

## The Report of the Executive

The Executive met at County Hall, Northallerton on Tuesday, 24 July, 2007. Present:- County Councillor John Weighell in the Chair. County Councillors John Fort BEM, Carl Les, Chris Metcalfe, Caroline Patmore, Helen Swiers, John Watson OBE and Clare Wood

Also in attendance:- County Councillors Michael Knaggs, Les Parkes, Stuart Parsons and Jim Snowball

The Executive met again at County Hall, Northallerton on Tuesday, 21 August, 2007. Present:- County Councillor John Weighell in the Chair. County Councillors John Fort BEM, Carl Les, Chris Metcalfe, Caroline Patmore, Helen Swiers, John Watson OBE and Clare Wood.

Also in attendance:- County Councillors John Blackburn, John Blackie, Eric Broadbent, Mrs M-A de Courcey-Bayley, Heather Garnett, Ron Haigh, Bill Hoult, Margaret Hulme, Paul Richardson and John Savage.

The Executive met again at County Hall, Northallerton on Tuesday, 25 September, 2007.

Present:- County Councillor John Weighell in the Chair. County Councillors John Fort BEM, Carl Les, Caroline Patmore, Helen Swiers, John Watson OBE and Clare Wood.

Also in attendance:- County Councillors Eric Broadbent, Ron Haigh, Margaret Hulme and Michael Knaggs.

**1. Development Plan for Adult Learning 2007/08:** The County Council is required to submit a Development Plan for Adult Learning to the local Learning and Skills Council. The plan covers the period 2007–2008 and supplements the plan previously approved for the period 2006– 2009.

The draft plan has been prepared using a structure provided by the national Learning and Skills Council. It includes a summary of the priorities to be addressed and a statement of activity which gives details of learner numbers, at different levels of learning, in both accredited (FE) and non-accredited (Adult and Community Learning – which includes both Family Learning and Personal and Community Development Learning) provision. The draft plan is attached to this report marked Appendix A.

Four major factors have influenced the planning for the next twelve months:

- The requirement to address the priorities of the national and local Learning and Skills Council.
- The recent Ofsted inspection of the Adult Learning Service (May 2007).
- The changes in the arrangements for charging learners and employers for FE and non-accredited provision.
- Observations made by Members of the Area Committees and the working group of the Economic Development and Regeneration Overview and Scrutiny Committee

Following detailed consultation on the plan with senior officers and managers from the local Learning and Skills Council, the final funding allocations have now been agreed and are included in the Summary Statement of Activity at Appendix B.

The Executive has approved proposals to charge learners the fees in the table below for the period 2007/8 and 2008/9.

| Full fees (per hour) | ACL   | FE    | Learning Clubs |
|----------------------|-------|-------|----------------|
| 2006/7               | £2.25 | £1.50 | N/A            |
| 2007/8               | £2.50 | £1.75 | £3.50          |
| 2008/9               | £2.75 | £2.00 | £3.70          |

| Concessionary fees (over 60's) | ACL   | FE  | Learning Clubs |
|--------------------------------|-------|-----|----------------|
| 2006/7                         | £1.25 | N/A | N/A            |
| 2007/8                         | £1.50 | N/A | £3.50          |
| 2008/9                         | £1.75 | N/A | £3.70          |

Following legal advice on the implications of age discrimination legislation in offering concessionary fees for older learners, the Adult Learning Service will continue to offer concessionary fees for the over-60 age group. Where necessary and in order to compete effectively in the open market with other providers of adult learning, officers of the Adult Learning Service are to have the authority to offer incentives to learners to encourage them on to North Yorkshire County Council provision (always of course within the financial regulations of the authority). Such an incentive might involve offering a 50% reduction on fees for a progression course to a Skills for Life learner who successfully completes their course. The national proposals for charging learners and employers who wish to undertake provision for English for Speakers of Other Languages (ESOL) is still unclear and, although officers have prepared draft guidance for learners and are also consulting employers, further clarification is needed from the national Learning and Skills Council before the fees can be set for this group of learners.

The Development Plan for Adult Learning is set within a context of the national and local priorities of the Learning and Skills Council, with the most significant change being the continued shift towards the Full Level 2 entitlement, employer engagement and Skills for Life. The provision of Family Learning and the learning opportunities for adults with learning difficulties and disabilities continues to be safeguarded within the allocations for adult learning. The plan also takes into consideration the need to provide learning which does not lead to a qualification but meets the needs of the local community in relation to health and social well-being, which is particularly relevant to the demographic make-up of the population of the rural county of North Yorkshire. The plan takes into consideration the current corporate priorities, the Council's and Children and Young People's Plans. There will continue to be links to the 14 – 19 agenda and the Parenting Support Strategy, with Family Learning and other learning opportunities making an important contribution to the Children and Young People's Plan.

The Adult Learning Service works closely with Adult and Community Services, particularly in the areas of Family Learning (Library and Information Services) and provision for adults with learning disabilities (Adult Social Care). Adult Learning Service officers continue to contribute to the Older People's strategy and the adult/healthier communities' thematic group of the North Yorkshire Strategic Partnership. The Adult Learning Service has an important role more generally in encouraging partnership working. North Yorkshire County Council recently gained the GO Award for its whole organisational approach to Skills for Life and this was achieved through a strong partnership between the Adult Learning

Service and the Learning and Development Unit. North Yorkshire County Council was the first local authority in the region to achieve this award.

The plan has been the subject of consultation with the North Yorkshire Learning Partnership and partner organisations and agencies within North Yorkshire. The Learning and Skills Council has established an Adult Strategy and Planning Group which involves the major providers of adult learning including North Yorkshire County Council. This group has set a clear framework for collaborative planning for adult learning across the seven district council areas of North Yorkshire.

Members of some Area Committees have expressed concerns over the reduction in enrolments in September 2006 compared to previous years. The main reason for this was the operational difficulties caused by the timing of the restructuring of the Community Education Service and the impact this had on the establishment and operation of bases for the newly established Adult Learning Service. The concerns expressed have since been allayed, following an increase in the number of enrolments in the spring and summer terms. The final number of enrolments for 2006/7 will be slightly lower than those for 2005/6, however more rigorous planning and monitoring arrangements for 2007/8 should ensure that enrolments for the next twelve months will be at least at the level for 2005/6, if not higher.

The Executive supported a number of amended/additional improvement indicators to be made to the Development Plan for Adult Learning, which were proposed by a working group of the Economic Development and Regeneration Overview and Scrutiny Committee.

- To maintain and further develop access to learning opportunities in the remote and rural areas of North Yorkshire. (additional Improvement Indicator)
- To ensure that the Adult Learning Service delivers on targets for which it is responsible in the Local Area Agreements and supports partners through the Area Learning Partnerships towards achieving targets in the Local Area Agreements generally. (amendment to an existing Improvement Indicator)
- To further develop packages of training for staff, including migrant workers, in the travel and tourism industry in North Yorkshire with an overall aim of providing Full Level 2 qualifications.

Performance against targets and commitments set out in the Development Plan for Adult Learning is monitored in different ways and at different levels:

- Senior managers from the local Learning and Skills Council meet with providers of post-16 Education and Training on a termly basis to review progress. The Adult Learning Service is also required to submit statistical information to the national Learning and Skills Council on a termly basis.
- Running alongside the preparation of the Development Plan for Adult Learning is a requirement to produce an annual self assessment report and quality improvement plan. The Self Assessment Report (SAR) and Quality Improvement Plan are submitted to the local Learning and Skills Council on 31 December each year. The SAR identifies strengths and areas for improvement through addressing all five questions in the Common Inspection Framework for all 15 sector subject areas. The Quality Improvement Plan describes how the Adult Learning Service will address the areas for improvement and build on the strengths identified in the SAR.

- A team of 11 Ofsted inspectors undertook an inspection of the Adult Learning Service in May 2007. The Service was judged to be a good service and 11 out of the 12 areas were judged to be good with one area, ICT, graded satisfactory. Over 58% of the teaching was graded good or outstanding and no teaching was judged inadequate. Only two areas, Family Learning and ICT, did not receive an improved grade since the last inspection in 2003. A post-inspection action plan will be prepared over the summer and this will be reported to the Executive Member for post-16 Lifelong Learning and members of the working group of the Economic Development and Regeneration Overview and Scrutiny Committee.
- Regular reports on Adult Learning are taken to all seven Area Committees of the County Council. The reports include statistical performance data as well as reports on specific projects. The performance of individual areas is also monitored through regular management meetings between Area Adult Learning Managers and the two Education Officers (Adult Learning) when specific targets in the operational plans will be reviewed and appropriate action taken.
- Performance against the targets set out in the Development Plan for Adult Learning will be reported to members of the working group of the Economic Development and Regeneration Overview and Scrutiny Committee in November/December 2007.
- A report monitoring performance against targets set out in the Plan will be brought to the Executive Member with responsibility for Lifelong Learning in Spring 2008.

**The Executive RECOMMENDS:**

That the Development Plan for Adult Learning 2007/08, a copy of which is attached to this report marked Appendix A, be approved

**2. Revised Prudential Indicators 2007/08 to 2009/10:** The Prudential Code requires appropriate arrangements to be in place for the monitoring, reporting and revision of Prudential Indicators previously set. These arrangements were agreed by the County Council in February 2004. The Prudential Indicators for 2007/08 to 2009/10, approved by County Council on 21 February 2007, were based on a Capital Plan approved by Executive on 21 November 2006.

