	Market Hall Roof replacement	UBC/SCE C	100,000	100,000	2,000,000
	Total Major Maintenance Projects (£500k+)		**912,000**	**850,000**	**2,000,000**

Property Improvement 2017/18 -2019/20 Summary
Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
	Property Improvement: Refurbishment				
Property	Energy Efficiency Project	USBSF	85,000	-	-
Property	Accommodation Strategy	UBC	24,000	-	-
Property	Connecting Derby	SR	30,000	-	-
Property	Bold Lane Car Park lift ropes, doors	GG	58,000	-	-
Property	Chapel Street Car Park passenger lift refurbishment	GG	59,000	-	-
Property	Chapel Street Car Park secure access system	RCCO	100,000	-	-
Property	Market Place structural survey	GG	20,000	-	-
Property	Dale Road Spondon Improvements	S106	29,000	-	-
Property	Warwick House platform lift	GG	85,000	-	-
Property	Assembly Rooms Car Park secure access system	RCCO	100,000	-	-
Property	Arboretum Park Heart of the Park Building refurbishment	SCE C	35,000	-	-
Property	Crematorium retaining wall and footpath.	SCE C	130,000	-	-
Property	St Werburghs Spondon rebuilding and improvement	SCE C	130,000	-	-
Property	1 Abbey Yard - Boundary Wall Improvements	SCE C	20,000	-	-
Property	Madley Centre - FRA Works	SCE C	130,000	-	-
Property	Rycote - FRA works including compartmentation	SCE C	120,000	-	-
Property	Museum and Art Gallery - fire screen	SCE C	30,000	-	-
Property	Silk Mill Museum - EVCs and refuges in staircase	SCE C	55,000	-	-
Property	Shaftesbury POS Improvements	S106	50,000	-	-
Property	Chellaston Community Centre FRA	SCE C	20,000	-	-
Property	Audley Centre Bridge - traffic control measures and steel reinforcements to barrier	SCE C	50,000	-	-

Property Improvement 2017/18 -2019/20 Summary
Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Property	Arkle Green	UBC/EC	60,000	-	-
Property	Ashtree House New fire Alarm	GG	34,000	-	-
Property	Coronation Avenue - New Children's Home.	UBC/SCE C	20,000	-	-
Property	Queensferry Gardens Children's Home	UBC/SCE C	606,000	18,000	
Property	Cricklewood Children's Home - Refurbishment	UBC/SCE C	629,000	-	-
Property	Demolition Children Home	UBC/SCE C	87,000	-	-
Property	Equalities Act Property Improvements	UBC/SCE C	15,000	15,000	15,000
	Total Property Improvement: Refurbishment		**2,811,000**	**33,000**	**15,000**
	Total Property Essential Maintenance/ Refurb Programme		**5,798,000**	**2,543,000**	**3,287,000**
	New Project Additions				
Property	Swimming Pool / Leisure Centre strategy	UBC	800,000	9,200,000	10,000,000
	Total New Project Additions		**800,000**	**9,200,000**	**10,000,000**
	Property Rationalisation Programme				
	Schemes below to be funded from property rationalisation reserve / capital receipts:				
Property	Market Hall refurbishment	CR/RR	150,000	-	-
Property	Stores Road - Tram shed demolition	CR/RR	-	-	-
Property	Council House ground floor reconfiguration	CR/RR	-	-	-
Property	Cattle Market demolition	CR/RR	-	-	-
Property	Wholesale Market demolition	CR/RR	-	-	-
	Total Property Rationalisation Programme		**150,000**	**-**	**-**
	Parks Programme				
Property	Alvaston Park BMX track	GG	17,000	-	-

Property	Darley Playing Fields	SCE C	90,000	-	-

Appendix 2

Property Improvement 2017/18 -2019/20 Summary
Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Property	Arboretum park -Boundary Wall Improvements	SCE C	26,000	-	-
Property	Allestree park footpath	S106	21,000	-	-
Property	Normanton Park Improvements	S106	37,000	-	-
Property	Chellaston Park new BMX track	S106	77,000	-	-
Property	Little Chester Sports facilities	S106	45,000	-	-
	Total Parks Programme		**313,000**	**-**	**-**
	Future Years Considerations				
Property	Increased cemetery provision (unfunded)		-	-	-
	Total Property Programme		**7,061,000**	**11,743,000**	**13,287,000**

