

# MEDIUM TERM FINANCIAL STRATEGY 2010-11 TO 2012-13

## APPENDIX A

	2009-10	2010-11					2011-12					2012-13				
	Projected £000	Inflation £000	Adjust. £000	Growth £000	Savings £000	Projected £000	Inflation £000	Adjust. £000	Growth £000	Savings £000	Projected £000	Inflation £000	Adjust. £000	Growth £000	Savings £000	Projected £000
Central Services																
Finance	4,973	187	5,506	104	(1,886)	8,884	550	54	(300)	9,188	564					9,752
Corporate Resources	2,425	170	(2,107)	257	(786)	(41)	209	(200)	(471)	(503)	211				(375)	(667)
Front-Line Services																
Environment and Regeneration	51,655	306	99	1,314	(1,642)	51,732	385	15	200	(450)	51,882	389		(100)	(240)	51,931
Children's Services	67,886	439	(586)	2,716	(2,273)	68,182	520	(22)	1,130	(1,400)	68,410	525				68,935
Housing and Adult Social Services	74,629	247	(485)	1,442	(2,652)	73,181	311		(1,053)	72,439	314			(165)		72,588
TOTAL SERVICES	201,568	1,349	2,427	5,833	(9,239)	201,938	1,975	47	1,130	(3,674)	201,416	2,003	0	(100)	(780)	202,539
CDC/UCCO	20,205		(2,962)			17,243					17,243					17,243
NET COST OF SERVICES	221,773	1,349	(535)	5,833	(9,239)	219,181	1,975	47	1,130	(3,674)	218,659	2,003	0	(100)	(780)	219,782
Corporate Growth/Savings	885		(635)	225		475					475					475
Future MTFs Assumption	0			0		0			3,500	3,500	0				3,500	7,000
Corporate Efficiency Programme	(1,180)		1,180		0	0		0		0	0					0
Corporate Financing Account	(1,171)		(389)	1,502		(58)		(32)	1,595	1,505	1,843			338		1,843
Levies	15,771	2,655		750		19,176	1,606			20,782	1,097					21,879
NET OPERATING EXPENDITURE	236,078	4,004	(379)	8,310	(9,239)	238,774	3,581	15	6,225	(3,674)	244,921	3,100	0	3,738	(780)	250,979
Transfer to/(from) PFI Smoothing Reserve	(381)					(381)					(381)					(381)
Insurance Fund	1,128		(80)		(300)	748				748	748					748
Bad Debt Provision	700		(100)			600				600	600					600
Contingencies	3,667		1,333			5,000				5,000	5,000					5,000
Estimated Kier Islington Surplus	(1,500)					(1,500)				(1,500)	(1,500)					(1,500)
Transfer to Capital Reserve	1,500					1,500				1,500	1,500					1,500
Transfer to/(from) Earmarked Reserve	(2,165)		(660)	1,000		(1,825)		2,985		1,500	1,500		(1,180)		(20)	1,500
Transfer to/(from) General Balance	(77)		277			200		(200)	620	620	500		(620)	500		500
AMOUNT TO BE MET GOVT GRANT & CTAX	238,950	4,004	391	9,310	(9,539)	243,116	3,581	2,800	6,845	(3,674)	252,668	3,100	(1,800)	4,238	(780)	257,426
INCREASE COMPARED TO PREV YEAR (%)	2.32%					1.74%				3.93%						1.88%
Formula Grant (Estimated Final)	(157,901)		26		(2,368)	(160,243)			1,602	(158,641)				1,586		(157,054)
Transfers (from)/to the Collection Fund incl Lloyd Sq	0					0				0						0
NET COUNCIL TAX REQUIREMENT	81,049	4,004	417	9,310	(11,907)	82,873	3,581	2,800	6,845	(2,072)	94,028	3,100	(1,800)	4,238	806	100,372



## UNAVOIDABLE COST INCREASES 2010-11

DESCRIPTION	2010-11 £000s
<b>A Greener, Cleaner Borough</b>	
Full year effect of the creation of a repair and re-use service in 2009-10 to help prevent household items being sent to landfill, create new jobs, reduce carbon emissions and cut costs for residents as the life of existing appliances is prolonged.	80
Reversal of one-off funding for grassroots environmental initiatives in 2009-10.	(40)
Additional cycle parking on housing estates	25
<b>A Greener, Cleaner Borough Total</b>	<b>65</b>
<b>Listening to Islington</b>	
Costs of the 2010 Local Election (one-off).	200
IT security costs and a secure link for sharing data with the Department for Work and Pensions, Department for Children, Schools and Families and Trading Standards.	57
<b>Listening to Islington Total</b>	<b>257</b>
<b>Safer and Stronger Communities</b>	
Continued development of parenting support programmes for parents of children at high risk to provide support to parents in families with complex needs and to those that are reluctant or unable to engage with mainstream services.	100
Continued expansion of the Key Worker programme to provide targeted support for young people at risk. This programme will provide capacity for supporting an additional fifty young people per year who are involved in anti-social behaviour or criminal activity with a range of interventions enabling them to access positive activities and learning opportunities.	50
Full-year effect of funding the free school meals programme.	2,376
Reversal of one-off funding for the 2009-10 additional sports programme.	(50)
<b>Safer and Stronger Communities Total</b>	<b>2,476</b>
<b>Resources</b>	
Ongoing impact of the reduction in parking income experienced during the 2009-10 financial year.	850
Business Rates for the Waste Recycling Centre.	365
Further cut in benefits subsidy by the Department for Work and Pensions.	1,000
Increase in Council contribution to the Teachers Pension Agency.	225
Provision for contributing to combined central London funding pot for additional Olympic responsibilities in advance of 2012 (£2m over two years).	1,000
Increased business rates on some Council owned buildings as a result of the Crossrail Business Rates Supplement levied by the Greater London Authority.	80
Inflation on major Council contracts above the 0% assumption in the medium term financial strategy, in line with contract terms.	740
Reduction in Central Government support for capital borrowing costs.	702
Additional prudential borrowing to support the delivery of the Council's capital programme.	800
Increase in the concessionary fares budget as a result of a recalculation in the grant formula that has the effect of moving grant away from London.	750
<b>Resources Total</b>	<b>6,512</b>
<b>TOTAL UNAVOIDABLE COST INCREASES</b>	<b>9,310</b>



## SAVINGS PROPOSALS 2010-11

DESCRIPTION	2010-11 £000s
<b>Resources</b>	
Staffing restructure, contract and working practice efficiencies in the Corporate Resources department.	359
Staffing efficiencies in Democratic Services.	70
Freeze Member allowances, with a further reduction in basic and special responsibility allowances.	35
Staffing restructure and working practice efficiencies in Contact Islington.	110
Staffing restructure in the Chief Executive's Office.	212
Renegotiation of the CEA contract.	520
Increased use of in-house fostering.	100
Staffing restructure and working practice efficiencies in Children's Services.	1,258
Capitalisation of some Building Schools for the Future costs.	33
Staffing restructure, stock management and working practice efficiencies in the Environment and Regeneration department.	1,372
Reduction in the annual contribution to the Insurance Fund as a result of ongoing savings from the successful negotiation of the Insurance Consortium, and a review of recharges to the Fund.	360
Staffing restructure and working practice efficiencies in the Finance Department.	796
Internal audit contract savings.	70
Staffing restructure and working practice efficiencies in the Housing and Adult Social Services Department.	1,153
Commissioning efficiencies.	649
Reablement efficiencies.	300
Improved stock management in the Housing and Adult Social Services Department (Joint Services).	80
Alignment of allowances for children looked after.	100
<b>Efficiencies Sub-Total</b>	<b>7,577</b>
Use of Government Grants to fund mainstream expenditure in Housing and Adult Social Services.	400
More efficient income recovery in Housing and Adult Social Services.	100
Increased grant income and out of borough placement income in Children's Social Care.	182
More efficient use of external funding in Children's Services.	50
Income generation through attracting television and film companies to the borough.	20
Increased Building Control and Pest and Animal Services income.	80
Increased benefits subsidy as a result of improved service performance.	50
<b>Income Sub-Total</b>	<b>882</b>
<b>Resources Total</b>	<b>8,459</b>
<b>Safer and Stronger Communities</b>	
Joint funded Public Health Team.	50
Provision of a joint Noise Patrol Team with Homes for Islington.	120
<b>Efficiencies Sub-Total</b>	<b>170</b>
End of direct debit discount scheme.	910
<b>Income Sub-Total</b>	<b>910</b>
<b>Safer and Stronger Communities Total</b>	<b>1,080</b>
<b>TOTAL SAVINGS PROPOSALS</b>	<b>9,539</b>



