

MUNICIPAL YEAR 2013/14 REPORT NO. 113

MEETING TITLE AND DATE:

Cabinet: 13th November 2013

REPORT OF:

Director of Finance, Resources &
Customer Services

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Agenda – Part: 1	Item: 7
Subject: Capital Programme Monitor Second Quarter September 2013 Budget Year 2013-14 Wards: all	
Cabinet Member consulted: Cllr Stafford	

1. EXECUTIVE SUMMARY

The purpose of this report is to inform Members of the current position up to the end of September regarding the Council's Capital Programme (2013-17) taking into account the latest information for all capital schemes including the funding arrangements.

The report shows that the overall expenditure is projected to be £81.2m for the General Fund and £60.3m for the HRA for 2013/14.

The report:

- 1.1 Sets out the estimated capital spending plans for 2013-17 including the proposed arrangements for funding;
- 1.2 Confirms that the revenue capital financing costs for the agreed programme are within the existing provision in the Medium Term Financial Plan;
- 1.3 Advises upon the Council's borrowing and investment activity.

2. RECOMMENDATIONS

It is recommended that:

1. The updated four year programme including proposed reductions is agreed by Cabinet subject to indicative estimates included in 2015/17 (Section 4)
2. Cabinet agrees the additions to the General Fund Capital Programme totalling £3.691m in 2013/14 (Table 1 - to be funded from grants and earmarked resources) and notes that this will not increase capital financing costs.

3. BACKGROUND

The Council's Capital Programme is continually reviewed and monitoring reports are submitted to Cabinet on a quarterly basis.

This is the second quarterly report on the 2013/14 capital budget and four year Capital Programme 2013-17 of £437m as approved by Council on 27th February 2013 (2015/17 noted as indicative figures). Cabinet on 18th September agreed the updated programme of £492m, the major part of the increase since Council being the inclusion of the Primary Expansion Plan Phase 2 and revisions to Phase 1.

4. 2013/14 CAPITAL BUDGET

The following updates are included this quarter in the proposed 2013/14 capital budget:

Additions to the Programme

There are a number of changes to the 2013/14 capital budget which are summarised in Table 1 below. Funding is either from external grants and contributions or earmarked reserves set aside specifically for the project. Significant changes in later years are also set out below.

Secondary Tuition Service

The projection now includes a provision of £7.5m for the future provision of the Secondary Tuition Service (PRU), which was considered by Cabinet on 16th October 2013. This includes a provision of £1.3m in 2013/14 which relates to the purchase of the site and associated costs.

Primary Expansion Plan

Council on 17th July approved a provisional budget of up to £44.318m as part of the Primary Expansion Plan Phase 2 (excluding the budget for Garfield and Grange Park). As part of this an indicative budget of £4.766m was estimated for 2013/14. This profile has now been reduced to £1.612m in 2013/14. The profiles for future years have also changed as a result of the need to progress schemes to meet targeted basic need grant conditions.

Cabinet is advised that no additional revenue capital financing costs are expected from these proposals in 2013/14.

In relation to 2013/14 and future years the Q2 SCS Capital Programme now includes amendments to the Primary Expansion Programme Phase 1 budget to reflect changes to the phasing of the expansion projects and updated cost plans received from the building contractors. A combination of further updates to the costs plans for some schemes and discussions on the apportionment and pricing of project risks require a further update to the budget. For the purposes of this update to the Capital Programme the project risks have been categorised, potential costs allocated, the probability and impact considered. This results in an extra allowance that will need to be made as part of entering into contract for each scheme. Across the programme the outcome is that a further £5.541m is required, which will be funded from the Targeted Basic Need Capital Grant.

Palmers Green Library

The Capital investment to carry out the refurbishment of the existing Palmers Green Library was approved by Cabinet on October 16th. The £4.4m 2014/15 budget for this project has been reflected in this updated four year programme subject to approval by Council on 27th November 2013.

Meridian Water

The October Cabinet meeting also received a report on Meridian Water setting out the opportunity to secure a strategic land acquisition that would help to enable the development of key sites within the Masterplan area. The financial implications of this project will be included in the Capital Programme once the detailed financial position has been finalised.

