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**Report to**  
Cabinet

15th February 2005

**Report of**  
Director Finance & ICT

**Title**  
Corporate Capital Monitoring Report 2004/2005 (September – November)

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### **1 Purpose of the Report**

- 1.1 This report informs Members of the latest position on the Council's capital programme for 2004/05 following the most recent budget monitoring exercise to the end of November 2004.

### **2. Recommendations**

Cabinet is recommended to approve:

- 2.1 proposals in this report for further additions of £0.407m to the programme as detailed in paragraph 4.2.
- 2.2 the revised capital budget for the year of £107.564m (incorporating approved changes/technical adjustments to the budget (a reduction of £2.327m), and the new proposals in 2.1 (an increase of £0.407m)).
- 2.3 the estimated out-turn of £103.723m against the revised budget of £107.564m giving a total variance of £3.841m (comprising net slippage of £3.519m and underspends of £0.389m now being reported, in addition to £0.447m net accelerated spend and £0.380m underspends previously reported).
- 2.4 that this report be referred to Scrutiny Board 1 for their information and consideration.

The Council is recommended to approve:

- 2.5 the revised capital finance Prudential Indicators as detailed in section 5.8.

### **3. Background**

This report updates the capital programme to take account of changes and variations that have arisen following the budgetary control process September to November 2004.

#### 4. Revised Capital Budget 2004/05

- 4.1 Table 1 below shows how the capital budget for 2004/05 has been revised to take account of a net reduction totalling £2.327m for approved programme changes and other technical adjustments (Appendix 1 identifies the relevant capital schemes) and £0.407m proposed changes.

Table 1

	Budget November 2004/05  £000s	Approved Changes/ Technical Adjustments £000s	Proposed Changes  £000s	Revised Budget  £000s
<b>Cabinet Member:</b>				
Adult Education, Libraries, Sport & Leisure	<b>11,488</b>	652		<b>12,140</b>
Children's Services	<b>10,944</b>	295		<b>11,239</b>
City Services	<b>11,213</b>	-149	52	<b>11,116</b>
Community Services	<b>3,175</b>	-158		<b>3,017</b>
Corporate & Customer Services	<b>4,593</b>	76	355	<b>5,024</b>
Finance & Equalities	<b>866</b>			<b>866</b>
Health & Housing	<b>5,867</b>			<b>5,867</b>
Urban Regeneration & Regional Planning	<b>61,338</b>	-3,043		<b>58,295</b>
<b>Total</b>	<b>109,484</b>	<b>-2,327</b>	<b>407</b>	<b>107,564</b>

- 4.2 Approvals are sought in this report for the following changes to the 2004/05 capital programme (Total £0.407m):

- a) Corporate & Customer Services: Spire House Floor 4 & 5 £300,000  
Refurbishment of two floors of Spire House for Housing Services at a total cost of £362,000. (£62,000 will be incurred in 2005/06). This project will be funded from Social Services and Housing Reserves.
- b) Corporate & Customer Services: Corporate Training Centre Refurbishment £55,000  
Additional work needed on emergency lighting, fire alarm, an upgrade of the ICT suite and provision of hot water throughout the building. This will be funded from departmental revenue resources.
- c) City Services: Litter Bins £52,000  
This scheme is intended to further the improvements to litter disposal facilities and standardise types of bins in use throughout the City, following the improvements already completed during 2003/04. The Litter Bins will be leased.

#### 5. Estimated Out-turn

5.1 Table 2 below shows an estimated out-turn for 2004/05 of £103.723m compared to the revised budget of £107.564m, giving a total variation of £3.841m.

Table 2

	Revised Budget 2004/05 £000s	Estimated Out-turn 2004/05 £000s	<b>Total Variation 2004/05 £000s</b>	Future Year Commitments on Current Year Schemes £000s
<b>Cabinet Member:</b>				
Adult Education, Libraries, Sport & Leisure	12,140	7,100	<b>-5,040</b>	22,750
Children's Services	11,239	9,304	<b>-1,935</b>	9,084
City Services	11,116	10,479	<b>-637</b>	0
Community Services	3,017	3,131	<b>114</b>	22
Corporate & Customer Services	5,024	4,641	<b>-383</b>	1,542
Finance & Equalities	866	45	<b>-821</b>	0
Health & Housing	5,867	5,867	<b>0</b>	0
Urban Regeneration & Regional Planning	58,295	63,156	<b>4,861</b>	51,784
<b>Total</b>	<b>107,564</b>	<b>103,723</b>	<b>-3,841</b>	<b>85,182</b>

