

## Report of the Deputy Chief Executive

## Item 10(iii)

### Report to Executive Board

Date: 8<sup>th</sup> February 2017

Subject: Capital Programme Update 2017-2020

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In? Except 6.1 (a to b)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

### Summary of main issues

1. This report sets out the updated capital programme for 2017-2020 and includes an updated forecast of resources available over that period together with the current 2016/17 position. The Council continues to deliver significant capital investment across the city which will provide improved facilities and infrastructure and supports the Leeds economy, whilst ensuring the impact on debt costs within the revenue budget is managed.
2. In the period from 2017-2020, the council is seeking to deliver capital investment of £1,282.4m, of which £863.9m relates to the General Fund and £418.5m in the Housing Revenue Account (HRA). The Council will be committing £571.5m of its own funding over the four year period, including 2016/17 to deliver the Council's priorities and objectives. The council's borrowing includes £473.9m of capital expenditure that is funded by additional income, generates revenue savings or ensures that our assets are maintained to an acceptable standard. The remaining £97.6m supports the Best Council Plan objectives. The council is also reducing its borrowing by making debt repayments of £67.3m over the period.
3. Whilst the capital programme remains affordable in 2017-18, ongoing reviews will consider the continued affordability of debt costs in future years in the context of: planned expenditure and the Best Council Plan priorities; projections on interest rates; and the strength of the Council's balance sheet to fund capital spend. Scheme phasing will continue to be monitored to ensure that it is accurate and realistic.
4. There are a number of significant capital pressures and £136.5m is being injected as part of this programme, these are detailed in **Appendix A(iii)**. These pressures

have been contained within the existing funding envelope for 2017/18. There remains, however, a number of future pressures in 2017/18 and beyond that will be addressed as business cases for capital investment are developed throughout the coming year.

5. An update to the 2016/17 position shows projected spend of £401.7m. **Appendix A** outlines the objective analysis of this spend for the period 2016 to 2020, along with the capital resources required to finance this.
6. The HRA programme remains affordable over the next 3 years.
7. The Council has made a change to its' Minimum Revenue Provision (MRP) policy by calculating pre 2007/08 MRP on an annuity basis. The impact if this that an overprovision of £93.4m has been made in previous years, that would now be recognised over a 3 year period.

## **Recommendations**

8. Executive Board is asked to recommend to Council :
    - a) the capital programme for 2017- 2020 totalling £1,282.4m, including the revised projected position for 2016/17, as presented in **Appendix F**,
    - b) the revised MRP policy for 2017/18 as set out in **Appendix D**,
  9. Executive Board are asked to approve:
    - a) that the list of land and property sites shown in **Appendix B** will be disposed of to generate capital receipts for use in accordance with the MRP policy
    - b) the following injections into the capital programme :
      - £116.2m, of annual programmes as set out in Appendix A(iii) funded by £37.2m LCC borrowing, £8.5m HRA Borrowing, £64.5m of HRA specific resources and £6.0m of general fund specific resources ;
      - £20.3m, of pressures as set out in Appendix A(iii) funded by £14.3m of net borrowing and £6.0m of general fund specific resources
- The above decision to inject funding within this report of £136.5m will be implemented by the Chief Officer (Financial Services).
- c) the delegation of the future injections and authority to spend of the acquisition of strategic assets in support of the Council's financial strategy, to the Director of Development and the Chief Finance Officer in consultation with the relevant Executive Board member for Regeneration, Transport and Planning and group leaders of Executive Board.

## **1. Purpose of this report**

- 1.1. This report sets out the updated capital programme for 2017-2020 and includes details of forecast resources for that period. It also includes an update of the 2016/17 programme.
- 1.2. In accordance with the Council's Budget and Policy Framework, decisions as to the Council's capital programme are reserved to Council. In addition, statutory guidance requires that policies on Minimum Revenue Provision (see 3.5) are approved by Council. As such, the recommendations at 6.1 (a-b) are not subject to call in.

## **2. Background information**

- 2.1. In preparing the capital programme update, ongoing reviews of the phasing of expenditure on existing capital schemes has been undertaken together with an up to date projection of capital resources. Where appropriate, scheme estimates have been revised.
- 2.2. This update of the capital programme has been prepared in the context of the overall resources available to the Council. The Government's spending review combined with the Autumn Statement and the provisional local government settlement in December set out the revenue funding local authorities can expect over the coming years and this capital programme is therefore constrained by these funding reductions and in line with the Medium Term Financial Strategy.
- 2.3. The capital programme outlined at **Appendix A**, is split between General Fund and HRA with **Appendix A(i), A(ii) and A(iii)** providing the details across the annual and major programmes and injections since the quarter 2 report. Appendix F provides a full list of schemes by objective analysis.

## **3. Capital Programme Update**

### **3.1. Capital Programme Update 2016/17**

- 3.1.1. The latest projected expenditure for 2016/17 is £401.7m and it is forecast that resources will be available to fund this level of expenditure both within the General Fund and HRA programmes. **Table 1** shows the latest position against previous updates to Executive Board.

**Table 1 - Capital Resources Position**

	February 2016 Capital Programme £m	Qtr 1 Jul 16 EB report £m	Qtr 2 Nov 16 EB report £m	This report £m	Variance this report to Qtr 2 Nov 2016 £m
Forecast Expenditure Funded By	347.3	441.3	425.5	401.7	(23.8)
Government Grants	112.4	124.8	121.8	104.2	(17.6)
Other Grants and Contributions	14.0	16.9	16.1	10.7	(5.4)
Borrowing	124.5	189.8	178.0	189.5	11.5
HRA Self Financing	86.2	98.3	97.9	83.3	(14.6)
HRA Other Receipts & Grants	10.2	11.5	11.7	14.0	2.3
<b>Total Forecast Resources</b>	<b>347.3</b>	<b>441.3</b>	<b>425.5</b>	<b>401.7</b>	<b>(23.8)</b>

- 3.1.2. A review of all capital schemes within the programme takes place on a monthly basis, with two quarterly reviews reported to Executive Board in July and November. These reviews ensure that where schemes are funded from borrowing, they are still an essential priority for the Council in supporting the delivery of the Council Plan. Table 1 shows that since the February 2016 capital programme, borrowing is projected to increase by a net £65m which mainly relates to £55m of acquisitions as part of the Strategic Investment Fund and £10m to support our annual programmes. Further individual major scheme updates are provided in **Appendix C(i)**.
- 3.1.3. Members are asked to note that there are other capital related reports elsewhere on the agenda. These include reports on Housing Growth, Leeds District Heating Network, a proposed property acquisition, East Leeds Orbital Road (ELOR), City Centre Cycle Superhighway (City Connect 2) and the Relocation of the Medical Needs Teaching Service. These are mainly for information only and those that do have financial implications are included within this capital programme update.

## **3.2. Capital Programme Resources 2016/17 onwards**

- 3.2.1. **General Fund** - The Council's reducing revenue funding envelope over the medium term places constraints on the level of debt that Council can afford. As such only those schemes supported by a robust business case and that meet the Council's priorities will progress. However, the strategy allows for an additional increase in debt where the additional debt cost is met from schemes that generate greater savings, or avoid revenue costs, or provide income streams. The council will continue to explore and take advantage of investment opportunities as they arise and these will also be subject to robust business case review and Executive Board approval in line with financial procedure rules. Table 2 below shows the Council's level of annual programmes, corporate borrowing and borrowing supported by income streams and or cost savings.
- 3.2.2. The programme results in a borrowing requirement of £571.5m over the four year period, including 2016/17, to deliver the Council's priorities and objectives. Of this £280.9m is supported by a revenue income stream leaving £290.6m of corporate borrowing invested in major and annual schemes. The council is also reducing its borrowing by making debt repayments of £67.3m.

**Table 2 - Capital Programme Net Borrowing Requirement 2016-2020**

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
<b>Corporate Borrowing</b>					
Annual Programme in Year	39.5	43.4	40.2	52.0	175.1
Annual Programme C/F previous Year	10.7	6.6	0.6	0.0	17.9
Other corporate Borrowing	25.8	28.5	23.3	20.0	97.6
<b>Total Corporate Borrowing</b>	<b>76.0</b>	<b>78.5</b>	<b>64.1</b>	<b>72.0</b>	<b>290.6</b>
Borrowing supported by revenue	113.5	81.5	47.7	38.2	280.9
<b>Total LCC Borrowing</b>	<b>189.5</b>	<b>160.0</b>	<b>111.8</b>	<b>110.2</b>	<b>571.5</b>
<b>Repayment of Debt (MRP)</b>	17.3	12.7	21.9	15.4	67.3
<b>Net Borrowing requirement</b>	<b>172.2</b>	<b>147.3</b>	<b>89.9</b>	<b>94.8</b>	<b>504.2</b>

- 3.2.3. Resources of £1,282.4m are required to fund the City Council's capital programme from 2016/17 to 2019/20. These are summarised in **Appendix A**, divided into General Fund resources and HRA resources. **Appendix A(i) and (ii)** provides the details across the annual and major programmes. **Table 3** below shows the overall resources position including 2016/17;

**Table 3: Total Capital Resources 2016/17 - 2019/20**

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
<b>Specific Resources</b> General Fund	114.9	114.4	64.8	36.7	330.8
<b>Specific Resources</b> HRA	97.3	106.1	98.7	77.9	380.1
<b>* Corporate Resources</b>	189.5	160.0	111.8	110.2	571.5
<b>Total Resources</b>	401.7	380.5	275.3	224.9	1,282.4

\* Includes £38.5m of borrowing for the HRA programme. £30m for Council House Growth Programme and £8.5m for Housing Leeds.

- 3.2.4. **Specific Resources General Fund £330.8m** – This includes funding which has been secured for specific schemes in the form of government grants such as Learning Places (Basic Need), Section 31 transport grant, Local Transport Plan, other government departments and other contributions from external bodies including the Heritage Lottery Fund and private developers which is then passported to the relevant directorate programmes.

- 3.2.5. **Specific Resources HRA £380.1m** - In accordance with the HRA budget , HRA capital expenditure has been set assuming a 1% rent reduction for 2017/18. Despite a general reduction of 1%, the HRA capital programme has been prioritised to deliver investment of £82m in each of the 3 years for the Council House refurbishment programme.