Table 1 – General Fund: Additional items Scheme	2013/14 Additions £'000
Environment	
Future Years TFL Schemes-Holding	330
Expansion of CCTV System (3 Year) 12-13 to 14-15	45
13/14 Aldersbrook Avenue Recreation (Play Equipment)	45
13/14 Town Park (Reinstate the boating lake)	69
Vehicle Replacement Programme	40
Depot Relocation	92
Civic Centre - 10th Floor Refurbishment	56
Disability Discrimination Act (DDA) - Disability Access Programme (Holding)	57
Park Avenue Day Centre Lift 2012 DDA	23
REFIT Programme - Investment Grade Proposal	156
	913
Regeneration, Leisure and Culture	
Outer London Funding 2 grant - business centre and gateways	14
	14
Corporate	
SAP Server Virtualised Server	93
	93
Schools and Children's Services	
Replacement Secondary Tuition Service (PRU)	1,030
Chesterfield Primary School	5
George Spicer School	9
Highfield Primary School	8
Prince of Wales Primary School	7
	1,059
GENERAL FUND	2,079

An additional £3.4m has been added to the HRA in respect of Dujardin Mews (formerly called Academy Street). Approval of the scheme was included in the report to Cabinet on 18th July 2012 on the Alma Street Regeneration Programme. Funding is from HRA revenue balances and will not increase borrowing.

Updated Project Expenditure Profiles

Monitoring of the programme has identified projects where the forecast spending profile has changed from the original forecasts.

- Phase 1 of the PEP has been revised and £2.148m has been carried forward to 2014/15. This mainly relates to the schemes at Edmonton County and Prince of Wales schools.
- A further £0.599m has also been carried forward to 2014/15 in connection with the 2 year old Early Education grant. This will allow additional time to consider its usage and allow realistic timescales for the works.

- Re-profiling of expenditure (£0.050m) relating to the Houndsfield Primary School Multi Use Games Area (MUGA) which will now be completed in April 2014. This is the last stage of work required for the School's expansion to 3 forms of entry.
- The Neighbourhood Regeneration budget was re-profiled further this quarter to reflect CPO and land acquisition issues. The Council is unable to acquire land previously earmarked for developing the Electric Quarter, due to intervention by the Secretary of State. Negotiations are also underway for further land acquisition in other regeneration areas, and must be resolved before the large delivery process can begin.

Scheme Reductions 2013/14

There have been three General Fund scheme reductions during the quarter.

- Firstly £300k of capital resources was converted to revenue for the Residents Priority Fund to address a greater number of revenue based priorities being identified by residents.
- In addition to this a reduction of £2.1m of devolved schools capital funding has been reflected based on indicative capital projections for 2013-14 received from schools at the start of the academic year.
- The Building Improvement Capital Programme has been adjusted to properly reflect the costs to be met from revenue.

The HRA programme has been amended to reflect the revised business plan which was presented to the Enfield Homes Board on the 22nd July and also the Housing Growth and Regeneration Scrutiny Committee on the 19th September 2013. Reductions in 2013/14 follow revisions to the estimate of number of buybacks that can be achieved within the current year. 2016/17 is also updated for reduced estimated spend on the Alma Estate including completed buybacks and that most of the buyback of New Avenue properties will be paid for by the appointed developer.

Latest 2013/14 Capital budget

The capital budget for 2013-14 is shown in Table 2; this summarises the latest position including the changes set out above.

Table 2 - Capital Budget 2013/14

	2013/14 Budget Reported at Q1 £'000	Re- profiling £'000	Additions 2013/14 £'000	Proposed Reductions 2013/14 £'000	Proposed Programme 2013/14 £'000
Environment	26,682	(2,621)	913	(698)	24,276
Corporate	6,818	(1,700)	93	(300)	4,911
Health, Housing and Adult Social Care	7,491	(989)	0	0	6,502
Regeneration, Leisure and Culture	10,491	(4,210)	14		6,295
Schools and Children's Services	46,354	(6,001)	1,059	(2,182)	39,231
Total General Fund Expenditure	97,836	(15,521)	2,079	(3,180)	81,215
Housing Revenue Account	59,386	(2,477)	3,400		60,310
Total Capital Expenditure	157,222	(17,998)	5,479	(3,180)	141,525

Key Projects programmed for 2013/14.

