

PERTH AND KINROSS COUNCIL

14 February 2013

COMPOSITE CAPITAL BUDGET 2017/18 to 2019/20

Report by the Head of Finance

ABSTRACT

This report outlines the proposed budget for the Composite Capital Programme for the 3 years 2017/18, 2018/19 and 2019/20.

1. RECOMMENDATION

- 1.1 It is recommended that the Council approves the Gross Capital Budget of £21,290,000 for 2017/18, £27,133,000 for 2018/19 and £27,083,000 for 2019/20 attached at Appendix I and II to this report.

2. BACKGROUND

- 2.1 The Council set a 5 year Capital Budget for 2012/13 to 2016/17 at its meeting on 9 February 2012 (report 12/53 refers). Revisions to the budget for these 5 years have been considered by the Strategic Policy & Resources Committee throughout the year. This report seeks to set a new budget for a seven year period by including proposals for 2017/18 to 2019/20. It is anticipated that moving to a 7 year rolling budget will support the Council's medium term strategic financial planning.
- 2.2 The Prudential Code requires that the Council determines the level of capital expenditure which is affordable and subsequently sets a capital budget to meet local needs and priorities in the most cost-effective manner. As a result of this, the budget-setting process has evolved considerably in recent years. The process adopted for the 2017/18 to 2019/20 budget is outlined in Section 4 of this report.

3. ESTIMATED CAPITAL RESOURCES 2012/13 to 2019/20

- 3.1 The monitoring reports submitted to the Strategic Policy & Resources Committee throughout 2012/13 incorporate full details of resources and expenditure within the approved 5 year programme to 2016/17. Monitoring Report No.3 submitted to the Strategic Policy & Resources Committee on 13 February 2013 (report 13/52 refers) outlines the latest estimates and budget proposals for these years, including the impact of the additional Capital expenditure approved by the Council on 19 December 2012 (reports 12/586 and 12/597 refer). No amendments to these estimates are proposed in this report.
- 3.2 Therefore, this report only considers the budget proposals for the 3 new years 2017/18, 2018/19 and 2019/20. These proposals will be consolidated with the approved budget for 2013/14 to 2016/17 to form the new 7 year budget.

3.3 The estimated resources available for 2017/18, 2018/19 and 2019/20 are detailed below and at Appendix I.

3.4 Summary of Resources

3.4.1 The estimated resources that are available for the Composite Capital Budget in 2017/18 to 2019/20 total £75,506,000. This is analysed in the table below, and described in detail in the following sections.

Composite Capital Resources	2017/18	2018/19	2019/20	Total
	£,000	£'000	£,000	£'000
Composite Borrowing (section 3.5.2 to 3.5.4)	6,657	11,900	11,900	30,457
General Capital Grant (section 3.6.3)	10,000	10,000	10,000	30,000
Capital Receipts (section 3.7.2)	250	250	250	750
Third Party Contributions (section 3.5.4)	100	100	100	300
Resources Available for Distribution	17,007	22,250	22,250	61,507
Additional Capital Grant per revised Revenue Budget transfers (section 3.6.3)	852	852	852	2,556
Prudential Borrowing (section 3.5.5)	3,231	3,831	3,781	10,843
Ring-Fenced Capital Grant (CWSS) (section 3.6.4)	200	200	200	600
Total Gross Resources/Expenditure	21,290	27,133	27,083	75,506

3.5 Resources Available from Borrowing

3.5.1 A report on the Revenue Budget for 2013/14 and 2014/15 is to be considered at this meeting of the Council. The proposed Capital Financing Costs ("Loan Charges") Budget, which represents principal, interest and expenses in respect of borrowing to fund the Composite Capital Budget, within that report has been used to determine the level of affordable new borrowing to finance capital expenditure. Loan Charges budgets for future years are not considered in the Revenue Budget report. However, for the purpose of developing this Capital Budget, it has been assumed that the Loan Charges budget will continue at the same level as at present. It should be noted, however, that the total estimated Loan Charges each year from 2016/17 exceed the budget provision. It is, therefore, proposed to continue to manage this budget shortfall by use of the Capital Fund as illustrated in Appendix III. Based on current assumptions, this proposed strategy (which is a continuation of the strategy approved in previous years) fully utilises the available resources in the Capital Fund by 2024/25, from

which point it is forecast that significant additional resources will require to be applied to the Loan Charges budget.