5.2 Analysis of Variations

Table 3 below shows the total variation comprises net slippage of £3.072m and net underspends of £0.769m

Table 3

	Net Slippage/Accelerated Spend £000s	Net Under/Overspend £000s	Total £000s
Previously Reported	447	-380	67
Now Reported	-3,519	-389	-3,908
<b>Total Variation</b>	<b>-3,072</b>	<b>-769</b>	<b>-3,841</b>

5.3 Table 4 - Analysis of Variations by Cabinet Member Portfolio

	Slippage Now Being Reported £000s	Slippage Previously reported £000s	Under/Over spends Now Being Reported £000s	Under/Over spends Previously Reported £000s	<b>Total Variations £000s</b>
Adult Education, Libraries, Sport & Leisure	-3,643	-1,360	-37	0	<b>-5,040</b>
Children's Services	-1,735	-200	0	0	<b>-1,935</b>
City Services	-651	398	-9	-375	<b>-637</b>
Community Services	114	0	0	0	<b>114</b>
Corporate & Customer Services	-60	0	-323	0	<b>-383</b>
Finance & Equalities	-15	-806	0	0	<b>-821</b>
Health & Housing	0	0	0	0	<b>0</b>
Urban Regeneration & Regional Planning	2,471	2,415	-20	-5	<b>4,861</b>

<b>Total</b>	<b>-3,519</b>	<b>447</b>	<b>-389</b>	<b>-380</b>	<b>-3,841</b>
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Tables 1 to 4 are combined and presented on a Directorate basis in Appendix 4.

- 5.4 It is important that capital schemes are managed in order to avoid significant slippage wherever possible, both to ensure that resources are not lost and to secure the delivery of policy decisions, although it needs to be recognised that the causes can sometimes be due to factors outside our control.

The table above shows that since the second monitoring report in November there has been net slippage of £3.519m (comprising slippage of £7.601m and accelerated spend of £4.082m). The majority of the slippage has arisen on the Adult Education, Libraries Sport & Leisure and Children's Services programmes (£2m relates to the Sports Centre and Herbert Art Gallery schemes, £0.5m to Libraries refurbishment and £1.3m to Charter Primary school and the Sure Start schemes). This slippage has been partially offset by accelerated spend on the Urban Regeneration & Regional Planning programme. These variations only affect the timing of expenditure, not the overall level of resources required. However, the Capital Working Group will continue to monitor levels of slippage and report any issues to Management Board as part of the capital management process.

Detailed explanations for the variations "now being reported" (greater than £20,000 per scheme) can be found in appendix 2 (slippage/accelerated spend) and appendix 3 (under/overspends).

Explanations for the variations previously reported can be found in appendix 5 (slippage/accelerated spend) and appendix 6 (under/overspends).

#### 5.5 Capital Financing Requirement

The estimated out-turn will be funded as follows:

	£000s
Government supported borrowing	14,792
Ringfenced government supported borrowing	1,343
Prudential borrowing	20,179
<b>Total capital financing requirement</b>	<b>36,314</b>
Government grants	23,303
Capital receipts	41,113
Leasing	2,993
<b>Total Funding</b>	<b>103,723</b>

#### 5.6 PPR Process

The 2004/05 capital monitoring cycle has been used to inform the 2005/06 Capital Programme that Management Board is currently finalising.

#### 5.7 Prudential Indicators

In line with the Prudential Code for Capital Finance in Local Authorities, and as part of the 2004/05 Treasury Management Strategy report, the Council adopted a number of Prudential Indicators. These indicators are designed to ensure that borrowing entered into for capital purposes was affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative

performance. Although these indicators are essentially technical treasury management tools, the Prudential Code requires that they should be reported on during the year.

The indicators, together with the relevant figures as at December 2004 are included in Appendix 7. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2004/05.