## RESERVES AND GENERAL BALANCES 2009-10 TO 2012-13

## APPENDIX D

	2009-10		2010-11		2011-12		2012-13	
	Balance 31/03/2010 £000s	Transfer In Out £000s £000s	Balance 31/03/2011 £000s	Transfer In Out £000s £000s	Balance 31/03/2012 £000s	Transfer In Out £000s £000s	Balance 31/03/2012 £000s	
<b>Contingencies and Working Balances</b>								
Contingency (General Fund)	0	5,000 (5,000)	0	5,000 (5,000)	0	0	0	
	0	5,000 (5,000)	0	5,000 (5,000)	0	0	0	
<b>Earmarked Reserves</b>								
PFI Smoothing Reserves	2,757	(129)	2,628	(131)	2,497	(134)	2,363	
Public Lighting PFI	522		522		522		522	
ICSL PFI Contract Renegotiation	4,320	876 (1,375)	3,821	876 (1,407)	3,290	876 (1,442)	2,724	
Waste Management PFI	7,599	876 (1,504)	6,971	876 (1,538)	6,309	876 (1,576)	5,609	
<b>Other Reserves</b>								
Area Committees	56		56		56		56	
Cemeteries Trading Account	56		56		56		56	
Children's Services	35		35		35		35	
Pension Fund Reserve	627		627		627		627	
Building Schools for the Future Reserve	1,128	95 (1,761)	1,128	80 (100)	1,128		1,128	
Invest to Save Reserve	2,005	95 (1,761)	339		319		319	
CEA Penalties	311		311		311		311	
Capital Reserve	5,395	1,564 (1,441)	5,518	(4,641)	877		877	
Climate Change Fund	1,734	10	1,744	10	1,754		1,754	
PFI II Downy Interest Reserve	3,031	462	3,493	165 (3,658)	0		0	
Street Market Reserves	6		6		6		6	
Earmarked Levies Reserve (NLWA)	3,000	(3,000)	0		0		0	
Recession Reserve	482		482		482		482	
Olympics Reserve	0	1,000	1,000		1,000		1,000	
	17,866	3,131 (6,202)	14,795	255 (8,399)	6,651	0	6,651	
<b>General Reserves</b>								
Departmental Reserves	0	0	0	0	0		0	
General Fund Balance	11,628	200	11,828	620	12,448	500	12,948	
	11,628	200	11,828	620	12,448	500	12,948	
<b>TOTAL GENERAL FUND RESERVES AND BALANCES</b>	<b>37,093</b>	<b>9,207 (12,706)</b>	<b>33,594</b>	<b>6,751 (14,937)</b>	<b>25,408</b>	<b>1,376 (1,576)</b>	<b>25,208</b>	
<b>Reserves and Balances relating to Other Funds</b>								
<b>Schools</b>								
Schools Balances	4,496		4,496		4,496		4,496	
	4,496	0	4,496	0	4,496	0	4,496	
<b>HRA</b>								
HRA Balances	6,436	(1,344)	5,092		5,092		5,092	
PFI Smoothing Reserve (Housing PFI 1)	3,267		3,267		3,267		3,267	
	9,703	0 (1,344)	8,359	0	8,359	0	8,359	
<b>TOTAL RESERVES AND BALANCES FOR OTHER FUNDS</b>	<b>14,199</b>	<b>0 (1,344)</b>	<b>12,855</b>	<b>0</b>	<b>12,855</b>	<b>0</b>	<b>12,855</b>	
<b>General Fund Balance</b>	<b>11,628</b>		<b>11,828</b>		<b>12,448</b>		<b>12,948</b>	
<b>General Fund Budget Requirement</b>	<b>238,950</b>		<b>243,116</b>		<b>252,668</b>		<b>257,426</b>	
<b>Gf Balance as a Percentage of Budget Requirement</b>	<b>4.9%</b>		<b>4.9%</b>		<b>4.9%</b>		<b>5.0%</b>	





**GENERAL BALANCES POLICY****Policy on the Level of General Fund Balances 2010-11 to 2012-13**

The policy of the Council is to set a target level of general fund balances (excluding schools balances) at 5% of our net budget requirement (excluding schools expenditure) over the course of the medium-term financial strategy.

The rationale for this level is based upon an assessment of the level of risk inherent within the Council budget over the medium-term financial planning period. The level of general fund balances should be adequate to meet working balance requirements and to provide a reasonable allowance for unquantifiable risks that are not already covered within the Council's budgets and contingency sums.

The risk assessment and policy is reviewed annually, as part of the Performance and Financial Planning process, to ensure that it appropriately reflects service pressures and financial risks faced by the Council in delivering its priorities, and improvements in the authority's financial management.

The Chief Finance Officer (Section 151 officer) shall be responsible for reporting to the Council on the adequacy of the reserves and balances.



## AREA BASED GRANTS AND SPECIFIC GRANTS 2009-10 to 2010-11

	2009-10	2010-11
	Final	Final
	£000	£000
<b>AREA BASED GRANTS</b>		
<b>Children's Services</b>		
<i><b>Children's (Dedicated Schools Grant)</b></i>		
Extended Schools Start Up	776	319
School Improvement Partners	68	68
School Intervention	41	41
Primary Strategy Co Ordination	116	116
Secondary Strategy Co Ordination	141	142
Secondary Behaviour and Attendance	68	68
Choice Advisors	41	41
Sustainable Travel	12	12
Extended Free Travel	2	3
Schools Development Grant Retained	2,785	2,785
Flexible Funding Pot (14-19 Partnerships)	39	39
<b>Subtotal Children's (DSG)</b>	<b>4,089</b>	<b>3,634</b>
<i><b>Children's Other</b></i>		
Education Health Partnerships	141	75
Child Trust Fund	5	6
Teenage Pregnancy	123	123
Child Death Review Processes	61	64
Children's Fund	711	711
Children's Social Care Workforce	150	151
Connexions	2,196	2,414
Positive Activities for Young People Continuing	669	669
Positive Activities for Young People Additional	366	627
School Travel Advisors*	18	18
Care Matters	369	424
Designated Teacher Funding	9	9
School Gates Employment (DWP)	53	65
Social Care Checks Funding (DCSF)	1	
<b>Subtotal Children's Other</b>	<b>4,872</b>	<b>5,356</b>
<b>Total Children's Services</b>	<b>8,961</b>	<b>8,990</b>
<b>Housing and Adults Social Services</b>		
Child and Adolescent Mental Health Services Grant	807	853
Carers	1,363	1,444
Learning Disabilities Development Fund	284	285
Local Involvement Networks	170	169
Mental Capacity Act/ Independent Mental Capacity Advocates	164	157
Mental Health	955	1,004
Preserved Rights	1,066	1,024
Adult Social Care Workforce	705	719
Supporting People Administration	213	183
Supporting People (from 2009-10)	0	15,935
<b>Total Housing and Adults Social Services</b>	<b>5,727</b>	<b>21,773</b>
<b>Corporate Resources</b>		
Young Persons Substance Misuse	240	240
Preventing Violent Extremism (DCLG)	193	257
Youth Crime Action Plan	143	175
<b>Total Corporate Resources</b>	<b>576</b>	<b>672</b>
<b>Environment and Regeneration</b>		
Working Neighbourhoods Fund Estimate*	7,913	7,497
Safer Stronger Communities DCLG*	258	
Safer Stronger Communities Home Office	345	345
Climate Change	23	23
Community Call for Action (HO)	2	2
Economic Assessment Duty (CLG)		65
<b>Total Environment and Regeneration</b>	<b>8,541</b>	<b>7,932</b>
<b>Total Area Based Grants</b>	<b>23,805</b>	<b>39,367</b>