- 3.2.6. **Corporate Resources £571.5m** - These represent resources which the Council has more freedom to allocate to its own policy priorities. The main sources are borrowing and capital receipts. Capital receipts are allocated firstly to fund the liabilities to be written down for the year in relation to PFI schemes and finance leases then the Council's statutory requirement to repay debt (MRP). In financing the overall capital programme, the Chief Finance Officer will use the optimum mix of funding sources available to achieve the best financial position for the Council.

- 3.2.7. In terms of forecast capital receipts, a list of land and property sites for disposal during the period is included in **Appendix B**.

### **3.3. Capital Expenditure 2016/17 onwards**

- 3.3.1. A summary of the forecast capital programme by capital objective is set out below and the updated capital programme by individual scheme within these objectives is attached at **Appendix F**.

**Table 4 - Capital Resources 2016/17 - 2019/20**

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Improving Our Assets	245.9	227.7	189.2	145.2	807.9
Investing In Major Infrastructure	31.7	19.7	12.0	6.7	70.1
Supporting Service Provision	67.7	97.2	57.7	36.4	259.0
Investing in New Technology	7.4	8.9	5.5	6.2	27.9
Supporting the Leeds Economy	32.5	18.1	5.3	8.4	64.2
Central and Operational Expenditure	16.6	9.1	5.7	21.9	53.3
<b>Total Resources</b>	<b>401.7</b>	<b>380.5</b>	<b>275.3</b>	<b>224.8</b>	<b>1,282.4</b>

- 3.3.2. As can be seen from table 4 above, investment of £401.7m is taking place during 2016/17 with further investment of £880.7m planned from 2017/18 to 2019/20 onwards.
- 3.3.3. **Appendix A(iii)** details the injections that this report seeks and those that have taken place between the Quarter 2 update report and this report. This report seeks to inject £136.5m of which £116.2m relates to annual programmes and £20.3m other pressures and deletions.
- 3.3.4. Annual programme injections of £116.2m include £73.0m for the Housing Leeds and BITMO programmes, £12.5m of Local Transport Plan grant, £7.7m to maintain our Bridges and Structures infrastructure, £7.4m additional Highways and Schools capitalisations, £6.0m for planned Highways asset maintenance, £5.5m Section 278 developer contributions, £1.9m for the Digital Information essential services programme, £1.4m to maintain our Heritage assets and £0.7m of DfT grant for Pothole repairs in 2017/18.
- 3.3.5. The remaining £20.3m relates to current pressures and deletions which in the main are funded from borrowing which are supported by revenue.
- 3.3.6. Members will be aware that Executive Board approved the principle of a grant of £4m to YCCC as part funding towards the North South stand redevelopment at Headingley to enable the ground to maintain its Category A status with the England and Wales Cricket Board. This grant formed part of a wider funding package. Given recent developments it is proposed that the allocation of grant is taken out of the capital programme at this time, whilst officers continue to work with YCCC and Leeds Rugby with a view to identifying a new financial proposal for the stadium re-development.
- 3.3.7. The overall investment will deliver a number of council priorities and objectives. **Appendix C** lists the major schemes contained within each objective and **Appendix C(i)** gives a narrative update on these major schemes.

#### **3.4. Economic Impact Analysis**

- 3.4.1. An assessment of the economic impact of the Council's capital programme investment has been undertaken which makes use of the Regional Econometric Model (REM) which can estimate the wider economic impact of the capital programme through multiplier effects. The key points below estimate the economic impact for Leeds and the Leeds City Region from 2016/17 – 2019/20:

- An estimated peak of 4,938 net additional FTE job roles in Leeds will be created over the three years through the Council's capital expenditure generating over £1,016m Gross Value Added (GVA) for the Leeds economy.
- In addition a further net additional 200 jobs and £19.0m GVA will be created in the wider Leeds City Region by our capital expenditure
- In total, it is therefore estimated that Leeds City Council capital expenditure between 2016/17 and 2018/19 will create a peak of 5,138 FTE jobs and generate £1,035m GVA in the Leeds City Region.

3.4.2. In addition to the use of the REM to determine the effect on the economy, further analysis is ongoing to assess the impact of employment and skills obligations within Council contracts have on jobs and apprenticeships.

### **3.5. Capital Strategy - MRP**

- 3.5.1. The MRP is an annual revenue charge for the repayment of borrowing and other capital financing liabilities. Local authorities are required by statute to determine each financial year what they consider to be a prudent amount of MRP, and are required by statutory guidance to approve an annual statement setting out their MRP policy. The policy should be approved by full council, and any subsequent revisions which are proposed to the approved policy should also be approved by full council.
- 3.5.2. In determining the level of a prudent MRP, local authorities are required to 'have regard' to statutory guidance issued by the government. This means that local authorities should not take a substantially different course from that set out in the guidance, but may deviate from its detailed requirements where they determine there is good reason to do so. The statutory guidance sets out that the broad aims of a prudent MRP policy should be to ensure that borrowing is repaid either over the life of the asset which the capital expenditure related to or, for supported borrowing, the period assumed in the grant determination. The guidance identifies four options for calculating MRP which would result in a prudent provision, but states that other approaches are not ruled out.
- 3.5.3. Local authorities therefore have a level of freedom in determining their MRP policies, provided that they are in line with the broad aims set out in the statutory guidance. It is proposed that the council makes changes to its MRP policy for 2017/18 and succeeding years. The overall aim of the changes is to more closely align the profile of debt repayments to the council's medium term financial strategy, whilst ensuring that there is no delay in the ultimate repayment of debt and therefore that the underlying principle set out in the Guidance is adhered to.
- 3.5.4. Recent years have seen many local authorities across the country revising their MRP policies, in particular to move away from the use of the old statutory calculation method for MRP on debt incurred up to 2007/08. The council made this change in its 2015/16 MRP policy, moving to an annuity based asset life method using an average asset life based on data from more recent years. The council could have made this change when the current MRP requirements were introduced in 2008/09. If the Council had changed its policy in 2008/09, the MRP on this tranche of debt would have been lower than was actually charged during the years between 2008/09 and 2014/15, but would now be at a higher level than currently and would be fully repaid seven years earlier than under the current approved MRP policy. Such an earlier repayment date would more closely reflect the principle set

out in the statutory guidance that borrowing should be repaid over the life of the assets which it has funded, as it takes into account that this tranche of borrowing originated in 2007/08 or earlier. It is therefore proposed that for its 2017/18 MRP policy the council calculates the MRP due on its pre 2007/08 debt on the basis of an annuity based asset life calculation applying from 2008/09, and treats the additional MRP set aside since 2008/09 as an overprovision. Under the current MRP policy, by the end of 2016/17 the overprovision of MRP set aside on this basis is £93.4m.

3.5.5. It is proposed that the overprovision would firstly be applied over a three year period in a way which smoothes the impact of any timing variations in the availability of capital receipts and reduces the MRP charge to revenue to £1.0m. The remaining cumulative overprovision would then be applied evenly over the following three years.

3.5.6. It should be recognised that this change would reduce the rate of repayments of borrowing over the period during which the overprovision is being applied, which will lead to the council incurring additional interest costs in the meantime. However, in the current climate of low interest rates it is considered that this would be an acceptable cost given the benefits to be gained from the change.

3.5.7. The council has obtained Counsel's Advice confirming that these proposed changes to its MRP policy are lawful. It is recommended that Council approves the proposed revised MRP policy as prudent, on the grounds that :

- There would be no departure from the principles set out in the statutory Guidance.
- Pre 2007/08 debt would be fully provided for seven years earlier than is currently expected.
- The initial three year period of low MRP charges to revenue would allow the council the time needed to reconfigure services to put it in a financially sustainable position over the medium to longer term.
- Projections indicate that the forecast gradual MRP increases over subsequent years will be affordable.

3.5.8. It is not proposed to make any changes to the council's MRP policy for 2016/17. However, within the existing policy the MRP schedules for borrowing originating from 2008/09 to 2014/15 and prudential borrowing for 2007/08 have been recalculated, following an exercise to update the expected asset lives for the council's asset portfolio. This recalculation results in no further MRP being due in 2016/17 on borrowing originating from 2008/09, 2009/10 and on the 2007/08 prudential borrowing, with reductions on the MRP due in relation to borrowing from later years. At the end of 2016/17 there will be a remaining overprovision of £3.2m on 2008/09 borrowing and 2007/08 prudential borrowing. For the 2017/18 MRP policy it is proposed to include this figure with the £93.4m overprovision from pre 2008/09 debt referred to in paragraph 3.5.5 above.

3.6. It is proposed that the council's 2017/18 MRP policy should be :

- If capital receipts have been used to repay borrowing or to fund PFI liabilities for the year then the value of the MRP which would otherwise have been set

aside will be reduced by the amounts which have instead been repaid from capital receipts.

- MRP for borrowing on capital expenditure incurred between 2007/08 and 2016/17 will be calculated on an annuity basis over the expected useful life of the assets (option 3 in the statutory guidance). For expenditure capitalised under statute where there is no identifiable asset, the lifetimes used for calculating the MRP will be as recommended in the statutory guidance.
- For earlier borrowing, MRP will be calculated on an asset life annuity basis. As data is not available to identify the individual assets which this borrowing related to, an average asset life relating to more recent borrowing will be used. It is considered that this is prudent as prior to 2008/09, the Council's capital spend, being largely determined by Government approval, was more dominated by spend on long term assets, whilst since 2008/09, greater flexibility as allowed borrowing to support investment in assets with a shorter life. The annuity calculation will be based on the position which would have been reached if this approach had been in place since 2008/09.
- For all outstanding borrowing (both pre and post 2007/08), the MRP charged to revenue will be adjusted by offsetting an element of the cumulative overprovision on pre 2007/08 borrowing, until this overprovision has been fully utilised. For 2017/18, the calculated MRP will be reduced by the allocation of approximately £15.0m of the cumulative overprovision on pre 2007/08 borrowing. It will be further reduced by the remaining £2.3m overprovision on 2008/09 borrowing and 2007/08 prudential borrowing.
- For PFI liabilities, an MRP charge will be calculated on the basis of the expected life of the asset which has been acquired, using the same annuity basis as is used for borrowing.
- For finance lease liabilities, an MRP charge will be made to match the value of any liabilities written down during the year.