Appendix 2

Flood Defence 2017/18 -2019/20 Summary Expenditure

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Flood Defence	Our City Our River	GG	13,639,000	9,581,000	-
Flood Defence	Cotton Brook flood alleviation	UBC	63,000	-	-
Flood Defence	Local flood alleviation scheme	SCE C	250,000	250,000	250,000
	Total Flood Defence Programme		**13,952,000**	**9,831,000**	**250,000**

Appendix 2

Highways & Transport 2017/18 - 2019/20 Summary Expenditure

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Highways & Transport	Integrated Transport Programme - smaller scheme	UBC	1,000,000	1,000,000	1,000,000
Highways & Transport	Highways Asset Management Delivery - smaller scheme	UBC	3,335,000	2,500,000	2,975,000
Highways & Transport	Highways Maintenance	SCE C/EC	61,000	-	-
Highways & Transport	Integrated Transport Programme - smaller scheme	SCE C	68,000	-	-
Highways & Transport	Public Transport	SCE C	12,000	-	-
Highways & Transport	Cycle Derby	S106	15,000	-	-
Highways & Transport	Strategic Network Management	SCE C	106,000	-	-
Highways & Transport	A52 Strategic Transport Scheme	UBC	7,990,000	-	-
Highways & Transport	Active Travel - Smarter Choices	GG	1,758,000	1,051,000	-
	Total Highways & Transport programme		**14,345,000**	**4,551,000**	**3,975,000**

Appendix 2

Vehicles Plant & Equipment 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Vehicles Plant and Equipment	Grounds Plant & Equipment	UBSF	564,000	400,000	-
Vehicles Plant and Equipment	Refuse Vehicles & Plant	UBSF	-	65,000	675,000
Vehicles Plant and Equipment	Street Cleaning Equipment	UBSF	-	65,000	322,000
Vehicles Plant and Equipment	Waste Disposal - New Treatment Plant	UBC	25,000,000	-	-
	Total Vehicles Plant & Equipment		**25,564,000**	**530,000**	**997,000**

Regeneration 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Regeneration	City Centre Accelerated Development	SCE C/UBC	500,000	-	-
Regeneration	Becket Well	GG	500,000	1,100,000	-
Regeneration	Marble Hall	EC	10,000	-	-
Regeneration	St Peter's Cross Public Realm	SCE C	180,000	-	-
Regeneration	Public Realm Derby Arena	CR	165,000	-	-
Regeneration	iHub plot preparation	EC	460,000	-	-
Regeneration	Infinity Park Derby - Initial Infrastructure	CR	561,000	-	-
Regeneration	Brook realignment	UBC	133,000	-	-
Regeneration	Townscape Heritage Initiative	lottery/SCE C	475,000	377,000	-
Regeneration	Friargate Bridge	RCCO	50,000	-	-
Regeneration	St Almunds Bridge	S106	46,000	-	-
Regeneration	Mackworth War Memorial	RCCO/S106	14,000	-	-
Regeneration	Sadler Square Site Acquisition	UBSF	42,000	-	-
Regeneration	Access Osmaston	SCE C/GG/RCCO	750,000	750,000	-

Regeneration 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
Regeneration	City Centre Living	CR	1,500,000	1,600,000	2,041,000
Regeneration	T12 Phase 2	UBC/GG/SCE C	860,000	-	-
Regeneration	Victory Road Re-alignment	GG/UBC/EC	1,500,000	1,670,000	-
Regeneration	Holmleigh Way Enhancement	GG/UBC	1,900,000	-	-
Regeneration	Derbyshire County Cricket Club	SCE C	26,000	-	-
Regeneration	Derby Enterprise Growth Fund - Recycled	CR	1,188,000	-	-
Regeneration	Darley Abbey Mills	SCE C	200,000	-	-
Regeneration	Derby Vibrant City	GG/SCE C/CR/UBC	1,000,000	718,000	
Regeneration	Creative Pathways	S106	40,000	-	-
	Total Regeneration Programme		**13,100,000**	**6,215,000**	**2,041,000**

Appendix 2

ICT 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
ICT	Customer/service delivery GIS	SCE C	350,000	-	-
ICT	ICT Stabilisation - Hardware Renewal	SCE C	1,975,000	1,915,000	750,000
ICT	Replacement/Retender Council Tax System	SCE C	400,000	-	-
ICT	Miscellaneous smaller systems replacement	SCE C	-	100,000	
ICT	Replacement AHH and CYP of Software & Social Care	SCE C	22,000	-	-
	Total ICT		2,747,000	2,015,000	750,000