## AREA BASED GRANTS AND SPECIFIC GRANTS 2009-10 to 2010-11

	2009-10	2010-11
	Final	Final
	£000	£000
<b>SPECIFIC GRANTS</b>		
<b><u>Children's Services</u></b>		
Ethnic Minorities Achievement Grant	3,089	3,326
1-2-1 Tuition (Formerly Making Good Progress)	436	894
Playing for Success	80	80
Dedicated Schools Grant	125,457	131,090
Youth Opportunities Fund	274	274
Sure Start	9,782	10,107
Extended Schools - Subsidy	125	676
Extended Schools - Sustainability	448	632
Schools Development Grant	7,633	7,797
School Lunches	263	254
Primary Secondary Strategy Targeted	1,288	860
Contact Point	141	0
Free 3-4 Year Olds Education	325	1,563
Music Services	301	303
London Pay	477	679
School Standards Grant	4,916	5,010
Targeted Mental Health in Schools Grant	220	150
Think Family	934	934
Two Year Old Offer	458	694
Short Breaks	293	914
<b>Total Children's Services</b>	<b>156,940</b>	<b>166,237</b>
<b><u>Housing and Adults Social Services</u></b>		
AIDS Support	402	0
Social Care Reform	996	1,217
Homelessness	504	380
Housing Benefit / Council Tax Benefit Administration	3,487	0
Supporting People	15,935	0
Stroke Strategy	94	94
<b>Total Housing and Adults Social Services</b>	<b>21,418</b>	<b>1,691</b>
<b><u>Environment and Regeneration</u></b>		
Growth Areas Revenue	150	0
Free Swimming	125	125
<b>Total Housing and Adults Social Services</b>	<b>275</b>	<b>125</b>
<b>Total Specific Grants</b>	<b>178,633</b>	<b>168,053</b>

\* These grants are to be passed to the Islington Strategic Partnership

## HRA MTFS 2010-11 TO 2012-13

## APPENDIX G1

Service Heading	Agreed Budget 2009-10 £000	Net Inflation £000	Growth £000	Savings £000	Other Adjust. £000	Proposed Budget 2010-11 £000	Net Inflation £000	Growth £000	Savings £000	Other Adjust. £000	Indicative Budget 2011-12 £000	Net Inflation £000	Growth £000	Savings £000	Other Adjust. £000	Indicative Budget 2012-13 £000
Management of Stock	60,492	1,003	0	(1,246)	734	60,984	1,889	0	(1,235)	295	61,933	1,929	0	(1,217)	38	62,683
PFI Contracts	30,463	0	0	0	2,450	32,913	0	0	0	2,664	35,577	0	0	0	910	36,487
Repair & Maintenance	25,083	326	0	(525)	(501)	24,384	816	0	(507)	(13)	24,680	818	0	(516)	(14)	24,969
Capital Financing Costs	75,480	0	0	0	2,940	78,419	0	0	0	2,109	80,528	0	0	0	560	81,088
Revenue Contribution To Capital Programme	10,216	0	0	(12)	(916)	9,288	0	0	(236)	(4,085)	4,967	0	0	(308)	662	5,321
Other Costs	1,530	12	0	(500)	488	1,530	16	0	0	(11)	1,534	16	0	0	1,184	2,733
Gross Expenditure	203,264	1,341	0	(2,282)	5,195	207,519	2,721	0	(1,978)	958	209,220	2,763	0	(2,041)	3,339	213,281
Income From Leaseholders	(11,589)	(140)	0	0	(635)	(12,363)	(226)	0	0	3,719	(8,870)	(235)	0	0	0	(9,104)
Charges For Services and Facilities	(7,090)	(64)	0	0	326	(6,827)	(92)	0	0	(149)	(7,068)	(95)	0	0	581	(6,582)
Other Income	(1,518)	(12)	0	0	(59)	(1,588)	(22)	0	0	3	(1,607)	(23)	0	0	(71)	(1,702)
Amount To Be Met From Govt Grant & Dwelling Rents	183,068	1,126	0	(2,282)	4,828	186,740	2,381	0	(1,978)	4,531	191,675	2,410	0	(2,041)	3,850	195,892
HRA Subsidy	(62,020)	0	0	0	(2,342)	(64,362)	0	0	0	179	(64,183)	0	0	0	2,918	(61,265)
Income From Rents and Unpooled Service Charges	(121,049)	0	0	0	(1,330)	(122,379)	0	0	0	(5,113)	(127,491)	0	0	0	(7,136)	(134,627)
Total From Govt Grants and Dwelling Rents	(183,068)	0	0	0	(3,672)	(186,740)	0	0	0	(4,934)	(191,675)	0	0	0	(4,218)	(195,892)
In-Year HRA Surplus (-) or Deficit (+)	0	1,126	0	(2,282)	1,156	0	2,381	0	(1,978)	(403)	0	2,410	0	(2,041)	(368)	0
HRA Balances:																
Balance Btwd	(7,982)					(6,435)					(5,091)					(5,091)
Conbts To (-) / Calls On (+) Balances	1,547					1,344					0					(0)
Balance Cftwd	(6,435)					(5,091)					(5,091)					(5,091)



## HRA ILLUSTRATIONS OF WEEKLY CHARGES FOR 2010-11

### Un-Pooled-Service Charges and Digital TV Charges

	£
Caretaking and Cleaning Weekly Charge	7.16
Estate Services Charge Weekly Charge	1.19
Digital TV Charge Weekly Charge	0.26
Compensation for loss of caretaking service	£1.42 per day (after 5 consecutive days of lost service)

### Heating and Hot Water Charges

	Bedsit Average Weekly Charge £	1-Bed Average Weekly Charge £	2-Bed Average Weekly Charge £	3-Bed Average Weekly Charge £	4-Bed Average Weekly Charge £
Year three of phasing in the break-even charge	8.95	9.66	10.91	12.84	15.44

### Estate Parking Charges

	Weekly Charge Bands A, B £	Weekly Charge Bands C, D, E £	Weekly Charge Band F £	Weekly Charge Band G £
<b>Standard Charge For Tenants:</b>				
- Garage	7.58	15.15	15.90	16.66
- Car Cage	3.55	7.08	7.43	7.79
- Parking Space	1.94	3.87	4.06	4.26
- Internal Garage	5.22	10.43	10.96	11.48
<b>Non-Residents (Extra 50% Levy):</b>				
- Garage	11.37	22.73	23.85	24.99
- Car Cage	5.33	10.62	11.15	11.69
- Parking Space	2.91	5.81	6.09	6.39