The principle outcomes of the current year programme are considered below:

4.1 Environment.

The Environment Department's Capital Programme is broadly in-line with agreed timescales and objectives.

- The Highways and TFL Capital Programme Business Plan is on target to improve 18km of carriageway to be resurfaced or reconstructed and 9km of footway to be renewed. This equates to approximately 3% of the 580km of roads and approximately 1% of the 1000km of footways. The programme also includes the construction & Improvement of New Cycle Routes/Green Ways, 20mpz, CPZ, Bus Route Improvements, Bus Stop Accessibility etc.
- The introduction of trimming and dimming technology together with the centralised monitoring system to reduce energy consumption within the council's street lighting stock.
- Environmental Protection: The Alleygating Scheme is to install gates in residential alleys to reduce crime/fear of crime, fly tipping and other anti-social behaviour.
- Community Safety: The CCTV Camera Replacement Programme and the Expansion of CCTV System (3 Year) 12-13 to 14-15 are all progressing to plan and to budget.
- Replacement of Wheeled Bins: The total number of household bins rolled out is about 250k and 1% of the rolled out bins will be replaced with the current financial year.
- Parks capital expenditure is progressing to plan and to budget. A successful candidate has been selected for the Forty Hall Park Landscaping Project; estimated work start date is November 2013.
- Vehicle Replacement Programme: includes the replacement of five mowers, hand held parks tools and equipment. The procurement exercise will commence shortly and it is projected the delivery will take place in 13/14.
- Depot relocation: The Morson Road Depot became operational in early July 2013. Projected expenditure includes the decommissioning costs of the former Depots. Move successfully completed for all services and Carterhatch and Advent Way cleared and handed over to landlords and Bury Street West works has also been completed.
- Parking: Introduction of parking payments via Automatic Number Plate Recognition (ANPR) technology in the Palace Gardens multi-storey car park.
- The Building Improvements Capital Programme has been signed off and will be delivered within the agreed timescales and objectives in 2013/14.
- Disability Access Programme (DDA) and will be delivered within the agreed timescales and objectives in 2013/14.

- The REFIT Programme Phase one project is due to be implemented. The application for a Salix interest free loan (£630k) has been successful and this will fund the majority of costs for schools Energy conservation measures.

4.2 Corporate Projects.

The existing programme includes the final year of the three-year Enfield Residents Priority Fund available to meet capital priorities identified by residents.

Also included is the development of the Joint Service Centre on Hertford Road. Work is continuing on this project, which comprises a General Practitioner and Dentistry Surgery, a library and a community facility on the existing Ordnance Road Library site. The library has now been demolished and relocated to temporary facilities and the foundation and ground work is underway on the main site.

4.3 Health, Housing and Adult Social Care.

The principal and ongoing elements of the Adult Social Care Capital Programme are all progressing well and on track to deliver including:

- The upgrade and integration of Social Care IT systems. The Carefirst system is continually being developed to ensure it remains fit for purpose to meet the Council's business requirements.
- The commissioning and procurement of a 70 bed dual registered care provision on the Elizabeth House site.
- The relocation of New Options Learning Disabilities Day services currently based at the Claverings Estate.

4.4 The Housing Needs Programme.

Projects include:

Disabled Facilities Grant to enable private sector residents to remain in their homes.

Discretionary Housing Assistance Grants:

- To enable residents to remain in accommodation that is free from serious disrepair and suitable for their needs. These include Small Works Assistance, Decent Homes Grants and Safe Homes Grants.

North London Sub Region:

- The North London Sub Region grant targets the bringing of empty properties back into use through CPOs, Grants and Nominations scheme.
- Decent Homes Grants help with Cat 1 heating and Insulation Hazards and help to bring private properties up to the decent homes standard

Affordable Housing Programme

- Purchase of a 3 bedroom house at 171 South Street

- Purchase of property at 169 South Street
- Stamp Duty/Land Tax provision
- Refurbishment of 167/167a South Street
- Purchase of 12 properties for temporary accommodation
- Other enabling schemes yet to be agreed

4.5 Regeneration, Leisure and Culture

Ponders End

- **The Electric Quarter**

Although the original intention was to implement a housing led, mixed use regeneration scheme with up to 408 new homes, additional employment space and a re-provided library this has not been able to proceed because the government purchased the former Middlesex University site for the purposes of providing a 1,600 place secondary school. However, the school does not require the entire site and the Council and the EFA are therefore working together with a view to creating a new, but smaller, footprint for development. This could accommodate a mix of dwelling types and sizes, regenerate the High Street frontage and re-provide the library. This will inevitably cause some delay.