Appendix 2

HRA 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
HRA	Kitchens and Bathrooms	MRA	2,500,000	2,500,000	2,500,000
HRA	Disability Adaptions	MRA	750,000	765,000	765,000
HRA	The Knoll NB	MRA	1,500,000	1,500,000	-
HRA	New Build and Acquisitions	MRA	500,000	500,000	500,000
HRA	Perth Street NB	MRA	1,000,000	-	-
HRA	Richmond Road	MRA	180,000	-	-
HRA	Estates Pride - General	MRA	650,000	250,000	250,000
HRA	PVCU Windows & Doors	MRA	1,000,000	1,000,000	1,000,000
HRA	Capital Salaries Mods Liaison	MRA	550,000	560,000	570,000
HRA	Ashlee New Build	MRA	200,000	-	-
HRA	One-off Mods/Major Refurbishments	MRA	750,000	750,000	750,000
HRA	Re-Roofing	MRA	600,000	800,000	1,000,000
HRA	Communal Door Entry Systems	MRA	50,000	50,000	50,000
HRA	New & Replacement Central Heating	MRA	1,600,000	1,600,000	1,600,000
HRA	Rewiring/Electrical Upgrades	MRA	250,000	250,000	250,000
HRA	Solid Wall Installation	MRA	500,000	-	-
HRA	Communal stair cases	MRA	200,000	£200,000	£200,000
HRA	Passenger lift replacement	MRA	70,000	-	-

Appendix 2
HRA 2017/18 -2019/20 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Revised 17/18 Consultation £	Revised 18/19 Consultation £	Original 19/20 Consultation £
HRA	Emergency call system replacement	MRA	250,000	-	-
HRA	Rivermead boiler	MRA	450,000	-	-
HRA	Berwick Close	MRA	145,000	-	-
	Total HRA		**£13,695,000**	**£10,725,000**	**£9,435,000**

Appendix 3

Funding Definitions

Type of Funding	What it means
SCE (C)	Supported capital expenditure capital. This is a form of grant which is funded directly from central government grants.
Unsupported Borrowing Corp	Borrowing that's not supported by government but will be paid for through the treasury management revenue accounts via debt charges
Unsupported Borrowing Self Financed	Borrowing that's not supported by government but will be paid for from service depts revenue accounts via debt charges
Unsupported Borrowing Spend to save	Borrowing that's not supported by government but will be paid for from service depts revenue accounts via debt charges
Government Grants	Grants from central government for the major service blocks as well as other more specific grant funding
Other Grants	Grants other than those from central government
MRA	Major Repairs Allowance for the use on the HRA dwellings
Revenue Contributions	Revenue funding to fund capital expenditure
Capital Receipts	Cash received from the sale of fixed assets
Capital Reserves	Cash earmarked for specific schemes usually surplus RCCO's transferred to reserves or specific money set aside in a specific reserve to be used for capital purposes
Service Reserves	Cash earmarked for specific revenue and capital schemes which are monitored and kept by the relevant service accountants.
Corporate Reserves	Cash earmarked for specific revenue and capital schemes which are monitored and reconciled by the central team.
Lottery	Money received from the governing body for the allocation of lottery funding
Other Contributions	Money received from external bodies other than central government