### Concierge Service Charges

	Weekly Charge £
Category A (Concierge Block – 559 tenants July 2009)	5.90
Category B (Concierge Estate – 1,786 tenants July 2009)	4.42
Category C (Elsewhere – 70 tenants July 2009)	2.66

### Parking Penalty Charges

<i>These are frozen at 2009-10 (and 2008-09) levels for 2010-11</i>	Council Estates £
Clamp Release	75.00
Impounded Release	150.00
Storage Charge – Per Day After The Following Day Of Tow-Away	20.00





## 2010-11 TO 2012-13 CAPITAL PROGRAMME

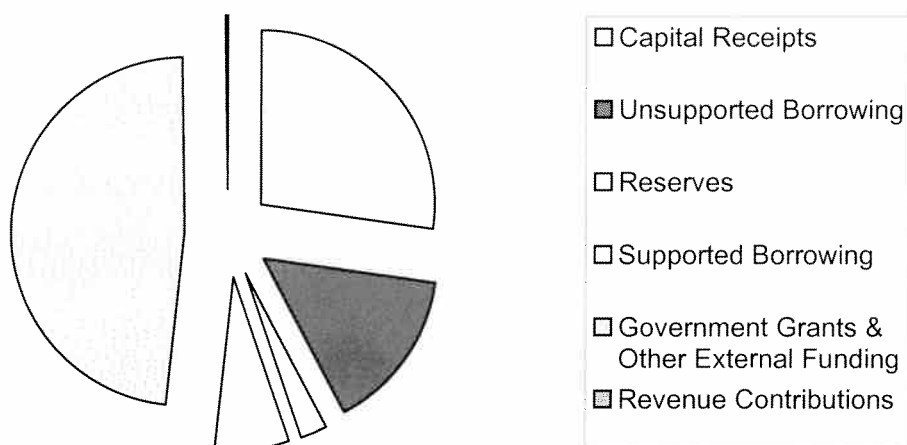
SCHEME	2010-11 Total Deliverable Programme £000	Council Resources £000	Supported Borrowing £000	Other External Funding & Revenue Contributions £000	Total 2010-11 Funding £000	2011-12 Total Deliverable Programme £000	2012-13 Total Deliverable Programme £000	Total Deliverable Programme 2010-11 to 2012-13 £000	Capital Allowance Scheme
<b>HOUSING &amp; ADULT SOCIAL SERVICES</b>									
Equipment & Adaptations / Assistive Technology	2,870	2,720	-	150	2,870	2,870	2,870	8,610	Yes
AdSS IT Infrastructure	87	-	-	87	87	87	87	261	
Lambo Day Centre	148	-	-	148	148	148	148	444	Yes
<b>ADULT SOCIAL SERVICES</b>	3,105	2,720	-	385	3,105	3,105	3,105	9,315	
<b>HFI Managed Programme (HRA)</b>									
Decent Homes	91,583	41,055	25,814	24,714	91,583	12,437	-	104,020	Yes
Street Properties	2,485	540	-	1,945	2,485	8,000	-	10,485	Yes
Tollington	988	988	-	-	988	1,000	-	1,988	Yes
Cyclical Refurbishment	-	-	-	-	-	18,412	20,868	39,280	Yes
New Homes	11,939	7,717	-	4,222	11,939	1,236	-	13,175	Yes
Energy and Sustainability	3,529	-	-	3,529	3,529	-	-	3,529	
Tenants Compact	1,500	1,500	-	-	1,500	1,000	1,000	3,500	
Community Safety	1,500	1,500	-	-	1,500	1,000	1,000	3,500	
TV Aerials	573	29	-	544	573	-	-	573	
Heating & Water Programme	8,164	5,289	-	2,875	8,164	4,689	3,691	16,544	
Lifts Programme	1,500	-	-	1,500	1,500	1,500	1,374	4,374	
Housing Based Regeneration	150	-	-	150	150	-	-	150	Yes
<b>LBI Managed Programme (HRA)</b>									
PF12 Dowry	6,116	6,116	-	-	6,116	12,773	-	18,889	Yes
PF1 2 Excluded Costs	2,379	2,379	-	-	2,379	1,466	-	3,845	Yes
Deconversions	950	950	-	-	950	-	-	950	Yes
42/44 Aberdeen Park	450	450	-	-	450	-	-	450	
Ropemaker Place	1,050	-	-	1,050	1,050	-	-	1,050	Yes
<b>HOUSING</b>	134,856	68,513	25,814	40,529	134,856	63,513	27,933	226,302	
<b>SUBTOTAL HOUSING &amp; AdSS</b>	137,961	71,233	25,814	40,914	137,961	66,618	31,038	235,617	
<b>CHILDREN'S SERVICES</b>									
Building Schools for the Future	9,920	1,622	135	8,163	9,920	23,586	18,838	52,344	Yes
Richard Cloudesley (secondary element)	3,680	3,680	-	-	3,680	3,780	40	7,500	Yes
<b>SECONDARY SCHOOLS</b>	13,600	5,302	135	8,163	13,600	27,366	18,878	59,844	
Vittoria Refurbishment	1,674	-	1,674	-	1,674	100	-	1,774	Yes
Grafton Refurbishment	1,871	-	1,821	50	1,871	108	-	1,979	Yes
Laycock School Refurbishment	1,168	-	119	1,049	1,168	205	-	1,373	Yes
William Tyndale Refurbishment	1,880	-	-	1,880	1,880	1,740	220	3,840	Yes
Hanover Refurbishment	1,492	-	-	1,492	1,492	2,763	1,595	5,850	Yes
Moreland New Build	5,000	-	139	4,861	5,000	5,069	-	10,069	Yes
Ashmount	6,000	5,500	-	500	6,000	6,000	1,993	13,993	Yes
School Kitchen Schemes	770	-	299	471	770	-	-	770	
Extended Schools Grant	894	-	-	894	894	-	-	894	Yes
Schools Access Initiative	579	-	579	-	579	-	-	579	Yes
Modernisation	-	-	-	-	-	-	1,477	1,477	Yes
Other Primary Schools Capital	-	-	-	-	-	-	2,543	2,543	Yes
<b>PRIMARY SCHOOLS</b>	21,328	5,500	4,631	11,197	21,328	15,985	7,828	45,141	
<b>SCHOOL ELECTRICAL SCHEMES</b>	1,813	-	982	831	1,813	600	-	2,413	
North Islington Nursery	27	-	-	27	27	-	-	27	Yes
Early Years Centres	2,054	-	-	2,054	2,054	-	-	2,054	Yes
<b>CHILDREN'S / EARLY YEARS CENTRES</b>	2,081	-	-	2,081	2,081	-	-	2,081	
Short Breaks (Aiming High for Disabled Children)	412	-	-	412	412	-	-	412	Yes
Conewood / Elwood Redevelopment	900	900	-	-	900	4,036	265	5,201	
Care Leavers Accommodation	1,700	1,700	-	-	1,700	2,122	-	3,822	Yes
<b>SOCIAL CARE</b>	3,012	2,600	-	412	3,012	6,158	265	9,435	
White Lion Redevelopment	2,268	150	-	2,118	2,268	-	-	2,268	Yes
Hornsey Road Youth Hub	2,385	-	-	2,385	2,385	-	-	2,385	Yes
Youth Hubs	711	250	-	461	711	250	-	961	Yes
Playground Schemes	439	-	-	439	439	-	-	439	Yes
<b>YOUTH CENTRES</b>	5,803	400	-	5,403	5,803	250	-	6,053	
Asbestos Management	250	250	-	-	250	250	-	500	
Harnessing Technology (Schools ICT)	603	-	-	603	603	-	-	603	
<b>OTHER SCHOOLS</b>	853	250	-	603	853	250	-	1,103	
<b>SUBTOTAL CHILDREN'S SERVICES</b>	48,490	14,052	5,748	28,690	48,490	50,609	26,971	126,070	