- 5.8 It is proposed that the Maturity Structure Limit indicators are amended to the following levels in order to allow for the re-scheduling of long term loans:

<p><b>Maturity Structure Limits</b>, highlighting the risk arising from the requirement to refinance debt as loans mature:</p> <p style="padding-left: 40px;">&lt; 12 months</p> <p style="padding-left: 40px;">12 months – 24 months</p> <p style="padding-left: 40px;">24 months – 5 years</p> <p style="padding-left: 40px;">5 years – 10 years</p> <p style="padding-left: 40px;">10 years +</p>	<p>0% to 15%</p> <p>0% to 10%</p> <p>0% to 20%</p> <p>0% to 30%</p> <p>40% to 100%</p>
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- 5.9 The revision of the indicators is a decision that needs to be taken by Council, as the body responsible for setting the budget.
- 5.10 Re-scheduling is the early repayment of a loan and its replacement with another loan at a lower interest rate, or the modification of the terms of the loan to reduce interest charges. As they currently stand, the limits restrict the opportunities for the City Council to benefit from restructuring debt. The Head of Corporate Finance will, under delegated powers, continue to make decisions on rescheduling options as they arise.

## 6. Other Specific Implications

### 6.1

	Implications (See below)	No Implications
Area Co-ordination		✓
Best Value		✓
Children and Young People		✓
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities		✓
Finance	✓	
Health & Safety		✓
Human Resources		✓
Human Rights Act		✓

	<b>Implications (See below)</b>	<b>No Implications</b>
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications		✓
Property Implications		✓
Race Equality Scheme		✓
Risk Management		✓
Sustainable Development		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

## 6.2 Financial Implications

The estimated outturn for 2004/05 is £103.723m compared to the revised budget of £107.564m, giving a total variation of £3.841m (comprising cumulative net slippage of £3.072m and cumulative underspends of £0.769m). There are sufficient resources available to fund the forecast programme expenditure.

## 7. **Monitoring**

The final report in the annual cycle will be the Corporate Capital Outturn report, which will be brought to Cabinet in July 2005.

### List of background papers

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Management Board

Papers open to Public Inspection

**Description of paper**  
Capital Monitoring Files

**Location**  
Christchurch House

APPENDIX 1

**Analysis of Approved Programme Budget Changes**

<b><u>Scheme</u></b>	<b><u>Explanation</u></b>	<b><u>£000s</u></b>
<b><u>Adult Education, Libraries, Sport &amp; Leisure</u></b>		
Longford Park Refurbishment	CM Area Co-ordination & Leisure, Arts & Sports 27/05/04: for the provision of a skate-park, multi use games area, a CCTV and lighting to footpaths.	319
Oak Farm Play Area	CM Adult Education, Libraries, Sport & Leisure, 9/12/04: construction of a new play area at Oak Farm.	152
WMP- Water Play Feature	Recommissioning the water feature in Memorial Park. Cabinet 7 September 2004.	75
Longford Park Greenway	CM Area Co-ordination & Leisure, Arts & Sports 2/04/04: construction of cycle path	70
Coombe Boathouse	CM Adult Education, Libraries, Sport & Leisure Sep 2004: for essential repairs/ restoration works to the Grade II listed boat house at Coombe Country Park.	25
Coombe Country Park CCTV System	CM Finance & Equalities 19/01/05 for the installation of essential security measures (CCTV)	20
Sport & Leisure Facilities	Reclassified as revenue expenditure within existing budget approval.	-9
<b>Total - Adult Education, Libraries, Sport &amp; Leisure</b>		<b>652</b>
<b><u>City Services</u></b>		
961 Foleshill Road Demolition	Accommodation changes funded through the 2003 PPR resulted in the closure of 961 Foleshill Road as a depot. This asset will be surplus to operational requirements and the Director of City Development is responsible for determining the future use and disposal of the site and the buildings. Included within the approved PPR funding was £325,000 for demolition of the buildings, and as this is intrinsically linked to the future of the site this allocation of corporate resources will be transferred to City Development Directorate control.	-325
Central Repairs Fund		-76