There will be Slippage due to the purchase of the former Middlesex University Campus by the Secretary of State meaning the Council cannot implement its planning consent and therefore cannot make the Compulsory Purchase Order. Negotiations are on-going with Secretary of State.

- **Ponders End Waterfront.**

Initial works to clear the waterways ahead of Phase 1 implementation are underway. The project will provide a new nature reserve, canoe facilities and community growing space. Some slippage has occurred due to Thames Water not agreeing the terms of the lease and negotiations are on-going.

New Southgate

Delivery of projects identified in the New Southgate Master plan continues with physical improvements to three open spaces along the High Road. Works to enhance the High Road Open Space were completed in June 2013, and included new play equipment, an outdoor gym and renewal of all walkways. Works on site at Grove Road Open Space will be implemented in quarter three. Additional works to improve the public realm along the High Road are on schedule to be implemented in quarters three and four with some slippage.

Meridian Water

The decontamination works at Angel Gardens (Rays Road) were completed in September 2013. Detailed designs for a new open space are in preparation and due to start on site in Quarter three of this year, and will be implemented in phases, starting with an outdoor gym, community garden and parkour free running course.

A programme of major enabling infrastructure works is in progress, with particular focus on rail improvements. The first phase of delivery includes improvements to Angel Road station, a transport interchange and a Legible London Signage Scheme.

The October Cabinet meeting included the detailed report on the strategic land acquisition opportunity to develop key sites within the Masterplan.

Market Gardening

With the finalisation of the agreement with the GLA, the food growing project at Forty Hall Farm is well underway and on schedule to deliver a vegetable box scheme to launch this year. Capital funding will be supporting the creation of new food growing spaces by providing infrastructure and materials.

Some slippage has occurred due to identification of alternative funding source with potential to contribute towards Forty Hall poly tunnels.

Edmonton Green

A Masterplan for Edmonton Green is in preparation. Projects in development include the Edmonton Green train station lifts and the detailed feasibility to commercially redevelop the railway arches as part of this project.

On-going Capital investment in Leisure Centres

The Leisure Centre Capital Development programme is reaching its conclusion with the last facility, Edmonton Leisure Centre having a small amount of work being completed this Autumn. We are hopeful that the retentions for Southgate and for Albany will be settled during the next few months. We are on track to complete the Leisure Centre programme as proposed in the original report.

Industrial Estate Regeneration

This scheme contributes to the capital cost of installing a new CCTV System on Meridian Business Park serving the needs of businesses on the estate including the Council's new depot.

The restoration of The Crescent,

Initial works started on site in August 2013 including set up of the site compound and scaffolding to the first batch of properties along Hertford Road and are scheduled to complete in Autumn/Winter 2013. The majority of the remaining balance allocated to the project is expected to be fully expended by April 2014.

4.6 Schools and Children's Services

The principal areas of capital expenditure in 2013/14 are as follows:

- Phase 1 of the Primary Expansion Plan is now advanced with construction activity in progress at a number of schools. Phase 2 is underway with the identification of sites and the design works underway.
- The purchase of a site and the design of a new Pupil Referral Unit to replace the Secondary Tuition Centre in 2014.

- Projects to support the implementation of early education for 2 year olds through non-ring fenced Capital Grant funding of £1.1m secured by the Council.
- Adaptations to buildings and the purchase of equipment to increase short break opportunities for disabled children through a capital grant of £434k secured by the Council.
- Completion of pre Primary Expansion Programme school expansion schemes at Capel Manor Primary School and St Matthew's Edmonton Annex.
- Works to create a new nursery on the Rosemary Avenue site in September 2013 together with the design of a new Art and Music Block at Enfield County Lower School for completion in September 2014.

4.7 Housing Revenue Account

The Housing Major Capital Works schemes will be funded from the current year's Decent Homes and HRA allocations totalling £60.3m.