Summary of Unsupported Borrowing

Appendix 4

Strategy Area	Scheme	Asset Life	2017/18 £	2018/19 £	2019/20 £
	Corporate Borrowing				
Flood Defence	Local flood alleviation scheme	40	250,000	-	250,000
Flood Defence	Our City Our River	40	3,969,000	-	-
Flood Defence	Cotton Brook Flood Alleviation	40	63,000	-	-
Highways & Transport	Integrated Transport Programme - smaller scheme	40	850,000	-	1,000,000
Highways & Transport	Highways Asset Management Delivery - smaller scheme	40	2,350,000	-	2,500,000
Highways & Transport	A52 Strategic Transport Scheme	40	7,990,000	-	-
Property Improvement	Swimming Pool	40	800,000	9,200,000	10,000,000
Property Improvement	Children's Homes Refurbishment	50	1,280,120	18,000	-
Property Improvement	Other Corporate property improvements	50	174,000	15,000	-
Property Maintenance & Refurbishment	Various corporate property maintenance and refurbishment	50	909,000	126,000	-
Regeneration	City Centre Accelerated Development		321,000	-	-
Regeneration	Derby Vibrant City Placemaking		40,000	-	-
Regeneration	T12 Phase 2	40	1,510,000	-	-
Regeneration	Victory Road Re-alignment	40	1,437,000	-	-
Regeneration	Holmleigh Way Enhancement	40	1,700,000	-	-
Regeneration	iHub plot preparation		150,000	-	-
Regeneration	Brook realignment	40	133,000	-	-
Schools	School Access Initiative Projects	10	2,000	-	-
Schools	Buildings at Risk urgent condition and suitability schemes	50	200,098	-	-
Schools	Works to teaching and learning areas to address shortfall in accommodation	50	180,000	-	-
Schools	Fire Risk Assessment Works	50	48,000	-	-
Schools	Basic Need/Additional Places	50	-	2,811,000	237,000
Schools	Rosehill infant school extension and remodelling works	50	37,000	-	-
Schools	Chellaston Junior School - Hall extension	50	222,000	-	-
Schools	Bemrose School - Secondary	50	416,000	-	-

	expansion				
Strategy Area	**Scheme**	**Asset Life**	**2017/18 £**	**2018/19 £**	**2019/20 £**
Vehicles plant & Equipment	Waste Disposal - New Treatment Plant	25	25,000,000	-	-
	Total Corporate borrowing		**50,031,218**	**12,170,000**	**13,987,000**
	Service Financed				
Vehicles Plant and Equipment	Grounds Plant & Equipment	5	564,000	400,000	-
Vehicles Plant and Equipment	Refuse Vehicles & Plant	7	-	65,000	675000
Vehicles Plant and Equipment	Street Cleaning Equipment	5	-	65,000	322000
Property Maintenance & Refurbishment	Energy Efficiency Projects- Multi Storey Car Parks		85,000	-	-
Regeneration	Sadler Square Site Acquisition		42,000	-	-
	Total Service financed		**691,000**	**530,000**	**997,000**

Appendix 5

Prudential Indicators 2017/18 to 2019/20

1 Introduction

1.1 In line with the requirements of the CIPFA Prudential Code for Capital Finance in local authorities, the various indicators that inform authorities whether their capital investment plans are affordable, prudent and sustainable, are set out below.

2 Gross Debt and the capital financing requirement

2.1 In order to ensure that over the medium-term net borrowing will only be for a capital purpose, the local authority should ensure that its gross external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

2.2 The table below shows that the Council during the current financial year 2016/17 has had no difficulty meeting this requirement, and that external debt and other long term liabilities, (less investments) has not exceeded the total of the capital financing requirement, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget:

	2016/17 Estimate at 25/01/17 £000
Borrowing 2016/17	337,402
Long term Liabilities	91,827
Transferred Debt	29,268
Less Investments	(85,000)
GROSS DEBT	373,497
Maximum CFR	634,849
Headroom	261,352

3 Estimates of capital expenditure

3.1 The estimates of capital expenditure are taken directly from the capital programme summary, and are split into both for the General Fund - GF - and the Housing Revenue Account (HRA) underpin the calculation of the other prudential indicators. These estimates are based on future levels of capital expenditure. It is important that the level of proposed capital expenditure remains within the Council's long term affordability.

Capital Expenditure	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
General Fund	91.2	55.7	32.1
HRA	13.7	10.7	9.4
Total	**104.9**	**66.4**	**41.5**

3.2 The Capital expenditure in the table above will be financed through borrowing or funded as follows:

Capital Financing	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Government Grants	33.6	38.3	13.1
Major Repairs Allowance	13.7	10.7	9.4
External Contributions	1.8	1.9	0.5
Revenue contributions	0.8	0.5	0.5
Capital Receipts	4.2	2.3	3.0
Reserves	0.1	0	0
Total Funded	**54.2**	**53.7**	**26.5**
Unsupported borrowing	50.7	12.7	15.0
Total To Be Financed	**50.7**	**12.7**	**15.0**
Total Funded and To Be Financed	**104.9**	**66.4**	**41.5**

"Unsupported borrowing" is borrowing that is self - financed by the Council.

4 Ratio of financing costs to net revenue stream

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
Non-HRA	6.68	7.08	7.17
HRA	17.96	18.29	18.62

5 Capital Financing Requirement

5.1 The Capital Financing Requirement - CFR - measures the Council's capacity to borrow for capital purposes. The Council has an increasing CFR due to the capital programme and may be required to borrow over the period. Currently, however, the Council Strategy is to maintain investments and borrowing below their underlying levels by the use of cash balances and working capital.

