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CABINET – 11th JANUARY 2007

**REPORT OF THE DIRECTOR OF RESOURCES
MEDIUM TERM FINANCIAL STRATEGY 2007/08 TO 2009/10**

PART A

Purpose of Report

1. This report presents information on the County Council's proposed 2007/8 to 2009/10 Medium Term Financial Strategy (MTFS).

Recommendation

2. It is recommended that the proposed MTFS including the 2007/8 revenue budget be approved for consultation and referred for consideration to the Scrutiny Commission and Scrutiny Committees.

Reason for Recommendations

3. To allow the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept and approving a medium term financial strategy including a 3 year capital programme.

Timetable for Decisions

4. The MTFS will be considered by the Scrutiny process between 22nd January and 31st January. Cabinet will then consider the comments of the Scrutiny/consultation process. The County Council meets on 21st February to approve the MTFS.

Policy Framework and Previous Decisions

5. The MTFS has been developed alongside the Medium Term Corporate Strategy and service planning framework. It also takes into consideration comments from Scrutiny Commission following their review of the draft MTFS in the Autumn.

Circulation Under Sensitive Issues Procedure

6. A copy of the report has been circulated to all members of the County Council.

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PART B

Medium Term Financial Strategy 2007/8 to 2009/10

7. The development of the MTFS has taken place over the last nine months and has involved both public consultation and scrutiny by the Scrutiny Committees and the Scrutiny Commission considering the draft MTFS in the Autumn.
8. The key figures required to finalise the MTFS for consultation have been received late. The Local Transport Plan (LTP) Settlement was not released until the 18 December and confirmation of the CYP Capital Settlement was received after Christmas. In addition, the capital maintenance element of the LTP for 2007/8 is significantly different than the indicative figure included in last year's settlement. This made it necessary to revise some of the budget proposals and it was not possible to send this detailed report with the agenda. It has been circulated on the 8 January.
9. The MTFS has four key elements:
 - Restrict Council Tax increases
 - Maximise efficiency savings
 - Improve high priority services
 - Minimise reductions in lower priority services
10. Nearly 90% of the respondents to the online surveys either agreed or strongly agreed with the approach outlined above. The main findings of the consultation are summarised in paragraph 17.
11. Even though the Government announced only a one year settlement pending the 2007 Comprehensive Spending Review (CSR) the County Council's strategy has been developed for the medium term (2007/8 to 2009/10). As has been the practice in previous years the revenue and capital planning processes have been integrated.
12. The key features of the proposed strategy are:
 - Council Tax increase of 4.25% in 2007/8 with lower increases (4%) in later years
 - Cashable efficiency savings of at least 1½% per year (1.7% in 2007/8 with a total of £14.2m over the three year strategy).
 - Investment of £2.3m in key service improvements in 2007/8 (£10.3m over the three years of the strategy).
 - Service reductions and increased charges of £0.9m in 2007/8 and £3.9m planned over the three years of the strategy.
13. The overall level of required savings and increased charges over the next three years is forecast to be in the region of £21m. Since the consultation with Scrutiny in the Autumn, the balance of savings between service reductions/increased charges and efficiencies has changed with identified service reductions/increased charges reducing from the £6m previously highlighted to the £3.9m in the MTFS. This is because increased efficiency and other savings have been identified. However, within the overall required savings of £21m over the three year planning period, £1.8m has not been identified. As a result, growth will need to be reduced or either

efficiency savings and/or service reductions will need to increase when the plan is reviewed following the CSR in the Summer of 2007.

14. The medium term revenue budget is summarised in Appendix A.

Formula Grant

15. The provisional formula grant settlement for 2007/8 was initially announced by the Government in December 2005 and then revised in February 2006. The recent announcement on 28 November 2006 confirmed the provisional cash increase of £0.6m (0.8%). The cash increase is the lowest of any upper tier authority in England and works out at 15p per person after population growth. This has been the subject of the 'Fair Share' campaign which has had favourable press coverage, including editorial comment, and attracted support of local Members of Parliament. The County Council's response to the consultation is attached in Appendix B. The announcement of the final settlement is expected for the end of January.
16. The County Council will receive final information on the taxbase and collection fund surpluses/deficits from each district council by the end of January. The resources available to the County Council could change once this information is received.

Budget Consultation

17. Budget consultation on the MTFs has been undertaken through two focus groups, one in Loughborough and one in Wigston, and a questionnaire. The questionnaire was sent to the County Council's Citizens' Panel and was also available on line and nearly 600 responses were received. The main messages from the consultation are:
 - Significant support for the key elements of the strategy.
 - The respondents to the survey stated that the most important element of the strategy was to maximise efficiency savings (32%) followed by restricting Council Tax increases (28%).
 - Within the range of a 4% to 5% increase in the Council Tax the highest number of respondents stated that they supported a 4% increase.
 - Overwhelming support (93%) for the Fair Share campaign.
18. Details of the consultation were circulated through the Member Information Service.

Schools

19. Most schools funding will come in the form of a ring fenced grant to local authorities known as Dedicated Schools Grant (DSG). This grant covers funding allocated directly to schools and funding that is retained by the local authority to support pupil led provision, such as early years and excluded pupils.
20. The key elements of the schools settlement are:
 - The increase in the Minimum Funding Guarantee for schools' budgets has been set at 3.7%, for all schools in 2007/08. The DfES has calculated that this increase is sufficient to meet cost pressures schools are anticipated to encounter.

- DSG includes funding streams targeted at DfES priorities including workforce reform, early years and personalised learning.
- Overall the national increase in DSG is estimated at 5.8% in cash terms and 6.7% per pupil in 2007/08 (Leicestershire's comparable figures are 5% and 6.4%).
- The indicative DSG for Leicestershire 2007/08 is £313m. Final allocations will not be known until May 2007 following the inclusion of the January 2007 pupil count.

21. Leicestershire will remain the lowest funded local authority per pupil in 2007/08.

2007/8 Budget Summary

22. The proposed 2007/8 budget excluding DSG of £313m is summarised below in Table 1 and is set out in more detail in Appendix C.

Table 1

| | 2007/8 £m | % Increase |
|--|----------------------|-------------------|
| Services base budget including inflation | 264.2 | |
| Add growth | 8.8 | |
| Less savings | (6.8) | |
| | 266.2 | |
| Central Items | 25.4 | |
| Total Expenditure | 291.6 | 3.8% |
| Funding | | |
| Formula Grant | 79.9 | 0.8% |
| Council Tax | 211.7 | 4.25%* |
| | 291.6 | 3.8% |

* Council Tax increase excludes Council Tax base increase.

2007/8 Inflation and Other Changes

23. The budget is based on outturn prices and the following general inflation assumptions:-

Pay @ 3%
 Additional employers' pension contributions @ 1.2% of pay
 Running costs @ 2.5%

24. Overall inflation (excluding schools) is expected to be £8.2m. Where inflation exceeds the general inflation assumptions this is shown as a growth bid.

25. The budget includes the full year effect of growth and savings decisions taken as part of the budget setting process in previous years and takes account of budget transfers.

Growth

26. In total £8.8m (net of certain specific grants and excluding schools) has been included in the 2007/8 budget to meet demand and cost increases, reduced income and for service improvements.
27. Details of growth items are shown in Appendix D. The main growth items are summarised below:
 - The majority of the growth is required to meet demand and cost pressures. The main pressures are within Adult Social Care (ASC) and Waste. In ASC growth is mainly required to meet high cost residential placements for people with learning disabilities. Waste growth is required for recycling credits to district councils and a £3 per tonne increase in the landfill tax.
 - Service improvements total £2.3m and include improvements to the learning disability service, services for children and implementing the Municipal Waste Management Strategy.

Savings

28. The budget includes savings of £6.8m comprising efficiencies of £4.7m (1.7%), other savings of £1.2m and service reductions/increased income of £0.9m. Cashable efficiency savings are above the Gershon cash efficiency target of 1.25%. The annual efficiency statement produced by the County Council will detail both cash and non cashable efficiencies which are required to total at least 2.5% of the budget. Non cash efficiencies mean that either a higher quality or volume of service can be provided with no increase in cost. Appendix D shows the savings in detail.

Central Items

29. The main change is that bank and other interest has increased by £1.3m reflecting higher cash balances and interest rates. Capital financing costs are expected to increase by £1.2m to reflect the increase in the capital programme and higher interest rates on certain loans.