The Decent Homes grant of £12.0m is being provided by the GLA in return for making 1,330 homes decent as per the delivery profile agreed with the GLA.

Under General Works, the Estate Quality Works has a planned programme of works for 2013/14 of £1.055m with a budget of £0.800m. Other General Works programmes such as Boiler replacements will also add to the Decent Homes outputs in 2013/14 and these will be reported on as and when achieved (as these are demand led programmes rather than scheduled activities).

The estate renewal budget is £9.440m. This is being utilised to fund buyback and decant costs at both the Alma Towers and New Avenue sites. The Alma project is currently well underway and a developer has been appointed, the procurement process is currently underway for New Avenue and additionally the Small Sites project.

5. CAPITAL PROGRAMME FUNDING

Table 3 Financing of Capital Expenditure

The following table sets out the current funding position for the 2013-17 Capital Programmes.

Table 3 Capital Financing	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Total General Fund Expenditure	81,215	100,518	76,655	53,455	311,843
Funded From:					
Earmarked Resources	(55,677)	(78,593)	(58,393)	(36,943)	(229,606)
Disposals Programme		(3,349)	(2,800)		(6,149)
Unapplied Capital Receipts	(900)	(520)			(1,420)
General Fund Capital Reserve	(1,000)	(1,000)			(2,000)
Estimated Usable RTB Disposals	(200)	(200)	(200)	(200)	(800)
Increase in Capital Financing Requirement	23,438	16,856	15,262	16,312	71,869

Table 3 Capital Financing	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Total HRA Expenditure	60,310	46,699	42,911	43,467	193,387
Funded From: Earmarked Resources	(60,310)	(46,699)	(30,943)	(29,450)	(167,402)
Increase in Capital Financing Requirement	0	0	11,968	14,017	25,985

Earmarked Resources refer to specific government grants or other contributions from external parties and the use of specific reserves within the Council's available resources; this funding is specific to certain schemes or certain types of capital investment e.g. provision for additional school places. There is a high level of certainty over these funding streams.

Disposals refer to the estimated proceeds from the sale of assets (net of disposal costs) that have so far been approved for disposal over the life of the programme. Given the uncertainties that can arise in connection with the sale of assets, there are risks that the planned sales will not be achieved, will not be achieved within the projected timescales or ultimately not realise the projected capital receipts.

The funding strategy set out in Table 3 utilises all other currently available unapplied capital receipts brought forward from 2012/13 and the balance in the General Fund Capital Reserve.

Capital expenditure that cannot be funded immediately from grants, capital receipts or direct revenue/reserve contributions must be funded from the annual set aside from the revenue budget (the Minimum Revenue Provision- MRP). The MRP is determined according to statutory regulation based on the Capital Financing Requirement. There are equivalent statutory arrangements for the funding of HRA capital expenditure which do not involve an HRA Minimum Revenue Provision.

6. REVENUE IMPLICATIONS

The revenue implications of the Capital Programme are set out below:

Table 4 – Revenue Implications

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Full Year Effect £'000
General Fund					
Additional MRP		938	1,612	2,222	2,875
Interest on Borrowing	410	1,115	1,677	2,230	2,515
Total Revenue Cost	410	2,053	3,289	4,452	5,390
Housing Revenue Account					
Interest on Borrowing	0	0	209	664	909

Local Government is currently facing reduced resources due to the continued reductions in public sector costs. At the same time there are increases in demand for our key services and the continued affordability of the Capital Programme should be viewed in this context.

Over recent few years the Council has reduced its short term investments primarily to fund the Capital Programme. This has been a sensible approach agreed with our external treasury advisors given the relative interest earned from investments in comparison to borrowing costs. The Council is now in a position where it will need to actually borrow to finance capital investment that is not funded from other resources such as grants, contributions and capital receipts. The Council has headroom in its current borrowing position to allow this to happen given that actual borrowing including the effect of the current Capital Programme is within the Council's Capital Financing Requirement but will continue to review its borrowing position on a regular basis when assessing the affordability of future capital projects.