The Annual Treasury Management and Prudential Indicators report, considered by the Executive on 26 June 2007, reported the 2006/07 outturn position on Prudential Indicators, compared with the last update set of Indicators for the year, as approved by County Council on 21 February 2007. The 2006/07 outturn did not, however, consider any updates to the various Indicators set for the three year period 2007/08 to 2009/10 and it is therefore necessary to revise the Prudential Indicators for the three years up to 31 March 2010. As a result of Capital Plan updates and other changes, many of the Prudential Indicators need revising, particularly those for capital spending, the capital financing requirement and authorised debt levels. Rather than consider individual Prudential Indicators in isolation, however, a full review of Indicators has been undertaken as part of the ongoing financial monitoring process. This is necessary because:-

- (i) the Indicators approved in February 2007 included a number of provisional forecasts

- (ii) subsequent, and more up to date information has become available resulting in forecasts for future years having to be refined

A Prudential Indicators update and monitoring report is therefore attached as Appendix C. This sets out every Prudential Indicator in terms of:

- (i) Indicators approved in February 2007
- (ii) Updated Indicators as at August 2007
- (iii) Comments on the reasons for all variations being proposed

In general the updated Indicators reflect a number of common factors including:

- (i) 2006/07 outturn – capital spending, capital financing and new borrowing as reported to Executive on 26 June 2007
- (ii) an updated Capital Plan
- (iii) latest information and approvals on schemes self funded from grants, contributions and from revenue
- (iv) updated forecasts of debt change estimates and interest earned on surplus cash balances
- (v) various other miscellaneous refinements

**The Executive RECOMMENDS:**

That the revised Prudential Indicators for the period 2007/08 to 2009/10, as set out in Appendix C to the report, be approved.

**3. Rights of Way Improvement Plan:** As Highway Authority, the County Council has a statutory responsibility to produce a Rights of Way Improvement Plan, covering the whole of North Yorkshire, by November 2007, in accordance with the Countryside and Rights of Way Act 2000. The Plan has been prepared in accordance with the guidance issued by Defra and the Department of Transport, the latter relating to the integration of rights of way and local transport planning. The Plan sets out how the County Council proposes to improve the management, maintenance, location and promotion of local rights of way in the future. Key components of plan preparation have included an initial public consultation in 2004; an assessment of the entire rights of way network; research of how rights of way deliver other policy agendas; and an assessment of stakeholder requirements.

The Rights of Way Improvement Plan has been jointly prepared by the County Council, as lead Highway Authority, together with the two National Park Authorities who have delegated responsibility with regard to rights of way within their areas. The Plan has had further support from a wider steering group composed of officers based at District Councils and Areas of Outstanding Natural Beauty. Advice and input has been provided by members of three Local Access Forums in North Yorkshire, who have a statutory role in preparing the Plan. A public consultation on the draft Plan was held between 1 April and 30 June 2007. A total of 250 responses were received from individuals, groups and organisations. The results of this consultation and the changes proposed in response to the comments received were considered by the Environment and Heritage Overview and

Scrutiny Committee on 5 September 2007, who resolved to support the proposed amendments to the Plan.

A full report on the consultation and the responses received, which sets out further detail on the submitted comments and outlines the main changes that have been proposed as a result, was considered by the Executive. The draft Plan, its policies and proposals, have received a high level of support from a variety of individuals, groups and organisations. These include a number of key stakeholders, notably Natural England whose remit covers Improvement Plans, the Government Office for Yorkshire and Humber and Sport England. Their comments highlight particularly effective elements, including the setting of national best practice in the techniques used to develop the Plan.

Some respondents have focussed their comments on local issues, rather than on the strategic objectives, policies and actions of the Plan. While these detailed comments often reflect wider concerns, it is important to note that the Government requires Improvement Plans to adopt a more strategic approach. This includes:

- Current and likely future needs
- The needs of people with a range of abilities, expectations and interests.
- Opportunities provided by footpaths, cycle tracks, bridleways and restricted byways of exercise, other forms of open-air recreation and enjoyment of their area
- Accessibility for the blind, partially sighted persons and other with mobility problems and
- Supporting the Government transport objectives.

The Plan also builds on statutory duties to provide better information, better management and the creation of carefully chosen new routes in locations which make a real difference. It also examines the role of rights of way improvements in delivering other policy objectives, in order to attract funding partnerships and a wider range of delivery mechanisms, including voluntary means.

Of those who responded, equestrian interests were best represented. Most of their responses supported conclusions from the network assessment which were already addressed by the objectives, policies and actions in the Plan. A handful of land interests felt that the Plan did not address their needs, that they were not consulted and that the Plan has a tourism bias rather than agricultural focus. While these concerns are acknowledged, they have been reflected in the Plan and were taken into account in developing the objectives, policies and actions. Further, land interests have also had the opportunity to present views in the 2004 and 2007 consultations and their interests have been represented on the three Local Access Forums who have been involved in preparing this Plan.

Many comments were received about stopping unlawful motorised vehicular use of rights of way and strong feelings were expressed about restricting lawful vehicular use of "green lanes", the term used to describe byways open to all traffic and unsurfaced unclassified roads. In this context the Plan considers the sustainable management of the rights of way and the future integration with local transport.

In view of the generally supportive nature of the consultation responses, only minor changes have been made to the Plan in order to clarify text, remove ambiguity and reflect minor concerns. There have been no changes to the objectives, policies and action contained in the Plan, apart from the addition of two policies which seek to reduce the

potential environmental impact of the Plan and a third relating to safety issues. These new policies state that:

- SU5 Undertake improvements which are compatible with the landscape, natural and historic environment of North Yorkshire.
- SU6 Ensure that improvements which are undertaken, are compatible with the statutory purposes of Natura 2000 site designation (European sites)
- SA6 Use a range of measures to reduce the potential for conflict when crossing or passing close to railways or other hazardous features.

An Annual Business Plan will be produced and published which will review progress in implementing the Plan.

Members of the County Council were sent a copy of the draft Rights of Way Improvement Plan on CD, at the beginning of the public consultation period, in April 2007. The CD also contained the four supporting technical summaries. Hard copies are also available of the Plan or of any or all of these documents.

**The Executive RECOMMENDS:**

- (a) That the Rights of Way Improvement Plan for North Yorkshire, a copy of which was circulated with the agenda on CD, be adopted.
- (b) That the Rights of Way Improvement Plan be added to the list of plans and strategies in the policy framework in Article 4 of the Constitution.

**3. Acceptance of Grant – Section 31 of the Local Government Act 2003:** An issue has arisen in relation to the necessary level of authority the Department of Transport requires in relation to certain grant funded schemes.

For the funding of local transport major schemes, the Department for Transport (DfT) has moved from Transport Supplementary Grant, supported borrowing and Section 56 funding to a 100% grant regime. This is based on powers contained in Section 31 of the Local Government Act 2003. The total grant funding for the Scarborough Integrated Transport Scheme from the DfT is £29.8m; of this £26.2m will now be funded under the new Section 31 arrangements. Total Government funding for the Reighton Bypass Scheme is £6.6m; of this £2.1m will be provided under the Section 31 arrangements.

Prior to 1 April 2007, the grant funding for the two schemes, and thereby the related terms and conditions, were accepted in the normal way by the Corporate Director – Business and Environmental Services and the Corporate Director – Finance and Central Services. Following the changes in grant arrangements introduced by the DfT, and as part of the DfT's subsequent S.31 Grant Determinations for Major Schemes in 2007/08, the DfT has asked authorities specifically to confirm that they accept the terms and conditions of this grant and to provide documentary evidence to this effect. The offer of S.31 Grant carries with it certain terms and conditions which the Authority has to accept before any grant will be paid. Some of these conditions carry a potentially significant financial impact upon the Authority, particularly the commitment by the Authority to repay the grant if the grant conditions are not met. These include, for example, the condition that the scheme must operate for a period of 10 years. The grant terms and conditions are set out in Appendix D attached to this report.

These conditions are similar as those applied to the grant arrangements prior to 2007/08. The Department of Transport has stated:

“However rare it may be to invoke these conditions, we are bound, as a matter of due diligence, to seek assurance that they have been accepted by the Authority in a way which would be legally binding.”

The Department has advised that there are two ways in which the Authority may demonstrate that this necessary acceptance is in place.

- “(i) that the Chief Finance Officer (or any other person) has the legitimate authority to accept the conditions on the Authority’s behalf. In this case they would sign the section that says “I accept the grant offer for and on behalf of XXXX Council” In signing this the person is not only committing the Authority to meet the conditions but to repay the grant if the grant conditions are not met. If the person has the authority to do this there should be a document in writing that confirms this, for example something in the Constitution or Articles of the Council that defines the powers of the Section 151 Officer.

A copy of this document is needed as evidence, provided of course that it confers the necessary powers (eg to enter into binding financial agreements). If the list of the Section 151 Officer’s powers is particularly extensive it would be helpful for that Authority to indicate which particular power gives the authority to enter into the agreement and why. Powers to apply for grants or to make grant *claims* are not in themselves sufficient, nor is a general duty to “administer the financial affairs of the council”.

- (ii) if there is no single person who appears to hold such authority, or there is any doubt as to this, then the grant acceptance needs to be ratified by a body with the necessary authority such as the full council or a council committee.

In this instance the person signing the form is not directly accepting the conditions on the Authority’s behalf but is confirming that they have been accepted by a body that had the authority to do so.

In this case the Department would need a copy of actual minutes that agreed the grant conditions. (Please note that minutes should show not just that the grant was accepted but that it was accepted *under the terms and conditions offered*).

AND (unless the decision was of the full council) a copy of the document that confirms that the body that took the decision (eg cabinet) has the power to do so eg to enter into binding financial agreements.”

A robust response to this issue has been submitted to the DfT by the Corporate Director - Business and Environmental Services and Corporate Director – Finance and Central Services. In relation to the schemes themselves, it has been pointed out that

- the Reighton Bypass scheme is almost complete and grant to 31 March 2007 paid
- a significant amount of work has already been carried on the SITS scheme and grant to 31 March 2007 paid



- the Department decided to change to S.31 grant and then apply these conditions retrospectively
- County Council officers have previously accepted grant conditions on these two schemes that were similar to those now specified for S.31
- no other grant schemes (including ESF etc) apply acceptance criteria in this way

In addition, copies of the relevant extracts from the Financial Procedure Rules that relate to the submission of grant applications and certification of claims, have been forwarded.