Corporate

30. The County Council is expecting additional one-off funding from both the performance reward grant for the Public Service Agreements (PSA) and income from the Local Authority Business Growth Incentive (LABGI) scheme.
31. The final claim for the PSA with central government has been compiled and submitted. In overall terms £9m should be awarded, of which £6.5m will come to the County Council. The balance of funds will go to partner organisations. The grant is split 50:50 capital and revenue.
32. As previously approved, £4m of the PSA reward grant has been allocated within the Corporate Change Management programme. It is proposed that £1.25m of the balance of £2.5m should be earmarked in a capital reserve to finance waste

infrastructure projects and the remaining £1.25m (revenue grant) allocated to the Corporate Change Management programme.

33. Over the initial five year period of the Corporate Change Management programme the total investment in services is forecast to be £18m, including nearly £8m for the Customer First programme which aims to improve the current provision and accessibility of customer services. Taking account of existing budgets there is a requirement for additional investment of circa £3m. In addition to service improvements, based on current projections, the Change Management Programme is also expected to generate cumulative efficiencies of £19m by 2011.
34. Further one off funding is likely to be received from LABGI. At this stage it is difficult to forecast with certainty the value. However in 2006/7 and 2007/8 this could be circa £3m. To address the need for additional investment, it is proposed at this stage these funds will also be earmarked for the Corporate Change Management programme.

Local Area Agreement (LAA)

35. The financial arrangements that govern the LAA are having an increasing influence on the budget as the County Council acts as the accountable body for the LAA.
36. In 2007/8 approximately £15.5m of LAA 'pooled' budget is forecast to be controlled by the County Council. These pooled budgets are usually former specific grants received by public sector organisations within the county that are now channelled through the LAA. The vast majority relate to former County Council grants, though an increasing amount relates to District Councils and other organisations including Police and Connexions.
37. Those LAA pooled funds spent by the County Council are included within the budget. Funding spent by the other agencies is paid over to them as agreed in the protocol that governs the financial arrangements surrounding the LAA.

Capital Programme 2007/8 – 2009/10

Capital Programme Resources

38. The following table sets out the expected capital resources available to the County Council. These include resources made available by the Government for the main programme areas, third party contributions and discretionary resources generated by the County Council (principally capital receipts).

| | <u>2007/08</u> <u>£000</u> | <u>2008/09</u> <u>£000</u> | <u>2009/10</u> <u>£000</u> |
|--|-------------------------------|-------------------------------|-------------------------------|
| <u>Central Government</u> | | | |
| Children & Young People Main Programme | 35,670 | 30,060 | 34,520 |
| Local Transport Plan | 15,050 | 14,490 | 15,280 |
| Adult Social Care | 410 | 410 | 410 |
| PSA Grant | 980 | 20 | |
| | 52,110 | 44,980 | 50,210 |
| <u>Third Party Contributions</u> | | | |
| Other | 230 | 100 | |
| Major Developer contributions | 250 | 2,660 | 4,020 |
| <u>Capital Receipts</u> | | | |
| Forecast (including earmarked) | 3,450 | 7,190 | 3,150 |
| Revenue and Reserves | 540 | | 300 |
| Unsupported borrowing | | 1,770 | 330 |
| Resources b/fwd from 2005/06 | 3,490 | 3,920 | |
| Total | 60,070 | 60,620 | 58,010 |

39. The key issue with respect to the Prudential Code, the code of practice that all Authorities need to follow when entering into borrowing, is the revenue impact and affordability of borrowing. The projections below show the increase in the capital financing budget over the next three years.

| | <u>2007/08</u> <u>£m</u> | <u>2008/09</u> <u>£m</u> | <u>2009/10</u> <u>£m</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| Increase in the capital financing budget | £1.25 | £0.65 | £0.9 |

40. The formula grant (para 15) is expected to increase by only £0.6m in 2007/08 which is significantly lower than the increase in capital financing costs and explains, in part, the tight financial position the County Council faces over the next three years.
41. The financing of the programme in 2007/08 to 2009/10 will also require the County Council to enter into limited borrowing which is not supported, even in theory, by Government grant and therefore has to be met from Council Tax. Over the three year period £ 2.1m of unsupported borrowing is expected to be required. In the final year the basis of the MTFs is to commit only to new prudential borrowing for Invest to Save Schemes (schemes which generate savings in future years) and to smooth the cashflow from capital receipts.
42. Using improved Asset Management Planning, the County Council will seek to maximise capital receipts over the medium term in order both to minimise the need for prudential borrowing and to finance capital investment in priority services.

Capital Programme

43. The proposed programme is summarised in the table below and shown in detail in Appendix E.

| | <u>2007/08</u> | <u>2008/9</u> | <u>2009/10</u> |
|-----------------------------|----------------|---------------|----------------|
| | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| CYP* | 36,570 | 35,670 | 36,890 |
| Highways and Transportation | 16,180 | 15,630 | 17,640 |
| Waste Management | 400 | 1,900 | 800 |
| Community Services | 1,680 | 2,800 | 590 |
| Adult Social Care | 1,640 | 1,710 | 160 |
| Resources | 2,120 | 1,560 | 940 |
| Chief Executive's | 500 | 100 | 100 |
| Other Corporate | 980 | 1,250 | 890 |
| TOTAL | 60,070 | 60,620 | 58,010 |

* CYP resources includes devolved formula capital.

Children and Young People (CYP) Programme

The CYP Capital Programme will focus on five priority areas:-

- Completion of the replacement of intergrid schools. This includes completing both Oadby Gartree and Shepshed High and making a contribution to Enderby Brockington which is a Church of England (Voluntary Aided) school.
 - School re-organisation in the Vale of Belvoir and Melton Mowbray. The final stage of consultation following the review of school provision is underway and a report setting out the results will be considered by Cabinet in February. The funding package is dependent on capital grant from the DfES and the Learning and Skills Council. Confirmation of available funding should be received around the same time.
 - The Coalville area special school (£9.7m) largely funded by central government targeted capital grant.
 - The development of a further 24 Children's Centres and further funds for the extended schools programme.
 - The ongoing programme to replace mobile classrooms. This will be part funded by the early release of £4m capital grant.
44. The costs of many of the major 2007/08 and 2008/09 projects in the programme including the new or refurbished secondary schools and Children's Centres will be dependent on more detailed feasibility and design work. The programme is currently based on either available funding or initial estimates.
45. In addition to the main programme devolved formula capital will rise by £0.534m to £11.884m. These resources are allocated directly to schools, mainly on the basis of pupil numbers. This means a 1,200 place secondary school will receive £131,900 in 2007/08. A 240 place primary school will receive £33,620 in 2007/08.

Transportation

46. The key influence on the transportation capital programme is the second five year Local Transport Plan (2006 – 2011). The final version was approved by the County Council in March.
47. The Plan has been produced and assessed as 'excellent' by the Government Office of the East Midlands (GOEM). This assessment along with the assessment of the five year delivery report for the first LTP, is important as up to 25% of an authority's integrated transport block allocation is dependent on the quality and delivery of LTPs. The 'excellent' rating means that the integrated transport block allocation is increased by 12.5% to £6.2m.
48. The majority of the LTP is for capital maintenance (£7.4m). This is a reduction of £2.2m (23%) compared to the 2006/7 allocation of £9.6m and of £2.4m against the indicative allocation for 2007/8 of £9.8m. Although there has been an average reduction across the East Midlands of around 10% the funds available nationally have not decreased. The reduction in Leicestershire is because the formula used to allocate the funding has been changed and funds have been top sliced for major maintenance schemes as well as being transferred to authorities which have been less effective than Leicestershire in improving the condition of their roads and bridges. This level of decrease will have a significant impact on maintenance programmes and therefore it is proposed that additional one off transitional support of £0.5m will be allocated from reserves in 2007/8. The impact of the reduction on the highways revenue budget is being evaluated. The allocation in future years will depend on CSR 2007 and a further review of the formula used to allocate maintenance funding. It is intended to make strong representations against the new formula which provides a perverse incentive to local authorities to lower performance.
49. In total LTP funds of £13.8m have been allocated compared with £15.8m in 2006/07 and the provisional allocation of £15.5m. A further allocation of £1.3m has been made for capital maintenance on the recently de-trunked A6 and A47.
50. The most significant project within the LTP is the park and ride scheme at Enderby. This is forecast to be completed by Summer 2010 at a cost of £9.2m. It will be financed by a combination of LTP, developers, County and City Council contributions and capital receipts.
51. The settlement does not include any funds for other major transportation schemes. The East Midlands Regional Assembly endorsed a proposed programme in the middle of January in line with the new Government process of regional funding allocations. The first five years of the programme include both the Earl Shilton by-pass and the Loughborough Town Centre Scheme. The long list of schemes includes, amongst others, a by-pass for Melton.
52. The Earl Shilton by-pass has received 'programme entry' approval from the Department of Transport. The next stage of the approval process ('conditional acceptance') is expected in the next month. This means that funding will be made available if tenders are within the agreed funding limit. The Loughborough scheme is currently being considered by the Department for Transport and a decision on

'programme entry' is expected in the spring. The capital programme will need to be amended to take account of any approved schemes later this year.