### 3.6.1. In deciding on the application of capital funding it is proposed that:

- Capital receipts are allocated firstly to the liabilities to be funded for the year in relation to PFI schemes. This will remove the need for MRP charges equal to the value of the capital receipts applied.
- For any remaining capital receipts, the Responsible Financial Officer (the Section 151 Officer) will determine annually the most appropriate use of these receipts, taking into account forecasts for future expenditure and the generation of further receipts.
- Any other general capital income will be allocated to those capital schemes which relate to the shortest lived assets.

### 3.6.2. The proposed MRP Policy for 2017/18 is set out at **Appendix D**.

### **3.7. Prudential Indicators**

- 3.7.1. Under the current self-regulatory financial framework, CIPFA's prudential code for capital finance<sup>1</sup>, each authority is required to set a number of prudential indicators and limits for its capital plans which will include affordability, the impact of capital investment plans on council tax and housing rents, capital expenditure levels, external debt and treasury management indicators. A number of these indicators relate specifically to treasury management operations and for 2016/17 to 2019/20 these are included in the treasury management strategy report elsewhere on the agenda. In relation to capital expenditure, and in accordance with the prudential code, this report indicates future levels of capital expenditure, forecast resources and the resulting borrowing requirement (before providing for the statutory charge to revenue for past capital expenditure, known as minimum revenue provision). Details are set out in Appendix A of the Treasury Management Strategy Report elsewhere on the February agenda.
- 3.7.2. Any unsupported borrowing carried out must be affordable within the revenue budget (i.e. the cost of interest and debt repayments). For 2017/18, the debt cost of all schemes funded through borrowing have been provided for in the revenue budget, approval for which is contained within the revenue budget report elsewhere on this agenda.

## **4. Corporate Considerations**

### **4.1. Consultation and Engagement**

- 4.1.1. The Council's initial budget proposals, including capital programme, were set out in a report to Executive Board in December 2016.
- 4.1.2. The report was also used for wider consultation with the public through the Leeds City Council web-site, the results of this consultation are contained in the revenue budget report which is elsewhere on the agenda.

### **4.2. Equality, Diversity, Cohesion and Integration Screening**

- 4.2.1. The capital programme sets out a plan of capital expenditure over future years and further spending decisions are taken, in accordance with capital approval processes, as projects are developed. This is when more detailed information will be available as to where in the city capital spending will be incurred and the impact on services, buildings and people. Service Directorates will include equality considerations as part of the rationale in determining specific projects from capital budgets.
- 4.2.2. In terms of the content of this report, an Equality Screening document has been prepared and is attached at **Appendix E**.

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<sup>1</sup> CIPFA – The Prudential Code for Capital Finance in Local Authorities (amended 2011)

#### **4.3. Council Policies and Best Council Plan**

- 4.3.1. Capital objectives were set out and agreed in the initial budget proposals report considered by Executive Board in December 2013. The capital programme attached to this report is structured to show schemes under these objectives.

#### **4.4. Resources and value for money**

- 4.4.1. The resource implications of this report are detailed in section 3 above. For the capital programme to be sustainable, the Chief Finance Officer must be satisfied that spend in each year of the programme can be afforded. For 2017/18 the forecast of borrowing costs resulting from capital expenditure are budgeted for within the revenue budget. In the year following capital expenditure, as well as budgeting for interest costs, the revenue budget must make provision for the minimum revenue provision on borrowings which is accounted for over the life of the asset.
- 4.4.2. Forecasts for the debt budget beyond 2017/18 are dependent upon the interest rate assumptions, the likely level of capital spend and the Council's cash balances. The debt budget is currently forecast to increase by £2.8m in 2017/18 before MRP. The interest rate assumptions and the borrowing requirement arising from the capital programme will be kept under review throughout 2017/18, before establishing the 2018/19 debt budget. Significant capital pressures of £110.0m identified but not yet injected into the programme are building from 2017/18 onwards. A significant pressure still outside the programme is within the Learning Places programme.
- 4.4.3. Executive Board received an update report on this programme in December 2016, including the projected funding deficit at £84.6m. The deficit has since reduced by £16.9m to £67.7m primarily for the return of funding previously allocated to the Social Emotional Mental Health Programme. Work continues in identifying the demographic pressure, to be updated for information from the latest admissions round, and awaits the schools capital funding announcement expected in February for any changes to Basic Need Grant funding.
- 4.4.4. In order to ensure that schemes meet Council priorities and are value for money, the Chief Finance Officer will continue to ensure:
- the introduction of new schemes into the capital programme will only take place after completion and approval of a full business case and identification of the required resources; and
  - the use of prudential borrowing by directorates is based on individual business cases and that revenue resources to meet the borrowing costs are identified.

#### **4.5. Legal Implications, Access to Information and Call In**

- 4.5.1. In accordance with the Council's Budget and Policy Framework, decisions as to the Council's capital programme are reserved to Council. In addition, statutory guidance requires that policies on Minimum Revenue Provision (see 3.5) are approved by Council. As such, the recommendations at 6.1 (a to b) are not subject to call in.

4.5.2. In accordance with the Budget and Policy Framework Rules, the Executive Board is required to make proposals to Council regarding the degree of in year changes which may be undertaken by the Executive. There are no proposed changes to these rules.

## **4.6. Risk Management**

4.6.1. One of the main risks in developing and managing the capital programme is that insufficient resources are available to fund the programme. A number of measures are in place to ensure that this risk can be managed effectively:

- Monthly updates of capital receipt forecasts prepared, using a risk based approach, by the Director of City Development;
- Monthly monitoring of overall capital expenditure and resources forecasts alongside actual contractual commitments;
- Quarterly monitoring of the council's VAT partial exemption position to ensure that full eligibility to VAT reclaimed can be maintained;
- Ensuring written confirmation of external funding is received prior to contractual commitments being entered into;
- The capital programme includes a central contingency of £7.1m to cater for any unforeseen circumstances; £1m of this is allocated for specific emergencies. In addition individual programmes and schemes contain a risk provision for unexpected circumstances;
- Compliance with Financial Procedure rules, Financial Regulations and Contract Procedure Rules to ensure the Council's position is protected.

4.6.2. The Chief Finance Officer will continue to work with service directors to ensure that capital schemes are properly developed and that a rigorous business case process is operated to demonstrate investment is aligned to capital objectives, meets the needs of the public and will deliver best value.

4.6.3. In managing the overall funding for the programme particular emphasis is placed on ensuring that contractual commitments are only made when there is reasonable certainty that the appropriate resources are available. The Chief Finance Officer shall co-ordinate scheme reviews and the approval of schemes to ensure that they are brought forward in a timely way and can be afforded. Update reports on the overall capital programme will continue to be reported to Executive Board 3 times each year.

## **5. Conclusions**

- 5.1. Over the four year period to 2019/20 the Council is seeking to deliver a total of £1,282.4m capital investment within the city.
- 5.2. This is funded through £710.9m specific or external funding and £571.5m of corporate resources.
- 5.3. Resources have been reprioritised and directed to pressures that have arisen and a number of schemes have been injected. These pressures have been contained within the existing funding envelope for 2017/18. There remain, however, a number of pressures in 2017/18 and beyond that will be addressed as the business cases for capital investment are developed.

- 5.4. Forecasts for the general fund debt budget beyond 2017/18 are dependent upon the interest rate assumptions, the likely level of capital spend and the Council's cash balances. These will be kept under review throughout 2017/18, before establishing the 2018/19 debt budget. Funding is available to meet the level of HRA investment.
- 5.5. The Chief Finance Officer will continue to ensure adequate resources are available to meet the planned level of investment through continued and regular review of profiling, priorities and resources within the programme.

## **6. Recommendations**

- 6.1. Executive Board is asked to recommend to Council:
  - a) the capital programme for 2017-20 totalling £1,282.4m including the revised projected position for 2016/17, as presented in **Appendix F** ;
  - b) the revised MRP policy for 2017/18 as set out in **Appendix D**.
- 6.2. Executive Board are asked to approve:
  - a) that the list of land and property sites shown in **Appendix B** will be disposed of to generate capital receipts for use in accordance with the MRP policy
  - b) the following injections into the capital programme :
    - £116.2m, of annual programmes as set out in Appendix A(iii) funded by £37.2m LCC borrowing, £8.5m HRA Borrowing, £64.5m of HRA specific resources and £6.0m of general fund specific resources ;
    - £20.3m, of pressures as set out in Appendix A(iii) funded by £14.3m of net borrowing and £6.0m of general fund specific resources.

The above decision to inject funding within this report of £136.5m will be implemented by the Chief Officer (Financial Services).

- d) the delegation of the future injections and authority to spend of the acquisition of strategic assets in support of the Council's financial strategy, to the Director of Development and the Chief Finance Officer in consultation with the relevant Executive Board member for Regeneration, Transport and Planning and group leaders of Executive Board.