Cremator Equipment	This addition to the programme was approved by Cabinet on 7 <sup>th</sup> September 2004 with Central Repairs Fund providing £76k of the perceived cost. The approved cost of £185k has now been reduced to £131k following a government change to requirements and the completion of the tendering exercise.	131
Liveability	The purpose of the scheme is to aid modernisation within a number of Council departments and partner organisations. This expenditure will be funded from external grant. A Joint Financial report – Cabinet 8/02/05, provides further information.	200
Spire House Customer Centre	The original budget for this scheme of £300,000 was an estimate and the lowest tender came in at £358,000. As part of the 2004/05 Central Repairs capital programme, £58,000 was allocated for repairs to Spire House windows and for refurbishment works to the lift lobby areas. It was considered to be more prudent to defer this work to future years due to other works being carried out, to avoid any contractual conflicts with refurbishment of the Housing Centre and the refurbishment of floors 4/5. Corporate resources of £58,000 will therefore be transferred to the Corporate Customer Services programme.	-58
Central Repairs Fund	Transfer of resources to support schemes at Primrose Hill Lodge. Approved by Cabinet 11/01/05.	-21
<b>Total – City Services</b>		<b>-149</b>
<b><u>Community Services</u></b>		
Minor Works Programme	Reduced programme to support additional spending on the Pathways to Care Programme- Cabinet 19/10/04.	-179
Primrose Hill Lodge	During the contract additional essential building maintenance works were identified. An increase of £60,000 will be funded from a £21,000 CRF contribution and a £39,000 virement from projected underspends at the Maymorn and Gilbert Richards Centres (Cabinet 11/01/05).	21
<b>Total – Community Services</b>		<b>-158</b>
<b><u>Children’s Services</u></b>		
Pathways	Additional funding to support the adoption of 6 children. Joint investment in large property plus purchase of vehicle - Cabinet 19 Oct 2004	295
<b>Total- Children’s Services</b>		<b>295</b>



<b><u>Corporate &amp; Customer Services</u></b>		
Spire House Customer Centre	Corporate resources of £58,000 transferred to fund works at Spire House (See City Services above).	58
PC's for FIS Rollout	Cabinet 29/07/03. Previously shown as underspend on the City Services programme in 2003/04. Transferred to Corporate and Customer Services to utilise IEG grant in 2004/05.	18
<b>Total – Corporate &amp; Customer Services</b>		<b>76</b>
<b><u>Health &amp; Housing</u></b>		
Adaptations (Disabled Facilities Grant -DFG) Programme	Slight adjustment to the previous quarter's figures, the underspend being vired into other areas.	-20
Private Sector Renewal	Utilising underspends from other programme areas.	341
Guild and Pridmore	Slowness of voluntary purchase and the need to encounter Compulsory purchase has led to resources being vired to other programme areas.	-50
Energy Efficiency	Utilising underspends from other programme areas.	100
Local Authority Social Housing	Delays in the completion of eligible properties have led to resources being vired into other areas.	-141
Kick Start Project	Due to unavoidable delays setting up this scheme the resources have been vired to other areas. The Housing Capital Programme report (Cabinet 27/4/04) authorised the Head of Housing Policy and Services to vire between the elements of the programme to achieve spend during the year.	-230
<b>Total – Health &amp; Housing</b>		<b>0</b>
<b><u>Urban Regeneration &amp; Regional Planning</u></b>		
961 Foleshill Road Demolition	Corporate resources of £325,000 transferred re. disposal of depot site (see City Services above).	325
Bus Showcase/ Wheelwright Lane	Additional grant from Centro to pay for agreed additional works to Primelines Standards.	85
Bus Showcase East/ West	Centro grant initially shown as Primelines but is now to switch to the approved scheme by Centro.	1,875

Bus Showcase Other	New grant funding from Centro to pay for additional agreed works.	204
Annexe E CQBN	Centro grant shown as Primelines but is now shown as the approved scheme by Centro.	500
Primelines	Variance is mainly due to the following reasons: 1) reflects the reprofiling of the grant awarded for the Primelines Project from the Dept for Transport from £4.02m previously indicated to £1.8m for 04/05 as detailed in the approval letter received 06/12/04 (£400k to be transferred to revenue). 2) transferring Centro grant to approved schemes as detailed above. 3) moving an additional £706k to fund expenditure classified as revenue.	-5,939
Integrated Transport	Reclassified as revenue expenditure within existing budget approval.	-216
Integrated Transport	There was an overspend of £98k on Principal Road Network Highway maintenance on 2003/04 budget.	98
Carriageway Structural Maintenance	This was funded from last year's Integrated Transport Area of the LTP on the agreement that it would be returned in 2004/05.	-98
Integrated Transport	Additional contribution from revenue to LTP.	50
Integrated Transport	Fast track approval (guaranteed by CDD)- Community Based Transport Project, aimed at reducing transport obstacles to employment by providing Community Transport Vehicles.	173
Perceived Safety	Reduction of resources as part of 2003/04 PPR Process.	-100
<b>Total - Urban Regeneration &amp; Regional Planning</b>		<b>-3,043</b>
<b>Total Programme Changes</b>		<b>-2,327</b>