53. The programme also includes other schemes funded from capital receipts and prudential borrowing. This includes the advance design work for the Loughborough Town Centre Scheme and street lighting column replacement. It will also allow work to proceed for advance design for the Melton Mowbray by pass.

Waste Management

54. The main demand over the medium term relates to waste infrastructure projects including modernising recycling and household waste sites (RHWS) at Sileby, Melton, Lount and Kibworth. Funding for Sileby and Lount has been included in the programme.
55. Subject to the development of business cases that show investment in RHWS and other waste infrastructure which will be financed by savings in the waste disposal budget, additional resources will be included in the programme for these projects. This will be from either LAA pooled funding, new waste infrastructure capital reserve or new prudential borrowing.

Adult Social Care

56. The focus of the programme continues to be improving Learning Disabilities services with respite facilities care in Wigston and Melton and further day care facilities in Charnwood, Hinckley and North West Leicestershire.

Community Services

57. The Medium Term Corporate Strategy priority to invest in 20 new or refurbished libraries should be complete by 2009. In addition a replacement library at East Goscote has been included in the programme.
58. Funding has also been included for repairs to the headstock at Snibston and a contribution of £0.1m to a planned Heritage Lottery Funded programme of work at Melton Carnegie Museum.

Resources and Chief Executives

59. The main focus is continuing the development of the ICT infrastructure to support the increasing number of services delivered to the public electronically. Resources continue to be allocated to meet the Disability Discrimination Act requirement to improve access to County Council buildings.
60. Resources have also been allocated to meet the potential cost of replacement sports facilities following the planned sale of land housing the existing facilities at County Hall.

Other Corporate

61. An allocation is included for the Corporate Change Management programme. This is for a variety of projects including Customer First. The programme is continuously

being updated as new business cases are developed. As these are approved, new projects will be added to the programme financed from allocated capital resources.

Future Developments

62. A list of schemes under the title 'Future Developments' has been included in the programme. These are schemes where funding is not currently available and further feasibility work is required before the investment decision can be taken.

County Fund

63. The forecast balance on the County Fund at the end of 2006/07 is £7.6m, which represents 2.6% of the budget (excluding schools' delegated budgets) and is lower than last year. This assumes a small contribution from this year's underspend. At present it is assumed that the balance of underspend will be either treated as carry forwards for services or used to establish earmarked reserves for specific purposes. These include new reserves to meet costs of the Landfill Allowance Trading Scheme (LATS) (£0.86m), a new fund that will operate on a Spend to Save basis for energy efficiency schemes (£0.25m), potential restructuring consequences (£1m), civil parking enforcement (£0.4m) to meet the revenue set up costs, transitional funding for LTP maintenance (£0.5m) and a capital reserve for costs of developing major highway projects (£0.3m). As this final reserve will not be sufficient to meet all the costs of this feasibility work, it could be supplemented by underspends. In addition a capital reserve of £2m will be established mainly from PSA reward money to support waste infrastructure projects. The policy continues to be to maintain a level of County Fund consistent with the inherent risks faced by the County Council.
64. The main risks faced by the Council over the medium term are:
- Demand led budgets overspending, mainly those relating to waste and adults' and children's social care.
 - Non achievement of efficiency and other savings included in the budget. These total £21m over the 3 year planning period.
 - Lower than anticipated increase in the formula grant received from Government following publication of the CSR in the summer.
 - Other unforeseen events.

Council Tax

65. The proposed budget for 2007/08 is based on a 4.25% Council Tax increase.
66. The Government has made it clear that it expects average Council Tax increases to be less than 5%. It has been explicit in its threat to use its reserve powers to cap authorities that it considers have been excessive in their proposed Council Tax increase.

Medium Term Position

67. The MTFs takes account of the overall funding position, the main expenditure pressures and investment in corporate priorities over the next three years.

68. The first year of the Strategy, 2007/8, is based on firm estimates of central government funding. In future years, Government funding is assumed to increase by 1% per annum and Council Tax by 4%. The assumption regarding central government funding will need to be revisited following the publication of the Comprehensive Spending Review in summer 2007. Initial indications are that settlements over the period of the MTFS will be very tight given the public expenditure forecasts announced in the Chancellor's pre budget statement.
69. The main cost and demand pressures over the medium term continue to be Waste and Adults' and Children's Social Care. Other pressures include capital financing and inflation on highway maintenance. Forecasting expenditure over the medium term can be difficult, in particular legislation around Children's Services could result in higher costs in future years that are currently not featured in the projections.
70. The County Council continues to invest in the Medium Term Corporate Strategy priorities including Learning Disabilities, Libraries, Children's Services and Waste. As in previous years a significant element of the investment in these priorities will take place through the capital programme.
71. The MTFS is based upon the County Council generating significant efficiencies over the next three years of £4.7m in 2007/8 and at least £4.25m per year in both 2008/9 and 2009/10. Where specific proposals have been identified these savings are listed in Appendix D. The Corporate Change Management programme will continue to develop projects that will assist in meeting these challenging savings targets over the life of the MTFS. In addition work is underway that will consider the scope for increasing income generation and rationalising grants.
72. In addition service reductions and increased income of circa £4m are required to minimise Council Tax increases over the medium term. Steps will be taken to implement those savings in 2007 which have a longer lead time because of the need for consultation etc. These savings are included in Appendix D. The main revenue saving relates to a reduction in subsidy for school transport. Proposals are being developed that will also include service improvements such as introduction of CCTV on some routes and student bus travel vouchers. The other key savings relate to capitalisation of structural maintenance and the Adult Social Care Laundry Service. Income generation proposals are also included in the budget and are set out in Appendix D.
73. Even with these savings included in the projections there is a budget shortfall of £1.8m by 2009/10. This will need to be addressed following publication of the 2007 CSR.

Equal Opportunities Implications

Many aspects of the County Council's budget are directed towards the needs of disadvantaged people. Proposals will be subject to race equality impact assessments where necessary.

Background Papers

Revenue support grant settlement 2007/8.

Appendices

- A - Three year budget
- B - Settlement response
- C - Proposed Budget
- D - Growth and Savings
- E - Capital Programme