- 3.5.2 An amount of borrowing of £12,000,000 per annum was approved last year as part of the longer term borrowing and Capital Fund strategy. The proposed Capital Resources available from affordable new borrowing in 2017/18, 2018/19 and 2019/20 used as the basis for developing this provisional Capital budget remain unchanged, and amount to £12,000,000 each year.
- 3.5.3 In setting last year's Capital Budget, £5,243,000 in respect of the Council's contribution to the Almondbank Flood Prevention scheme was included in 2016/17, by utilising resources anticipated to be available from borrowing in 2017/18. This was on the basis that the whole project was subject to approval by the Scottish Government and the subsequent allocation of up to 80% grant funding. It is anticipated that the Scottish Government will make a decision this year, and until the outcome is known, £5,243,000 has been deducted from the resources available from borrowing in 2017/18.
- 3.5.4 As detailed in the report to the Council on 19 December 2012 (report 12/586 refers), it is assumed that further developer contributions of £100,000 per annum will be received in respect of the housing development of Oudenarde towards the cost of constructing the new school. It was agreed that such receipts would be applied to reduce the outstanding borrowing on this project. Accordingly, a further £100,000 of Third Party Contributions has been included each year, with a corresponding reduction in the amount of borrowing.
- 3.5.5 The total budget also includes projects funded from "Prudential Borrowing", whereby the costs of additional borrowing are met directly from Service's Revenue Budgets rather than the corporate Capital Financing Costs Revenue Budget. Historically, these resources have been used mainly to fund spend-to-save schemes or projects in areas where Services have made other compensating savings. For the 3 years under consideration, the proposed Prudential Borrowing schemes identified relate to the annual Vehicle Replacement programme, Street Lighting Renewal, and Carbon Reduction Initiatives at Loch Leven and North Inch Community Campuses. The total Prudential Borrowing projects included in the proposed budget amounts to £10,843,000.

3.6 General Capital Grants

- 3.6.1 Local Government Finance Circular No. 5/2012 was issued by the Scottish Government on 27 November 2012. The circular details the General and Ring-Fenced Capital Grants allocated to the Council for the years 2013/14 and 2014/15.
- 3.6.2 After allowing for the element of Capital Grant that is used to fund revenue projects and therefore included in the Council's Revenue Budget, the amount of General Capital Grant available to fund the Composite Capital Budget averages just over £10,000,000 each year (subject to annual re-profiling by the Scottish Government).

- 3.6.3 For planning purposes for 2017/18, 2018/19 and 2019/20, an amount of £10,000,000 of General Capital Grant has, therefore, been assumed each year for the Capital Budget. In addition, as detailed in the report to the Strategic Policy & Resources (report 13/52 refers), an additional amount of grant which had previously been included in the Revenue Budget, is now to be included in the Capital Budget, together with the related expenditure. Accordingly, it is proposed that a further £852,000 of General Capital Grant is included in the budget each year, together with the expenditure associated with this strategy.
- 3.6.4 The Cycling Walking & Safer Streets (CWSS) grant continues to be the only ring fenced grant, and the Council has received allocations of £172,000 in 2012/13, £158,000 in 2013/14 and £232,000 in 2014/15. The allocation for 2015/16 has been estimated at £202,000, and an assumed £200,000 has been included for planning purposes in each year thereafter up to 2019/20 on the assumption that these grants will continue in these years.
- 3.6.5 There remains uncertainty over the actual level of resources to be received in each year. This is particularly the case when making planning assumptions for resources so far in advance, and there remains a risk that the level of assumed resources will need to be revised in future years.

3.7 Property Disposals and Other Capital Receipts

- 3.7.1 Capital resources available each year are enhanced by the proceeds of any property disposals and other miscellaneous capital receipts.
- 3.7.2 A modest estimate of £250,000 of General Fund property disposal receipts each year also has been included in the estimated resources. This reflects the difficult economic conditions affecting the property market. There are no other additional receipts on the Commercial Property Investment (CPI) programme or the Investment In Learning (IIL) programme in addition to those already included in the 5 year period to 2016/17. However, both these programmes will be subject to ongoing review throughout the budget period.
- 3.7.3 The Council has a policy of purchasing Fleet Vehicles (as opposed to leasing) and therefore each year a number of vehicles will reach their optimum date for replacement and be disposed of. This reduces the level of Prudential Borrowing required for new vehicles in that year. However, no disposal proceeds are proposed to be included in the budget for 2017/18 to 2019/20 at this stage, due to the uncertainties surrounding new vehicle requirements so far in advance. Actual purchase requirements and disposals will be subject to an ongoing review.