## 2010-11 TO 2012-13 CAPITAL PROGRAMME

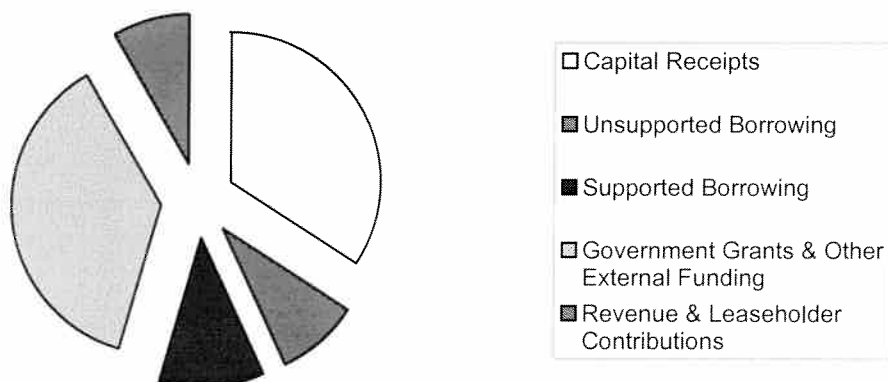
SCHEME	2010-11 Total Deliverable Programme £000	Council Resources £000	Supported Borrowing £000	Other External Funding & Revenue Contributions £000	Total 2010-11 Funding £000	2011-12 Total Deliverable Programme £000	2012-13 Total Deliverable Programme £000	Total Deliverable Programme 2010-11 to 2012-13 £000	Capital Allowance Scheme
<b>ENVIRONMENT &amp; REGENERATION</b>									
TfL Local Implementation Plan	2,928	-	-	2,928	2,928	2,928	2,928	8,784	Yes
Greenspace	1,288	1,203	-	85	1,288	-	-	1,288	Yes
Local Environment Improvements - Minor Traffic and Parking	800	800	-	-	800	800	800	2,400	Yes
Local Environment Improvements - Cycling Measures	200	200	-	-	200	200	200	600	Yes
Highways Maintenance Programme	1,000	1,000	-	-	1,000	1,500	1,500	4,000	
Additional Highways Maintenance	600			600	600			600	
Completion of the 20mph zone programme on residential roads	300	300	-	-	300	-	-	300	
Micro green spaces programme on public land	1,000	1,000	-	-	1,000	-	-	1,000	Yes
Creation of new allotments and growing spaces	300	300	-	-	300	-	-	300	Yes
Cycle access package to remove on-road barriers to cycling	250	250	-	-	250	-	-	250	Yes
Provision of residential cycle parking facilities on HFI estates	50	50	-	-	50	-	-	50	
<b>PUBLIC REALM</b>	8,716	5,103	-	3,613	8,716	5,428	5,428	19,572	
E&R Grants - Private Sector Housing	1,350	1,350	-	-	1,350	1,000	1,000	3,350	
E&R Grants - Conservation	687	687	-	-	687	250	250	1,187	Yes
Conservation (English Heritage)	663	-	-	663	663	250	250	1,163	Yes
Private Sector Housing (Disabled Facilities Grant)	601	-	-	601	601	601	601	1,803	
Cemeteries - Mercury Abatement Programme	675	675			675	-	-	675	
<b>PUBLIC PROTECTION</b>	3,976	2,712	-	1,264	3,976	2,101	2,101	8,178	
S106 Agreements	3,500	-	-	3,500	3,500	3,000	3,000	9,500	Yes
Angel & Archway Development Partners	75	75	-	-	75	-	-	75	Yes
Corporate regeneration projects including the areas surrounding Highbury Corner and Old Street stations	7,520	2,000	-	5,520	7,520	2,000	-	9,520	Yes
Acceleration of the Car Club Programme	150	150	-	-	150	150	-	300	Yes
Regeneration (NIACE Grant)	20	-	-	20	20	-	-	20	Yes
<b>STRATEGIC PLANNING &amp; REGENERATION</b>	11,265	2,225	-	9,040	11,265	5,150	3,000	19,415	
Carbon Management Plan	734	734	-	-	734	1,450	1,450	3,634	
Climate Change Fund	1,373	650	-	723	1,373	-	-	1,373	Yes
Combined Heat and Power Project	1,221	-	-	1,221	1,221	-	-	1,221	Yes
<b>ENVIRONMENTAL SUSTAINABILITY</b>	3,328	1,384	-	1,944	3,328	1,450	1,450	6,228	
E&R Grants - Aquaterra	250	250	-	-	250	250	250	750	
Ironmonger Row Baths	-	-	-	-	-	12,366	-	12,366	Yes
Sobell Leisure Centre	1,200	1,200	-	-	1,200	-	9,650	10,850	Yes
Other Leisure Projects	98	-	-	98	98	-	-	98	Yes
Libraries Capital Programme	873	213	-	660	873	-	-	873	Yes
<b>CULTURAL SERVICES</b>	2,421	1,663	-	758	2,421	12,616	9,900	24,937	
<b>SUBTOTAL ENVIRONMENT &amp; REGENERATION</b>	29,706	13,087	-	16,619	29,706	26,745	21,879	78,330	
<b>CORPORATE RESOURCES</b>									
Corporate ICT Programme	1,993	1,993	-	-	1,993	2,500	2,500	6,993	
<b>SUBTOTAL CORPORATE RESOURCES</b>	1,993	1,993	-	-	1,993	2,500	2,500	6,993	
<b>FINANCE &amp; PROPERTY</b>									
DDA	620	620	-	-	620	500	-	1,120	
Town Hall Auditorium	39	39	-	-	39	-	-	39	Yes
Backlog Property Maintenance & Major Works	511	511	-	-	511	-	-	511	
<b>SUBTOTAL FINANCE &amp; PROPERTY</b>	1,170	1,170	-	-	1,170	500	-	1,670	
<b>CORPORATE PROJECTS</b>									
Smart Working Phase 3	1,500	1,500	-	-	1,500	-	-	1,500	
<b>SUBTOTAL CORPORATE PROJECTS</b>	1,500	1,500	-	-	1,500	-	-	1,500	
<b>TOTAL CAPITAL PROGRAMME</b>	220,820	103,035	31,562	86,223	220,820	146,972	82,388	450,180	

## CAPITAL PROGRAMME FUNDING

<b>GENERAL FUND</b>	<b>2010-11 £000</b>	<b>2011-12 £000</b>	<b>2012-13 £000</b>	<b>Total £000</b>
Capital Receipts	0	37,866	22,618	60,484
Unsupported Borrowing	33,022	928	0	33,950
Reserves	2,100	3,900	0	6,000
Supported Borrowing	5,748	4,092	5,885	15,725
Government Grants & Other External Funding	44,944	36,523	25,802	107,269
Revenue Contributions	150	150	150	450
<b>Total General Fund Funding</b>	<b>85,964</b>	<b>83,459</b>	<b>54,455</b>	<b>223,878</b>