CT/CG/Cabinet Reports 2007/2006 Budget Monitoring 12.01.07

APPENDIX A

APPENDIX A

2007-08 - 2009-10 REVENUE BUDGET PROJECTIONS

| | BUDGET 2006-07 | BUDGET 2007-08 | Inflation 06-07 | FYE Growth & Savings | Growth 07-09 | Savings 07-09 | BUDGET 2008-09 | Inflation 07-10 | Growth 07-10 | Savings 07-10 | BUDGET 2009-10 |
|-------------------------------|-----------------|-----------------|-----------------|----------------------|--------------|---------------|-----------------|-----------------|--------------|---------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Children & Young People | 60,410 | 48,429 | 1,464 | -20 | 24 | -616 | 49,281 | 1,532 | -10 | -470 | 50,333 |
| Adult Social Care | 97,114 | 100,803 | 2,810 | 110 | 5,768 | -1,701 | 107,790 | 3,040 | 3,148 | -837 | 113,141 |
| Highways & Transport | 31,064 | 28,391 | 810 | 5 | 350 | -1,691 | 27,865 | 830 | 350 | -1,146 | 27,899 |
| Waste Management | 19,783 | 21,631 | 569 | 0 | 2,755 | 0 | 24,955 | 655 | 3,765 | 0 | 29,375 |
| Passenger Transport | 0 | 16,272 | 436 | -150 | 0 | 346 | 16,904 | 466 | 0 | -996 | 16,374 |
| Community Services | 18,975 | 20,163 | 671 | 12 | 94 | -413 | 20,527 | 681 | 39 | -450 | 20,797 |
| Chief Executives | 12,340 | 12,602 | 402 | 0 | 70 | -170 | 12,904 | 423 | 30 | -160 | 13,197 |
| Resources | -17,019 | 18,287 | 605 | 0 | 234 | -307 | 18,819 | 632 | 119 | -259 | 19,311 |
| | 256,705 | 266,578 | 7,767 | -43 | 9,295 | -4,552 | 279,045 | 8,259 | 7,441 | -4,318 | 290,427 |
| Corp.Change Management | 949 | 1,281 | 38 | 0 | 0 | 0 | 1,319 | 39 | 30 | 0 | 1,358 |
| MTCS unallocated | | 0 | 0 | 0 | 1,000 | | 1,000 | 30 | 1,500 | | 2,530 |
| DSG (Central Dept recharges) | -1,525 | -1,580 | -40 | | | | -1,620 | -40 | | | -1,660 |
| Corporate efficiency savings | | 0 | 0 | | | -1,443 | -1,443 | -40 | | -2,092 | -3,575 |
| | 256,129 | 266,279 | 7,765 | -43 | 10,295 | -5,995 | 278,301 | 8,248 | 8,941 | -6,410 | 289,080 |
| Central Items: | | | | | | | | | | | |
| Bank & other interest | -4,700 | -6,000 | | | | | -5,250 | | | | -5,250 |
| Financing of capital | 27,500 | 28,750 | | | | | 29,400 | | | | 30,300 |
| Financial Arrangements | 0 | 450 | | | | -41 | 420 | | | -33 | 400 |
| Flood Defence levies | 252 | 280 | | | | | 300 | | | | 320 |
| Pensions | 1,850 | 1,900 | | | | | 1,900 | | | | 1,900 |
| Total Spending | 281,031 | 291,659 | | | | -6,036 | 305,071 | | | -6,443 | 316,750 |
| Budget Requirement | 281,031 | 291,659 | | | | | 305,071 | | | | 316,750 |
| Funding | | | | | | | | | | | |
| Formula Grant | -79,245 | -79,877 | | | | | -82,180 | | | | -83,000 |
| Collection Fund surplus (net) | -738 | -600 | | | | | -600 | | | | -600 |
| Council Tax | -201,048 | -211,182 | | | | | -221,060 | | | | -231,390 |
| | -281,031 | -291,659 | | | | | -303,840 | | | | -314,990 |
| VARIANCE | 0 | 0 | | | | | 1,231 | | | | 1,760 |

APPENDIX B

Rt Hon Phil Woolas MP
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21 December 2006
PS/SETTLEMENT/SS/08DEC06
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Mr Roberts
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Dear Mr Woolas

This letter represents the response by Leicestershire County Council to the 2007/08 Provisional Local Government Finance Settlement Consultation.

Leicestershire County Council's Overall Position

Leicestershire County Council (the County Council) will receive a cash increase in grant in 2007/08 of just 0.8% (£0.6m) for 2007/08. This is the lowest increase of any upper tier/unitary authority. It works out at roughly 15p per person after allowing for population growth. To put this in perspective the County Council will be required to meet over £5m of additional costs arising directly from central government e.g. waste, supported borrowing and national fees for foster carers.

Efficiency savings of £13m have been delivered over the last three years and a further £13m are planned over the next three years. However these efficiencies will not be sufficient to meet the gap between the increase in unavoidable costs we face and the increase in grant.

Adjustments to the Capital Financing RNF

In theory the County Council should receive the floor increase of 2.7%. However the County Council has been particularly disadvantaged by the way in which adjustments have been made to the 2006/07 base to compensate for the transfer of supported capital expenditure to capital grant in 2007/08.

Continued....

Page 2

The negative adjustment that the County Council has suffered is proportionately far greater than typical amounts for other authorities. The adjustments have been based on the SCE(R) figures for 2005/06. The County Council had a particularly large SCE(R) figure for 2005/06 due to additional funding for the replacement of 'Intergrid' schools. This means that the figure is unrepresentative of a typical year.

Many other authorities' adjustments have been calculated on the basis of removing significant items of capital expenditure relating to specific programmes. However this is not the case with the County Council's figure relating to the Intergrid schools replacement. It is clearly the case that this amount should be excluded in calculating the adjustment and I urge you very strongly to correct this in the final settlement figures. This error is the reason why the County Council's grant increase of 0.8% is so much lower than all other County Councils, and also much lower than the floor grant increase.

It was apparent from your statement when introducing the Settlement that you would only make changes in exceptional circumstances. In the view of the County Council this clearly meets the criteria and a change should be made to our 2007/8 grant. If this is not done it will be a major injustice, particularly if the artificially depressed grant for 2007/8 was then used as a basis for calculating subsequent years' grant. This should be avoided at all costs.

Overall Grant Distribution System

The County Council made a number of points last year about the four block model that was implemented in the face of overwhelming opposition from local government. Having seen the revised system in operation for a year the concerns we raised still stand. In particular:

- the dependency on Ministerial judgement
- the excessive use of resource equalisation to transfer resources from lower to higher spending authorities
- the introduction of a Dedicated Schools grant reducing local autonomy
- the manipulation of the relative resource amounts to transfer grant between different classes of authority and
- the failure to create a separate Waste Management block.

I trust that you will take these into account when the formula is received for 2008/9. However the anomaly of the County Council's capital adjustment needs to be addressed in the 2007/8 settlement.

Yours sincerely

Brian Roberts
Director of Resources
Leicestershire County Council

APPENDIX C

PROPOSED REVENUE BUDGET 2007-08

| | Base including inflation £000 | Growth £000 | Savings £000 | Total Budget £000 |
|--|--|------------------------|-------------------------|----------------------------------|
| Spending | | | | |
| Services: | | | | |
| Schools * | 0 | | | 0 |
| Children & Young People | 48,361 | 870 | -802 | 48,429 |
| Adult Social Care | 100,123 | 2,232 | -1,552 | 100,803 |
| Highways & Transport | 27,831 | 1,150 | -590 | 28,391 |
| Waste Management | 20,553 | 3,030 | -1,952 | 21,631 |
| Passenger Transport | 17,316 | 0 | -1,044 | 16,272 |
| Community Services | 19,839 | 738 | -414 | 20,163 |
| Chief Executives | 12,307 | 455 | -160 | 12,602 |
| Resources | 18,190 | 365 | -268 | 18,287 |
| Corporate | 1,281 | | | 1,281 |
| Dedicated Schools Grant (Central Dept recharges) | -1,580 | | | -1,580 |
| Total Services | 264,221 | 8,840 | -6,782 | 266,279 |
| Central Items: | | | | |
| Bank & Other Interest | | | | -6,000 |
| Financing of Capital | | | | 28,750 |
| Financial Arrangements | | | | 450 |
| Flood Defence Levies (provisional) | | | | 280 |
| Pension Costs | | | | 1,900 |
| Total Central Items | | | | 25,380 |
| Budget Requirement | | | | 291,659 |
| Funding | | | | |
| Formula Grant | | | | -79,877 |
| Collection Fund surplus (net) (provisional) | | | | -600 |
| Precept (provisional) | | | | -211,182 |
| Total Funding | | | | -291,659 |
| Council Tax | | | | |
| Council Tax Base (provisional) | | | | 217,710 |
| County Council's Council Tax Element for a Band D Property | | | | £970.02 |
| Increase on 2006-07 (£930.47) | | | | 4.25% |

* Schools - Delegated and Schools Block budgets funded by Dedicated Schools Grant (£313m, less £1.58m to fund Central Department recharges)