3.7.4 There are no other Capital Receipts included in the estimated resources.

3.8 Contributions

- 3.8.1 Any third party or revenue contributions which may be received would be applied to increase the expenditure on the specific projects to which they relate. However, at this stage, no new projects proposed to be funded from 2017/18 to 2019/20 resources are assumed to include any such contributions.

3.9 Resources Carried-Forward

- 3.9.1 The Council's policy in respect of capital receipts in the Commercial Property Investment (CPI) programme is that they are "ring-fenced" for reinvestment in the same area of activity. This means that any receipts raised in a particular financial year that have not been re-invested in the programme are carried-forward to fund future years' investment programmes.
- 3.9.2 It is currently estimated that £1,326,000 of Commercial Property receipts will be carried-forward at the end of the current 5 year budget from 2016/17 to 2017/18. This amount, together with receipts raised in later years, will be used towards funding subsequent expenditure on the CPI programme, as future priorities become known. However, at this stage, there are no proposals for expenditure and receipts beyond 2014/15. These are currently being considered under the review of ongoing priorities within the CPI programme and proposals will be brought forward as they are developed.

4. BUDGET SETTING PROCESS

- 4.1 Budgets for 2013/14 to 2016/17 have already been approved, therefore the current Capital Budget process has primarily focussed on setting a new budget for the years 2017/18, 2018/19 and 2019/20.
- 4.2 It is proposed that the practice of "top-slicing" resources for Structural Maintenance (£6,800,000) and Footways (£435,000), as in previous years, be continued in each year. No increase in the amount to be top-sliced to take account of inflation is proposed, to ensure that efficiencies are sought within these programmes. After top-slicing these amounts, the resources available for distribution to new projects shown in Section 3.4.1 above is reduced from £61,507,000 to £39,802,000.
- 4.3 The approach to selecting projects for inclusion in the Capital Programme has become well established in recent years, and represents a robust process for the scrutiny of capital submissions. Accordingly, as in previous years, Services were requested to submit Outline Business Cases (OBCs) to bid for the available resources. However, as the process covered 3 years, as a means of simplifying the process, each "front-line" Service was requested to submit bids of up to £10M for each year, giving a potential total of £90M of bids for all 3 years. Excluding Prudential Borrowing and grant funded schemes, bids totalling £78,718,000 were ultimately submitted by the Services. This approach provides proposals in excess of the affordable overall limit of £39,802,000, and therefore gives scope for the re-prioritisation of resources between Services.
- 4.4 During the process, some OBCs were removed from the process for a variety of reasons. These included projects which were subsequently considered at the Council meeting on 19 December 2012 (report 12/586 refers); OBCs which were to be subject to future alternative funding options; proposals which were considered to be premature in their submission, and projects where the expenditure did not qualify as General Fund capital expenditure. As a result, OBCs totalling £50,204,000 were considered in the ranking process below.