Claims submitted and not paid since 1 April 2007 on the two schemes amount to £1.5m on Reighton and £2.6m for SITS, a total of £4.1m now withheld by the DfT pending the resolution of this issue.

The DfT officials have indicated that they do not regard the arguments and evidence put forward by the County Council as “sufficient for our purposes”. Effectively the DfT does not accept that the Corporate Director – Business and Environmental Services and / or Corporate Director – Finance and Central Services have the necessary authority to accept the terms and conditions attached to S.31 grant. Because of this position, and the fact that the amount of grant outstanding, but not being paid, will accumulate, the Executive recommends that the County Council formally resolves to accept the terms and conditions of Section 31 Grant set out in Appendix D to the report. To avoid the need for such issues to be referred to full County Council, in future, however, the Executive has asked the Audit Committee to consider an amendment to the Scheme of Delegation to Officers, together with consequential amendments to the Finance Procedure Rules, to add to the authority of the Corporate Director - Finance and Central Services the power to agree the terms and conditions of grant offers made to the Council; to accept such grant offers and sign associated documentation on behalf of the Council, provided that, in case of grant offers that exceed (a sum to be set by the Audit Committee) the agreement and acceptance shall be subject to consultation with the Corporate Director to whose service the grant is relevant and with the Head of Legal Services. It is anticipated that the Audit Committee will bring a recommendation about such changes to County Council, in due course.

**The Executive RECOMMENDS:**

That the terms and conditions attached to Section 31 Grant, as set out in Appendix D to this report, be accepted in respect of the grants for the Reighton By Pass Scheme and the Scarborough Integrated Transport Scheme.

**5. Amendment of Officers’ Scheme of Delegation and Terms of Reference of Appeals Committee:** The Council’s Attendance Management Policy, introduced in 2005, deals with the termination of employment of Council employees on the grounds of attendance and sickness. The policy also includes a process for the consideration of appeals against termination on these grounds. Currently the process provides that appeals would be considered by a panel comprising at least one Member, a senior manager (who has not previously been involved in considering the matter), and an HR adviser, with prior advice from Occupational Health. The relevant powers are not specifically described in the Officers’ Scheme of Delegation and the process needs to be amended as, legally, a single non-Executive member cannot take decisions on behalf of the Council.

Ill health dismissals differ from dismissals on grounds such as conduct and capability, due to their sensitivity and lack of culpability. They also require input from Occupational Health and therefore appeals to a panel are considered to provide a more appropriate forum for their consideration. It is proposed that an appeal on such an issue will be decided by a senior manager in consultation with a Member, neither of whom has previously been involved in the matter. The role of the Member will be to provide a view as part of a panel; the senior manager will chair the panel and make the decision, taking into account the views of the Member and Occupational Health.

Appropriate additions to both the Officers' Scheme of Delegation and the terms of reference of the Appeals Committee, to make clear the different mechanism for appeals against dismissals under the Council's Attendance Management Policy, are set out below.

**The Executive RECOMMENDS:**

a) That the terms of reference of the Appeals Committee be amended by the additional of the text shown below, in italics:-

"To hear and determine appeals against decisions of Officers of the Council, where provision exists for appeals to a Member level body or relevant decisions of the Governing Bodies of voluntary aided schools where the Governing Body so requests in respect of:-

- Dismissals, including selection for redundancy, *except that appeals against dismissals under the Council's Attendance Management Policy shall be determined, in consultation with a Member to be drawn from the Appeals Committee and an HR advisor, by a senior manager who has not previously been involved in the matter, and who is duly authorised to determine the appeal in accordance with paragraph 3.7 of the Officers' Delegation Scheme"*

b) That paragraph 3.7 of the Scheme of Delegation to Officers' be amended by the addition of the words set out, in italics, below:-

"3.7 Chief Officers are authorised to take any action with respect to the recruitment, appointment, promotion, training, grading, discipline, *authorisation of senior managers to determine appeals against dismissal under the Council's Attendance Management Policy (in consultation with a member drawn from the Appeals Committee and an HR adviser),* determination of wages and salary scales....."

and that the Constitution be amended accordingly

**6. Appointments to Committees and Other Bodies:** The Executive recommends, below, a number of appointments to the Committees of the County Council and, in order to provide opportunity for political groups and independent members on the Council to propose changes to memberships, or substitute memberships of committees, or other bodies to which the County Council makes appointments, the Executive recommends below that such nominations be approved.

Recognising the significant workload of the Appeals Committee and the significant differences between appeals on home to school transport matters, which relate to the application of a County Council policy, and determining personnel related appeals, which relate to employment law and case law, the Executive has agreed that the benefits and/or the disadvantages of establishing a separate committee to determine appeals on personnel

related issues, should be considered further. This may include the possibility of appointing a chairman of the committee who is independent of the County Council and of allocating seats on the committee outside the arrangements for political proportional allocation of seats.

**The Executive RECOMMENDS:**

a) That Councillor Camacho be appointed to the Scrutiny of Health Committee as substitute member for the Craven District Council and that Councillor Rob Johnson be appointed to the Pension Fund Committee as second named substitute for the North Yorkshire District Councils

b) That any proposals for other changes to memberships, or substitute memberships or other bodies to which the County Council makes appointments, put forward by the relevant political group, at or before the meeting of the Council, be approved.

**JOHN WEIGHELL**  
Chairman

County Hall,  
NORTHALLERTON.

**2 October 2007**

North Yorkshire County Council  
Children and Young People's Service  
Learning Youth and Skills

## **Adult Learning Service**

### **Development Plan for 2007/8**

#### **Strategic commentary**

The plan to be delivered over the period 2007/8 is focussed on meeting those priorities identified within the Learning and Skills Council's national and local annual statements of priorities which are appropriate for and within reach of the Adult Learning Service to deliver. The priorities that we intend to address are:

- Meeting sector skills shortages through employer engagement
- Improving the literacy, numeracy and language skills of those living and working in North Yorkshire, including the growing migrant worker population, through Skills for Life and Family Literacy, Language and Numeracy provision which leads to the national tests at Level 2.
- Providing full level 2 qualifications in Play work, ITQ, Professional Cookery, Hairdressing, Beauty and Engineering.
- Improving the skills of the public sector workforce, particularly in literacy, numeracy and language but also in Healthy School Meals and vocational qualifications for school support staff.
- Contributing to the targets set out in the Local Area Agreements for the Adult Strategic Partnership and Healthier Community Partnership through increasing the participation of the over-50 age group in a range of cultural, leisure and health-related activities.

Specific targets for each of the above are in the county and area operational plans for 2007/8.

#### **Improvement Indicators**

- To improve the success rates in each of the sector subject areas and particularly those which are below the national benchmark for FE – these are given in detail in the operational plan for 2007/8.
- To establish "learning clubs" in order to meet the needs and interest of local communities.
- To build on the successful introduction of RARPA into non-accredited programmes by ensuring that the five-staged process is introduced into all FE programmes.
- To continue to develop the systems for consulting with learners and non-learners.
- To ensure that a consistent approach is taken with regard to non-attendance of learners.
- To further embed the self assessment process across the whole service.
- To ensure that all learners have access to an appropriate induction into their learning.
- To develop a system of performance management for adult education teachers using the observation of teaching and learning as a foundation from which to build.

## Appendix A

- To ensure that strengths and areas for improvement are recorded in the Log Book throughout the year by all Adult Learning Service staff and those for which actions are not completed are subsequently recorded in the Self Assessment Report for that period.
- To ensure that all learners on Family, Literacy, Language and Numeracy programmes have identified Skills for Life needs.
- To ensure that all data entered on the Management Information System is accurate.
- To review the register so that learners who are continuing on the same programme after 31 July and/or who have found it necessary to suspend their learning are recorded appropriately on the Management Information System.
- To ensure that volunteers and teaching assistants in Skills for Life programmes are appropriately supported and trained.
- To ensure that the targets in the Local Area Agreements for the Adult Strategic Partnership are delivered and ensure that the Adult Learning Service contributes to the targets relating to Healthier Communities.