GROWTH**APPENDIX D**

| | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 |
|---|-----------------|-----------------|-----------------|
| <u>CHILDREN & YOUNG PEOPLE</u> | | | |
| Service Improvements | | | |
| School Place Planning | 100 | 100 | 100 |
| Education psychologist training | 24 | 39 | 39 |
| Health & Safety corporate review | 30 | 30 | 30 |
| Artsmark | 35 | 25 | 15 |
| Safeguarding / Admissions | 140 | 140 | 140 |
| School Improvement Partners | 26 | 45 | 45 |
| Demand & cost increases | | | |
| Children's Foster Care - demand | 50 | 50 | 50 |
| Children's Foster Care - cost | 80 | 80 | 80 |
| National Fee for Foster Carers | 385 | 385 | 385 |
| Total | 870 | 894 | 884 |
| <u>ADULT SOCIAL CARE</u> | | | |
| Service Improvements | | | |
| Learning Disabilities: | | | |
| Respite care home - Melton | 80 | 320 | 320 |
| Supported Living - Melton | 85 | 370 | 370 |
| Day Care - NW Leics / Coalville | 160 | 265 | 265 |
| Modernisation of Day Services | 175 | 320 | 320 |
| Demand & cost increases | | | |
| Demand | | | |
| Independent Home Care | 65 | 330 | 790 |
| Residential / Nursing Placements | -110 | -20 | 170 |
| Aids and Adaptations | 86 | 136 | 186 |
| Services for People with Brain Injuries | 90 | 240 | 390 |
| Community Equipment | 80 | 160 | 240 |
| Direct Payments | 300 | 1,000 | 1,800 |
| Cost: | | | |
| Residential / Nursing Placements | 0 | 492 | 984 |
| High cost Residential Learning Disabilities (incl Supported Living) | 750 | 1,680 | 2,460 |
| Energy costs | 136 | 136 | 136 |
| Reduced Income | | | |
| Preserved Rights Grant - Transfer into Formula Grant | | 2,200 | 2,200 |
| Supporting People funding shortfall | 100 | 136 | 282 |
| Non funding of inflation on specific grants | 235 | 235 | 235 |
| Total | 2,232 | 8,000 | 11,148 |
| <u>HIGHWAYS & TRANSPORT</u> | | | |
| Demand & cost increases | | | |
| Impact of fuel prices on energy and other budgets | 200 | 200 | 200 |
| Excess inflation on Highways Maintenance | 450 | 800 | 1,150 |
| Other growth | | | |
| New Health & Safety Issues - Traffic Management Act | 250 | 250 | 250 |
| PFI feasibility for Street Lighting | 50 | 50 | 50 |
| Reinstatement of saving on Environmental Maintenance | 200 | 200 | 200 |
| Total | 1,150 | 1,500 | 1,850 |

GROWTH

| | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 |
|---|-----------------|-----------------|-----------------|
| WASTE MANAGEMENT | | | |
| Service Improvements | | | |
| Waste Strategy Implementation | 1,250 | 3,000 | 5,750 |
| Demand & cost increases | | | |
| Landfill Tax | 574 | 1,149 | 1,724 |
| Recycling Credits | 434 | 614 | 804 |
| Disposal /haulage contracts | 292 | 542 | 792 |
| Reduced income | | | |
| Commercial bin / trade waste | 102 | 102 | 102 |
| Waste Performance & Efficiency Grant | 378 | 378 | 378 |
| Total | 3,030 | 5,785 | 9,550 |
| COMMUNITY SERVICES | | | |
| Service Improvements | | | |
| Vehicle replacement | 24 | 24 | 24 |
| Oadby Library revenue consequences of capital | 0 | 59 | 78 |
| Bosworth Battlefield accreditation as a museum | 40 | 40 | 40 |
| Replace Library Telephone Systems (4 main libraries) | 9 | 4 | 4 |
| Demand & cost increases | | | |
| Developer contributions co-ordinator - pump prime (corporate role) | 45 | 0 | 0 |
| Minerals & Local Plan public enquiry | 140 | 50 | 0 |
| Final phase of Job Evaluation implementation | 120 | 185 | 185 |
| Phasing of Snibston Business Rates increase | 20 | 60 | 60 |
| Energy costs - gas | 80 | 80 | 80 |
| Melton Registrars (rent) | 15 | 15 | 15 |
| Bosworth Battlefield facilities - rent increase | 15 | 15 | 15 |
| Coroner's staffing costs | 20 | 40 | 60 |
| Leasing of ICT equipment | 40 | 40 | 40 |
| Reduced income | | | |
| Library income - reduced demand for paid for services | 170 | 220 | 270 |
| Total | 738 | 832 | 871 |
| CHIEF EXECUTIVE | | | |
| Service Improvements | | | |
| Community Engagement | 115 | 185 | 215 |
| Demand & cost increases | | | |
| White Paper, Member Support Services and Members Allowances | 340 | 340 | 340 |
| Total | 455 | 525 | 555 |
| RESOURCES | | | |
| Demand & cost increases | | | |
| Investment required in ICT function | 175 | 175 | 175 |
| Revenue consequences of Corporate ICT capital programme | 0 | 234 | 353 |
| County Hall energy costs | 190 | 190 | 190 |
| Total | 365 | 599 | 718 |
| General - provision for future MTCS & Service Improvements | | 1,000 | 2,500 |
| TOTAL | 8,840 | 19,135 | 28,076 |

SAVINGS

| | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 |
|---|-----------------|-----------------|-----------------|
| <u>CHILDREN & YOUNG PEOPLE</u> | | | |
| Efficiency Savings | | | |
| Staff turnover savings | -95 | -95 | -95 |
| Running expenses (non allocation of inflation) | -41 | -41 | -41 |
| Admin & Committees/Health & Safety | -28 | -28 | -28 |
| LEA Contingency | -75 | -75 | -75 |
| Student Finance | -29 | -29 | -29 |
| New integrated passenger transport unit | -34 | -41 | -41 |
| Other efficiency savings | -171 | -643 | -1,113 |
| Service Reductions | | | |
| Adult & community learning | -100 | -100 | -100 |
| Family centres | -100 | -145 | -145 |
| Outdoor/residential education - cessation (maintaining £40k subsidy of Aberglaslyn Hall) | 0 | -92 | -92 |
| Other service reductions | -22 | -22 | -22 |
| Sports grants | -55 | -55 | -55 |
| Increased Income | | | |
| SEN & home to school transport * | 0 | -200 | -600 |
| Increases in charges (1% above inflation) | -52 | -52 | -52 |
| | -802 | -1,618 | -2,488 |
| <u>ADULT SOCIAL CARE</u> | | | |
| Efficiency Savings | | | |
| Improved procurement of home care | -402 | -402 | -402 |
| Adults Home / Day Care - High Cost Learning Disabilities | -225 | -225 | -225 |
| Adults Home / Day Care - Lead Commissioning | 0 | -200 | -300 |
| Electronic home care monitoring | -75 | -150 | -150 |
| Electronic Social Care Records implementation costs | -75 | 0 | 0 |
| New integrated passenger transport unit | -113 | -137 | -137 |
| Reduce spot purchasing of assessment beds | -70 | -70 | -70 |
| Support Services rationalisation | -93 | -93 | -93 |
| Reduction in IT support costs | -90 | -93 | -93 |
| Reduction in operational support services costs | -53 | -53 | -53 |
| Commissioning of independent sector day care | -25 | -75 | -75 |
| Modernisation of Mental Health services | -30 | -55 | -55 |
| Review of Community meals service | 0 | -100 | -100 |
| Effective and efficient commissioning of Mental health services | 0 | -50 | -50 |
| Review of Older persons day and residential care | 0 | -400 | -400 |
| Residential Care for older people: | | | |
| Convert 2 in-house EPHs to extra care schemes | 0 | -650 | -650 |
| Other efficiency savings | -11 | -20 | -717 |
| Service Reductions | | | |
| Laundry Service | -100 | -200 | -200 |
| Limit maximum funding for adaptations | -50 | -50 | -50 |
| Increased Income | | | |
| Home Care charges | -100 | -150 | -150 |
| Community Meals charges | -40 | -80 | -120 |
| | -1,552 | -3,253 | -4,090 |

* Children & Young People policy decision - budgets are part of Passenger Transport Unit

| | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 |
|--|-----------------|-----------------|-----------------|
| <u>HIGHWAYS & TRANSPORT</u> | | | |
| Efficiency Savings | | | |
| Implementation of Highways Review | -590 | -1,616 | -2,162 |
| Service Reductions | | | |
| Structural Maintenance: | | | |
| Capitalise carriageway & footway resurfacing | 0 | -450 | -900 |
| Capitalise bridge inspections | | | |
| Reduce reactive maintenance (kerbs, footway repairs, drain covers etc) | 0 | -100 | -200 |
| Safety Maintenance - non-essential signs | 0 | -50 | -50 |
| Other Savings | | | |
| Reduced pension costs | 0 | -15 | -15 |
| Increased Income | | | |
| Expand current charging and new opportunities | 0 | -50 | -100 |
| | -590 | -2,281 | -3,427 |
| <u>WASTE MANAGEMENT</u> | | | |
| Efficiency Savings | | | |
| Innovative waste site management contract | -1,190 | -1,190 | -1,190 |
| Other savings | | | |
| Reduced tonnage | -762 | -762 | -762 |
| | -1,952 | -1,952 | -1,952 |
| <u>PASSENGER TRANSPORT UNIT *</u> | | | |
| Efficiency Savings | | | |
| New integrated passenger transport unit | -588 | -711 | -711 |
| Demand & cost decreases | | | |
| Change in School Days (net) | -331 | 463 | -133 |
| Other Savings | | | |
| Ivanhoe Line contract (Leicester to Loughborough) | -125 | -250 | -250 |
| | -1,044 | -498 | -1,094 |
| <u>COMMUNITY SERVICES</u> | | | |
| Efficiency Savings | | | |
| Library Services Restructure | -57 | -113 | -113 |
| Scientific Services - Joint Workings with Staffordshire | -21 | -42 | -42 |
| Admin Review (staffing) | -19 | -19 | -19 |
| More Efficient use of Delivery Service (reduction 1xdriver and 1xvan) | 0 | -19 | -19 |
| Environment & Heritage Services (staffing) | 0 | -27 | -27 |
| Non allocation of Operational Budget Inflation | -6 | -33 | -33 |
| Other efficiency savings | -54 | -87 | -237 |
| Service Reductions | | | |
| Rationalise land holdings managed by Country Parks | -45 | -85 | -130 |
| Library Services for Education | | -100 | -150 |
| Trading Standards: | | | |
| Business Inspections | -25 | -65 | -65 |
| Overloaded vehicle checks | -15 | -15 | -15 |
| Advice to scammed consumers | 0 | -30 | -30 |
| Library Service: | | | |
| Library Development team - reduction | 0 | 0 | -125 |
| Bibliographical Services | 0 | 0 | -80 |
| Commercial & Support Services - reduction | -90 | -90 | -90 |
| Regeneration & Environmental Action | -30 | -30 | -30 |
| Other savings | | | |
| Reduced pension costs | -22 | -22 | -22 |
| Increased Income | | | |
| Charge for Link service (delivery to private homes and day centres) | -10 | -10 | -10 |
| Registration charges | -20 | -40 | -40 |
| | -414 | -827 | -1,277 |