<b>HOUSING</b>	<b>2010-11 £000</b>	<b>2011-12 £000</b>	<b>2012-13 £000</b>	<b>Total £000</b>
Capital Receipts	49,196	25,939	2,000	77,135
Unsupported Borrowing	19,317	1,000	0	20,317
Supported Borrowing	25,814	0	0	25,814
Government Grants & Other External Funding	31,391	31,757	20,762	83,910
Revenue & Leaseholder Contributions	9,138	4,817	5,171	19,126
<b>Total Housing Funding</b>	<b>134,856</b>	<b>63,513</b>	<b>27,933</b>	<b>226,302</b>





**2010-11 Public Realm Programme of Traffic and Transportation Schemes****Decision Making Responsibility**

*Allocations are for the design, consultation and implementation of schemes. All schemes are subject to consultation. Formal decisions normally only required for schemes requiring a traffic management order.*

<b>Programme Area and Scheme Name</b>	<b>Area</b>	<b>Ward</b>	<b>Funding</b>	<b>Decision / Reporting Responsibility</b>	<b>Comment</b>
<b>Transport for London (TfL) Local Implementation Plan (LIP) funding – Corridors</b>					
Goswell Road/Old Street intersection improvements	South	Bunhill	£300,000	South Area Committee	
Brecknock Road/York Way corridor improvements	West, North	Caledonian, Holloway, St George's	£250,000	Corporate Director of Environment and Regeneration (CDER)	Continued implementation of joint project with London Borough of Camden
Mildmay Park corridor improvements	East	Mildmay	£200,000	CDER	
Caledonian Road (Roman Way to Camden Road) corridor improvements	West	Holloway	£200,000	CDER	
Hornsey Road/Bavaria Road scheme	North	Tollington	£200,000	CDER	
Local cycle network improvements	Various	Various	£100,000	CDER	Small scale, local cycling improvements
Caledonian Road – extension of southbound bus lane	West	Caledonian	£70,000	CDER	
Bus Stop Accessibility schemes	Various	Various	£60,000	CDER	
Finsbury Park bus links – Feasibility study	East	Finsbury Park	£21,000	No decision required	
<b>TfL LIP funding – Neighbourhoods</b>					
Jackson Road/Lowman Road Area – Traffic Management and Environmental improvements	East	Highbury West	£250,000	East Area Committee	
Finsbury Park environmental improvements	East	Finsbury Park	£150,000	CDER	
Archway Area environmental improvements	North	Junction, Hillrise	£100,000	CDER	
EC1 NDC Public Space Strategy implementation	South	Bunhill, Clerkenwell	£100,000	South Area Committee	
Monseil Road environmental improvements	East	Highbury West	£50,000	Scheme approved by East Area Committee in November 2009	
Electric Vehicle Charging Points	Various	Various	£30,000	CDER	
Sustainability initiatives	Various	Various	£30,000	CDER	
<b>TfL LIP funding – Smarter Travel</b>					
Cycle Training	Various	Various	£100,000	No decision required	
School Travel			£90,000	No decision required	
Travel Awareness			£45,000	No decision required	
Road Safety Education and Promotion programme	Various	Various	£25,000	No decision required	
Workplace Travel Plan promotion	Various	Various	£11,000	No decision required	
<b>TfL LIP funding – Major schemes</b>					
Highbury Barn Streets for People – Indicative allocation	East	Highbury East, Highbury West	£190,000	Scheme approved by East Area Committee in November 2009	
<b>TfL LIP funding – Maintenance</b>					
Tufnell Park Road junction	North	St George's, Junction	£256,000	No decision required	

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Programme Area and Scheme Name	Area	Ward	Funding	Decision / Reporting Responsibility	Comment
<b>TfL LIP funding – Local Transport Fund</b>					
Borough funding special pot – London Borough of Islington	TBC	TBC	£100,000	CDER	
<b>TfL LIP funding – Outside of LIP process</b>					
London Cycle Hire site identification	South, West	Bunhill, Clerkenwell, Barnsbury, Caledonian, St Peter's	TBC	CDER	Proposed sites will be subject to planning approval
London Cycle Hire preparatory works – highways	South, West	Bunhill, Clerkenwell, Barnsbury, Caledonian, St Peter's	£32,500	No decision required	Highways improvements at various Cycle Hire sites
London Cycle Hire preparatory works – parking	South, West	Bunhill, Clerkenwell, Barnsbury, Caledonian, St Peter's	£29,500	CDER	Changes to parking arrangements at various Cycle Hire sites
London Cycle Hire complementary measures – lighting	South, West	Bunhill, Clerkenwell, Barnsbury, Caledonian, St Peter's	£21,000	No decision required	Improved lighting at various Cycle Hire sites
London Cycle Hire complementary measures – CCTV	South, West	Bunhill, Clerkenwell, Barnsbury, Caledonian, St Peter's	£108,000	No decision required	CCTV installation at various Cycle Hire sites
London Cycle Hire complementary measures – cycle permeability improvements	South, West	Bunhill, Clerkenwell, Barnsbury, Caledonian, St Peter's	£240,000	CDER	Small-scale, local cycling improvements at various Cycle Hire sites
Car Clubs – Low Car Neighbourhood	TBC	TBC	£30,000	Area Committee	
<b>Council capital schemes</b>					
Highways Maintenance Programme	Various	Various	£1,600,000	No decision required	
Local Environmental Improvements – Minor Traffic and Parking	Various	Various	£800,000	CDER	
Completion of the 20mph zone programme on residential roads	Various	Various	£300,000	CDER	
Cycle access package to remove on-road barriers to cycling	Various	Various	£250,000	CDER	
Local Environmental Improvements – Cycling measures	Various	Various	£200,000	CDER	
Car Club acceleration programme	Various	Various	£150,000	CDER	
Provision of residential cycle parking facilities on HFI estates	Various	Various	£50,000	No decision required	
<b>EC1 New Deal for Communities schemes</b>					
King's Square	South	Bunhill	£481,000	South Area Committee	
Selected public realm improvements	South	Bunhill, Clerkenwell	£80,000	South Area Committee	
<b>Other schemes</b>					
Connect2 (Big Lottery funding)	North, East	Various	TBC	East Area Committee	Detailed proposals to be agreed
S.106-funded schemes	Various	Various	TBC	CDER	Works to be consistent with S.106 approval from area planning sub-committees.

## ANNUAL INVESTMENT POLICY

### **Background**

1. The Council will have regard to the CLG Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (revised in November 2009). The Council's investment priorities are:
  - security of capital
  - liquidity of investments
2. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
3. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
4. Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' investment categories. Counterparty limits will be as set through the Council's Treasury Management Practices.

### **Specified Investments**

5. Specified investments are described in the Guidance as those identified as offering high security and high liquidity, and can be relied on with minimal formalities. All must be in sterling and with a maturity of no more than one year. All such short-term investments with the UK Government, other local authorities, or parish councils are considered "specified"; for other deposit takers a "high" credit rating is required which the authority defines. The Council's definition of specified investments is given in Table 1 at the end of this Appendix.

### **Non-Specified Investments**

6. Non-specified investments carry a higher degree of potential risk, and the Guidance requires the types of investments that can be used to be set out in the Strategy, and limits to be set on how much can be held in these investments at any time during the year. The Guidance states that it is not the objective to discourage investment in an instrument, but to ensure that procedures are in place for undertaking risk assessments of investments made for longer periods or with bodies which are not highly credit rated.
7. A maximum of £200m is proposed for the amount that may be held in aggregate in non-specified investments with both internal and external managers, and this reflects the estimated level of cash expected to remain available for investment over periods greater than one year. The Council's definition of non-specified investments is given in Table 2 at the end of this Appendix.
8. The Council's external fund managers must comply with the Annual Investment Strategy. The agreements between the Council and the fund managers additionally stipulate guidelines and duration, and other limits in order to contain and control risk.