- 4.5 The projects to be considered were reviewed by the Corporate Resources Group (CRG), and then ranked against each other. This was achieved by assessing each project against various criteria (such as contribution to Corporate Plan; impact on communities; sustainability; inclusion and equality; operational efficiency; risk; revenue implications etc). Each of the criteria was weighted appropriately, to give an overall score for the project. The criteria used were unchanged from those used last year. However, “Key Themes” of Regeneration, Schools, Housing/Social & Community Care and Infrastructure were introduced, with the requirement that each project must support one or more of these themes. The projects were then listed in order, with higher scores reflecting a higher priority for the Council, and a line drawn at the affordable level. Following this initial ranking process, some amendments to the amount of some bids were made in order to increase the number of bids which could be supported. This primarily involved reducing the proposed amount for each of the annual rolling programmes to the minimum level seen as essential to maintain the continuity of the works programme. The effect of this was to reduce the value of bids from £50,204,000 to £42,467,000. The resultant list of projects was then reviewed by the Depute Directors from each Service, and then by the Executive Officer Team (EOT).
- 4.6 An OBC was submitted for a project for Secondary School Infrastructure Upgrades (Blairgowrie/Pitlochry). This bid represents Phase 4 of the Infrastructure Upgrades within the non-III secondary schools, and scored highly in the ranking process. However, as Phases 2 and 3 also scored highly, it was felt that there may be capacity issues in progressing all three projects in the budget timeframe. Therefore, it is proposed that the Phase 4 project is removed from the process by reducing the amount of the bid to nil and that it is resubmitted as part of next year’s budget process.
- 4.7 In recognition of Perth achieving “City” status in the last year, an additional factor for city regeneration was applied. Projects which were submitted for the purpose of city centre regeneration were therefore allocated an additional score to reflect their increased priority.
- 4.8 The results of the above process have been incorporated into a ranking matrix, and a line drawn at the “affordable” level, which is shown at Appendix IV. The projects which are above the affordable line form the proposed Capital Budget for 2017/18 to 2019/20, and these are also reflected in Appendix II, showing the proposed budget for each Service.
- 4.9 Full Business Cases are also being prepared for all proposed new projects (subject to de-minimis levels) due to commence in the forthcoming financial year (2013/14), and each Service’s proposals will be submitted to the appropriate Committee for endorsement. Outline Business Cases for all new projects proposed in 2017/18 to 2019/20 are available online for inspection on the Councillors’ CHIP Sharepoint site.
- 4.10 It is proposed that the current approved Prudential Indicators are updated to include 2017/18, 2018/19 and 2019/20 Capital Expenditure and Borrowing Requirements once the Capital Budget has been approved, and that these will be submitted to the Council at its next meeting as part of the annual Treasury

and Investment Strategy Report. Initial calculations show that the plans outlined in this report remain prudent, affordable and sustainable.

5. CONSULTATION

- 5.1 The Chief Executive and all Executive Directors have been consulted in the preparation of this report.

6. COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012

- 6.1 The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, informs decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

- 6.2 The Chief Executive's Service provides a range of functions for internal and front-line customers alike. Those functions support the work of the whole Council by assisting them in the delivery of the Council's Corporate Objectives. As a consequence, this report does not specifically relate to one of the objectives, but assists with the delivery of all five.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 The information presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have a direct impact on people's wellbeing.

8. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS). The matters presented in this report was considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

9. CONCLUSION

- 9.1 It is recommended that the proposals for the 2017/18 to 2019/20 Composite Capital Budget described in this report be approved.
- 9.2 The Capital Budget process has been updated to reflect a 7 year budget period, to better support the Council's medium term strategic financial planning. The Budget proposals have been developed through an established process which is designed to ensure that the Council's medium and long term expenditure plans

remain affordable and sustainable, whilst better reflecting the Council's Corporate Priorities.

- 9.3 When planning so far in advance, there will always be an element of uncertainty, and therefore there remains a risk that some of these estimates will need to be revised in future.

John Symon
Head of Finance

Contact Officer: John Jennings, Senior Accountant - Corporate Accounting
(ext 75564)

Note: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Finance Division, 2 High Street, Perth, PH1 5PH

Capital Budget 17-20 Report.doc

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Council Text Phone Number 01738 442573

**PERTH AND KINROSS COUNCIL
COMPOSITE BUDGET 2017/18 TO 2019/20
ESTIMATED RESOURCES**

APPENDIX I

	Capital Resources 2017/18	Capital Resources 2018/19	Capital Resources 2019/20	Total Capital Resources
	Proposed Budget (£'000)	Proposed Budget (£'000)	Proposed Budget (£'000)	Proposed Budget (£'000)
<u>Capital Grants</u>				
Rolled-Up Capital Grant	10,852	10,852	10,852	32,556
Cycling, Walking & Safer Streets	200	200	200	600
Total Capital Grants	11,052	11,052	11,052	33,156
<u>Capital Receipts</u>				
Capital Receipts b/f (Commercial Property)	1,326	1,326	1,326	1,326
General Fund - Capital Receipts/Disposal	250	250	250	750
Capital Receipts c/f (Commercial Property)	(1,326)	(1,326)	(1,326)	(1,326)
Total Capital Receipts	250	250	250	750
<u>Contributions</u>				
Third Party Contributions	100	100	100	300
Total Contributions	100	100	100	300
<u>Capital Borrowing Requirement</u>				
Corporate Borrowing Requirement	6,657	11,900	11,900	30,457
Prudential Net Borrowing Requirement	3,231	3,831	3,781	10,843
	9,888	15,731	15,681	41,300
TOTAL CAPITAL RESOURCES/ GROSS BUDGET EXPENDITURE	21,290	27,133	27,083	75,506