*See Children & Young People-saving on SEN & home to school transport affect Passenger Transport budgets

| | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 |
|--|-----------------|-----------------|-----------------|
| CHIEF EXECUTIVE | | | |
| Efficiency Savings | | | |
| Legal Services - additional income from capital programme etc | -50 | -50 | -50 |
| Other Efficiency Savings | -72 | -172 | -272 |
| Service Reductions | | | |
| Youth Crime Prevention Grant support to the Youth Work Service | -27 | -27 | -27 |
| Other Service Reductions | -11 | -81 | -141 |
| | -160 | -330 | -490 |
| RESOURCES | | | |
| Efficiency Savings | | | |
| Financial Services - various | -39 | -41 | -41 |
| Financial Services - staffing | 0 | -40 | -40 |
| Introduction of p-cards | 0 | -20 | -20 |
| Savings on LCC lease car administration | -10 | -31 | -60 |
| ICT - Training | -20 | -20 | -20 |
| ICT - Oracle Site Licence | -60 | -105 | -105 |
| ICT - various | -55 | -82 | -82 |
| Property - various | -64 | -94 | -94 |
| Buildings Maintenance | 0 | -27 | -27 |
| General administration costs | 0 | -30 | -30 |
| Other Departmental efficiency savings | 0 | -10 | -140 |
| Service Reductions | | | |
| General maintenance of buildings - Central Maintenance Fund | -20 | -75 | -175 |
| | -268 | -575 | -834 |
| CENTRAL ITEMS | | | |
| Efficiency Savings | | | |
| Savings on ESPO lease car administration | -43 | -84 | -117 |
| | -43 | -84 | -117 |
| Corporate Efficiency Savings | | | |
| Furniture: contract with prime supplier for all future purchases using existing framework contracts or a new arrangement | 0 | -46 | -46 |
| Computer Hardware and Peripherals - PC Procurement | 0 | -150 | -150 |
| Telecommunications | 0 | -68 | -75 |
| External Printing | 0 | -100 | -150 |
| Internet Subscriptions | 0 | -20 | -20 |
| Other Corporate Savings to be identified | 0 | -1,059 | -3,094 |
| | 0 | -1,443 | -3,535 |
| TOTAL | -6,825 | -12,861 | -19,304 |

APPENDIX E

CYPS COMMITMENTS (ARISING FROM 2006/07 AND EARLIER YEARS)

| GROSS COST OF PROJECT £000 | SCHEME DETAILS | | | | TOTAL |
|----------------------------|--|---------|---------|---------|--------|
| | 2007/08 | 2008/09 | 2009/10 | 2009/10 | |
| | £000 | £000 | £000 | £000 | £000 |
| | | | | | |
| | <u>2006/07 & Earlier Year Programmed Starts</u> | | | | |
| 1407 | Nurseries Programme - Cobden Children's Centre | 196 | | | 196 |
| 570 | New Opportunities Funding - Redmile Sports Hall | | 570 | | 570 |
| 13394 | Oadby Gartree - Integrid Replacement | 4,744 | | | 4,744 |
| 11003 | Shepshed High - Integrid Replacement | 2,974 | | | 2,974 |
| 1750 | Enderby Brockington - Integrid (Contribution) | 1,050 | | | 1,050 |
| 9993 | Coalville Area Special School | 3,500 | 6,193 | | 9,693 |
| 480 | Hinckley Dorothy Goodman (Age 14-19) Mobile Accommodation | 150 | | | 150 |
| | | 35 | | | 35 |
| 3748 | General Sure Start - Children's Centres | 2,000 | 1,693 | | 3,693 |
| 4855 | General Sure Start - Extended Schools | 3,000 | 1,855 | | 4,855 |
| 719 | Schools Access Initiative | 343 | | | 343 |
| 282 | Youth Opportunity Capital | 113 | | | 113 |
| 200 | Feasibilities, Forward Design and Supervision | 50 | | | 50 |
| | | 18,155 | 10,311 | 0 | 28,466 |

APPENDIX E

CYPS 2007/08 - 2009/10 CAPITAL PROGRAMME

| GROSS COST OF PROJECT £000 | SCHEME DETAILS | | | | TOTAL |
|----------------------------|---|---------------|---------------|---------------|---------------|
| | 2007/08 | 2008/09 | 2009/10 | 2009/10 | |
| | £000 | £000 | £000 | £000 | £000 |
| b/f | 18,155 | 10,311 | 0 | 0 | 28,466 |
| | 2007/08 NEW STARTS | | | | |
| (Note 1 & 2) | Reorganisation of Secondary Education - Melton | | | | |
| | Mobile Replacement Programme | 100 | 4,700 | 12,900 | 17,700 |
| | Energy & Water Efficiency Programme | 2,930 | | | 2,930 |
| | School Kitchen Improvement Programme | 200 | 300 | | 500 |
| | Modernisation Funding | 100 | 150 | | 250 |
| | Schools Access Initiative | 250 | | | 250 |
| | Minor Works | 1,000 | | | 1,000 |
| | Children's Homes & Family Centres - Minor Works | 1,165 | 35 | | 1,200 |
| | Youth Services (Improvements to Premises) | 25 | | | 25 |
| | Youth Opportunity Capital | 100 | | | 100 |
| | Construction, Design & Maintenance / Clerk of Works | 282 | | | 282 |
| | Health & Safety (Employers Responsibility) | 150 | | | 150 |
| | Feasibilities, Forward Design and Supervision | 25 | | | 25 |
| | | 200 | | | 200 |
| | Schools Devolved Formula Capital | 24,682 | 15,496 | 12,900 | 53,078 |
| | | 11,884 | | | 11,884 |
| | Total | 36,566 | 15,496 | 12,900 | 64,962 |

Note 1: Funding package from DfES and Learning & Skills Council (LSC) should be confirmed in the spring at the same time the reorganisation plans are finalised. The funding shown above excludes potential additional funding from the LSC.

Note 2: £5.9m Specific Gov't Grant towards reorganisation of secondary education in Bottesford not shown in above.