## **Appendices**

- A – Capital Programme Statement 2015/16-2018/19
- A(i) & A(ii) – Annual Programmes & Major Programmes & other schemes
- A(iii) – Net Injections Since Quarter 2 Executive Board Nov 2016 Update
- B – Capital Receipts - Sites scheduled for disposal 2016/17 to 2020/on
- C – Major Schemes by Objective 2017/18 – 2019/2020 (Pie Chart)
- C(i) - Major schemes within each objective 2017/18–2019/2020 (narrative)
- D – Statement of Policy on the Minimum Revenue Provision for 2017/18
- E – Equality, Diversity, Cohesion and Integration Screening Document
- F – Capital Programme – Scheme Details (Organised by Expenditure Objective)
- Background documents<sup>2</sup> - None

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<sup>2</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

**Capital Programme Statement 2016/17 to 2019/20**

**Appendix A**

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	Total £000s
<b>EXPENDITURE</b>					
<b>GENERAL FUND (GF)</b>					
IMPROVING OUR ASSETS	148,564.7	107,014.2	70,324.5	63,487.9	389,391.3
INVESTING IN MAJOR INFRASTRUCTURE	31,654.2	19,664.3	12,026.8	6,727.3	70,072.6
SUPPORTING SERVICE PROVISION	67,657.6	97,209.4	57,656.9	36,432.1	258,956.0
INVESTING IN NEW TECHNOLOGY	7,392.3	8,863.4	5,494.7	6,186.8	27,937.2
SUPPORTING THE LEEDS ECONOMY	32,529.7	18,060.9	5,255.3	8,368.1	64,214.0
CENTRAL & OPERATIONAL EXPENDITURE	16,627.7	9,052.9	5,700.0	21,882.0	53,262.6
<b>TOTAL ESTIMATED SPEND ON GF</b>	<b>304,426.2</b>	<b>259,865.1</b>	<b>156,458.2</b>	<b>143,084.2</b>	<b>863,833.7</b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>					
IMPROVING OUR ASSETS - COUNCIL HOUSING	97,321.0	120,644.8	118,871.0	81,720.0	418,556.8
<b>TOTAL ESTIMATED SPEND ON HRA</b>	<b>97,321.0</b>	<b>120,644.8</b>	<b>118,871.0</b>	<b>81,720.0</b>	<b>418,556.8</b>
<b>TOTAL ESTIMATED SPEND</b>	<b>401,747.2</b>	<b>380,509.9</b>	<b>275,329.2</b>	<b>224,804.2</b>	<b>1,282,390.5</b>
<b>RESOURCES</b>					
<b>GENERAL FUND (GF)</b>					
<b>Specific Resources</b>					
GOVERNMENT GRANTS	104,209.8	105,193.3	62,777.8	34,356.6	306,537.5
OTHER GRANTS/CONTRIBUTIONS	10,683.0	9,267.0	2,036.1	2,291.2	24,277.3
<b>Corporate Resources</b>					
BORROWING - Corporate	94,842.3	103,773.5	74,713.3	72,007.1	345,336.2
BORROWING - Departmental	94,691.1	41,631.3	16,931.0	34,429.3	187,682.7
<b>CAP. RESOURCES REQD FOR GF</b>	<b>304,426.2</b>	<b>259,865.1</b>	<b>156,458.2</b>	<b>143,084.2</b>	<b>863,833.7</b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>					
<b>Specific Resources</b>					
HRA SELF FINANCING	83,262.9	81,475.4	74,638.2	70,529.4	309,905.9
R.T.B. CAPITAL RECEIPTS	7,723.4	20,701.7	17,433.2	7,390.6	53,248.9
GOVERNMENT GRANTS & OTHER CONTRIBUTIONS	3,059.8	2,884.7	6,649.1	0.0	12,593.6
OTHER GRANTS/CONTRIBUTIONS	3,263.9	1,033.5	0.0	0.0	4,297.4
RCCO / RESERVES	11.0	14,549.5	20,150.5	3,800.0	38,511.0
BORROWING - Departmental					
<b>CAP. RESOURCES REQD FOR HRA</b>	<b>97,321.0</b>	<b>120,644.8</b>	<b>118,871.0</b>	<b>81,720.0</b>	<b>418,556.8</b>
<b>TOTAL CAP. RESOURCES REQD</b>	<b>401,747.2</b>	<b>380,509.9</b>	<b>275,329.2</b>	<b>224,804.2</b>	<b>1,282,390.5</b>
<b>BORROWING REQUIRED TO FUND THIS PROGRAMME</b>	<b>189,544.4</b>	<b>159,954.3</b>	<b>111,794.8</b>	<b>110,236.4</b>	<b>571,529.9</b>
Average Interest rate (subject to change)	0.50%	0.50%	0.75%	0.75%	

## Appendix A(i)

### Annual Programmes

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	Total £000s
<b>Improving Our Assets</b>					
Highways Maintenance works	8,000.0	11,000.0	12,000.0	13,000.0	44,000.0
Highways maintenance capitalisations	4,000.0	4,000.0	4,000.0	4,000.0	16,000.0
Schools Capital expenditure	3,500.0	3,500.0	3,500.0	3,500.0	14,000.0
Heritage Assets	1,856.3	2,900.0	2,000.0	2,000.0	8,756.3
Corporate Property Management	1,500.0	1,500.0	1,500.0	1,500.0	6,000.0
Fire Risk Assessments	600.0	1,500.0	1,000.0	1,000.0	4,100.0
General Refurbishments	1,128.7	826.5	1,040.6	1,065.0	4,060.8
Demolitions in year	1,000.0	1,000.0	1,000.0	1,000.0	4,000.0
Library Books	750.0	700.0	700.0	700.0	2,850.0
Sports Maintenance	269.5	500.0	500.0	500.0	1,769.5
Civic Hall Backlog Maintenance	154.7	350.0	250.0	250.0	1,004.7
Traffic Management Programme	162.8	211.0	200.0	200.0	773.8
Improving our assets slippage adjustments	2,545.0	3,441.6	0.0	0.0	5,986.6
	25,467.0	31,429.1	27,690.6	28,715.0	113,301.7
<b>Supporting Service Provision</b>					
Adaptations - DFG LCC Funding	2,869.0	2,869.0	2,869.0	2,869.0	11,476.0
Telecare (ASC)	605.8	400.0	300.0	400.0	1,705.8
Adaptation to Private Homes outside of scope	397.6	400.0	400.0	400.0	1,597.6
	3,872.4	3,669.0	3,569.0	3,669.0	14,779.4
<b>Investing In New Technology</b>					
Essential Services Programme	3,189.7	4,500.0	2,500.0	3,000.0	13,189.7
Essential Services Programme Staffing	1,200.0	1,500.0	1,500.0	1,200.0	5,400.0
Investing in New Technology slippage adjustments	0.0	0.0	0.0	0.0	0.0
	4,389.7	6,000.0	4,000.0	4,200.0	18,589.7
<b>Supporting The Leeds Economy</b>					
Project Support Fund - Groundwork	70.0	70.0	70.0	70.0	280.0
<b>Central &amp; Operational Expenditure</b>					
General Capitalisation	4,000.0	4,000.0	4,000.0	4,000.0	16,000.0
Vehicle Programme	2,587.6	0.0	0.0	10,465.4	13,053.0
Capital Programme Management	600.0	600.0	600.0	600.0	2,400.0
Capitalisation Interest	499.9	300.0	300.0	300.0	1,399.9
Central & Operational vehicle slippage adjustments	8,759.8	3,975.1	580.0	0.0	13,314.9
	16,447.3	8,875.1	5,480.0	15,365.4	46,167.8
<b>Total Annual Programmes supported by borrowing</b>	<b>50,246.4</b>	<b>50,043.2</b>	<b>40,809.6</b>	<b>52,019.4</b>	<b>193,118.6</b>
Annual Programmes supported by external funding	5,549.3	5,496.9	4,481.0	4,826.4	20,353.6
<b>Total Annual Programmes</b>	<b>55,795.7</b>	<b>55,540.1</b>	<b>45,290.6</b>	<b>56,845.8</b>	<b>213,472.2</b>