Reconciliation to Expenditure Summary

Deduct:

Grants	(200)	(200)	(200)	(600)
Third Party Contributions	0	0	0	0
Net Budget Expenditure (Appendix II)	21,090	26,933	26,883	74,906

**PERTH & KINROSS COUNCIL
COMPOSITE CAPITAL BUDGET 2017-2020**

SUMMARY

SERVICE	Proposed Budget 2017/18 (£'000)	Proposed Budget 2018/19 (£'000)	Proposed Budget 2019/20 (£'000)	Proposed Total Budget (£'000)
EDUCATION & CHILDREN'S SERVICES	6,177	10,420	11,869	28,466
THE ENVIRONMENT SERVICE	14,593	15,168	14,416	44,177
HOUSING & COMMUNITY CARE	320	1,345	598	2,263
TOTAL	21,090	26,933	26,883	74,906

PERTH & KINROSS COUNCIL
COMPOSITE CAPITAL BUDGET 2017-2020

EDUCATION & CHILDREN'S SERVICES

PROJECT/NATURE OF EXPENDITURE	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Total Budget
	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	(£'000)
Accessibility Programme	0	150	150	300
Blairgowrie Recreation Centre	0	0	150	150
<u>Schools Development Programme</u>				
Primary Schools (excluding IIL) Upgrade Programme	1,988	2,680	3,851	8,519
Consortium of Local Authorities Special Programme (CLASP) Primary School Upgrade Project	2,532	4,171	1,797	8,500
Secondary Schools (excluding IIL) Upgrade Programme	665	667	664	1,996
- Perth High School - Property Infrastructure Upgrade (Phase 2)	0	1,750	0	1,750
- Perth Academy - Property Infrastructure Upgrade (Phase 3)	0	0	1,750	1,750
Enhance/Extend Specialist Education in Perth & Kinross	0	0	2,500	2,500
<u>Information Systems and Technology</u>				
ICT Infrastructure	660	670	675	2,005
PC Replacement & IT Upgrades	332	332	332	996
TOTAL	6,177	10,420	11,869	28,466

**PERTH & KINROSS COUNCIL
COMPOSITE CAPITAL BUDGET 2017-2020**

THE ENVIRONMENT SERVICE

	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Total Budget
PROJECT/NATURE OF EXPENDITURE	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	(£'000)
Cycling Walking & Safer Streets (CWSS)	200	200	200	600
Anticipated Scottish Government Grant	(200)	(200)	(200)	(600)
<u>Asset Management - Roads & Lighting</u>				
Structural Maintenance	6,800	6,800	6,800	20,400
Footways	435	435	435	1,305
Traffic Signals - Renewals/Upgrading	100	100	100	300
Road Safety Barriers	50	50	50	150
Bridge Refurbishment Programme	400	400	400	1,200
Short Span Bridge Replacement Programme	250	250	250	750
Vehicular Bridge Parapets Programme - Assess & Upgrade	50	50	50	150
<u>Planning & Regeneration</u>				
Skinnergate & Kirkgate Vennels Environmental Improvements	577	0	0	577
Mill Street Environmental Improvements	0	702	0	702
<u>Community Greenspace</u>				
Community Greenspace Sites	300	400	300	1,000
Community Greenspace Bridges	0	0	100	100
<u>Waste Programme</u>				
Ladywell Landfill and Blairgowrie Transfer Station (Regulatory Works)	250	0	0	250
<u>Support Services</u>				
PC Replacement & IT Upgrades	200	200	200	600
<u>Property Division</u>				
DDA Adaptation & Alteration Works Programme	275	275	275	825
Property Compliance Works Programme	400	400	400	1,200
Capital Improvement Projects Programme	800	800	800	2,400
Energy Conservation & Carbon Reduction Programme	200	200	200	600
Carbon Reduction Programme - Renewable Energy	275	275	275	825
<u>Prudential Borrowing Projects</u>				
Vehicle Replacement Programme	3,000	3,000	3,000	9,000
Capital Receipts - Vehicle Disposals	0	0	0	0
Street Lighting Renewal	231	231	231	693
Carbon Reduction - Renewable Energy (Loch Leven Campus)	0	600	0	600
Carbon Reduction - Renewable Energy (North Inch Campus)	0	0	550	550
TOTAL	14,593	15,168	14,416	44,177