CYPS 2007/08 - 2009/10 CAPITAL PROGRAMME

| GROSS COST OF PROJECT £000 | SCHEME DETAILS | | | | TOTAL |
|----------------------------|---|---------|---------|---------------|---------------|
| | 2007/08 | 2008/09 | 2009/10 | 2009/10 | |
| | £000 | £000 | £000 | £000 | £000 |
| | | | | 15,295 | 15,295 |
| | 2009/10 PROVISIONAL PROGRAMME | | | | |
| | Commitments from Earlier Years | | | | |
| | Major Schemes / Mobile Replacement Programme | | | | |
| | Minor Works | | | | |
| | Children's Homes & Family Centres - Minor Works | | | | |
| | Schools Access Initiative | | | | |
| | Modernisation Funding | | | | |
| | Construction, Design & Maintenance / Clerk of Works | | | | |
| | Health & Safety (Employers Responsibility) | | | | |
| | Feasibilities, Forward Design and Supervision | | | | |
| | | | | 4,940 | 4,940 |
| | | | | 1,165 | 1,165 |
| | | | | 15 | 15 |
| | | | | 1,218 | 1,218 |
| | | | | 2,000 | 2,000 |
| | | | | 150 | 150 |
| | | | | 25 | 25 |
| | | | | 200 | 200 |
| | | | | 25,008 | 25,008 |
| | | | | 11,884 | 11,884 |
| | | | | 36,892 | 36,892 |
| | Schools Devolved Formula Capital | | | | |
| | Total | | | | |

Major External Resources not included in above:

Developer Contributions: Market Harborough Farndon Fields - c.£2m

Developer Contributions: Kibworth - c.£2.5m

C'Gov't Grant - Primary School Capital - up to £5m potentially available

HIGHWAYS, TRANSPORTATION & WASTE MANAGEMENT 2007/08 - 2009/10 CAPITAL PROGRAMME

TRANSPORT

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | 2007/08 | | | 2008/09 | | | 2009/10 | | | TOTAL | | |
|---------------------------|---|---------------|--|--|--------------|--|--|--------------|--|--|-------|---------------|--|
| | | £000 | | | £000 | | | £000 | | | £000 | | |
| 1,500 | <p>Commitments from earlier years</p> <p>Civil Parking Enforcement</p> <p>2007/08 NEW STARTS</p> <p>LTP</p> <ul style="list-style-type: none"> - Integrated Transport Block - Maintenance - De-trunking | 250 | | | | | | | | | | 250 | |
| 400 | <p>Street Lighting - Column Replacement</p> <p>Loughborough Integrated Transport Scheme</p> <p>Park & Ride - Leicester</p> <p>Sources of funding:</p> <ul style="list-style-type: none"> - LCC (£0.225m) - Leicester City Council (£0.225m) | 720 | | | 130 | | | | | | | 720 | |
| | <p>Developer Funded Scheme</p> <p>South Wigston Developer Scheme</p> <p>Junction 21</p> | 100 | | | 1,760 | | | 1,660 | | | | 100 | |
| | | 150 | | | | | | | | | | 3,570 | |
| | Total | 16,178 | | | 1,890 | | | 1,660 | | | | 19,728 | |

HIGHWAYS, TRANSPORTATION & WASTE MANAGEMENT 2007/08 - 2009/10 CAPITAL PROGRAMME
TRANSPORT

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | 2009/10 TOTAL |
|---------------------------|---|---------------|---------------|---------------|---------------|
| | 2007/08 | 2008/09 | 2009/10 | TOTAL | |
| | £000 | £000 | £000 | £000 | £000 |
| | | 1,890 | 1,660 | 3,550 | |
| | Commitments from earlier years | | | | |
| | <u>2008/09 NEW STARTS</u> | | | | |
| | LTP | | | | |
| | - Integrated Transport Block | 5,709 | | 5,709 | |
| | - Maintenance | 7,630 | | 7,630 | |
| | Street Lighting - Column Replacement | 400 | | 400 | |
| | Total | 15,629 | 1,660 | 17,289 | |
| | | | 1,660 | 1,660 | |
| | Commitments from earlier years | | | | |
| | <u>2009/10 NEW STARTS</u> | | | | |
| | LTP | | | | |
| | - Integrated Transport Block | | 6,120 | 6,120 | |
| | - Maintenance | | 9,160 | 9,160 | |
| | Street Lighting - Column Replacement | | 400 | 400 | |
| | Forward Design - Major Transport Scheme | | 300 | 300 | |
| | Total | | 17,640 | 17,640 | |

NB: Earl Shilton Bypass is yet to be approved hence has not been included in above figures

HIGHWAYS, TRANSPORTATION & WASTE MANAGEMENT 2007/08 - 2009/10 CAPITAL PROGRAMME

WASTE MANAGEMENT

| GROSS COST OF PROJECT £000 | SCHEME DETAILS | 2007/08 | 2008/09 | 2009/10 | TOTAL |
|-------------------------------------|--|------------|--------------|------------|--------------|
| | | £000 | £000 | £000 | £000 |
| | Commitments from Earlier Years | | | | |
| 1,250 | Sibley Household Waste and Recycling Site | 100 | 1,050 | | 1,150 |
| | 2007/08 New Starts | | | | |
| 1,215 | Lount Site | 100 | 700 | 400 | 1,200 |
| | General Site Improvements | 200 | | | 200 |
| | Total | 400 | 1,750 | 400 | 2,550 |
| | Commitments from earlier years | | 1,750 | | 1,750 |
| | 2008/09 New Starts | | | | |
| | General Household Waste Recycling Improvements | | 150 | | 150 |
| | Total | | 1,900 | | 150 |
| | Commitments from earlier years | | | 400 | 400 |
| | 2009/10 New Starts | | | | |
| | Land Purchase - new and extended sites | | | 300 | 300 |
| | Gen Household Waste Recycling Improvements | | | 100 | 100 |
| | Total | | | 800 | 800 |

COMMUNITY SERVICES 2007/08-2009/10 CAPITAL PROGRAMME

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | TOTAL | |
|---------------------------|---|--------------|--------------|----------|--------------|--------------|
| | 2007/08 | 2008/09 | 2009/10 | 2007/08 | 2008/09 | 2009/10 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| | Commitments from Earlier Years | | | | | |
| 1,460 | Oadby Library | 50 | | | | 1,350 |
| 743 | Mountsorrel Library: | 425 | 1,300 | | | 425 |
| | Sources of funding: | | | | | |
| | - LCC (£0.045m) | | | | | |
| | - LSEP (£0.150m) | | | | | |
| | - Mountsorrel Parish Council (£0.100m) | | | | | |
| | - Chamwood Borough Council (£0.075m) | | | | | |
| | - Earmarked Capital Receipt (£0.28m) | | | | | |
| 473 | Braunstone Welcombe Avenue Library | 473 | | | | 473 |
| 1,276 | Bosworth Battlefield Visitor Centre (Including Accreditation) | 203 | 178 | | | 381 |
| | 2007/08 NEW STARTS | | | | | |
| | Libraries | | | | | |
| 113 | Major Refurbishments - Ashby de la Zouch | 113 | | | | 113 |
| 50 | Replacement of Telephone Systems | 50 | | | | 50 |
| | Environment & Heritage | | | | | |
| | Country Parks Access/Rights of Way (Contribution) | 55 | | | | 110 |
| | Market Towns (Contribution) / Public Realm | 125 | | | | 125 |
| | Land Reclamation (Contribution) | 30 | | | | 30 |
| | Environmental Strategy Implementation Programme | 15 | | | | 15 |
| | Ashby Canal - Snaresone to Measham (Gross Cost £13.1m) | 50 | | | | 50 |
| | National Forest Youth Hostel (Contribution) | 60 | | | | 60 |
| 408 | Measham Station (Contribution) | 26 | | | | 26 |
| | Other | | | | | |
| | Advanced Design | 7 | | | | 7 |
| | Total | 1,682 | 1,533 | 0 | 1,682 | 3,215 |

COMMUNITY SERVICES 2007/08-2009/10 CAPITAL PROGRAMME

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | TOTAL |
|---------------------------|--|--------------|-----------|---------|--------------|
| | 2007/08 | 2008/09 | 2009/10 | 2007/08 | |
| | £000 | £000 | £000 | £000 | |
| | | 1,533 | 0 | 1,533 | |
| | Commitments from Earlier Years | | | | |
| | 2008/09 NEW STARTS | | | | |
| | Libraries | | | | |
| 762 | Replacement of LFE Library (2006/07 Slippage) | 762 | | | 762 |
| 140 | Major Refurbishments - Rothley Crossroads Relocation | 140 | | | 140 |
| | Environment & Heritage | | | | |
| | Market Towns (Contribution) / Public Realm | 120 | | | 120 |
| | Land Reclamation (Contribution) | 30 | | | 30 |
| | Environmental Strategy Implementation Programme | 15 | | | 15 |
| | Watermead Visitor Centre (Contribution) | 150 | | | 150 |
| | Other Services | | | | |
| | Fire Risk Assessment | 40 | | | 40 |
| | Sribston Colliery Building (Contribution) | 10 | | 90 | 100 |
| | Total | 2,800 | 90 | | 2,890 |