**Major Programmes & Other Directorate Schemes**
**Appendix A(ii)**

	<b>2016/17</b> <b>£000</b>	<b>2017/18</b> <b>£000</b>	<b>2018/19</b> <b>£000</b>	<b>2019/20</b> <b>£000</b>	<b>Total</b> <b>£000</b>
<b>Improving our assets - Council Housing</b>					
HRA Housing Leeds Refurbishment & BITMO	79,706.3	83,198.5	81,720.0	81,720.0	<b>326,344.8</b>
HRA Council Housing Growth	17,614.7	37,446.3	37,151.0	0.0	<b>92,212.0</b>
<b>Improving our assets - General Fund</b>					
Strategic Investment Fund	54,719.7	155.0	0.0	0.0	<b>54,874.7</b>
Changing the Workplace 1 & 2	18,872.3	25,264.9	10,645.0	0.0	<b>54,782.2</b>
Childrens - Capital Maintenance	8,606.0	9,001.7	8,919.1	14,716.6	<b>41,243.4</b>
Bridges and Structures	7,634.8	8,123.4	4,800.0	4,800.0	<b>25,358.2</b>
Highways Maintenance & Transport Package Local Transport Plan	6,467.9	6,237.0	5,000.0	5,000.0	<b>22,704.9</b>
Section 278 and Section 106 Highways schemes	5,467.9	6,102.6	4,500.0	4,000.0	<b>20,070.5</b>
Elland Road & Aire Valley Park and Ride	5,274.3	2,327.5	1,000.0	0.0	<b>8,601.8</b>
Childrens Devolved Formula Capital	1,674.1	1,826.0	1,626.0	1,126.0	<b>6,252.1</b>
Whinmoor Nursery	4,665.7	1,675.0	63.0	0.0	<b>6,403.7</b>
Parks & Countryside	2,855.3	1,873.2	0.0	0.0	<b>4,728.5</b>
Community Hubs Phase 2	1,017.4	1,500.0	1,500.0	0.0	<b>4,017.4</b>
East Leeds Orbital Ringroad Highways works	1,610.7	1,500.0	0.0	0.0	<b>3,110.7</b>
Conversion of Refuse Collection Vehicles	0.0	0.0	744.0	840.0	<b>1,584.0</b>
Highways Adoption of 32 Roads	360.2	1,069.8	70.0	0.0	<b>1,500.0</b>
Other smaller schemes within the objective	2,412.7	7,513.0	3,366.8	3,544.9	<b>16,837.4</b>
	<b>218,960.0</b>	<b>194,813.9</b>	<b>161,104.9</b>	<b>115,747.5</b>	<b>690,626.3</b>
<b>Investing in Major Infrastructure</b>					
Flood Alleviation Works	19,276.9	10,163.6	5,537.3	1,850.7	<b>36,828.5</b>
Cycle City Ambition	5,762.9	5,430.9	2,104.2	0.0	<b>13,298.0</b>
Leeds Public Transport Investment & NGT residual	674.8	1,000.0	4,000.0	4,640.6	<b>10,315.4</b>
East Leeds Extension	1,885.2	0.0	0.0	0.0	<b>1,885.2</b>
Inner Ring Road Tunnel	1,229.7	300.0	0.0	0.0	<b>1,529.7</b>
Highways Major Schemes	270.3	802.9	330.6	0.0	<b>1,403.8</b>
Energy Efficiency & Green Deal	617.0	436.5	80.0	0.0	<b>1,133.5</b>
Other smaller schemes within the objective	1,937.4	1,530.4	-25.3	236.0	<b>3,678.5</b>
	<b>31,654.2</b>	<b>19,664.3</b>	<b>12,026.8</b>	<b>6,727.3</b>	<b>70,072.6</b>
<b>Supporting Service Provision</b>					
Childrens - Learning Places (Basic Need)	36,812.5	45,022.8	36,238.9	1,415.8	<b>119,490.0</b>
Childrens - Social Emotional Mental Health (LCC borrowing)	13,615.1	28,752.5	1,040.8	272.8	<b>43,681.2</b>
Social Care and Health Fund	170.0	600.0	400.0	23,830.0	<b>25,000.0</b>
District Heating Network	250.0	9,750.0	11,000.0	0.0	<b>21,000.0</b>
Kirkstall Rd HWSS	4,247.2	0.0	0.0	0.0	<b>4,247.2</b>
Private sector Renewal - Equity Loans	1,014.8	639.6	790.4	889.0	<b>3,333.8</b>
Other smaller schemes within the objective	3,594.7	4,694.5	536.8	2,274.5	<b>11,100.5</b>
	<b>59,704.3</b>	<b>89,459.4</b>	<b>50,006.9</b>	<b>28,682.1</b>	<b>227,852.7</b>
<b>Investing in New Technology</b>					
Customer Access Phase 1 & 2	759.9	1,084.4	950.0	1,409.2	<b>4,203.5</b>
ASC Care Act Implementation	0.0	639.8	416.3	416.3	<b>1,472.4</b>
Integrated Digital Care Record	663.6	125.0	0.0	0.0	<b>788.6</b>
Other smaller schemes within the objective	1,579.1	1,014.2	128.4	161.3	<b>2,883.0</b>
	<b>3,002.6</b>	<b>2,863.4</b>	<b>1,494.7</b>	<b>1,986.8</b>	<b>9,347.5</b>
<b>Supporting the Leeds Economy</b>					
Aire Valley Enterprise Zone	11,882.1	0.0	0.0	5,760.0	<b>17,642.1</b>
Kirkgate Market Strategy	8,292.7	1,095.0	0.0	0.0	<b>9,387.7</b>
Broadband and Superconnected & ESIF	2,901.3	1,664.6	1,664.6	0.0	<b>6,230.5</b>
City Region Revolving Infrastructure	1,058.9	1,680.3	1,670.0	809.6	<b>5,218.8</b>
Town and District centres & Townscape Heritage Initiative	1,098.6	3,786.5	0.0	0.0	<b>4,885.1</b>
Sustainable Communities Investment Programme & Group Repair	156.0	3,544.0	0.0	0.0	<b>3,700.0</b>
Digital Business Incubators (LCC Tech Hub)	2,182.4	1,017.6	0.0	0.0	<b>3,200.0</b>
Sovereign Square Greenscape	492.1	1,100.0	0.0	0.0	<b>1,592.1</b>
Logic Leeds Spine road	500.0	460.0	0.0	0.0	<b>960.0</b>
West Yorkshire Playhouse	363.1	93.4	83.6	0.0	<b>540.1</b>
Other smaller schemes within the objective	3,532.5	3,549.5	1,767.1	1,728.5	<b>10,577.6</b>
	<b>32,459.7</b>	<b>17,990.9</b>	<b>5,185.3</b>	<b>8,298.1</b>	<b>63,934.0</b>
<b>Central &amp; Operational Expenditure</b>					
Contingency General	0.0	300.0	300.0	5,516.6	<b>6,116.6</b>
Contingency Specific Emergencies	0.0	0.0	0.0	1,000.0	<b>1,000.0</b>
Other smaller schemes within the objective	170.7	-122.1	-80.0	0.0	<b>-31.4</b>
	<b>170.7</b>	<b>177.9</b>	<b>220.0</b>	<b>6,516.6</b>	<b>7,085.2</b>
<b>Total Major Programmes &amp; Other Directorate schemes</b>	<b>345,951.5</b>	<b>324,969.8</b>	<b>230,038.6</b>	<b>167,958.4</b>	<b>1,068,918.3</b>
<b>Annual Programmes (See Appendix A(i))</b>	<b>55,795.7</b>	<b>55,540.1</b>	<b>45,290.6</b>	<b>56,845.8</b>	<b>213,472.2</b>
<b>Total Annual &amp; Major Programmes</b>	<b>401,747.2</b>	<b>380,509.9</b>	<b>275,329.2</b>	<b>224,804.2</b>	<b>1,282,390.5</b>

## Appendix A (iii)

<b>Injections Since Quarter 2 Capital Programme Update Report</b>				
	<b>Borrowing</b>			
	<b>Corporate Borrowing £000</b>	<b>Supported by Revenue £000</b>	<b>Specific Resources £000</b>	<b>Total Resources £000</b>
<b>Annual Programmes</b>				
Housing Leeds and BITMO programmes		8,500.0	64,508.7	73,008.7
Bridges and Structures	7,730.0			7,730.0
Local Transport Plan (LTP) Grant			12,500.0	12,500.0
Capitalisations Highways & Schools	7,400.0			7,400.0
Highways Maintenance	6,000.0			6,000.0
S278 Developer Contributions (2019/20 programme)	5,475.7			5,475.7
Essential Services Programme	1,900.0			1,900.0
Heritage Assets	1,425.0			1,425.0
DfT Pothole Repair Grant			711.0	711.0
Disabled Facilities Grant ( matching revenue assumptions)	7,200.0		-7,200.0	0.0
<b>Total Annual Programme related injections</b>	<b>37,130.7</b>	<b>8,500.0</b>	<b>70,519.7</b>	<b>116,150.4</b>
<b>Other Pressures</b>				
SEMH - Dispensation to increase Prudential Borrowing	-13,530.8	28,530.8		15,000.0
Leeds Flood Alleviation Scheme			4,715.0	4,715.0
Yorkshire County Cricket Club	-4,000.0		0.0	-4,000.0
Southbank Connectivity & Public Realm	550.0		500.0	1,050.0
Childrens Homes strategy	626.3			626.3
Century Way Thorpe Park	500.0			500.0
ASC - Complex Day Centres & Comm Integrated Care Recovery +		610.0		610.0
Public Health - Residential Rehab & Detox Centre			577.1	577.1
Asset Management Future Accomodation	437.0			437.0
Warm Well Homes			280.0	280.0
ANPR (Automated Number Plate Rec) Data scheme			202.8	202.8
Highways - Road Safety General	160.0			160.0
Other	215.0	228.3	-295.4	147.9
<b>Total Other injections</b>	<b>-15,042.5</b>	<b>29,369.1</b>	<b>5,979.5</b>	<b>20,306.1</b>
<b>Net Injections sought as part of this report</b>	<b>22,088.2</b>	<b>37,869.1</b>	<b>76,499.2</b>	<b>136,456.5</b>
<b>Net Injections Q2 - Feb 2017 approvals in place</b>	<b>573.0</b>	<b>2,358.5</b>	<b>5,152.6</b>	<b>8,084.1</b>
<b>Total Net Injections since Q2 Report</b>	<b>22,661.2</b>	<b>40,227.6</b>	<b>81,651.8</b>	<b>144,540.6</b>

## **Capital Receipts - Sites scheduled for disposal 2016/17 to 2020/on**

### **2016/17 Disposals Sites still to complete**

Brown Lane West, North Site  
Burley Liberal Club, Burley Road  
Elland Road (Land for Planet Ice)  
Gildersome Youth Club  
Kippax Kabin, Cross Hills, Kippax  
Millgarth Police Station, Strip of land  
Musgrave Court, Pudsey  
New Roscoe Public House, Bristol Street  
Queenswood Drive 198/200, LS6 3ND  
Ramshead Hill 53  
Riverside Bridge Street, CPO Eastgate & Harewood  
St Hilda's, Cross Green (Chevin)  
Upper Town Street 277, Former Shop, Bramley  
Upper Town Street 279, Former Shop, Bramley  
Westholme HOP, Wortley  
Wetherby Road 32, Flats A, B & C  
Wray Building, Harewood Street

### **2017/18 Disposals**

Acre Mount  
All Saints Road, Rothwell (Self Build)  
Ashfield Works, Otley  
Back Lane, Stanningley (Self Build)  
Bailey's House, Baileys Hill, LS14 6PS  
Bodmin Road, Land at No. 2 & 4. Middleton  
Bramham House, Bramham, Freely Lane, Phase 1  
Broad Lane 275, Bramley (Q8), Kuwait Petroleum

Brooklands Avenue, Site A, Seacroft , DPP  
Bruntcliffe Cemetery Lodge  
Burley road Shops & Car Park  
Calverley Library  
Cartmell Drive (North), Halton Moor DPP  
Chapeltown Road 180  
Chatsworth Road, Harehills (Self Build)  
Easel Site 3, Bellway - Amberton Close  
Gallows Hill, Land at, Pool Road, Otley  
Grafton Centre  
Grange Farm (Land)  
Hedley Chase, New Wortley, Former Liberal Club site  
Hill Crest 32, land adj, Swillington (self build)  
Hill Top PH, land at Beckhill Grove  
Holdforth Place, Wortley  
Kippax Housing Office  
Kirkland House, Queensway, Yeadon  
Lea Park Road (Plot 1), Kirkstall (Self Build)  
Leodis Way, Land adjoining Stourton Container base  
Manor Farm Rise, Middleton  
Manor Street Industrial Estate (Wisdom Coaches)  
Merry Monk Public House, Kirkstall Hill, Leeds  
Middleton Marauders Clubhouse  
Middleton Park Avenue, Middleton  
Otley LIDO, Farnley Lane  
Park Court  
Park Farm, Colton, Leeds, LS15 9AJ  
Peel Street Community Centre, Melbourne Street  
Primrose Hill HOP, Boston Spa  
Ramshead Wood Day Centre  
Rosemont Flats, Bramhope, Breary Lane  
Rothwell One Stop Area Office, Marsh Street  
Roundhay Road Area Office ( Land to rear), School site  
Roundhay Road Area Office, (Housing site)  
Sovereign Street/Plot C, Overage Payment(final Payment)  
Summerfield Gardens, Rodley (Self Build)