DRAFT

# Summary Statement Of Activity



Provider Name : NORTH YORKSHIRE COUNTY COUNCIL

Region/LSC : North Yorkshire

Version # : 11

Status : Draft

Plan Year : 2007/2008

Planning Year : 2007/2008

| LSC Funded Participation                                                         | 16-18 (Learner | Adult (Learner |
|----------------------------------------------------------------------------------|----------------|----------------|
| Number of FE learners (total)                                                    | 240            | 4488           |
| Number of FE learners undertaking Level 4 and above                              | 0              | 0              |
| Number of FE learners undertaking Level 3                                        | 8              | 256            |
| of which: Full Level 3 Learners                                                  | 0              | 15             |
| of which: First Full Level 3 Learners                                            | 0              | 10             |
| Number of Train to Gain learners undertaking Level 3                             |                | 0              |
| Number of learners undertaking an Advanced Apprenticeship (Average in            | 0              | 0              |
| Number of FE learners undertaking Level 2                                        | 132            | 1147           |
| of which: Full Level 2 Learners                                                  | 1              | 147            |
| of which: First Full Level 2 Learners                                            | 0              | 59             |
| Number of Train to Gain learners undertaking Level 2                             |                | 0              |
| Number of learners undertaking an Apprenticeship at Level 2 (Average in          | 0              | 0              |
| Number of FE learners undertaking Skills for Life qualifications that directly   | 80             | 1344           |
| Number of Advanced Apprenticeships and Apprenticeship learners undertaking       | 0              | 0              |
| Number of Train to Gain learners undertaking Skills for Life qualifications that |                | 0              |
| Number of FE learners undertaking Level 1 and Entry                              | 20             | 1781           |
| Number of learners undertaking Entry to Employment (starts)                      | 0              |                |
| Number of learners undertaking Safeguarded Adult Learning (Total)                |                | 14052          |
| of which: Number of learners undertaking Family learning, literacy and numeracy  |                | 750            |
| of which: Number of learners undertaking Neighbourhood learning in deprived      |                | 0              |
| of which: Number of learners undertaking Wider Family Learning                   |                | 1028           |
| of which: Number of learners undertaking Personal / Leisure Learning             |                | 12274          |
| ESF Funded Participation                                                         |                |                |
| Number of ESF Learners undertaking any ESF Activity                              | 0              | 0              |
| Number of ESF Learners not included in LSC Funded Participation table above      | 0              | 0              |
| Of which:                                                                        |                |                |
| Level 4 and above                                                                | 0              | 0              |
| Full Level 3                                                                     | 0              | 0              |
| Full Level 2                                                                     | 0              | 0              |
| Skills for Life that directly contributes towards the PSA target                 | 0              | 0              |
| Level 1 and Entry                                                                | 0              | 0              |
| Other ESF activity                                                               | 0              | 0              |
|                                                                                  |                |                |

# Summary Statement Of Activity



Provider Name : NORTH YORKSHIRE COUNTY COUNCIL

Region/LSC : North Yorkshire

Version # : 11

Status : Draft

Plan Year : 2007/2008

Planning Year : 2007/2008

| LSC Funded Outcome                                             | 16-18 (Learner achievements) | Adult (Learner Achievements) | 16-18 Success Rate (%) | Adult Success Rate (%) |
|----------------------------------------------------------------|------------------------------|------------------------------|------------------------|------------------------|
| Number of FE Learners achieving a Full Level 3                 | 0                            | 8                            |                        |                        |
| Number of FE Learners achieving a First Full Level 3           | 0                            | 4                            |                        |                        |
| Number of Train to Gain learners achieving a Full Level        |                              | 0                            |                        | 0                      |
| Number of Learners achieving an Advanced                       | 0                            | 0                            | 0                      | 0                      |
| Number of FE Learners achieving a Full Level 2                 | 0                            | 120                          | 0                      | 65                     |
| Number of FE Learners achieving a First Full Level 2           | 0                            | 45                           | 0                      | 60                     |
| Number of Train to Gain Learners achieving a Full Level        |                              | 0                            |                        | 0                      |
| Number of Learners achieving an Apprenticeship                 | 0                            | 0                            | 0                      | 0                      |
| Number of FE learners achieving a Skills for Life              | 68                           | 900                          | 70                     | 79                     |
| Number of Advanced Apprenticeship and Apprenticeship           | 0                            | 0                            | 0                      | 0                      |
| Number of Train to Gain learners achieving a Skills for        |                              | 0                            |                        | 0                      |
| Number of learners progressing to a positive destination       | 0                            |                              | 0                      |                        |
| ESF Funded Section                                             |                              |                              |                        |                        |
| Number of ESF Learners not included in LSC Funded              |                              |                              |                        |                        |
| Full Level 3                                                   | 0                            | 0                            |                        |                        |
| Full Level 2                                                   | 0                            | 0                            |                        |                        |
| Skills for Life qualification that directly contributes to the | 0                            | 0                            | 0                      | 0                      |

| Funding Summary                   | Funding (£) |
|-----------------------------------|-------------|
| FE 16 - 18                        | 113040      |
| FE Adult                          | 1997160     |
| FE Additional Learning Support    | 55000       |
| Train to Gain                     |             |
| Advanced Apprenticeships and      |             |
| Advanced Apprenticeships and      |             |
| Entry to Employment               |             |
| WBL additional learner / learning |             |
| Safeguarded Adult Learning        | 2017835     |
| ESF                               |             |
| Total                             | 4183035     |

# Summary Statement Of Activity

Provider Name : NORTH YORKSHIRE COUNTY COUNCIL

Region/LSC : North Yorkshire

Version # : 11

Status : Draft

Plan Year : 2007/2008

Planning Year : 2007/2008

| Fee Income and Other Activity Summary | Fee Income (£) | % of LSC Funded Activity Fee | Number Of Learners |
|---------------------------------------|----------------|------------------------------|--------------------|
| LSC Funded provision                  | 535263         |                              |                    |
| Not publicly subsidised / full cost   | 168000         |                              | 2520               |
|                                       |                |                              |                    |