**APPENDIX 2****Analysis of Slippage/Accelerated Spend**

<b>Scheme</b>	<b>Explanation</b>	<b>£000s</b>
<b><u>Adult Education, Libraries, Sport &amp; Leisure</u></b>		
Sports Centre Repairs	Slippage due to delays in sorting out management restructure plus issues of staffing capacity to move forward on projects. Also the draft Cabinet Report for Coventry Sports Centre Essential Repairs is to be rewritten to take account of a possible PFI/ Swanswell Sports Centre proposal. This may have a knock on effect on the completion programme and all the other works and the expenditure profile for 2005/06.	-1,350
Herbert Art Gallery	Phase 2/3 project is behind schedule because of ongoing discussions with Coventry University relating to property and other matters.	-618
Libraries Refurbishment	Negotiations with the owners of the land adjoining the Foleshill Library development to ascertain the correct legal ownership have delayed the programme. Further delays in meeting the EU procurement rules and seeking tenders for the design of Tile Hill Library has only recently been completed in December 2004.	-551
Coventry Transport Museum	Due to delays in making decisions about removal of asbestos from within the building, the programme of work has been amended and the cash flow adjusted accordingly.	-453
St. Mary's Medieval Kitchen	The original Heritage Lottery Fund grant bid has been refused and the cost plan is being revisited. Slippage is from the associated delay.	-286
Longford Park Refurbishment	Delay caused by selection of skate facility in partnership with local young people - all S106 funded.	-106
Oak Farm Play Area	Start of project delayed due to second petition against the play area having to be considered by Cabinet Member on 9 Dec 2004. Will now proceed.	-102
Playground Refurbishment	Delay caused by time taken for finding suppliers to meet the requirements of Rugby Borough Council planners.	-74
Sports & Leisure Facilities	Delays in sorting out management restructure plus work on a broader Corporate Review of Sport & Leisure Facilities to be considered early 2005 prior to wider consultation with key partners & stakeholders.	-71

Coombe Boathouse	Delay following Scrutiny's request for further investigation of how the restored structure could be put to greater use.	-25
Miscellaneous		-7
<b>Total - Adult Education, Libraries, Sport &amp; Leisure</b>		<b>-3,643</b>
<b><u>Children's Services</u></b>		
Charter Primary	Delays due to incorporation of work outside the site boundary; changes to the road scheme and entrance to accommodate future development.	-750
Sure Start	Due to changes in the specifications for Stoke Heath Children's Centre funded by Surestart and the need to work out of term time.	-580
Non-Schools Buildings	Following a fire, Deedmore school was re-located to Limbrick Wood whilst urgent works took place. This has delayed the start of remodelling works at the former infant school building at Limbrick Wood School and the refurbishment of Jardine Crescent Youth Centre.	-175
Hillfields Young Peoples Centre	Incorporation of additional security measures has delayed the start of this scheme.	-30
Remodelling of Children's Residential Services	Children's Services are currently going through a specification/ tender process with tenders probably coming in March/ April. Therefore no spend in 2004/05	-200
<b>Total - Children's Services</b>		<b>-1,735</b>
<b><u>Community Services</u></b>		
Minor Works Programme	Acceleration of resources from the 05/06 programme to fund Pathways to Care Programme: Cabinet 19/10/04 see New Pathways to Care Scheme.	114
<b>Total – Community Services</b>		<b>114</b>
<b><u>Finance &amp; Equalities</u></b>		
Miscellaneous		-15
<b>Total - Finance &amp; Equalities</b>		<b>-15</b>
<b><u>Urban Regeneration &amp; Regional Planning</u></b>		
Primelines	Correction of slippage shown in qtr2 (£3.248m), due to reduction of grant from DFT and transfer of grant from Centro to approved West Midlands Bus Showcase scheme, plus slippage of £300k carried forward to 05/06 as a term contractor achieved significant savings over budget.	2,948
City Centre Package	Reprofiling of budget cashflow due to acceleration of works on Priory Square and completion of spend on 3 Spires this financial year.	75