COMMUNITY SERVICES 2007/08-2009/10 CAPITAL PROGRAMME

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 | TOTAL £000 |
|------------------------------------|---|--|--|--|-----------------|-----------------|-----------------|---------------|
| | | | | | | | | |
| | Commitments from Earlier Years | | | | | | 90 | 90 |
| | 2009/10 NEW STARTS | | | | | | | |
| | Libraries | | | | | | | |
| | Major Refurbishment | | | | | | 170 | 170 |
| | East Goscote Library - Mobile Replacement | | | | | | 50 | 50 |
| | Environment & Heritage | | | | | | | |
| | Market Towns (Contribution) / Public Realm | | | | | | 130 | 130 |
| | Land Reclamation (Contribution) | | | | | | 30 | 30 |
| | 1,100 Melton Carnegie Museum Development (Contribution) | | | | | | 100 | 100 |
| | Other | | | | | | | |
| | Advanced Design | | | | | | 20 | 20 |
| | Total | | | | | | 590 | 590 |

RESOURCES 2007/08 - 2009/10 CAPITAL PROGRAMME

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | TOTAL | | |
|---------------------------|---|---------|---------|---------|---------|---------|--|
| | 2007/08 | 2008/09 | 2009/10 | 2007/08 | 2008/09 | 2009/10 | |
| £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| | Commitments from earlier years | | | | | | |
| 1200 | County Hall | | | | | | |
| | Replacement Sports Facilities | 300 | 400 | | | 700 | |
| | | 300 | 400 | | | 700 | |
| | 2007/08 NEW STARTS | | | | | | |
| | ICT Services | | | | | | |
| | Rationalisation & Consolidation | 25 | | | | 25 | |
| | Virtualisation | 30 | | | | 30 | |
| | Storage | 80 | | | | 80 | |
| | Networks | 200 | | | | 200 | |
| | Disaster Recovery & Resilience | 650 | | | | 650 | |
| | General Infrastructure | 200 | | | | 200 | |
| | Corporate Microsoft Licence | 250 | | | | 250 | |
| | Telephony | 60 | | | | 60 | |
| | | 1,495 | | | | 1,495 | |
| | Corporate DDA - Physical Adaptation of Buildings | | | | | | |
| | | 100 | | | | 100 | |
| | Risk Management | | | | | | |
| | | 100 | | | | 100 | |
| | County Farms | | | | | | |
| 60 | Disposal Facilities General Improvements | 60 | | | | 60 | |
| 20 | Hill Farm, Mistorion - Phase 1 New Building | 20 | | | | 20 | |
| 25 | London Leys Farm, Sapcote - Milking Parlour Replacement | 25 | | | | 25 | |
| 20 | Usher Farm, Gilmorton - New Building | 20 | | | | 20 | |
| | | 2,120 | 400 | | | 2,520 | |

RESOURCES 2007/08 - 2009/10 CAPITAL PROGRAMME

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | TOTAL |
|---|----------------|--------------|---------|-------|--------------|
| | 2007/08 | 2008/09 | 2009/10 | TOTAL | |
| | £000 | £000 | £000 | £000 | |
| Commitments from earlier years | | 400 | | | 400 |
| 2008/09 NEW STARTS | | | | | |
| ICT Services | | | | | |
| Rationalisation & Consolidation | | 25 | | | 25 |
| Enterprise Applications (Oracle EBS) | | 200 | | | 200 |
| Virtualisation | | 100 | | | 100 |
| Storage | | 80 | | | 80 |
| Networks | | 200 | | | 200 |
| Disaster Recovery & Resilience | | 35 | | | 35 |
| General Infrastructure | | 65 | | | 65 |
| Telephony | | 25 | | | 25 |
| | | 730 | | | 730 |
| Corporate DDA - Physical Adaptation of Buildings | | 200 | | | 200 |
| Risk Management | | 100 | | | 100 |
| County Farms | | | | | |
| 60 Disposal Facilities General Improvements | | 60 | | | 60 |
| 20 Marriot Farm, Cotes De Val - New Building | | 20 | | | 20 |
| 25 Oback Farm, Mistoron - Milking Parlour Replacement | | 25 | | | 25 |
| 20 Villiers Farm, Hoby - New Building | | 20 | | | 20 |
| Total | | 1,555 | | | 1,555 |

RESOURCES 2007/08 - 2009/10 CAPITAL PROGRAMME

| GROSS COST OF SCHEME £000 | SCHEME DETAILS | | | | TOTAL |
|---|----------------|---------|------------|------------|------------|
| | 2007/08 | 2008/09 | 2009/10 | 2009/10 | |
| b/fwd | £000 | £000 | £000 | £000 | £000 |
| 2009/10 NEW STARTS | | | | | 0 |
| ICT Services | | | | | |
| Rationalisation & Consolidation | | | 25 | 25 | |
| Enterprise Applications (Oracle EBS) | | | 150 | 150 | |
| Virtualisation | | | 50 | 50 | |
| Storage | | | 80 | 80 | |
| Networks | | | 100 | 100 | |
| Telephony | | | 25 | 25 | |
| General Infrastructure | | | 70 | 70 | |
| Other Expenditure (Yet to be identified) | | | 110 | 110 | |
| | | | 610 | 610 | |
| Corporate DDA - Physical Adaptation of Buildings | | | | | |
| | | | 100 | 100 | |
| Risk Management | | | | | |
| | | | 100 | 100 | |
| County Farms | | | | | |
| Disposal Facilities General Improvements | | | 60 | 60 | |
| Misterton Fields Farm - New Building | | | 25 | 25 | |
| Dunton Lodge Farm, Dunton Bassett - New Building | | | 25 | 25 | |
| Fosse Farm, Folesworth - New Building | | | 15 | 15 | |
| Total | | | 935 | 935 | 935 |

OTHER CORPORATE 2007/08-2009/10 CAPITAL PROGRAMME

| GROSS COST OF PROJECT £000 | SCHEME DETAILS | | | | TOTAL £000 |
|---------------------------------------|-----------------|-----------------|-----------------|--|---------------|
| | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 | | |
| | | | | | |
| Commitments from earlier years | | | | | |
| Corporate Change Programme | 545 | 834 | 471 | | 1,850 |
| | 545 | 834 | 471 | | 1,850 |
| 2007/08 New Starts | | | | | |
| Disposal & Acquisition Costs | 330 | | | | 330 |
| Legal Costs | 108 | | | | 108 |
| Total | 983 | 834 | 471 | | 2,288 |

OTHER CORPORATE 2006/07-2008/09 CAPITAL PROGRAMME

| GROSS COST OF PROJECT £000 | SCHEME DETAILS | | | | TOTAL |
|---------------------------------------|----------------|--------------|---------|------------|--------------|
| | 2007/08 | 2008/09 | 2009/10 | 2009/10 | |
| | £000 | £000 | £000 | £000 | £000 |
| Commitments from earlier years | | 834 | | | 834 |
| <u>2008/09 New Starts</u> | | | | | |
| Disposal & Acquisition Costs | | 300 | | | 300 |
| Legal Costs | | 111 | | | 111 |
| Total | | 1,245 | | | 1,245 |
| Commitments from earlier years | | | | 471 | 471 |
| <u>2009/10 New Starts</u> | | | | | |
| Disposal & Acquisition Costs | | | | 300 | 300 |
| Legal Costs | | | | 114 | 114 |
| Total | | | | 885 | 885 |

FUTURE DEVELOPMENTS

These projects could feature in the capital programme if:

- Funding is available and feasibility work demonstrates the scheme achieves corporate priorities
- Represents value for money

| SCHEME DETAILS | | TOTAL |
|---|--|--------------|
| | | £000 |
| <i>Total Waste Management:</i> | | |
| Waste Management | | |
| Improve CA site - Kibworth | | 1,000 |
| Improve CA site - Melton | | 1,000 |
| | | 2,000 |
| <i>Total Adult Social Care:</i> | | |
| Adult Social Care | | |
| Day Service Facility in Melton | | 260 |
| Lutterworth Day Service | | 150 |
| Replacement of Charnwood OP Day Centre | | 500 |
| Ashcroft Mental Health Scheme [SCE(R) Resources] | | 1,037 |
| Extra Care Scheme | | |
| | | 1,947 |
| <i>Total Community Services:</i> | | |
| Community Services | | |
| Replacement of Lutterworth Library | | 235 |
| Melton Library | | 150 |
| Ashby Canal | | 100 |
| | | 485 |
| <i>Total Industrial Properties:</i> | | |
| Industrial Properties (Funded from IPTA Reserve) | | |
| Sparkenhoe Workshop, Hinckley | | 500 |
| Innovation Centre, Market Harborough | | 750 |
| Workspace, Wigston West Avenue | | 500 |
| | | 1,750 |
| Total Future Developments: | | 4,432 |