## Plan Comments









**PRUDENTIAL INDICATORS UPDATE – FOR 2007/08 TO 2009/10  
(EXECUTIVE – 21 AUGUST 2007)**

| CAPITAL EXPENDITURE & EXTERNAL DEBT INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |     | Comment  |                           |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----|----------|---------------------------|--|--------------------|--|-------|---|-------|---|---------|--------|-----|--------|-----|---------|----------|-----|--------|-----|---------|----------|-----|----------|-----|---------|----------|-----|----------|-----|---------|----------|-----|----------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1 Estimated Ratio of capital financing costs to the net Revenue Budget</b></p> <p>The estimated ratios of financing costs to the net Revenue Budget for the current and future years, and the actual figures for 2005/06 and 2006/07 are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive 6 February 2007</th> <th colspan="2">Update August 2007</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2005/06</td> <td>actual</td> <td>4.4</td> <td>actual</td> <td>4.4</td> </tr> <tr> <td>2006/07</td> <td>probable</td> <td>8.7</td> <td>actual</td> <td>8.8</td> </tr> <tr> <td>2007/08</td> <td>estimate</td> <td>9.1</td> <td>estimate</td> <td>8.7</td> </tr> <tr> <td>2008/09</td> <td>estimate</td> <td>9.3</td> <td>estimate</td> <td>9.2</td> </tr> <tr> <td>2009/10</td> <td>estimate</td> <td>9.3</td> <td>estimate</td> <td>9.7</td> </tr> </tbody> </table> <p>The estimates of financing costs include current Capital Plan commitments based on the latest Capital Plan.</p> |                           |     | Year     | Executive 6 February 2007 |  | Update August 2007 |  | Basis | % | Basis | % | 2005/06 | actual | 4.4 | actual | 4.4 | 2006/07 | probable | 8.7 | actual | 8.8 | 2007/08 | estimate | 9.1 | estimate | 8.7 | 2008/09 | estimate | 9.3 | estimate | 9.2 | 2009/10 | estimate | 9.3 | estimate | 9.7 | <p>The figures for 2006/07 and subsequent years are significantly affected by the introduction of the new Dedicated Schools Grant from 1 April 2006. This change of funding mechanism by the Government has the effect of reducing the County Council's net Revenue Budget by around 50% which results in an effective doubling of this Indicator.</p> <p>The calculations reflect capital financing costs less interest earned on the temporary investment of surplus cash balances.</p> <p>The updated estimates for 2007/08 to 2009/10 reflect the net effect of a range of factors, principally</p> <ul style="list-style-type: none"> <li>(a) an increased forecast cost for new capital borrowing resulting from recent interest rate increases</li> <li>(b) additional prudential borrowing costs resulting from the inclusion in the Capital Plan of a significant Waste Strategy project</li> <li>(c) a higher return on investments achieved resulting from recent interest rate increases together with a higher level of funds and balances available to invest</li> <li>(d) ongoing savings resulting from debt rescheduling exercises undertaken in 2006/07 and expected to be undertaken in 2007/08</li> </ul> |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Executive 6 February 2007 |     |          | Update August 2007        |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Basis                     | %   | Basis    | %                         |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2005/06                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | actual                    | 4.4 | actual   | 4.4                       |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2006/07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | probable                  | 8.7 | actual   | 8.8                       |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2007/08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | estimate                  | 9.1 | estimate | 8.7                       |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2008/09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | estimate                  | 9.3 | estimate | 9.2                       |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2009/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | estimate                  | 9.3 | estimate | 9.7                       |  |                    |  |       |   |       |   |         |        |     |        |     |         |          |     |        |     |         |          |     |          |     |         |          |     |          |     |         |          |     |          |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Comment  |                           |          |                    |  |       |       |       |       |         |          |        |          |       |         |          |        |          |       |         |          |        |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------|----------|--------------------|--|-------|-------|-------|-------|---------|----------|--------|----------|-------|---------|----------|--------|----------|-------|---------|----------|--------|----------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>2 Estimates of the incremental impact of capital investment decisions on the Council Tax</b></p> <p>In considering its programme for future capital investment, the County Council is required within the Prudential Code to have regard to:</p> <ul style="list-style-type: none"> <li>➔ affordability (eg implications for Council Tax)</li> <li>➔ prudence and sustainability (eg implications for external borrowing)</li> <li>➔ value for money (eg option appraisal)</li> <li>➔ stewardship of assets (eg asset management planning)</li> <li>➔ service objectives (eg strategic planning for the authority)</li> <li>➔ practicality (eg achievability of the Capital Plan)</li> </ul> <p>A key measure of affordability is the incremental impact on Council Tax. The County Council can consider different options for its capital investment programme based on their differential impact on the Council Tax.</p> <p>The estimate of the incremental impact on Council Tax (at Band D) of past capital investment decisions which are reflected in the latest Capital Plan and also in the Revenue Budget for 2007/08 and Medium Term Financial Strategy compared with the 2006/07 Council Tax are:</p> <table border="1" data-bbox="212 911 1113 1070"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive 7 February 2007</th> <th colspan="2">Update August 2007</th> </tr> <tr> <th>Basis</th> <th>£ - p</th> <th>Basis</th> <th>£ - p</th> </tr> </thead> <tbody> <tr> <td>2007/08</td> <td>estimate</td> <td>+ 1.21</td> <td>estimate</td> <td>+1.21</td> </tr> <tr> <td>2008/09</td> <td>estimate</td> <td>+ 2.61</td> <td>estimate</td> <td>+2.61</td> </tr> <tr> <td>2009/10</td> <td>estimate</td> <td>+ 3.81</td> <td>estimate</td> <td>+3.81</td> </tr> </tbody> </table> | Year     | Executive 7 February 2007 |          | Update August 2007 |  | Basis | £ - p | Basis | £ - p | 2007/08 | estimate | + 1.21 | estimate | +1.21 | 2008/09 | estimate | + 2.61 | estimate | +2.61 | 2009/10 | estimate | + 3.81 | estimate | +3.81 | <p>This Indicator shows the incremental impact on Band D Council Tax of the capital financing costs resulting from borrowing required to fund the Capital Plan. This borrowing includes the funding shortfall of capital bids approved by Executive on 3 February 2004, as part of the 10 year Capital Forecast projection, together with a number of subsequent funding approvals. The 10 year Capital Forecast is due to be reviewed during the current financial year using a new capital prioritisation methodology.</p> <p>Financing charges resulting from Invest to Save schemes and certain other capital provisions are excluded however, as these are deemed to be self financed from within Directorate revenue budgets.</p> <p><b>No changes are proposed to these figures for the time being.</b></p> <p>The estimated figures for the three years 2008/09 to 2010/11 will however be updated as part of the 2008/09 Budget process and review of the Medium Term Financial Strategy.</p> |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          | Executive 7 February 2007 |          | Update August 2007 |  |       |       |       |       |         |          |        |          |       |         |          |        |          |       |         |          |        |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Basis    | £ - p                     | Basis    | £ - p              |  |       |       |       |       |         |          |        |          |       |         |          |        |          |       |         |          |        |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2007/08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | estimate | + 1.21                    | estimate | +1.21              |  |       |       |       |       |         |          |        |          |       |         |          |        |          |       |         |          |        |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2008/09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | estimate | + 2.61                    | estimate | +2.61              |  |       |       |       |       |         |          |        |          |       |         |          |        |          |       |         |          |        |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2009/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | estimate | + 3.81                    | estimate | +3.81              |  |       |       |       |       |         |          |        |          |       |         |          |        |          |       |         |          |        |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |       | Comment  |                           |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------|----------|---------------------------|--|--------------------|--|-------|----|-------|----|---------|--------|------|--------|------|---------|----------|------|--------|------|---------|----------|-------|----------|-------|---------|----------|------|----------|-------|---------|----------|------|----------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>3 Capital Expenditure - Actual and Forecasts</b></p> <p>The actual capital expenditure that was incurred in 2005/06 and 2006/07 and the latest estimates of capital expenditure to be incurred for the current and future years are:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive 6 February 2007</th> <th colspan="2">Update August 2007</th> </tr> <tr> <th>Basis</th> <th>£m</th> <th>Basis</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>2005/06</td> <td>actual</td> <td>81.5</td> <td>actual</td> <td>81.5</td> </tr> <tr> <td>2006/07</td> <td>probable</td> <td>90.8</td> <td>actual</td> <td>95.4</td> </tr> <tr> <td>2007/08</td> <td>estimate</td> <td>109.4</td> <td>estimate</td> <td>118.9</td> </tr> <tr> <td>2008/09</td> <td>estimate</td> <td>77.8</td> <td>estimate</td> <td>102.2</td> </tr> <tr> <td>2009/10</td> <td>estimate</td> <td>63.7</td> <td>estimate</td> <td>89.3</td> </tr> </tbody> </table> <p>The above figures reflect the updated Capital Plan together with expenditure on fixed assets funded directly from the Revenue Budget and not included in the Capital Plan.</p> |                           |       | Year     | Executive 6 February 2007 |  | Update August 2007 |  | Basis | £m | Basis | £m | 2005/06 | actual | 81.5 | actual | 81.5 | 2006/07 | probable | 90.8 | actual | 95.4 | 2007/08 | estimate | 109.4 | estimate | 118.9 | 2008/09 | estimate | 77.8 | estimate | 102.2 | 2009/10 | estimate | 63.7 | estimate | 89.3 | <p>The Indicators approved by Executive on 6 February 2007 were based on a Capital Plan approved by Executive in November 2006 as adjusted for a number of provisional variations. This Indicator now reflects an updated Capital Plan incorporating Capital Outturn in 2006/07 and the Capital Plan update for Q1 2007/08.