Commercial R&M Programme	£274k of repairs and improvements work to be undertaken on agreed projects for 2004/05 cannot be completed until 2005/06 (Commercial Property Repairs Programme Report - Cabinet 7/12/04). An additional £24k relates to contamination and the need for specialist surveys on the Little Heath Spray Booth scheme.	-298
Electric Wharf	A significant increase in the cost of diverting services resulted in a complete redesign of the bridge, which has been further delayed by the difficulty in concluding negotiations with British Waterways.	-322
Aldermans Green Industrial Estate	Cashflow committed for building a sub station but this will not be done until development sites have been bought. All remaining sites are under offer, which could trigger requirement for sub station at any time.	-29
Central Depot Demolition	Site investigation work procured by Babtie has identified a need for more investigation and interpretative work to be carried out, in consultation with the Environment Agency before a Remediation Strategy can be determined. This has delayed progress on remediation and disposal.	-55
Westwood Heath Land Disposal	Developer agreed to tender for the work to be done as part of a larger contract. This needed to be undertaken on completion of land disposal at Westwood Heath which took place in 2003/04. It was outside the City Council's control as the tender process and checking was carried out by Babtie.	-130
Corridor Regeneration	Take-up of available grants has proceeded much faster than anticipated.	345
Miscellaneous		-27
Poverty Access & Safety Programme	Unable to place all contracts in time for all expenditure to be incurred in 04/05.	-71
North East Regeneration & Riley Square	This budget identifies resources needed to deliver Council responsibilities as part of wider schemes - the refurbishment of Riley Square at the regeneration of the northeast linking to the NDC masterplan. Neither of these projects are yet at a stage where a wider package of resources is in place but it is anticipated that commitments will be made during the summer of 2005 to fit in with the timescales of partners. The resources will be needed in 05/06.	-200
Canley Regeneration	Approval process for taking the project forward has taken longer than anticipated and, therefore, it is likely that appointment of consultants will not take place until February 2005.	-65
NDC Before Masterplan	Construction and spend on three developments are ahead of schedule (Annie Osborn School, Moat House Early Years Centre, Manor Farm Neighbourhood Development Association).	300
<b>Total - Urban Regeneration &amp; Regional Planning</b>		<b>2,471</b>
<b><u>City Services</u></b>		
Expansion of Whitley Depot	The slippage is caused by the precise accommodation requirements not being agreed and forwarded to the Premises section hence it has not been possible to prepare a tender document for contractors. The precise requirements have now been agreed and the bids have been received and	-371

Liveability	implementation has now started. The Liveability Project is made up of numerous smaller schemes involving a number of departments and partner organisations. Unfortunately a number of the projects have not proceeded within the original expected timescales resulting in the forecasted slippage.	-150
Cremator Equipment	Following completion of the procurement process, the Company awarded the contract has indicated that part of the equipment has a 12 week lead in time which will delay the works (apart from a small element of consultancy costs) until the first quarter of 2005/06.	-130
<b>Total - City Services</b>		<b>-651</b>
<b><u>Corporate &amp; Customer Services</u></b>		
Central Accommodation-Working Environment	Slippage is a result of delays in the preparation of contract specifications and subsequent tendering process. The scheme of works was initially planned for January - March 2005 and this has slipped by one month.	-20
Central Reception Areas	Slippage is a result of delays in the preparation of contract specifications and subsequent tendering process.	-40
<b>Total- Corporate &amp; Customer Services</b>		<b>-60</b>
<b>Total Net Slippage</b>		<b>-3,519</b>

APPENDIX 3

**Analysis of Under/Overspends**

Scheme	Explanation	£000s
<b><u>Adult Education, Libraries, Sport &amp; Leisure</u></b>		
Coombe Fees	The Coombe restoration plan has been put on hold. There are no plans to proceed at the present time. This represents an underspending of corporate resources.	-25
Miscellaneous		-12
<b>Total- Adult Education, Libraries, Sport &amp; Leisure</b>		<b>-37</b>
<b><u>Urban Regeneration &amp; Regional Planning</u></b>		
Miscellaneous		-20
<b>Total - Urban Regeneration &amp; Regional Planning</b>		<b>-20</b>
<b><u>City Services</u></b>		
ESU Careline Programme		-9
<b>Total- City Services</b>		<b>-9</b>
<b><u>Corporate &amp; Customer Services</u></b>		
Refurbishment of Court House	The estimated outturn now reflects the latest estimate from the Project Officer at Birmingham CC and it is felt that given the small level of spend to date there may be further reductions needed at the year end. After this current financial year the controlling and reporting of all magistrate schemes will be undertaken by a separate organisation and therefore will not be reflected in the City Council Accounts. This underspend is resource neutral.	-325
Miscellaneous		2
<b>Total - Corporate &amp; Customer Services</b>		<b>-323</b>