Capital Financing Requirement	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Non-HRA	443.7	445.8	451.9
HRA	230.9	230.9	230.9
Total CFR	674.6	676.7	682.8

6 Actual external debt

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit (see section 8 below).

Forecast External Debt as at 31/03/2017	£m
Borrowing	337.402
Transferred Debt (managed by Derbyshire County Council)	29.268
Other Long-term Liabilities (PFI)	91.827
Total	**458.497**

7 Incremental impact of capital investment decisions

7.1 This is a prudential indicator of affordability that shows the notional impact of capital investment decisions on Council Tax Band D and Housing Rent levels. This is not the actual increase in Council Tax Band D which is reported to Full Council in a separate report in March and is only the notional incremental impact from the capital programme. This figure in the table below, is derived by adding together the costs of the proposed level of borrowing shown in 3.2 and the proposed use of revenue resources. The costs are then divided by the council tax base set. HRA costs are divided by the number of housing stock rent-weeks.

7.2 The full revenue impact of the capital programme is not felt until the year following capital expenditure, because the Council's Minimum Revenue Policy - MRP - stipulates that the provision for debt repayment need not be made until the year following actual expenditure. Therefore the effect of the 2016/17 capital programme will not impact on the Council's revenue position until 2017/18 and so on.

Notional Increase Impact of Capital Investment Decisions	**2017/18 Estimate £**	**2018/19 Estimate £**	**2019/20 Estimate £**
Notional Impact on Band D Council Tax (Non HRA)	13.41	40.81	49.83
Increase in Average Weekly Housing Rents (HRA)	0.17	0.19	0.29

7.3 The change from 2017/18 to 2019/20 in the notional impact in the above table is due to borrowing costs to finance the capital programme shown in 3.2. As stated above, the actual council tax rate band D amount will be determined as a separate exercise. The indicator above is mentioned for reporting purposes to members as part of the Prudential Code.

8 Authorised limit and operational boundary for external debt

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
It sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing, and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Council's authorised limits for the next three years are:

Authorised Limit for External Debt @ 27/01/17	**2017/18 Estimate £m**	**2018/19 Estimate £m**	**2020/21 Estimate £m**
Borrowing	695	697	703
Other long-term liabilities	89	85	82
Total	784	782	785

8.5 The Operational Boundary links directly to the Council's estimate of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario, but without the additional headroom included within the Authorised Limit.

8.6 Decisions for any movement between borrowing and liabilities will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to Cabinet.

Operational Boundary for External Debt @ 27/01/17	**2017/18 Estimate £m**	**2018/19 Estimate £m**	**2019/20 Estimate £m**
Borrowing	625	627	633
Other long-term liabilities	89	85	82
Total	714	712	715

9 Adoption of the CIPFA Treasury Management Code

9.1 This indicator acknowledges that the Council has adopted the principles of best practice. The CIPFA Code of Practice outlines a number of principles which cover treasury management, the most important being "in balancing risk against return, local authorities should be more concerned to avoid risks than to maximise returns".

Appendix 6

Minimum Revenue Position Statement 2017/18

Annual Minimum Revenue Provision Statement 2017/18

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's '*Guidance on Minimum Revenue Provision'.* The latest guidance was issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following policy included in the statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

Minimum Revenue Provision Policy

For capital expenditure incurred before 1st April 2008 and for supported capital expenditure incurred on or after that date, MRP will be determined by charging an appropriate annuity rate over the remaining life in respect of that expenditure.

- For unsupported capital expenditure incurred after 31st March 2008 and 2016/17 MRP will be charged over the expected useful life of the relevant assets as the principal repayment on an annuity basis with an interest rate of 6% For unsupported capital expenditure incurred after 31st March 2017, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments or as the principal repayment on an annuity basis, starting in the year after the asset becomes operational. The interest rate will be 4.3%. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years. *Option 3 in England.*

- For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

- For the transferred debt from Derbyshire County Council an appropriate annuity basis will be used over 50 years.

- Where loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those

loans will be put aside to repay debt instead.

- No MRP will be charged in respect of assets held within the Housing Revenue Account.

Capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19 or the year after the asset becomes operational if later than 2017/18.