</p> <p>The significant variations are principally a result of:-</p> <ul style="list-style-type: none"> <li>(a) increased levels of spending on fixed assets funded directly from the Revenue budget, particularly by schools</li> <li>(b) the addition to the Capital Plan of two significant new provisions funded from Prudential Borrowing – Loans to Companies and Waste Strategy project</li> <li>(c) a number of additional and variations to existing Capital Plan provisions which are self funded from capital grants, contributions and from revenue</li> <li>(d) capital expenditure re-phasing between years</li> <li>(e) various other capital approvals and refinements to the Capital Plan</li> </ul> |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Executive 6 February 2007 |       |          | Update August 2007        |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Basis                     | £m    | Basis    | £m                        |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2005/06                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | actual                    | 81.5  | actual   | 81.5                      |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2006/07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | probable                  | 90.8  | actual   | 95.4                      |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2007/08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | estimate                  | 109.4 | estimate | 118.9                     |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2008/09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | estimate                  | 77.8  | estimate | 102.2                     |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2009/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | estimate                  | 63.7  | estimate | 89.3                      |  |                    |  |       |    |       |    |         |        |      |        |      |         |          |      |        |      |         |          |       |          |       |         |          |      |          |       |         |          |      |          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Comment  |                           |          |                    |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><b>4 Capital Financing Requirement (CFR)</b></p> <p>Actuals and estimates of the Capital Financing Requirement (CFR) at the defined year ends are as follows:</p> <table border="1" data-bbox="212 379 1149 603"> <thead> <tr> <th rowspan="2">Date</th> <th colspan="2">Executive 6 February 2007</th> <th colspan="2">Update August 2007</th> </tr> <tr> <th>Basis</th> <th>£m</th> <th>Basis</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>31 Mar 06</td> <td>actual</td> <td>281.2</td> <td>actual</td> <td>281.2</td> </tr> <tr> <td>31 Mar 07</td> <td>estimate</td> <td>317.5</td> <td>actual</td> <td>317.8</td> </tr> <tr> <td>31 Mar 08</td> <td>estimate</td> <td>345.4</td> <td>estimate</td> <td>352.1</td> </tr> <tr> <td>31 Mar 09</td> <td>estimate</td> <td>363.0</td> <td>estimate</td> <td>379.8</td> </tr> <tr> <td>31 Mar 10</td> <td>estimate</td> <td>386.2</td> <td>estimate</td> <td>412.1</td> </tr> </tbody> </table> <p>The CFR measures the underlying need for the County Council to borrow for capital purposes. In accordance with best professional practice, the County Council does not earmark borrowing to specific items or types of expenditure. The County Council has an integrated treasury management approach and has adopted the CIPFA Code of Practice for Treasury Management. The County Council has, at any point in time, a number of cashflows, both positive and negative, and manages its treasury position in terms of its overall borrowings and investments in accordance with its approved Annual Treasury Management Strategy. In day to day cash management, no distinction is made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the County Council as a whole and not simply those arising from capital spending. In contrast, the CFR Indicator reflects the County Council's underlying need to borrow for capital purposes only.</p> <p>CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key definition of prudence:</p> <p>"In order to ensure that, over the medium term, net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years."</p> | Date     | Executive 6 February 2007 |          | Update August 2007 |  | Basis | £m | Basis | £m | 31 Mar 06 | actual | 281.2 | actual | 281.2 | 31 Mar 07 | estimate | 317.5 | actual | 317.8 | 31 Mar 08 | estimate | 345.4 | estimate | 352.1 | 31 Mar 09 | estimate | 363.0 | estimate | 379.8 | 31 Mar 10 | estimate | 386.2 | estimate | 412.1 | <p>The February 2007 figures were based on a Capital Plan approved by Executive in November 2006, as adjusted for a number of provisional variations.</p> <p>The updated figures now recommended for approval reflect the following variations to the February 2007 figures</p> <ul style="list-style-type: none"> <li>(a) the addition to the Capital Plan of the significant new provisions funded from Prudential Borrowing – Loans to Companies and Waste Strategy project (see explanation (a) on <b>Indicator 5</b>)</li> <li>(b) expenditure re-phasing between years that is funded from borrowing</li> <li>(c) capital receipts slippage between years that affects year on year borrowing requirements</li> <li>(d) various other refinements</li> </ul> <p>The Corporate Director - Finance and Central Services has previously reported that the County Council had no difficulty meeting this requirement up to 2006/07 nor are any difficulties envisaged for the current or future years of the Medium Term Financial Strategy. This opinion takes into account current spending commitments, existing and proposed Capital Plans, 2007/08 Revenue Budget and Medium Term Financial Strategy.</p> |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          | Executive 6 February 2007 |          | Update August 2007 |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Basis    | £m                        | Basis    | £m                 |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 31 Mar 06                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | actual   | 281.2                     | actual   | 281.2              |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 31 Mar 07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | estimate | 317.5                     | actual   | 317.8              |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 31 Mar 08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | estimate | 345.4                     | estimate | 352.1              |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 31 Mar 09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | estimate | 363.0                     | estimate | 379.8              |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 31 Mar 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | estimate | 386.2                     | estimate | 412.1              |  |       |    |       |    |           |        |       |        |       |           |          |       |        |       |           |          |       |          |       |           |          |       |          |       |           |          |       |          |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Comment                                            |                                                    |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><b>5 Authorised Limit for External Debt</b></p> <p>In respect of its external debt, it is recommended that the County Council approves the following Authorised Limits for its total external debt for the next three financial years.</p> <p>The Prudential Code requires external borrowing and other long term liabilities to be identified separately. The figures shown below for the County Council however consist wholly of external debt with no other long term liabilities.</p> <p>The authorised limit for 2007/08 will be the statutory limit determined under section 3(1) of the Local Government Act 2003.</p> <table border="1" data-bbox="212 758 1149 978"> <thead> <tr> <th data-bbox="212 758 376 852">Year</th> <th data-bbox="421 758 806 852">Executive 6 February 2007<br/>Borrowing Limit<br/>£m</th> <th data-bbox="851 758 1149 852">Update August 2007<br/>Borrowing Limit<br/>£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 852 376 884">2006/07</td> <td data-bbox="421 852 806 884">349.0</td> <td data-bbox="851 852 1149 884">N/A</td> </tr> <tr> <td data-bbox="212 884 376 916">2007/08</td> <td data-bbox="421 884 806 916">387.3</td> <td data-bbox="851 884 1149 916">389.8</td> </tr> <tr> <td data-bbox="212 916 376 948">2008/09</td> <td data-bbox="421 916 806 948">400.2</td> <td data-bbox="851 916 1149 948">412.1</td> </tr> <tr> <td data-bbox="212 948 376 978">2009/10</td> <td data-bbox="421 948 806 978">428.8</td> <td data-bbox="851 948 1149 978">451.6</td> </tr> </tbody> </table> | Year                                               | Executive 6 February 2007<br>Borrowing Limit<br>£m | Update August 2007<br>Borrowing Limit<br>£m | 2006/07 | 349.0 | N/A | 2007/08 | 387.3 | 389.8 | 2008/09 | 400.2 | 412.1 | 2009/10 | 428.8 | 451.6 | <p>The Corporate Director – Finance and Central Services confirms that these authorised limits are consistent with the County Council’s current commitments, updated Capital Plan and the financing of that Plan, the 2007/08 Revenue Budget and updated Medium Term Financial Strategy and with its approved Treasury Management Policy Statement.</p> <p>The Corporate Director - Finance and Central Services also confirms that the limits are based on the estimate of most likely prudent, but not worst case, scenario with sufficient headroom over and above this to allow for operational issues (eg unusual cash movements). To derive these limits a risk analysis has been applied to the Capital Plan, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.</p> <p>The updated figures reflect the following variations to the February 2007 figures.</p> <ul style="list-style-type: none"> <li>(a) the addition to the Capital Plan of a significant new scheme to be mainly funded from external Prudential Borrowing. This Waste Strategy project has been added to the Capital Plan at a total cost of £23.8m over the 3 years 2007/08 to 2009/10 with £21.9m required to be funded from borrowing after allowing for contributions of £1.9m. The revenue implications resulting from this project are already included in the 2007/08 Revenue Budget and MTFs.</li> <li>(b) expenditure re-phasing between years that is funded from borrowing</li> <li>(c) capital receipts slippage between years that affects year on year borrowing requirements</li> </ul> |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Executive 6 February 2007<br>Borrowing Limit<br>£m | Update August 2007<br>Borrowing Limit<br>£m        |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2006/07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 349.0                                              | N/A                                                |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2007/08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 387.3                                              | 389.8                                              |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2008/09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 400.2                                              | 412.1                                              |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2009/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 428.8                                              | 451.6                                              |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |



| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                    |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>(d) variations in the total capital borrowing requirement that is taken from external borrowing as against from internal sources</p> <p>(e) changes to loan repayment cover arrangements which affect external debt levels at any one point of time, but do not impact on the Capital Financing Requirement</p> <p>(f) various other refinements</p> <p>The above refinements are also common to the Operational Boundary for External Debt (see <b>Indicator 6</b>) with many also applying to the Capital Financing Requirement (see <b>Indicator 4</b>)</p> |                                                    |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |
| <p><b>6 Operational Boundary for External Debt</b></p> <p>It is recommended that the County Council approves the following Operational Boundary for external debt for the same period.</p> <p>The proposed operational boundary for external debt is based on the same estimates as the Authorised Limit (ie <b>Indicator 5</b> above) but reflects an estimate of the most likely prudent, but not worst case, scenario without the additional headroom included within the Authorised Limit to allow for eg unusual cash flows.</p> <table border="1" data-bbox="212 1005 1149 1225"> <thead> <tr> <th data-bbox="212 1005 376 1098">Year</th> <th data-bbox="421 1005 806 1098">Executive 6 February 2007<br/>Borrowing Limit<br/>£m</th> <th data-bbox="851 1005 1149 1098">Update August 2007<br/>Borrowing Limit<br/>£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="212 1098 376 1129">2006/07</td> <td data-bbox="421 1098 806 1129">329.0</td> <td data-bbox="851 1098 1149 1129">N/A</td> </tr> <tr> <td data-bbox="212 1129 376 1161">2007/08</td> <td data-bbox="421 1129 806 1161">367.3</td> <td data-bbox="851 1129 1149 1161">369.8</td> </tr> <tr> <td data-bbox="212 1161 376 1193">2008/09</td> <td data-bbox="421 1161 806 1193">380.2</td> <td data-bbox="851 1161 1149 1193">392.1</td> </tr> <tr> <td data-bbox="212 1193 376 1225">2009/10</td> <td data-bbox="421 1193 806 1225">408.8</td> <td data-bbox="851 1193 1149 1225">431.6</td> </tr> </tbody> </table> | Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Executive 6 February 2007<br>Borrowing Limit<br>£m | Update August 2007<br>Borrowing Limit<br>£m | 2006/07 | 329.0 | N/A | 2007/08 | 367.3 | 369.8 | 2008/09 | 380.2 | 392.1 | 2009/10 | 408.8 | 431.6 | <p>The Operational Boundary represents a key management tool for the in year monitoring of external debt by the Corporate Director - Finance and Central Services.</p> <p>The updated figures reflect refinements which are common to the Authorised limit for External Debt (see <b>Indicator 5</b>).</p> |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Executive 6 February 2007<br>Borrowing Limit<br>£m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Update August 2007<br>Borrowing Limit<br>£m        |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |
| 2006/07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 329.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | N/A                                                |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |
| 2007/08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 367.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 369.8                                              |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |
| 2008/09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 380.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 392.1                                              |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |
| 2009/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 408.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 431.6                                              |                                             |         |       |     |         |       |       |         |       |       |         |       |       |                                                                                                                                                                                                                                                                                                            |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Comment                                                                                                                                                                                                              |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------|--------------------------|--|-------------|--------|-------|--------|-------|-------------|--------|----|--------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----|--------------------------------|-------|-----------------------------------|-------|-------------------------|------|----------------------------------|-------|
| <p><b>7 Actual External Debt</b></p> <p>The County Council's actual external debt is set out below.</p> <table border="1" data-bbox="206 349 1205 480"> <thead> <tr> <th data-bbox="206 349 396 413">Year</th> <th colspan="2" data-bbox="430 349 866 413">Executive 6 February 2007<br/>£m</th> <th colspan="2" data-bbox="900 349 1205 413">Update August 2007<br/>£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="206 413 396 445">31 Mar 2006</td> <td data-bbox="430 413 866 445">actual</td> <td data-bbox="710 413 866 445">274.4</td> <td data-bbox="900 413 1205 445">actual</td> <td data-bbox="1079 413 1205 445">274.4</td> </tr> <tr> <td data-bbox="206 445 396 477">31 Mar 2007</td> <td data-bbox="430 445 866 477">actual</td> <td data-bbox="710 445 866 477">NA</td> <td data-bbox="900 445 1205 477">actual</td> <td data-bbox="1079 445 1205 477">299.0</td> </tr> </tbody> </table> <p>It should be noted that actual external debt is not directly comparable to the authorised limit (<b>Indicator 5 above</b>) and operational boundary (<b>Indicator 6 above</b>) since the actual external debt reflects a position at one point in time.</p> | Year                                                                                                                                                                                                                 | Executive 6 February 2007<br>£m |                          | Update August 2007<br>£m |  | 31 Mar 2006 | actual | 274.4 | actual | 274.4 | 31 Mar 2007 | actual | NA | actual | 299.0 | <p>The year on year movement in external debt is as follows</p> <table data-bbox="1261 349 1850 552"> <tbody> <tr> <td></td> <td style="text-align: right;">£m</td> </tr> <tr> <td>external debt at 31 March 2006</td> <td style="text-align: right;">274.4</td> </tr> <tr> <td>new external borrowing in 2006/07</td> <td style="text-align: right;">+30.0</td> </tr> <tr> <td>loans repaid in 2006/07</td> <td style="text-align: right;">-5.4</td> </tr> <tr> <td>= external debt at 31 March 2007</td> <td style="text-align: right; border: 1px solid black;">299.0</td> </tr> </tbody> </table> <p>The net year on year increase of £24.6m reflects additional capital investment during 2006/07 principally supported by Government Borrowing approvals, particularly on Schools and the Highways Local Transport Plan.</p> |  | £m | external debt at 31 March 2006 | 274.4 | new external borrowing in 2006/07 | +30.0 | loans repaid in 2006/07 | -5.4 | = external debt at 31 March 2007 | 299.0 |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Executive 6 February 2007<br>£m                                                                                                                                                                                      |                                 | Update August 2007<br>£m |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| 31 Mar 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | actual                                                                                                                                                                                                               | 274.4                           | actual                   | 274.4                    |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| 31 Mar 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | actual                                                                                                                                                                                                               | NA                              | actual                   | 299.0                    |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | £m                                                                                                                                                                                                                   |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| external debt at 31 March 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 274.4                                                                                                                                                                                                                |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| new external borrowing in 2006/07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | +30.0                                                                                                                                                                                                                |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| loans repaid in 2006/07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -5.4                                                                                                                                                                                                                 |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| = external debt at 31 March 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 299.0                                                                                                                                                                                                                |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |
| <p><b>TREASURY MANAGEMENT INDICATORS</b></p> <p><b>8 Adoption of CIPFA Code of Practice for Treasury Management</b></p> <p>The County Council formally adopted the CIPFA Code of Practice for Treasury Management in the Public Service at its meeting on 15 May 2002.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>The County Council has fully complied with this Code following approval by Executive in February 2004 of a Treasury Management Policy Statement incorporating the 12 Treasury Management Practice statements.</p> |                                 |                          |                          |  |             |        |       |        |       |             |        |    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |    |                                |       |                                   |       |                         |      |                                  |       |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Comment    |            |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|-----------|--|--|---------|----|-----|------------|---|----|-------------|--|--|---------|---|----|------------|----|-----|----------------------------------------|--|--|---------|---|-----|------------|-----|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>9 Interest Rate Exposures</b></p> <p>The County Council set upper and lower limits on its fixed and variable interest rate exposures as a percentage of outstanding principal sums for 2007/08, 2008/09 and 2009/10 as set out below -</p> <table border="0" data-bbox="224 367 1030 782"> <thead> <tr> <th></th> <th style="text-align: center;">Lower<br/>%</th> <th style="text-align: center;">Upper<br/>%</th> </tr> </thead> <tbody> <tr> <td>Borrowing</td> <td></td> <td></td> </tr> <tr> <td>- Fixed</td> <td style="text-align: center;">70</td> <td style="text-align: center;">100</td> </tr> <tr> <td>- Variable</td> <td style="text-align: center;">0</td> <td style="text-align: center;">30</td> </tr> <tr> <td>Investments</td> <td></td> <td></td> </tr> <tr> <td>- Fixed</td> <td style="text-align: center;">0</td> <td style="text-align: center;">20</td> </tr> <tr> <td>- Variable</td> <td style="text-align: center;">80</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Combined Net Borrowing and Investments</td> <td></td> <td></td> </tr> <tr> <td>- Fixed</td> <td style="text-align: center;">0</td> <td style="text-align: center;">130</td> </tr> <tr> <td>- Variable</td> <td style="text-align: center;">-30</td> <td style="text-align: center;">25</td> </tr> </tbody> </table> |            | Lower<br>% | Upper<br>% | Borrowing |  |  | - Fixed | 70 | 100 | - Variable | 0 | 30 | Investments |  |  | - Fixed | 0 | 20 | - Variable | 80 | 100 | Combined Net Borrowing and Investments |  |  | - Fixed | 0 | 130 | - Variable | -30 | 25 | <p><b>No changes to these limits are required.</b></p> <p>This means that the Corporate Director – Finance and Central Services, will</p> <p>for <b>borrowing</b> manage fixed interest rate exposure within the range 70% to 100% of outstanding principal and variable interest rate exposure within the range 0% to 30% of outstanding principal</p> <p>for <b>investments</b> will manage fixed interest rate exposure within the range 0% to 20% of outstanding principal and variable rate exposure within the range 80% to 100% of outstanding principal. The split of investments between fixed and variable rates is based on the market convention that investments up to 365 days are regarded as being at variable rates.</p> <p>The <b>combined net borrowing and investment</b> position represents the formal Prudential Indicator for Interest Rate Exposures. On its own however it does not show clearly how borrowing and investments will be managed, hence the two separate 'local indicators' shown above.</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Lower<br>% | Upper<br>% |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Borrowing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |            |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - Fixed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 70         | 100        |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - Variable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0          | 30         |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |            |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - Fixed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0          | 20         |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - Variable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 80         | 100        |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Combined Net Borrowing and Investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |            |            |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - Fixed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0          | 130        |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - Variable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -30        | 25         |            |           |  |  |         |    |     |            |   |    |             |  |  |         |   |    |            |    |     |                                        |  |  |         |   |     |            |     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Comment     |               |                       |                       |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
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| <p><b>10 Maturity Structure of Borrowing</b></p> <p>The upper and lower limits for the maturity structure of County Council borrowings are as follows:-</p> <p>The amount of projected borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate:</p> <table border="1" data-bbox="230 512 1171 794"> <thead> <tr> <th data-bbox="230 512 629 608">Period</th> <th data-bbox="629 512 734 608">Lower Limit</th> <th data-bbox="734 512 835 608">Upper Limit %</th> <th colspan="2" data-bbox="835 512 1171 608">Memo item - actual at</th> </tr> <tr> <td></td> <td></td> <td></td> <th data-bbox="835 608 1010 762">1 April 06 %</th> <th data-bbox="1010 608 1171 762">1 April 07 %</th> </tr> </thead> <tbody> <tr> <td data-bbox="230 608 629 639">under 12 months</td> <td data-bbox="629 608 734 639">0</td> <td data-bbox="734 608 835 639">50</td> <td data-bbox="835 608 1010 639">2</td> <td data-bbox="1010 608 1171 639">2</td> </tr> <tr> <td data-bbox="230 639 629 671">12 months &amp; within 24 months</td> <td data-bbox="629 639 734 671">0</td> <td data-bbox="734 639 835 671">15</td> <td data-bbox="835 639 1010 671">2</td> <td data-bbox="1010 639 1171 671">2</td> </tr> <tr> <td data-bbox="230 671 629 703">24 months &amp; within 5 years</td> <td data-bbox="629 671 734 703">0</td> <td data-bbox="734 671 835 703">45</td> <td data-bbox="835 671 1010 703">17</td> <td data-bbox="1010 671 1171 703">11</td> </tr> <tr> <td data-bbox="230 703 629 735">5 years &amp; within 10 years</td> <td data-bbox="629 703 734 735">0</td> <td data-bbox="734 703 835 735">75</td> <td data-bbox="835 703 1010 735">15</td> <td data-bbox="1010 703 1171 735">11</td> </tr> <tr> <td data-bbox="230 735 629 767">10 years &amp; above</td> <td data-bbox="629 735 734 767">20</td> <td data-bbox="734 735 835 767">100</td> <td data-bbox="835 735 1010 767">64</td> <td data-bbox="1010 735 1171 767">74</td> </tr> <tr> <td data-bbox="230 767 629 794"></td> <td data-bbox="629 767 734 794"></td> <td data-bbox="734 767 835 794"></td> <td data-bbox="835 767 1010 794">100</td> <td data-bbox="1010 767 1171 794">100</td> </tr> </tbody> </table> | Period      | Lower Limit   | Upper Limit %         | Memo item - actual at |  |  |  |  | 1 April 06 % | 1 April 07 % | under 12 months | 0 | 50 | 2 | 2 | 12 months & within 24 months | 0 | 15 | 2 | 2 | 24 months & within 5 years | 0 | 45 | 17 | 11 | 5 years & within 10 years | 0 | 75 | 15 | 11 | 10 years & above | 20 | 100 | 64 | 74 |  |  |  | 100 | 100 | <p><b>No changes to these limits approved by Executive on 6 February 2007 are proposed.</b></p> |
| Period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Lower Limit | Upper Limit % | Memo item - actual at |                       |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
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| under 12 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0           | 50            | 2                     | 2                     |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
| 12 months & within 24 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0           | 15            | 2                     | 2                     |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
| 24 months & within 5 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0           | 45            | 17                    | 11                    |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
| 5 years & within 10 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0           | 75            | 15                    | 11                    |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
| 10 years & above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 20          | 100           | 64                    | 74                    |  |  |  |  |              |              |                 |   |    |   |   |                              |   |    |   |   |                            |   |    |    |    |                           |   |    |    |    |                  |    |     |    |    |  |  |  |     |     |                                                                                                 |
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| Prudential Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p><b>11 Total Principal Sums Invested for periods longer than 364 days</b></p> <p>A maximum of 20% of funds available for investment (both in house and externally managed) will be held in aggregate in 'non specified' investments over 364 days. Based on estimated levels of funds and balances over the next three years, the need for liquidity and day to day cash flow requirements, it is forecast that £12m of the overall fund balances can be prudently committed to longer term investments over 364 days.</p> | <p><b>No change to this limit is proposed.</b></p> <p>Two investments for longer than 364 days were made in 2006/07 totalling £5m (£2m for two years maturing in December 2008 and £3m for three years maturing in November 2009).</p> <p>Prior to 31 March 2004, Regulations generally prevented local authorities from investing for longer than 364 days. As a result of the new Prudential Regime however, these prescriptive regulations have been abolished and replaced with Government Guidance from April 2004.</p> <p>This Guidance gives authorities more freedom in their choice of investments (including investing for periods longer than 364 days) and recognises that a potentially higher return can be achieved by taking a higher risk.</p> <p>The new flexibility requires authorities to produce an Annual Investment Strategy that classifies investments as either <b>Specified</b> (liquid, secure, high credit rating &amp; less than 365 days) or <b>Non Specified</b> (other investments of a higher risk). Non Specified investments are perfectly allowable but the criteria and risks involved must be vigorously assessed, including professional advice, where appropriate. Investments for 364 days+ are therefore now allowable as a Non Specified investment under the new Government Guidance. The potential use of such investments is now incorporated into the County Council's Annual Treasury Management and Investment Strategy.</p> |