<b>Total Underspend</b>
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<b>-389</b>
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**ESTIMATED CAPITAL OUTTURN & ANALYSIS OF VARIATIONS BY DIRECTORATE**

<b><u>Directorate</u></b>	Budget November 2004/05  £000s	Approved Changes/ Technical Adjustments £000s	Proposed Changes  £000s	<b>Revised Budget  £000s</b>	Estimated Out-turn 2004/05  £000s	<b>Total Variation 2004/05  £000s</b>	Slippage Now Being Reported £000s	Slippage Previously Reported £000s	Under/Over Spends Now Being Reported £000s	Under/Over Spends Previously Reported £000s
City Development	70,161	-2,391	0	<b>67,770</b>	69,202	<b>1,432</b>	-621	2,115	-57	-5
City Services	11,213	-149	52	<b>11,116</b>	10,479	<b>-637</b>	-651	398	-9	-375
Chief Executive	1,073	0	55	<b>1,128</b>	307	<b>-821</b>	-15	-806	0	0
Education & Libraries	12,735	0	0	<b>12,735</b>	9,589	<b>-3,146</b>	-2,086	-1,060	0	0
Finance & ICT	2,204	18	0	<b>2,222</b>	2,222	<b>0</b>	0	0	0	0
Legal & Democratic Services	2,287	58	300	<b>2,645</b>	2,262	<b>-383</b>	-60	0	-323	0
Social Services & Housing	9,811	137	0	<b>9,948</b>	9,662	<b>-286</b>	-86	-200	0	0
<b>Total</b>	<b>109,484</b>	<b>-2,327</b>	<b>407</b>	<b>107,564</b>	<b>103,723</b>	<b>-3,841</b>	<b>-3,519</b>	<b>447</b>	<b>-389</b>	<b>-380</b>

**APPENDIX 5****Analysis of Slippage/Accelerated Spend previously reported to Cabinet in 2004/05**

<b>Scheme</b>	<b>Explanation</b>	<b>£000s</b>
<b><u>Adult Education, Libraries, Sport &amp; Leisure</u></b>		
Belgrade Theatre	Re-profiling of expenditure after re-assessment of progress by project officer (Cabinet 30/11/04).	-300
Libraries Refurbishment	Acceleration of corporate resources to fund Arena Library (Cabinet 24/08/04)	75
Libraries Refurbishment Programme	Reported to Cabinet 2/6/04. Public libraries refurbishment programme.	-1,135
<b>Total - Adult Education, Libraries, Sport &amp; Leisure</b>		<b>-1,360</b>
<b><u>Children's Services</u></b>		
Children's Office – Wood End	Due to the uncertainty of developments relating to the Wood End master plan and extended schools (Cabinet 30/11/04).	-200
<b>Total - Children's Services</b>		<b>-200</b>
<b><u>City Services</u></b>		
Gibbet Hill Road Scheme	Reported to Cabinet 20/7/04. Scheme accelerated to be completed within this financial year.	398
<b>Total – City Services</b>		<b>398</b>
<b><u>Finance &amp; Equalities</u></b>		
Access for Disabled People	An extensive programme of improvements to Council buildings has been carried out over the last seven years in consultation with disabled people. It is now proposed to carry out a comprehensive audit of our public access buildings to confirm their accessibility, provide data for the relevant Best Value Performance Indicator and determine priorities for further work. It is therefore unlikely that significant expenditure will be incurred during the current year (Cabinet 30/11/04).	-200
John White Community Centre	Further slippage of £13,000 (Cabinet 30/11/04).	-13
John White Community Centre	Start of construction has been delayed while final source of funding is being agreed. Anticipated start of construction January 2005 (Cabinet 24/08/04).	-593
<b>Total - Finance &amp; Equalities</b>		<b>-806</b>