It should be noted that several of the later year scheme estimates are indicative (as noted by Council when agreeing the programme) and will be revised as part of the on-going annual reviews of the overall capital programme. Also new projects are being added as changes in service requirements are identified and subject to resources available. Later years' on-going block programmes are included based on funding in line with existing arrangements, however, where this involves Government funding there is the risk that resources will be cut in later years due to the Government's austerity measures. Other projects planned in later years are assumed to be funded either by grants, external contributions or new capital receipts and therefore not require additional borrowing. These funding requirements will be revised as schemes are developed and the programme amended if needed so that the capital expenditure remains affordable within the Medium Term Financial Plan. The budget process will continue to review the Capital Programme alongside revenue pressures in order to ensure the Council's key priorities are delivered in best way given the financial constraints the Council currently faces.

7. CAPITAL PRUDENTIAL INDICATORS

Legislation requires each authority to have regard to the CIPFA Prudential Code for Capital Finance. This means that authorities are responsible for determining whether decisions on capital investment are affordable, prudent and sustainable. Adhering to CIPFA's Prudential Code is the means by which local authorities demonstrate that they have satisfied this obligation. The Secretary of State's reserve power could be used if an authority fails to adhere to the Prudential Code. Similarly the Secretary of State has the power, on national economic grounds, to set limits in relation to borrowing by local authorities as a whole.

Members' involvement in the process is essential for good governance of the strategic decisions around capital investment and to ensure compliance with the requirements of the Prudential Code. The Council must be able to demonstrate that capital expenditure plans are affordable, external borrowing is prudent and sustainable, and that treasury decisions are taken in accordance with good practice.

When considering its programme for capital investment the Council is required, under the Prudential Code, to agree and monitor a number of mandatory prudential indicators. The Council must take account of the following matters when setting and revising the prudential indicators:

- **Affordability:** e.g. the implications for Council Tax and housing rents;
- **Prudence and sustainability:** e.g. implications for external borrowing;
- **Value for Money:** e.g. through the use of option appraisals;
- **Stewardship of Assets:** e.g. asset management planning;

- **Service objectives:** e.g. whether the proposals meet the Authority's strategic objectives;
- **Practicality:** e.g. achievement of the forward plan.

The forecast indicators set out in this report are those reported in the 2013/14 Budget report to Council in February 2013. The forecast is currently higher than the indicator for the current year for the HRA due to slippage from the 2012-13 programme. Future year's indicators for the General Fund are exceeded due to slippage from 2013/14 year and the addition cost of the Primary Expansion Plan Phase 2 (specifically 2014/15) which was agreed by Council on 17th July 2013. These may need adjusting in quarter 3 and will continue to be monitored and reported accordingly.

Table 5 - Capital Expenditure Indicator General Fund and HRA

Capital Programme	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
General Fund Latest Forecast	81,215	100,518	76,655	53,455	311,843
General Fund Indicator	95,188	47,369	51,670	53,694	247,921
HRA Latest Forecast	60,310	46,699	42,911	43,467	193,387
HRA Indicator	47,509	45,272	43,352	53,374	189,507
Total Latest Forecast	141,525	147,217	119,566	96,922	505,230
Total Indicator	142,697	92,641	95,022	107,068	437,428

The Capital Financing Requirement measures the extent to which the Council's capital expenditure has not yet been funded; it represents the authority's underlying need to borrow to meet its capital commitments. The Council's actual borrowing must not exceed this amount; actual borrowing is determined by the availability of internal funds such as maturing investments and cash backed reserves and balances that can provide cash resources to meet capital expenditure. As stated above, the Council cannot sustain its Capital Programme from these internal sources any longer and new borrowing arrangements will need to be put in place to support the Capital Programme.

The latest forecast of the Capital Financing Requirement for the relevant years is set out in Table 6. The authority's forecast funding requirement is within the Prudential Indicators set at Council on 29th February 2013 as part of the 2013/14 Budget Report.