### **Counterparty Criteria**

9. The Council has reviewed the way it formulates its counterparty criteria. The lending list criteria will be devised from the use of rating agencies which may include Fitch, Moody's Investor Services and Standard & Poor's (or other rating agency where necessary) as well as other factors. The main sovereign states whose banks are to be included are Australia, Canada, Finland, France, Portugal, Denmark, Germany, Netherlands, Spain, Switzerland and the US. These countries and the banks within them have been selected after analysis and careful monitoring of:
  - Credit Ratings (minimum long-term A+, minimum short term F1)
  - Credit Default Swaps
  - GDP; Net Debt as a Percentage of GDP
  - Sovereign Support Mechanisms / potential support from a well-resourced parent institution
  - Share Price

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10. The Council will also take into account information on corporate developments and market sentiment towards the counterparties. The Council and its treasury advisors, Arlingclose Ltd, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.
11. The Council is alerted to changes in ratings through its treasury advisors, Arlingclose Ltd, and market updates from the Bloomberg screen. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. If a counterparty or investment scheme is upgraded so that it fulfils the Council's criteria, the Corporate Director of Finance will have the discretion to include it on the lending list.
12. Currently the Council has restricted its investment activity to the following institutions while conditions in the financial sector are monitored for stability:
  - The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's funds are secure)
  - AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)
  - Deposits with other local authorities
  - Business reserve accounts and term deposits. These have been primarily restricted to UK institutions that are rated at least A+ long term, and have access to the UK Government's 2008 Credit Guarantee Scheme (CGS).
  - Bonds issued by Multilateral Development Banks
13. Of funds available for investment, over £150m is estimated to be available for investment over a 2-5 year period. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

### ***Monitoring***

14. Treasury management monitoring will be incorporated into the regular Executive financial monitoring reports. The Executive Member for Finance is briefed on treasury activities as part of his monthly meetings. At the end of the financial year, an outturn report will be prepared on the council's investment activity as part of its Annual Treasury Report. The Audit Committee will scrutinise the annual treasury strategy statement before council approval at its budget and council tax setting meeting.

### ***Member Training***

15. CIPFA's revised Code requires the Director of Finance to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

### ***Advisers***

16. Arlingclose Ltd are our treasury advisers and their role is advisory to enable the council to make informed decisions.



**Table 1: Definition of Specified Investments**

All “Specified Investments” listed in Table 1 below must be sterling-denominated, with maximum maturity one year. If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

<b>Investment</b>	<b>Repayable / Redeemable within 12 months?</b>	<b>Security / Minimum Credit Rating</b>	<b>Circumstance of use</b>	<b>Max period</b>
<b>Debt Management Agency Deposit Facility (DMADF)</b> <i>(this facility is at present available for investments up to 6 months)</i>	Yes	Govt-backed	In-house and by external fund managers	1 year *
<b>Term deposits</b> with the UK government or other UK local authorities	Yes	High security although Local Authorities not credit rated.	In-house and by external fund managers	1 year
<b>Term deposits</b> with credit rated deposit takers or UK government backed banks and building societies, including callable deposits	Yes	Minimum Short Term Ratings - Fitch F1 Moody's P-1 S & P A-1  Minimum Long term Ratings – Fitch A+ Moody's A1 S & P A+  Maximum Deposit - £50m if institution backed by UK Credit Guarantee Scheme. £15m maximum if institution not backed by UK Credit guarantee Scheme.	In-house and by external fund managers	1 year
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies); up to 1 year. <i>Custodial arrangement required prior to purchase</i>	Yes	Yes-varied Fitch IBCA Short-term F1+ Maximum 10% of fund with fund manager.	To be used by fund managers	1 year

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Investment	Repayable / Redeemable within 12 months?	Security / Minimum Credit Rating	Circumstance of use	Max period
<p><b>Gilts</b> : with maturities up to 1 year</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Yes	Government-backed	<p>(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd</p> <p>(2) trading by external cash fund manager(s) only subject to the guidelines agreed</p>	1 year
<b>Money Market Funds</b>	Yes	Yes-varied	In-house and by external fund managers	subject to cash flow/liquidity
<i>These funds do not have any maturity date</i>		Minimum credit rating : AAA	subject to the guidelines agreed	
<b>Forward deals</b> with credit rated or UK government backed banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	Yes	<p>Minimum Short Term Ratings -</p> <p>Fitch F1</p> <p>Moody's P-1</p> <p>S &amp; P A-1</p> <p>Minimum Long term Ratings –</p> <p>Fitch A+</p> <p>Moody's A1</p> <p>S &amp; P A+</p> <p>Maximum Deposit - £50m if institution backed by UK Credit Guarantee Scheme.</p> <p>£15m maximum if institution not backed by UK Credit guarantee Scheme.</p>	In-house and fund managers	1 year in aggregate

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Investment	Repayable / Redeemable within 12 months?	Security / Minimum Credit Rating	Circumstance of use	Max period
<b>Gilt Funds and other Bond Funds</b> <i>(dependent on set-up structure)</i> These are open-end mutual funds investing predominantly in UK govt gilts and corporate bonds. These funds do not have any maturity date and would hold highly liquid instruments. Open-ended funds continually create new units (or shares) to accommodate new monies as they flow into the funds and trade at net asset value.	Yes	Yes – minimum rating : Fitch : A+ Moody's : A1 S&P : A+	External fund managers only subject to guidelines agreed <b>In choosing the manager we will need to ensure that the fund is not a body corporate by virtue of its set up structure</b>	
<b>Treasury bills</b> <i>[Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value]</i> Custodial arrangement required prior to purchase	Yes	Govt-backed	External fund managers subject to the guidelines and parameters agreed with them	1 year
<b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (as defined in SI 2004 No 534) with maturities under 12 months Custodial arrangement required prior to purchase	Yes	AAA (Govt-backed)	(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd (2) trading by external cash fund manager(s) only subject to guidelines agreed	1 year

**APPENDIX I**

<b>Investment</b>	<b>Repayable / Redeemable within 12 months?</b>	<b>Security / Minimum Credit Rating</b>	<b>Circumstance of use</b>	<b>Max period</b>
<b>Bonds issued by multilateral development banks</b> (as defined in SI 2004 No 534) with maturities under 12 months  <i>Custodial arrangement required prior to purchase</i>	Yes	AAA	(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd (2) ) trading by external cash fund manager(s) only subject to guidelines agreed	1 year

**Table 2: Definition of Non-Specified Investments**

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Max held at any one time during the year £M</u>	<u>Maximum maturity of investment</u>
<b>Term deposits with</b> UK government or other local authorities (with maturities in excess of 1 year)	No	No	High security although local authorities not credit rated.	No	In-house and fund managers	200	5 years
<b>Term deposits with</b> credit rated deposit takers or UK government backed banks and building societies with maturities greater than 1 year	No	No	Yes – varied  Minimum Short Term Ratings - Fitch F1 Moody's P-1 S & P A-1  Minimum Long term Ratings – Fitch A+ Moody's A1 S & P A+  Maximum Deposit - £50m if institution backed by UK Credit Guarantee Scheme. £15m maximum if institution not backed by UK Credit guarantee Scheme. For Maturities>2 years, Long Term Minimum AA		In-house and fund managers	200	5 years