Swarcliffe Avenue  
Thornes Farm, Land at, (Mercado)  
Thorpe Square/Rd, Throstle Terrace, Middleton Phase 2  
Towcester Avenue + Thorpe Lane East Phase 1  
Wesley Street 114, Former Caretaker property  
West Leeds Family Centre, Former, Whingate Road, Leeds  
West Park, Leeds, LS16  
Wetherby Fulfilling Lives Centre, Sandbeck Way  
Woodland Grove, 3, Leeds 8  
Woodland Grove, 4, Leeds 8  
Woodland Grove, 5, Leeds 8  
Woodland Grove, 8, Leeds 8  
Wortley High School former, land at Swallow Crescent  
Yew Tree Farm, Colton Road East  
York Road Depot, Easel Site 8, DPP  
York Road Library, Former, Land adjacent

## **2018/19 Disposals**

Aire Street Workshops, 30-34 Aire Street  
Arena Development Site  
Armley Grange  
Ash Tree Primary School, Kippax  
Brooklands Avenue, Site B, Seacroft , DPP  
Burley Willows Care Home  
Butcher Lane, Land at, Sale of Rothwell Temperence Band  
Cardigan Road Library  
Eastgate & Harewood Quarter (land issues & property work)  
Eastmoor School (Former)  
Harehills Park Cottages & Development site.  
Harley Green / Walk, Pudsey  
Healey Croft Hostel, Westerton Road, Tingley  
Holt Park District centre (residential sites)  
Holt Park District Centre, car park, leisure centre site and site C  
Kentmere Avenue, Seacroft, DPP

Land at Elland Road, Land at (disposal)  
Ledston Luck Kippax  
Leonardo/Thoresby/2 Great George Street Disposals  
Lobb Cottage, Thorn Lane, Roundhay, LS8 1NF  
Lower Wortley Road 163, Land at, TEAS  
Micklefield House Annexe & Caretakers Lodge, New Rd Side, Rawdon  
Miles Hill Primary School & The Beckhills  
Mistress Lane, Armley  
Newmarket Approach, Wholesale market (site A)  
North Parade Depot, Otley  
Oldfield Lane, Wortley (Sports Assoc Field)  
Park Lees site, St Anthony's Road, Beeston, LS11  
Pinfold Childrens Home - disposal  
Quarry Hill (Plot 6)  
Quarry Hill Car Parking Payment  
Rumple Croft, Meagill Rise, Otley, Strip of land  
Seacroft Hospital -access Strip  
South Accommodation Road, Leeds  
Sovereign Street/Plot B  
St Gregory's Primary School  
Tesco Seacroft  
Thornes Farm co-ordination (Surrender & Regrant Gregory)  
Well Lane, Land at, Yeadon  
Windlesford Green Hostel, 126 Holmsley Lane, Woodlesford  
Wykebeck Avenue, Seacroft DPP  
Wykebeck Mount West, Osmondthorpe DPP

## 2019/20 Disposals

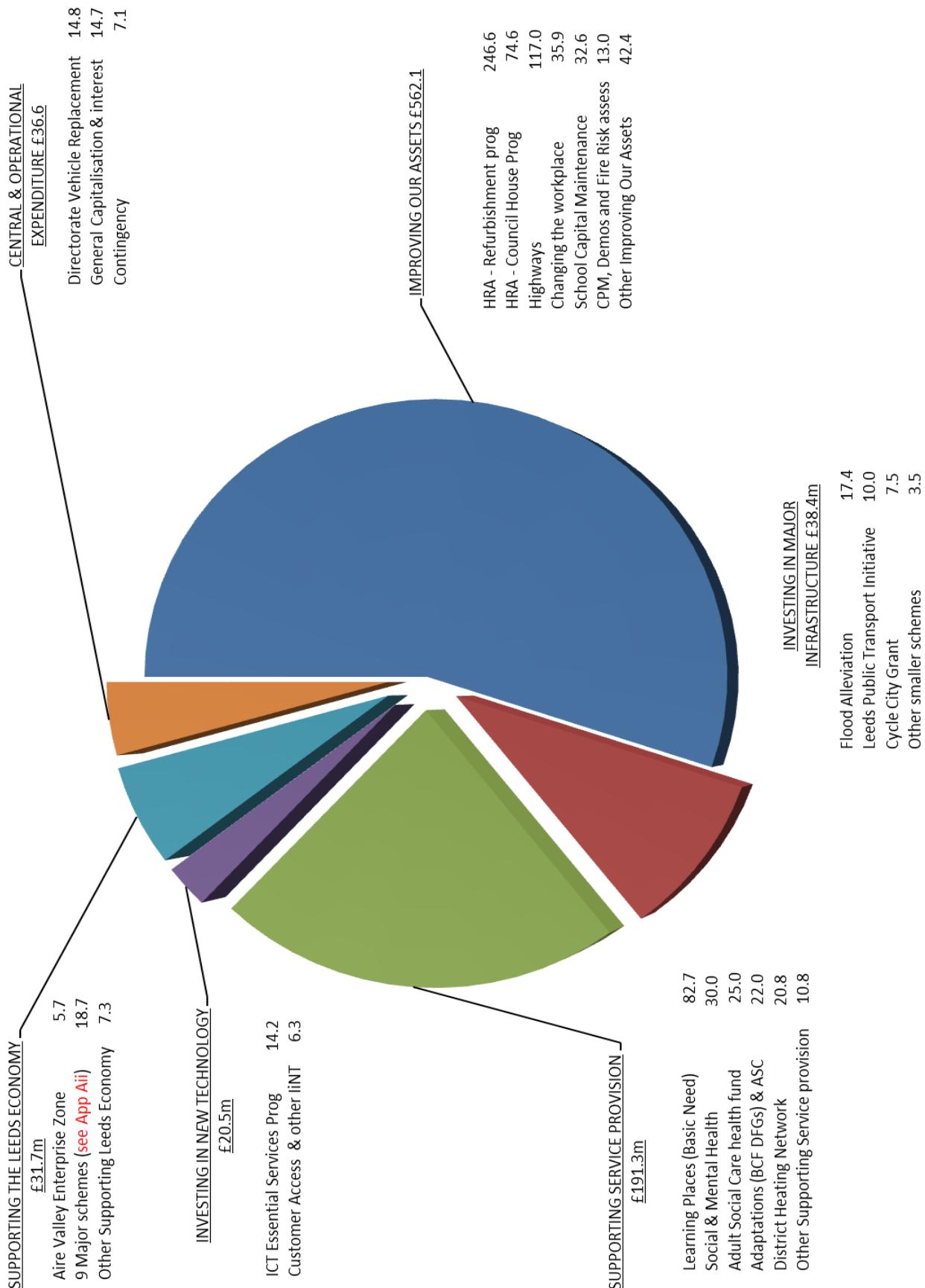
Abbey Mills, Kirkstall Road, LEEDS 4  
Bath Road (site D)  
Methley Library/Village Hall site  
Redhall  
Throstle Mout, Middleton (Wades)

## **2020 Onwards Disposals**

Asket Hill Primary, Seacroft DPP  
Bath Road/Derwent Place (Site B)  
Bentley Lane Primary School (Park Lane College)  
Bishop's Way, Seacroft DPP  
Brooklands Drive, Seacroft DPP  
Charles Street, Farsley  
Clarence Road Industrial Units  
Copperfields College  
Elland Road (Site B Car Park), Leeds  
Kendall Drive, Halton Moor DPP  
Kenneth Street, Land at Holbeck  
Leeds Bradford Airport (Coney Lodge Farm - Site 2)  
Leeds Bradford Airport (Employment Land - Site 1)  
Leeds Bradford Airport (Ransom Strip - Site 3)  
Leeds International Pool  
Matthew Murray High School  
Micklefield School, Former, Micklefield  
Moorend Training Site, Tulip Street, LS10  
Parkway Close, Seacroft DPP  
Peckfield Colliery, Plots 4, 5 and 6  
Rathmell Road, Halton Moor, LS15, DPP  
Seacroft Crescent North, Seacroft DPP  
Seacroft Crescent South BLP  
St Ann's Mills  
Sweet Street 38/47 Marshall Street  
Western Flatts Park, Cliff Cottage off Fawcett Lane

## Appendix C

### Major Schemes (over £5m) by Objective Future 3 year programme 2017/18 -2019/20



### Major schemes contained within each objective 2017/18 - 2019/2020

#### 1. Improving our Assets *General Fund*

**Strategic Investment programme** – The Council is seeking to build an investment portfolio that supports the aims of the Best Council Plan to enhance and strengthen economic growth and access to economic opportunities in Leeds. These opportunities can be unique and enable the Council to acquire strategic investments which will enhance the quality and performance of the Council's Investment Portfolio. Executive Board at its meeting in June 2016 approved that the Director of City Development continues to investigate the acquisition of additional investment opportunities which will further enhance the strength and performance of the Council's investment portfolio in supporting the Council's budget and stimulating economic regeneration and confidence as part of a strategic investment fund. Any future acquisitions will provide the Council with a net surplus annual income after allowing for borrowing costs.

To facilitate this strategy it is proposed to delegate the future injections and authority to spend of the acquisition of strategic assets in support of the Council's financial strategy, to the Director of Development and the Chief Finance Officer in consultation with the relevant Executive Board member for Regeneration, Transport and Planning and group leaders of Executive Board.