Table 6 – Current forecast of Capital Financing Requirement

Estimated Requirements	31 st March 2014 £'000	31 st March 2015 £'000	31 st March 2016 £'000	31 st March 2017 £'000
General Fund				
Latest Forecast	271,938	277,125	280,246	284,207
Indicator	319,325	326,281	327,800	332,000
HRA				
Latest Forecast	157,728	157,728	167,389	190,319
Indicator	157,728	157,728	167,400	190,300
Total				
Latest Forecast	429,666	434,854	447,635	474,526
Indicator	477,053	484,009	495,200	522,300

Prudential Borrowing Indicators

- a) Authorised limit: The Council is prohibited from borrowing more than its Authorised Limit. The indicator should be set at a level that while not desired could be affordable but may not be sustainable. The Council's authorised borrowing limit for 2013/14 is £500m; this excludes long term liabilities under PFI Contracts and Finance Leases. The highest level of borrowing during the period was £287m (including borrowing less than a year). This was a reduction of £7.8m from the previous quarter reflecting that a number of loans have matured or where principal has been repaid. These loans will be re-financed over the next quarter.
- b) Operational boundary: The Operational Boundary is based on the most likely level of borrowing for the year. The Council's Operational Boundary for 2013/14 is £450m. Occasional breaches of the Operational Boundary are unlikely to be significant however a sustained or regular trend above the Operational Boundary would be significant. During the past quarter the Council's gross borrowing was within the Operational Boundary. The additional borrowing required to fund the Capital Programme as set out in this report can be contained within this threshold.
- c) Net borrowing (i.e. long term borrowing less investments): In the medium term, net borrowing should only be used for a capital purpose. Specifically net external borrowing in 2013/14 should not exceed the estimated Capital Financing Requirement at 31st March 2014. This limit has not been exceeded.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

7.1 Financial Implications

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority. The quarterly capital monitoring is part of this review process. If required, measures will be put in place to address risks identified through the monitoring process and to contain expenditure within approved budgets.

7.2 Legal Implications

The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

7.3 Property Implications

All of the property implications are included within the main report.

8. KEY RISKS

All of the key risks relating to the second quarter are included within the main report.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

9.2 Growth and Sustainability

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

9.3 Strong Communities

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The report provides clear evidence of sound financial management, efficient use of resources.

11. HEALTH AND SAFETY IMPLICATIONS

Not applicable to this Report.

12. PUBLIC HEALTH IMPLICATIONS

None specific to this Report

Appendix A - Capital Programme 2013-2017

Department/Scheme	2013/14 Current Projection £000	2014/15 Current Projection £000	2015/16 Current Projection £000	2016/17 Current Projection £000	Total Current Projection £000
ENVIRONMENT					
Transport for London funding:					
2013/14 Corridors, Neighbourhoods and Supporting Measures	2,306	0	0	0	2,306
2013/14 Principal Road Renewal	1,104	0	0	0	1,104
2013/14 Local Transport Funding	100	0	0	0	100
2013/14 Major Schemes	898	2,674	0	0	3,572
2012/13 Highways & Streetscene	3,099	1,967	0	0	5,066
2013/14 Highways & Streetscene	8,350	8,450	8,450	8,450	33,700
Environmental Protection	282	0	0	0	282
Community Safety	659	761	0	0	1,420
Waste & Recycling	80	120	150	220	570
Parks	1,507	850	0	0	2,357
Vehicle Replacement Programme	397	615	1,204	1,412	3,628
Depot	1,312	0	0	0	1,312
Parking	134	0	0	0	134
Building Improvement Programme	1,950	1,517	1,500	1,500	6,467
Sustainability	1,738	0	0	0	1,738
Disability Access Programme	361	200	200	200	961
ENVIRONMENT TOTAL EXPENDITURE	24,277	17,154	11,504	11,782	64,717
CORPORATE SCHEMES					
SAP Server Virtualised Server	93	0	0	0	93
Joint Service Centre	3,067	2,831	0	0	5,898
Self Pay Kiosks Cashier	12	0	0	0	12
Residents Priority Fund	1,739	0	0	0	1,739
FINANCE, RESOURCES & CUSTOMER SERVICES/CEX TOTAL EXPENDITURE	4,911	2,831	0	0	7,742
HEALTH, HOUSING AND ADULT SOCIAL CARE					
Housing					
Disabled Facilities Grant (£1.156m grant funded)	1,856	2,600	2,000	2,000	8,456
Sub Regional Housing Grants	258	0	0	0	258
Housing Assistance Grants	300	1,507	818	818	3,443
Affordable Housing	2,630	2,685	2,100	2,100	9,515
Adult Social Care					
Welfare Adaptations	100	100	100	100	400
Residential and Social Care Provision - Elizabeth House	180	300	4,100	2,280	6,860
CareFirst Integration	60	125	0	0	185
Fireproof lift at Park Ave (MH clients)	70	0	0	0	70
Replace New Options Day Centre for LD Clients	1,048	1,276	0	0	2,324
Park Avenue Resource Centre	0	270	772	0	1,042
HEALTH, HOUSING AND ADULT SOCIAL CARE TOTAL EXPENDITURE	6,503	8,863	9,890	7,298	32,554
REGENERATION LEISURE & CULTURE					
Regeneration:					