## Appendix D: Section 31 grant for major local transport schemes

This document is intended to show the terms and conditions typically applied to Section 31 Grants for Major Local Transport Schemes. The terms and conditions applied to individual grants may vary.

### Definitions

In this annex:

- "Secretary of State" means the Secretary of State for Transport.
- "Department" means the Secretary of State acting by or through staff employed at the Department for Transport.
- "Authority" means an authority listed in Annex A.
- "Scheme" means [name of scheme] as approved by the Secretary of State.
- "Chief Finance Officer" means the most senior officer in an Authority responsible for its financial management, i.e. the officer appointed under s151 of the Local Government Act 1972.
- "Scheme Contractor(s)" means the company or Authority responsible for the build and overall delivery of the Scheme.
- "Project" means the process from initial design and construction to the Completion of the Scheme.
- "Completion" means the date on which the Scheme is fully brought into public use.
- "Grant Conditions" means the terms and conditions set out in this Annex B.
- "Auditor certification" means certification of the Scheme at the end of the [2007-2008] financial year. Certification must be by an auditor appointed by the Audit Commission.

### Grant terms and conditions

#### General

The Section 31 grant award described in this determination is solely in respect of the Scheme and is awarded to the relevant Authority.

This award shall not be used for any other scheme or project, nor shall it be transferable to any other person or authority. Where more than one Authority is progressing the scheme in partnership, one Authority may include in their claims expenditure incurred by the other Authorities and subsequently forward to the latter their share of grant as appropriate.

Section 31 grant is payable quarterly in arrears, based on expenditure lawfully incurred by the Authority. The Authority should note that Section 31 grant claims are therefore made on an accruals basis as set out in "The Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice" (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

For the avoidance of doubt this means the Authority will not claim in advance of work having been undertaken but may claim on the basis of work done but not paid for.

The Authority should only include costs directly attributable to bringing the tangible fixed asset into working condition for its intended use, such as:

- costs of transport;

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- installation;
- commissioning;
- consultants' fees and labour costs of own employees arising directly from the construction;
- eligible preparatory costs as defined by the guidance to local authorities seeking funding for major transport schemes; or
- acquisition of the specific tangible fixed asset in accordance with the SORP.

The SORP defines costs which may be properly charged to capital and is fully compliant with the conditions stipulated in Financial Reporting Standard (FRS) 15. Capitalisation of directly attributable costs should cease when substantially all the activities that are necessary to get the tangible fixed asset ready for use are complete, even if the asset has not yet been brought into use. A tangible fixed asset is ready for use when its physical construction is complete.

Scheme costs should not include any revenue costs. Scheme costs should not include VAT, as VAT on local authority expenditure is reclaimable. Nor should the Authority's fees as agent to the Department, or auditors' fees or administration and other general overhead costs be capitalised. There may be circumstances in which the Authority will determine it is more appropriate to charge particular costs to revenue. In all circumstances it is for the Authority with its advisers to come to decisions on how to account correctly for the relevant expenditure.

The Department shall be kept fully informed in writing of any alterations / problems arising with the process of the build of the Scheme and where these are identified they shall be reported to the Department within 28 days of them arising. Ministers reserve the right to reconsider scheme approval decisions and any award of Section 31 grant as a result of any alterations or problems with the Scheme, or if full notification is not received within the 28 day period.

Continuing approval and an award of Section 31 grant under this determination is made:

- entirely without prejudice to any view that the Secretary of State may take on any future application for Transport and Works Act 1992, or other, planning powers or in accordance with any of the other functions the Secretary of State may be called upon to exercise;
- solely in respect of the Scheme, based upon the evidence submitted;
- entirely without prejudice to the requirements of any statutory process that may develop during detailed design and build and which may lead to any significant changes in Scheme design that could affect the appraisal case;
- entirely without prejudice to any additional action by the Authority which leads to any significant changes in Scheme design, which could affect the appraisal case;
- on the basis that there is no request by the Authority for increased central government contributions;
- on the basis that there is no gross cost increase that could affect the appraisal case;
- on the basis that all information requested of the Authority is provided within 30 days of request; and
- on the basis that the unified reporting and claim form sent quarterly by the Department is submitted on a quarterly basis whether or not a claim for grant is being made. Failure to comply with this condition h), such that it is unclear to the Department if grant is still required, may result in some or all of the grant allocated for the Scheme for [2007-2008] being reallocated elsewhere. The Department also reserves the right to adjust the level of grant awarded for the Scheme for [2007-2008] following a review of the information supplied in the unified reporting and claim form.

The Authority will ensure that all its promotional signage, advertising, marketing information, publications, leaflets and press releases about the Scheme, whether created prior to construction, during construction or after Completion of the Scheme, shall give due acknowledgement to the Department for providing part (or all) of the funding for the Project. The phrase "Part (or wholly)

funded by the Department for Transport," or such similar other wording as the Secretary of State may require, should be used. Where appropriate, the Authority is also required to use the branding requirements of the Cabinet Office initiatives of "Building for the Future" and the "Considerate Contractor" scheme.

## **During build**

The Authority will notify the Secretary of State, via Departmental officials, in writing within 28 days of any of the following:

- a material change in the facts advanced in support of the application for grant occurring at any stage before the Scheme is brought into use;
- any change in the route/overall design of the Scheme; or
- any increase of the estimated cost for the build of the Scheme.

## **Following completion of build**

The Authority will notify the Secretary of State, via Departmental officials, in writing within 28 days of any delay of a period of 28 days or longer in bringing the Scheme or parts of it into use.

The Authority will be responsible for maintaining full records of all capital expenditure on the Project, together with all related correspondence and other documents, including invoices. These records will be maintained for a minimum period of 6 years after the final award of grant under this determination. Record keeping by document imaging will be acceptable.

The Department reserves the right for it or its representatives to conduct onsite reviews during construction of the Scheme, and for a period not exceeding 6 years after Completion, to review relevant documentation held by the Authority.

The Authority will maintain full statistical records, in such format and such detail as the Secretary of State may from time to time require, for a period of no less than 10 years following Completion of the Scheme. These requirements are likely to include data on the patronage, modal shift and increase in revenue for the systems supported by the Department.

The Authority will monitor, in such terms and for such period as may be required by the Secretary of State, the effect of the Scheme on factors which have been put forward in the application for grant (e.g. regeneration).

The Authority will, within 28 days of receipt of a notice in writing from the Secretary of State, allow any person authorised by the Secretary of State access to any records held by the Authority that relate to the Project and/or this determination in order to inspect and take such copies of such records as the Secretary of State may reasonably require.

For a period of 10 years following Completion the Authority will notify the Secretary of State in writing of any discontinuance of use of all or a part of the Scheme which will or is expected to last for a period of more than six weeks. In relation to planned activity the Authority must notify the Secretary of State in writing 28 days before the discontinuance commences. In relation to unforeseen events the Authority must notify the Secretary of State in writing within 28 days of commencement of the discontinuance.

## **Arrangements for claiming grant**

Claims for grant payable shall be made in accordance with the following arrangements, or other such arrangements as may from time to time be required by the Secretary of State and notified in writing to the Chief Finance Officer.

Payment of grant will be made quarterly in arrears against certification, by the Chief Finance Officer, that expenditure has been correctly incurred in accordance with the Grant Conditions. Claims will be made by completing the unified reporting and claim form sent quarterly by the Department to the Authority. Claims must be submitted by the claim deadline for each quarter as



set out in Table 1 below. The Department will make payments by the payment date for each quarter as set out in Table 1.

Table 1

|                | <b>Quarter 1<br/>(Apr-June<br/>2007)</b> | <b>Quarter 2<br/>(July-Sept<br/>2007)</b> | <b>Quarter 3<br/>(Oct-Dec<br/>2007)</b> | <b>Quarter 4<br/>(Jan-Mar<br/>2008)</b> |
|----------------|------------------------------------------|-------------------------------------------|-----------------------------------------|-----------------------------------------|
| Claim deadline | Last Friday of July                      | Last Friday of September                  | Last Friday of January                  | Last Friday of April                    |
| Payment date   | First week of September                  | First week of November                    | First week of March                     | First week of June                      |

Claims received after the claim deadline for any quarter will not be paid until the subsequent payment date. The Authority will be liable for any costs incurred through late payment of claims as a result of missing claim deadlines.

Within six months of the end of the [2007-2008] financial year, the Authority must submit its annual claim to an auditor appointed by the Audit Commission for Auditor certification. For the final claim for any scheme authorities are required to submit this to an auditor appointed by the audit commission for audit certification within six months of completion. The final payment of grant will only be met on receipt by the Department of the auditor's certificate.

## **Cessation, suspension and repayment of grant**

If at any time it appears to the Department that there has, or may have, been any failure by the Authority to observe any of the Grant Conditions, the Secretary of State shall be entitled to cease or suspend payment of Section 31 grant. This will include circumstances where any statement made or document produced by the Authority in support of the grant application is found to be false or incorrect in any material particular. Notice of the cessation or suspension of grant payment will be provided in writing to the Authority.

In circumstances envisaged by the previous paragraph, the Secretary of State further by notice shall be entitled to require the repayment of all or part of the grant already awarded. The Authority undertakes, as a condition of this grant award, to make such repayment of grant as may be specified in a notice from the Secretary of State within 28 days of the date of such notice or within such longer period as the Secretary of State may in writing determine.

In instances where costs have been incorrectly capitalised the Department shall be entitled to require the repayment of the grant paid in respect of such costs.

Recovery of over-claimed grant (and, if applicable, interest thereon) under the previous paragraph will normally be achieved through a reduction of grant paid in respect of future claims including the final claim submitted by the Authority. Where this is not appropriate or possible, recovery may be required through other means (including repayment of grant by the Authority or reduction of payments of other grants to which the Authority is entitled such as Integrated Transport funding).

The Authority is required to ensure that the Scheme continues to operate for a period of no less than 10 years from Completion. Modification of any element of the Scheme will only be permitted with the written consent of the Secretary of State. Failure to comply with this requirement may result in the reduction of payments of other grants to which the Authority is entitled commensurate with the cost of the element, or elements, of the Scheme that are no longer in operation.