**Changing the Workplace** – The programme continues to progress and £1.5m has been saved from the release of 6 properties. Merrion House has been vacated and over 1,600 staff have been through new ways of working so that services can work more effectively and improve outcomes for the citizens of Leeds. The next phase will see over 2,000 going through the process with Merrion House, St George House and Civic Hall refurbished and made fit for purpose. This will allow the city centre office accommodation to be reduced from 17 to 4 with the surplus properties being released. Works have commenced on site to refurbish and create the new Merrion House with an envisaged date for completion of the base build works (including the tenant enhancements) mid-December 2017. Post fit-out it is envisaged that staff would be able to commence a phased occupancy of the building in late spring / early summer 2018. Works have commenced to St George House with the first two phases scheduled to be completed by October 2017 and the final phase being completed once current occupiers have moved to Merrion in 2018. It is anticipated that a business case for the initial Phase 2 for Changing the Workplace projects will be presented to Executive Board in March 2017.

**Planned Highways Maintenance** – The Highways programme over the next 3 years provides for £118m and includes £51.2m of annual programme borrowing up to 2019/20 to address backlog maintenance on district roads/streets. It includes £18m for the maintenance of our Bridges and Structures, £14.6m of developer contributions through Section 278/106 funding and £9.2m on various other including park and ride schemes, East Leeds orbital road, DfT grant funded pothole repair works and Claypit Lane junction. A further £25m of Local Transport Plan government grant is provided for within the highways programme. Of the total

available £36.8m is injected within this report as annual highways maintenance programmes across the three years to 2019/20 as set out in appendix (iii).

**Childrens Capital Maintenance and Devolved Formula Capital** – These Programmes currently include estimated future grant allocations up to 18/19 of £7.4m and £1.7m respectively. The schools capital funding announcement is expected in February 2017 and these provisions will be updated, along with a further year of funding, as necessary. Balances have been accumulated within the Capital Maintenance Programme to undertake more substantial refurbishment at prioritised sites

### **Housing Revenue Account (HRA)**

**Council Housing Growth Programme** – The programme is estimating to spend £33.7m by the end of March 2017 with future spend profiled as £37.4m in 2017/18 and £37.2m in 2018/19. The Council is targeting c£30.0m of council housing growth funding from within the overall programme to support the delivery of extra care housing. A further report will be brought to the Executive Board setting out options for investment and a finance package in early 2017. More detail on this and the overall Housing Growth breakthrough project are covered on a report elsewhere on the agenda at item12.

**Council Housing Investment Programme** – Housing Leeds and BITMO are projecting to spend £246.6m over the coming 3 year period 2017-20, as set out in the HRA Financial Plan November 2016. This investment will allow an average of £82+m in each of the next 3 years which will fulfil a number of LCCs key priorities; improving housing conditions and energy efficiency, improvements to the environment through reduced carbon emissions and supporting more people to live safely in their own homes.

## **2. Investing in Major Infrastructure**

**Flood Alleviation** – A £3.8m bid to the Leeds City Region Enterprise Partnership was recently approved and funding injected. This funding will increase the level of protection for Phase 1 (Leeds City Centre) to a 1 in 100 year flood event, allow the implementation of some surface water flooding protection measures(in addition to the fluvial flooding measures), increase the resilience of emergency responses and provide enhancements to connectivity, environment and public realm. £0.9m of additional contributions from other third parties have also been secured and injected. With these additional works, Phase 1 is now due to complete by September 2017. In April 2016, Executive Board approved a £3m scheme to develop proposals for a Phase 2 (flood defences upstream of the City Centre) following the announcement by Government of an additional £35m up to 2021 to further enhance flood protection in Leeds. A Feasibility and Business Case Contract commenced in September 2016 and is due to report back in October 2017. A further £4.1m for other flood alleviation schemes is included in this programme.

**Cycle City Ambition** - This programme is fully funded by the West Yorkshire Combined Authority (WYCA). Construction works for the CityConnect1 scheme, Cycle Superhighway 1 linking Leeds to Bradford City Centre and Cycle Superhighway 2 linking Leeds to Seacroft, have completed. Final account issues are currently being progressed. The proposals for CityConnect2 are the subject of a report elsewhere on this agenda on item 20 and include an extension of Cycle

Superhighway 1 from Canal Street into the City Centre and for a Cycle Superhighway 3 from the City Centre to Elland Road. Subject to approval, detailed design and procurement is due to complete in March 2017 with construction work completed by April 2018.

**Leeds Public Transport Investment programme –** At December 2016 Executive Board a report set out the interim strategy for Leeds Public Transport Investment Programme and the next steps for the development of a longer term strategy to be published next year that will support our ambition for transport to create a prosperous, healthy and liveable city. Based on the £173.5m made available from the DfT, Leeds City Council capital funding, land and property acquired for NGT, the potential investment from Bus companies and anticipated private sector developer contributions, the total investment package could ultimately be in the region of £270m which represents a significant leverage on government funding. In order to advance the delivery of these improvements the Council and WYCA are having discussions with bus operators around a package of proposals involving investment by them in vehicles, fares, ticketing and route network which will complement capital investment in bus infrastructure by the Council. A Strategic Outline Business Case will be submitted to the DFT to set out the programme and governance to secure the £173.5m based on the proposals set out in the December EB report. The residual NGT contributions of £9.6m less a contribution to Claypit Lane junction within the current capital programme will be transferred to this programme.

**East Leeds Orbital Road -** The Council has made good progress in bringing forward the package of transport measures that will be essential to support the development of the East Leeds Extension strategic growth area. Central to these is the East Leeds Orbital Road, which has now reached a design freeze enabling submission of a planning application in February. The 7km road would unlock the potential to build up to 5000 new homes in the East Leeds Extension and support the wider housing and economic growth of East Leeds. A business case for part funding of the scheme through the West Yorkshire Transport Fund has Gateway 1 approval from WYCA, with a Gateway 2 Business Case to be submitted by the year-end, seeking support to move through to the tender stage of works procurement. The Council is continuing to assume prudential borrowing to meet the initial gap between the available funding and capital cost of the scheme, to be eventually reimbursed through roof tax contributions from house builders. Alternative investment funding sources for this gap are also being explored but on a clear basis of VFM to the Council than its base case.

### **3. Supporting Service Provision**

**Learning Places (Basic Need) –** In December 2016, Executive Board received a Programme update report. It provided ATS approval of £40.5m for the next tranche of schemes, reset the programme risk fund to £6.7m and noted a projected funding deficit of £84.6m. The deficit has reduced by £16.9m to £67.7m primarily for the return of £15m of funding previously allocated to the Social Emotional Mental Health Programme (see comments below). Basic Need Grant allocations for 2017/18 and 2018/19 have previously been confirmed at £33.1m and £21.0m respectively. The schools capital funding announcement is expected in February 2017 and the allocation for 2019/20 and any adjustments to previously announced allocations will be updated as necessary.

**Social Emotional Mental Health** – In July 2016, Executive Board approved capital investment of £45m to provide facilities across 3 schools for children and young people with social, emotional and mental health issues within the city. Build contracts for each school have been awarded and works are progressing on site with the schools due to open between January and September 2018. The original funding streams incorporated £15m of Basic Need Grant and £13.5m of LCC Borrowing in lieu of dispensation to increase prudential borrowing costs in the High Needs Block of the Dedicated Schools Grant (to be funded from savings from reduced placements costs). The Education Funding Agency have recently confirmed their ‘intention to approve’ this dispensation. As such, the funding streams have been swapped so that this programme is fully funded from Borrowing Supported by Revenue. The £15m of Basic Need Grant has been returned to the Learning Places Programme, reducing the projected deficit.

**Social Care and Health Fund** – Work continues with colleagues from the Health sector the city to bring forward schemes designed to fulfil requirements and £25m has been set aside to further develop initiatives at the local level.

**District Heating Network** - the Annual Cutting Carbon Breakthrough Projects report included an update on the DHN which continues to make good progress towards its short term aim to construct the first phase of a citywide district heating network, to pipe lower cost and lower carbon heat from the perimeter of the city to businesses and residents in dense urban areas. In order to turn this opportunity into a reality, the Council is working to secure sufficient heat load to justify the construction of a c6.4km Spine to the city centre with a spur to Lincoln Green. This spur will connect into almost 2,000 Council flats as well as corporate buildings and other public and private sector businesses. The general fund scheme amounts to £21m which is supported by a £7m grant/loan package from the LEP. A further £4m has been applied for from Heat Network Investment Programme. The Council Housing scheme has £10.3m with a further £5.8m being secured from European Regional Development fund (ERDF). A report will be brought to a future Executive Board setting out the funding package and delivery timescales.

**Adaptations to Private Homes** - Grants of £6.8m per year are provided for in the programme (partly funded by government). This supports in the region of 1,000 grants per year. A further £400k is provided as an annual programme for adaptations to private homes to support more people to remain independently in their own homes.

#### **4. Investing in New Technology**

**ICT Infrastructure** – There are a number of major essential IT investments and associated programmes of work that are required over the next few years. The council will upgrade the entire estate of PC’s and laptops to Windows 10, continuing the rollout of the new collaboration and telephony platform based on Microsoft Skype alongside decommissioning the Ericsson and Cisco telephony systems. There is also a requirement to replace hundreds of very old PC’s and laptops. Major investment is also required to implement a range of cyber measures as computer crime continues to escalate across all organisations that hold sensitive and personal information. A significant refresh is required of our ageing server and storage estate, and this will be replaced by a future proofed capability that has the potential to also host other organisations’ computer systems as we continue to work on a city first basis with a range of partners, particularly across health and care. Investment is also required to ensure our citizens and staff

are digitally enfranchised in order that they can be part of a prosperous and inclusive city. An injection of £1.9m is included within this report and set out in Appendix A(iii).

## 5. Supporting the Leeds Economy

**Aire Valley Leeds Enterprise Zone** - Logic Leeds Building One 80,000 sq.ft is complete and occupied. The 50,000 sqft distribution centre for John Lewis Partnership is complete and fully operational. Construction of additional van parking is also complete and now in use. As development progresses, the Spine Road continues to be built and is on track to be completed by the end of 2017. On Connex 45 both 50,000 and 30,000 sq.ft. units are complete and now occupied. A further three 50, 20, and 27,000 sq. ft units completed at Thornes Farm with all three now fully operational. The Council has sold a further plot of land on Thornes Farm with a scheme currently under construction and agreed sale of land, application for planning submitted which will deliver a further 79,000 sq.ft. of floorspace. A further 40,000 sq ft of land being put forward by developer. Newmarket Lane – Energy Recovery and Recycling Facility now operational and officially opened Nov 16. Construction nearing completion on Kinetic 45, brought forward by the developer for 60, 12 and 11,000 sq ft units, with strong interest.