<b><u>Urban Regeneration &amp; Regional Planning</u></b>		
Arena	At the time the capital programme was prepared, there was limited information available about the precise timing of expenditure at the Arena. Progress has exceeded these early forecasts and part of the programme needs to be brought forward into 2004/05 to reflect this. This will not affect the overall level of expenditure on this scheme (Cabinet 30/11/04).	9,245
City Centre Unallocated	Contingency budget not needed in 2004/05. This will be reviewed in the 2004 PPR. Also, awaiting grant approval on new schemes. This is outside the City Council's control (Cabinet 30/11/04).	-2,512
Primelines	The programme and associated commitments have been re-profiled following a delay in formal approval of funds from Government (CM Urban Regeneration and Regional Planning 16/9/04).	-3,248
Traffic Calming & Parking Ph 2	This scheme is a New Deals in the Community (NDC) grant project. An NDC masterplan is currently being developed as the NDC Area is subject to major redevelopment. There is little merit implementing this programme until the plans are known and a developer has been appointed (Cabinet 29/7/03).	-341
Lower Precinct	It is expected that remaining compensation claims will be settled in 2005/06 (Cabinet 30/11/04).	-304
Canley Regeneration	Delays to construction relating to planning issues outside our control (Cabinet 24/08/04).	-425
<b>Total - Urban Regeneration &amp; Regional Planning</b>		<b>2,415</b>
<b>Total Slippage/Accelerated Spend</b>		<b>447</b>

APPENDIX 6

Analysis of Under/Overspends previously reported to Cabinet in 2004/05

<b>Scheme</b>	<b>Explanation</b>	<b>£000s</b>
<b><u>City Services</u></b>		
Vehicle & plant replacement programme	The majority of plant items have now been purchased. Due to improvements in the new plant, it has been identified that the additional items of equipment previously forecast will no longer be required. This underspend is in addition to that reported in August (£0.2m, see Appendix 6) and will lead to future leasing cost revenue savings which will be reinvested in the Grounds service (Cabinet 30/11/04).	-170
Miscellaneous		-5
Vehicle & plant replacement programme	Plant replacement was based on inflated historic costs and equipment predictions whilst final tenders being prepared. Cost was significantly less when tender completed and a greater number of small tools unsuitable for leasing were bought (funded from revenue). This will lead to a future leasing cost revenue saving which will be reinvested in the Grounds Service (Cabinet 24/08/04).	-200
<b>Total – City Services</b>		<b>-375</b>
<b><u>Urban Regeneration &amp; Regional Planning</u></b>		
Former Wood End Health Centre	Underspend. The resources have been incorporated within the revenue budget (Cabinet 24/08/04).	-5
<b>Total – Urban Regeneration &amp; Planning</b>		<b>-5</b>
<b>Total Underspends</b>		<b>-380</b>

## Appendix 7

### Prudential Indicators

Indicator	Set as Part of Treasury Management Strategy	As at December 2004
<b>Ratio of Financing Costs to Net Revenue Stream</b> , illustrating the affordability of costs such as interest charges to the overall City Council bottom line resource.	5.36%	5.1%
<b>Net Borrowing should not, except in the short term, exceed the Capital Financing Requirement (CFR), plus estimates of the next 3 years</b> , illustrating that, over the medium term, net borrowing will only be for capital purposes	Year 3 estimate/limit of £304.9m	£189.1m net borrowing within the limit.
<b>Authorised Limit for External Debt</b> , representing the "outer" boundary of the local authority's borrowing. Borrowing at the level of the authorised limit might be affordable in the short term, but would not be in the longer term.	£414.9m	£249m is less than the authorised limit.
<b>Operational Boundary for External Debt</b> , representing an "early" warning system that the Authorised Limit is being approached.	£394.9m	£249m is less than the operational limit.
<b>Upper Limit on Fixed Rate Interest Rate Exposures</b> , highlighting interest rate exposure risk.	110%	91%
<b>Upper Limit on Variable Rate Interest Rate Exposures</b> , highlighting interest rate exposure risk.	30%	9%
<b>Maturity Structure Limits</b> , highlighting the risk arising from the requirement to refinance debt as loans mature:  <div style="margin-left: 40px;">           &lt; 12 months            12 months – 24 months            24 months – 5 years            5 years – 10 years            10 years +         </div>	0% to 15% 0% to 10% 0% to 20% 0% to 30% 40% to 90%	0.3% 2.9% - 12% 84.8%
<b>Investments Longer than 364 Days</b> , highlighting the risk that the authority faces from having investments tied up for this duration.	0%	0%