Department/Scheme	2013/14 Current Projection £000	2014/15 Current Projection £000	2015/16 Current Projection £000	2016/17 Current Projection £000	Total Current Projection £000
Ponders End	761	1,749	935	0	3,445
Electric Quarter	1,402	3,580	2,700	3,150	10,832
New Southgate	300	773	1,850	750	3,673
Meridian Water	1,136	2,955	8,471	5,500	18,062
Edmonton Projects	450	853	1,700	1,500	4,503
Shires Estate - REACT Dysons Road	0	80	0	0	80
Market gardening	20	280	1,250	950	2,500
Enfield Town	0	0	1,675	1,675	3,350
Angel Edmonton	0	0	150	150	300
Edmonton Green Regeneration	54	0	0	0	54
Regeneration - conservation / design	553	170	650	0	1,373
Other heritage regeneration projects including acquisitions	0	0	1,100	1,100	2,200
Industrial Estates Regeneration	176	0	0	0	176
Libraries	87	0	0	0	87
Leisure	542	0	0	0	542
Palmers Green Library Refurbishment ¹	0	4,455	0	0	4,455
Culture	814	0	0	0	814
REGENERATION LEISURE & CULTURE TOTAL EXPENDITURE	6,294	14,895	20,481	14,775	56,445
SCHOOLS & CHILDREN'S SERVICES					
Schools Access Initiative	12	200	200	200	612
Target Capital - Special Needs	1,494	2,700	3,500	0	7,694
Devolved Schools Capital	3,868	6,000	6,000	6,000	21,868
CHILDRENS CENTRES	508	599	0	0	1,107
Targeted Capital - School Meals Programme	190	0	0	0	190
Schools Condition Funding	41	4,200	4,200	4,200	12,641
City Learning Centres	19	0	0	0	19
Basic Need - Primary School Places	8,358	106	0	0	8,464
Additional Primary Placements September 2012	521	1,112	15	0	1,648
Primary Expansion Plan Phase 1	17,825	14,884	0	1,658	34,367
Primary Expansion Plan Phase 2 - Grange School	1,056	3,381	0	0	4,437
Primary Expansion Plan Phase 2 - Garfield School	677	4,150	3,520		8,347
Primary Expansion Plan Phase 2 (2016/17 includes 2017/18)	1,612	18,818	16,845	7,042	44,318
Primary Schools	348	0	0	0	348
Secondary Schools	1,522	125	0	0	1,647
Fire Precaution Works	356	500	500	500	1,856
Non School Schemes	823	0	0	0	823
SCHOOLS & CHILDREN'S SERVICES TOTAL EXPENDITURE	39,230	56,775	34,780	19,600	150,385
GRAND TOTAL GENERAL FUND PROGRAMME	81,215	100,518	76,655	53,455	311,843

¹ Subject to Council approval

Department/Scheme	2013/14 Current Projection £000	2014/15 Current Projection £000	2015/16 Current Projection £000	2016/17 Current Projection £000	Total Current Projection £000
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HOUSING REVENUE ACCOUNT					
Decent Homes	8,788	0	0	0	8,788
General Work	39,014	36,668	37,783	38,932	152,397
Community Halls	68	0	0	0	68
Grants to vacate	500	500	500	500	2,000
Estate Renewals	9,440	9,531	4,628	4,035	27,634
Asbestos Contingency	2,500	0	0	0	2,500
HOUSING REVENUE ACCOUNT	60,310	46,699	42,911	43,467	193,387
GRAND TOTAL CAPITAL PROGRAMME	141,525	147,217	119,566	96,922	505,230