**Broadband and Super Connected Cities** – West Yorkshire Broadband scheme Phase 1 of the scheme was completed on 30 Sep 2015 with 65,000+ additional homes and premises across the region now able to gain access to Superfast Broadband. We are now in Phase 2 of the project which sees WYCA as the lead body and LCC as delivery partner. Apart from our partnership contribution there will be no further spend on the project.

**Superconnected Cities** - The voucher scheme applications ended in September 2016 and all grants for vouchers have now been paid and there will be no further charges to capital. This was a very successful project which allowed many SME's to gain access to better broadband.

The project also delivered wi-fi into many buildings across the city including libraries, leisure centres, children's homes and our own offices. It was also installed on trains and buses running between Leeds and Bradford.

**First White Cloth Hall** – The scheme is estimated to cost £2.6m and in October 2016 it received support from the City Centre Plans Panel. The £2.6m funding is made up by prudentially borrowing £1.85m that is supported by the income generated from the refurbishment. The redevelopment also has a commitment from Heritage Lottery Fund (£0.5m secured funding), Historic England (£0.25m unsecured funding) making a total budget of £2.6m. The property has very recently been acquired by a property development company. The Council is in dialogue with the new owner to understand their proposals for the building. Subject to the outcome of those discussions a report will be brought to Executive Board later in the year to outline the Council's support for the scheme proposed"

**Digital Business Incubator (Leeds Tech Hub)** – The Spring Budget 2015 highlighted Government support for the development of innovative businesses across the North through investment in tech incubators in Leeds £3.7m, Manchester £4m and Sheffield £3.5m, which would nurture start-ups, foster collaboration, and provide mentoring, learning and business support. The £3.7m

grant was injected into the capital programme as part of the 2016/17 budget process, and has since been the topic of two Executive Board papers in June and October 2016. Decisions on how to best achieve the objectives of the funding in response to an open bidding process are now being made by the Executive Member Strategy and Resources in consultation with the Director of City Development and the fund is expected to be disbursed in 2017/18.

**Sovereign Street** - The new green space at Sovereign Square was formally opened in July 2016 and provides a new addition to the city's public realm offer. The site consists of a new, fully landscaped area with raised lawns, tree groves, a rain garden and a water feature consisting of a fountain and a rill. The green space works to the front of and around Plot C were completed in December 2016, following the formal opening of 3 Sovereign Square the month before. At ground level, 3 Sovereign Square now has a new café and supermarket in operation which are adding to the vibrancy of this new space. A report is due in the summer to outline the full extent of the refurbishment and the method of securing the property.

## **Appendix D**

### **Statement of Policy on the Minimum Revenue Provision for 2017/18**

#### **1. Introduction**

- 1.1. The Council is required by statute to charge a Minimum Revenue Provision (MRP) to the General Fund Revenue account each year for the repayment of debt. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers.
- 1.2. Since 2008/09, the legislation has simply required local authorities to make a prudent level of MRP provision, and the government has issued statutory guidance, which local authorities are should 'have regard to' when setting a prudent level of MRP. The guidance says that the broad aim of a prudent MRP policy should be to ensure that debt is repaid over the life of the asset which the capital expenditure related to (or, for supported borrowing, the period assumed in the original grant determination). Within this overall aim, the guidance gives local authorities considerable freedom to determine what would be a prudent level of MRP.
- 1.3. The statutory guidance recommends that local authorities draw up a statement of their policy on the MRP, for approval by full council in advance of the year to which it applies.

#### **2. Details of DCLG Guidance on MRP**

- 2.1. The statutory guidance identifies four options for calculating MRP and recommends the circumstances in which each option should be used, but states that other approaches are not ruled out.
- 2.2. The first two options are based on the old statutory method of a 4% reducing balance, and the third and fourth options are based on asset lives. For capital schemes acquiring new assets which take more than one year to complete, application of Options 3 and 4 allows councils to delay charging MRP until the year after the new asset becomes operational. Under the statutory guidance, it is recommended that local authorities do not use Options 1 or 2 for prudential borrowing, or for borrowing to fund capitalised expenditure (such as capital grants to other bodies and capital expenditure on IT developments).
- 2.3. For balance sheet liabilities relating to finance leases and PFI schemes, the guidance recommends that one prudent approach would be for local authorities to make an MRP charge equal to the element of the annual rental which goes to write down the balance sheet liability. This would have the effect that the total impact on the bottom line would be equal to the actual rentals paid for the year. However the guidance also states that Option 3 could be used for this type of debt.

### **3. Implications for the application of capital receipts**

- 3.1. One of the implications of the more flexible arrangements for MRP is that it is now necessary to identify which individual schemes have been funded by borrowing and which have been funded by non-specific capital income (e.g. capital receipts and grants), rather than treating the balance of the capital funding requirement after specific capital funding has been applied as being met from a general receipts and borrowing pool.
- 3.2. In the case of capital receipts, statute gives local authorities the option to apply these to fund the payment of any liabilities relating to finance leases and PFI schemes. This is a reflection of the fact that such schemes are being treated in accounting terms as the acquisition of fixed assets, and the liability represents the amount being paid towards the purchase of the asset itself, rather than interest or service charges payable.
- 3.3. Local authorities may also use capital receipts to repay any borrowing that was incurred to fund capital expenditure in previous years. Applying capital receipts to redeem borrowing would reduce the level of MRP which the council needs to set aside from revenue as a prudent provision.
- 3.4. The general principle adopted will be to allocate capital receipts firstly to fund the liabilities to be written down for the year in relation to PFI schemes. This will remove the need for MRP charges equal to the value of the capital receipts applied.
- 3.5. For any remaining capital receipts, the options are for these to be retained in the Usable Capital Receipts Reserve, used to redeem debt, or used to fund capital expenditure on short life assets. The Responsible Financial Officer (the Section 151 Officer) will determine annually the most appropriate use of these receipts, taking into account forecasts for future expenditure and the generation of further receipts.

### **4. 2017/18 MRP Policy**

- 4.1. In its 2017/18 MRP policy, the council is required to decide how MRP will be calculated for borrowing undertaken for the 2016/17 capital programme and earlier years. It is proposed that Leeds adopts the following MRP policies for 2017/18 :

- If capital receipts have been used to repay borrowing or to fund PFI liabilities for the year then the value of the MRP which would otherwise have been set aside will be reduced by the amounts which have instead been repaid from capital receipts.
- MRP for borrowing on capital expenditure incurred between 2007/08 and 2016/17 will be calculated on an annuity basis over the expected useful life of the assets (option 3 in the statutory guidance). For expenditure capitalised under statute where there is no identifiable asset, the lifetimes used for calculating the MRP will be as recommended in the statutory Guidance.
- For earlier borrowing, MRP will be calculated on an asset life annuity basis. As data is not available to identify the individual assets which this borrowing related to, an average asset life relating to more recent borrowing will be used. The annuity calculation will be based on the position which would have been reached if this approach had been in place since 2008/09.

- For all outstanding borrowing (both pre and post 2007/08), the MRP charged to revenue will be adjusted by offsetting an element of the cumulative overprovision on pre 2007/08 debt, until this overprovision has been fully utilised. For 2017/18, the calculated MRP will be reduced by the allocation of £15m of the cumulative overprovision on pre 2007/08 debt. It will be further reduced by the remaining £2.3m overprovision on 2008/09 borrowing and 2007/08 prudential borrowing.
  - For PFI liabilities, an MRP charge will be calculated on the basis of the expected life of the asset which has been acquired, using the same annuity basis as is used for borrowing.
  - For finance lease liabilities, an MRP charge will be made to match the value of any liabilities written down during the year.
- 4.2 These policies will ensure that the council satisfies the requirement to set aside a prudent level of MRP. The arrangements for allocating capital funding set out in paragraphs 3.3 to 3.5 above will help to ensure that the level of MRP is not excessive.



## Appendix E

### As a public authority we need to ensure that all our strategies, policies, service and Equality, Diversity, Cohesion and Integration Screening

functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: Resources</b>	<b>Service area: Audit and Investment</b>
<b>Lead person: Bhupinder Chana</b>	<b>Contact number: 51332</b>

#### 1. Title: Capital Programme Update

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify

#### 2. Please provide a brief description of what you are screening

The report presents an updated capital programme including the overall financial position and a progress report on major schemes and programmes.

--

### **3. Relevance to equality, diversity, cohesion and integration**

All the council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation. Also those areas that impact on or relate to equality: tackling poverty and improving health and well-being.

<b>Questions</b>	<b>Yes</b>	<b>No</b>
Is there an existing or likely differential impact for the different equality characteristics?		X
Have there been or likely to be any public concerns about the policy or proposal?		X
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		X
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"><li>• Eliminating unlawful discrimination, victimisation and harassment</li><li>• Advancing equality of opportunity</li><li>• Fostering good relations</li></ul>		X X X

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

#### **4. Considering the impact on equality, diversity, cohesion and integration**

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?**

(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

- **Key findings**

(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

- **Actions**

(think about how you will promote positive impact and remove/ reduce negative impact)

#### **5. If you are **not** already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment**.**

Date to scope and plan your impact assessment:

Date to complete your impact assessment

Lead person for your impact assessment (Include name and job title)	
--	--

## 6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Bhupinder Chana	Head of Finance (Acting) Capital, Insurance and Treasury Management	20 <sup>th</sup> January 2017
<b>Date screening completed</b>		

## 7. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality screenings that are not to be published should be sent to [equalityteam@leeds.gov.uk](mailto:equalityteam@leeds.gov.uk) for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to <b>Governance Services</b>	Date sent: 20 <sup>th</sup> January 2017
For Delegated Decisions or Significant Operational Decisions – sent to appropriate <b>Directorate</b>	Date sent:
All other decisions – sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a>	Date sent:

## **Appendix F**

### **Capital Programme – Scheme Details (Organised by Expenditure Objective)**

**SEE ATTACHED PDF**