**PERTH & KINROSS COUNCIL
COMPOSITE CAPITAL BUDGET 2017-2020**

HOUSING & COMMUNITY CARE

PROJECT/NATURE OF EXPENDITURE	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Total Budget
	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	(£'000)
Supported Living Accommodation for Clients with Autism	0	738	0	738
Relocation of Area Office to former Rannoch Road Day Centre	0	287	0	287
Refurbishment & Extension to Lewis Place Day Centre for Older People	0	0	278	278
PC Replacement & IT Upgrades	70	70	70	210
Occupational Therapy Equipment	250	250	250	750
TOTAL	320	1,345	598	2,263

LOANS AND CAPITAL FUND PROJECTIONS

LOANS FUND - Updated Projections

(£'000)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Loans Fund Budget	13,140	15,851	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996	15,996
Estimated General Fund Loan Charges*	13,136	12,714	13,405	14,709	16,244	17,543	18,327	19,335	20,043	20,632	21,525	21,885	21,639	22,243	22,549	22,729
Transfer To/(From) the Capital Fund	4	3,137	2,591	1,287	(248)	(1,547)	(2,331)	(3,339)	(4,047)	(4,636)	(5,529)	(5,889)	(2,675)	(1,265)	(1,265)	(1,265)
Loans Fund Budget Surplus/(Deficit)	0	0	0	0	0	0	0	0	0	0	0	0	(2,968)	(4,982)	(5,288)	(5,468)

* based on applying Statutory Guidance

Estimated CLF Interest Rate	3.56%	3.24%	2.85%	2.82%	2.98%	3.08%	3.21%	3.38%	3.55%	3.64%	3.79%	3.86%	3.88%	3.90%	3.95%	3.98%
New Composite Borrowing Included	17,312	34,687	35,014	23,373	22,415	6,657	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900

(estimates for HRA and Prudential Borrowing have also been included in overall Loans Fund assumptions in all years)

Notes:

- 1 New borrowing estimates are per latest Capital Monitoring to 2016/17 on the Core General Fund Programme
- 2 A further **£12M** new borrowing had been assumed from 2017/18 on the Core General Fund Programr
- 3 New borrowing for 2017/18 is reduced by claw-back of Almondbank Flood Prevention which had been brought forward into 2016/17.
- 4 A further £100K of contributions has been assumed each year, which reduces the borrowing on historic expenditure

CAPITAL FUND - Updated Projections

(£'000)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Balance b/f	10,372	12,800	15,810	18,149	19,506	19,728	18,855	17,457	15,279	12,672	9,629	5,750	1,356	0	0	0
Contribution from General Func	2,381	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Under/(Over)spend - Loans Fund	4	3,137	2,591	1,287	(248)	(1,547)	(2,331)	(3,339)	(4,047)	(4,636)	(5,529)	(5,889)	(2,675)	(1,265)	(1,265)	(1,265)
General Fund IORB Surplus/(Deficit)	26	(141)	(272)	(28)	267	370	550	725	905	1,085	1,265	1,265	1,265	1,265	1,265	1,265
IORB on Capital Fund balance:	17	13	20	98	203	304	384	436	535	507	385	230	54	0	0	0
Balance c/f	12,800	15,810	18,149	19,506	19,728	18,855	17,457	15,279	12,672	9,629	5,750	1,356	0	0	0	0

IORB to General Fund

£'000	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
General Fund IORB per Budget*	70	200	345	345	345	345	345	345	345	345	345	345	345	345	345	345
Latest Estimated IORB**	96	59	73	317	612	715	895	1,070	1,250	1,430	1,610	1,610	1,610	1,610	1,610	1,610
Additional IORB	26	(141)	(272)	(28)	267	370	550	725	905	1,085	1,265	1,265	1,265	1,265	1,265	1,265

* IORB Budget for 2013/14 and future years subject to confirmation/Committee approval

** It is assumed that additional IORB will be transferred to the Capital Fund as in previous years, but is subject to Committee approval