# APPENDIX I

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Max held at any one time during the year £M</u>	<u>Maximum maturity of investment</u>
<b>Certificates of Deposit</b> with credit rated deposit takers or UK government backed banks and building societies with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	No	Yes	YES-varied  Minimum Short Term Ratings - Fitch F1 Moody's P-1 S & P A-1  Minimum Long term Ratings – Fitch A+ Moody's A1 S & P A+  Maximum Deposit - £50m if institution backed by UK Credit Guarantee Scheme. £15m maximum if institution not backed by UK Credit guarantee Scheme.  For maturities > 2 years, Long Term AA minimum	NO	To be used by fund managers; to be used in-house "buy and hold" or trade after consultation/ advice from Arlingclose Ltd	180	5 years

# APPENDIX I

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Max held at any one time during the year £M</u>	<u>Maximum maturity of investment</u>
<b>Callable deposits</b> with credit rated deposit takers or UK government backed banks and building societies with maturities greater than 1 year	No	No	YES-varied  Minimum Short Term Ratings - Fitch F1 Moody's P-1 S & P A-1  Minimum Long term Ratings – Fitch A+ Moody's A1 S & P A+  Maximum Deposit - £50m if institution backed by UK Credit Guarantee Scheme. £15m maximum if institution not backed by UK Credit guarantee Scheme.  For maturities > 2 years, Long Term AA minimum	NO	To be used by fund managers; to be used in-house after consultation/ advice from Arlingclose Ltd	180	5 years in aggregate

# APPENDIX I

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Max held at any one time during the year £M</u>	<u>Maximum maturity of investment</u>
<b>UK government gilts</b> with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt backed	NO	(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd (2) for trading : by external cash fund manager(s) only subject to the guidelines and parameters agreed with them	180	10 years including but also including the 10 year benchmark gilt
<b>Sovereign issues ex UK govt gilts</b> : any maturity <i>Custodial arrangement required prior to purchase</i>	No	Yes	AAA	NO	(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd (2) for trading : by external cash fund manager(s) only subject to the guidelines and parameters agreed with them	180	10 years



# APPENDIX I

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Max held at any one time during the year £M</u>	<u>Maximum maturity of investment</u>
<b>Forward deposits</b> with credit rated deposit takers or UK government backed banks and building societies for periods > 1 year (i.e. negotiated deal period plus period of deposit)	No	No	YES-varied  Minimum Short Term Ratings - Fitch F1 Moody's P-1 S & P A-1  Minimum Long term Ratings – Fitch A+ Moody's A1 S & P A+  Maximum Deposit - £50m if institution backed by UK Credit Guarantee Scheme. £15m maximum if institution not backed by UK Credit guarantee Scheme.  For maturities > 2 years, Long Term AA minimum	NO	To be used by fund managers; to be used in-house after consultation/ advice from Arlingclose Ltd	180	5 years in aggregate

## APPENDIX I

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Max held at any one time during the year £M</u>	<u>Maximum maturity of investment</u>
<b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (as defined in SI 2004 No 534) with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i>	Yes	Yes	AAA / government guaranteed	NO	(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd (2) for trading : by external cash fund manager(s) only, subject to guidelines and parameters agreed	180	10 years
<b>Bonds issued by multilateral development banks</b> (as defined in SI 2004 No 534) with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i>	Yes	Yes	AAA or government guaranteed	NO	(1) Buy and hold to maturity or trade : to be used in-house after consultation/ advice from Arlingclose Ltd (2) for trading : by external cash fund manager(s) only, subject to the guidelines and parameters agreed with them	180	10 years

# PRUDENTIAL INDICATORS

## APPENDIX J

### AFFORDABILITY INDICATORS

1	Ratio of Financing Costs to Net Revenue Stream					
	2008-09 Estimate	2008-09 Actual	2009-10 Estimate	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
General Fund	-1.4%	-1.6%	1.1%	2.7%	2.9%	4.2%
HRA	24.5%	24.2%	28.1%	28.8%	22.4%	21.3%

2	Incremental Impact of Capital Expenditure Plans					
			2010-11 Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Band D Council Tax			£34.68	£85.08	£45.45	£47.76
Average Weekly Housing Rents			£0.76	£1.54	£1.56	£1.56

### CAPITAL EXPENDITURE INDICATORS

3	Capital Expenditure					
	2008-09 £000s Estimate	2008-09 £000s Actual	2009-10 £000s Estimate	2010-11 £000s Estimate	2011-12 £000s Estimate	2012-13 £000s Estimate
General Fund	99,794	77,177	74,642	85,964	83,459	54,455
HRA	88,791	78,366	117,700	134,856	63,513	27,933
TOTAL CAPITAL EXPENDITURE	188,585	155,543	192,342	220,820	146,972	82,388

4	Capital Financing Requirement					
	2008-09 £000s Estimate	2008-09 £000s Actual	2009-10 £000s Estimate	2010-11 £000s Estimate	2011-12 £000s Estimate	2012-13 £000s Estimate
General Fund	108,254	107,078	107,093	142,393	142,531	142,714
HRA	698,199	697,970	745,712	790,843	791,843	791,843
TOTAL CAPITAL FINANCING REQUIREMENT	806,453	805,048	852,805	933,236	934,374	934,557

### EXTERNAL DEBT INDICATORS

5	Authorised Limit for External Debt					
			2009-10 £000s Limit	2010-11 £000s Limit	2011-12 £000s Limit	2012-13 £000s Limit
Borrowing			1,093,000	1,176,000	1,180,000	1,180,000
Other Long Term Liabilities			2,000	2,000	2,000	2,000
TOTAL AUTHORISED LIMIT			1,095,000	1,178,000	1,182,000	1,182,000

6	Operational Boundary for External Debt					
			2009-10 £000s Limit	2010-11 £000s Limit	2011-12 £000s Limit	2012-13 £000s Limit
Borrowing			988,000	1,071,000	1,075,000	1,075,000
Other Long Term Liabilities			2,000	2,000	2,000	2,000
TOTAL OPERATIONAL BOUNDARY			990,000	1,073,000	1,077,000	1,077,000

7	Actual External Debt					
						2008-09 £000s Actual
Borrowing						783,700
Other Long Term Liabilities						1,702
TOTAL EXTERNAL DEBT						785,402

# PRUDENTIAL INDICATORS

## APPENDIX J

### TREASURY MANAGEMENT INDICATORS

8	<b>Adoption of CIPFA's Treasury Management Code of Practice</b>
	The Council formally adopted CIPFA's Code of Practice on Treasury Management on 26th February 2002.

9	<b>Upper Limit for Fixed Interest Rate Exposure</b>					
			2009-10 £000s Limit	2010-11 £000s Limit	2011-12 £000s Limit	2012-13 £000s Limit
Net principal relating to fixed rate borrowing/investments			1,000,000	1,000,000	1,000,000	1,000,000

10	<b>Upper Limit for Variable Interest Rate Exposure</b>					
			2009-10 £000s Limit	2010-11 £000s Limit	2011-12 £000s Limit	2012-13 £000s Limit
Net principal relating to variable rate borrowing/investments			500,000	500,000	500,000	500,000

11	<b>Maturity Structure of New Fixed Rate Borrowing</b>					
					Upper Limit	Lower Limit
Under 12 months					25%	0%
12 months and within 24 months					25%	0%
24 months and within 5 years					25%	0%
5 years and within 10 years					25%	0%
10 Years and within 20 years					50%	0%
20 Years and within 30 years					100%	0%
30 Years and within 40 years					100%	0%
40 Years and within 50 years					100%	0%
50 years and above					100%	0%

12	<b>Upper Limit for Total Principal Sums Invested for over 364 Days</b>					
			2009-10 £000s Limit	2010-11 £000s Limit	2011-12 £000s Limit	2012-13 £000s Limit
Net principal sum invested			200,000	150,000	180,000	200,000