

Capital Programme 2009/10 to 2013/14

Commentary by Deputy Chief Executive and Director of Corporate Resources

1. Introduction

This report sets out the financial position in the short and medium term for capital investment and proposes schemes for inclusion in the County Council's capital programme.

2. Background

2.1 The '2+3' approach adopted in preparing the capital programme has been retained. Under this model all existing schemes and all agreed new starts in the first two years of the programme (including their financial tails into future years) are fully covered by resources – the '2' of the '2+3'. Other new schemes planned to start in the latter three years of the programme (including those which are dependent on key decisions, better detail etc) are listed alongside the remaining estimated resources likely to be available – the '3' of the '2+3'. This approach provides certainty over the short term and gives the Council two years to develop its plans for the latter years of the programme where ambitions generally exceed the likely resources.

2.2 The starting point for the forward programme is the mid-term review of the capital programme which was considered by Cabinet in November. This review critically examined all of the projects in progress and due to start in 2008/09 and 2009/10 (the '2' of the current '2+3' model).

2.3 As a result of the mid-term review the programme was revised to reflect slippage and other variations. This programme, further updated for approved variations since November, forms the first call on resources and is set out in detail in Annex A; the total cost of these projects is £272m gross (£91m net of scheme specific resources).

2.4 Chief Officers have been invited to submit bids for new starts but because the bids have always exceeded resources these have been limited to schemes falling within the top 3 categories of Cabinet's approved prioritisation model

2.5 The bids have been subject to significant review and challenge by the Deputy Leader and the inter-departmental Capital And Property Strategy group (CAPS). This process has worked well and bids have been prioritised and developed with the aim of producing an acceptable and fully financed programme for 2009/10 and 2010/11 starts (the new '2') and an indicative programme for 2011/12 – 2013/14 starts (the new '3').

3. Resources

3.1 In addition to refining the bids the resources assumptions have also been further refined. There are two types of resources which are used to finance the capital programme, general resources which can be used to finance any area of capital spend and scheme specific resources. As shown below there is a considerable increase in scheme specific resources (mainly government grant) and this has resulted in a gross capital programme of £922m, the largest that the Council has ever produced.

3.2 Delivery of such a large programme carries considerable risk, particularly around the capacity of officers to plan and manage the range of complex projects, and additional capacity has been built into the programme for this purpose. However, in the current economic climate such a high level of capital spending is to be welcomed

General Resources

3.3 The most significant general resource is borrowing. The amount of borrowing which can be undertaken to support the capital programme is in line with the previous plans and the medium term financial plan. This provides finance for capital spending of around £21m per annum.

3.4 Other resources have been similarly reviewed and, in addition to the annual revenue contribution (CERA) it has been possible to further increase the use of the capital programme reserve to cushion the reduction in capital receipts. Despite this increase, the planned use of both the capital programme reserve and capital receipts remains prudent and in neither case exceeds the funds currently available from those sources.

3.5 A summary of general resources and their use is set out in Annex B(ii).

Scheme Specific Resources

3.6 Scheme specific resources are identified separately as income against the specific scheme or bid to which they relate. The amounts shown against all schemes within the "2" are confirmed; those shown against projects within the "3" are, in many cases, estimates. Generally, no projects are allowed to start until all scheme specific resources are confirmed; where there is uncertainty projects are split into phases (eg; the Bexhill Hastings link road) so that the risk element is clearly identified and understood.

3.7 The draft recommended programme includes scheme specific income of £725m; this is a significant level of resource and whilst it will enable major capital investment in a number of areas it also carries with it a significant level of risk. If projects cannot be delivered within the resources identified any overspendings will need to be financed by the County Council. The most significant specific grant funded schemes are:-

Scheme	Grant £m
Bexhill High School BSF	33
Children's centres/extended schools	11
Academies programme	49
Primary Capital Programme (including modernisation grant)	30
BSF – Dewaving Programme	380
Bexhill Hastings Link Road	80
LTP	10

3.8 Within the '3' there is a high anticipated reliance on Development Contributions. In the current financial climate new housing development may not take place and no capital project reliant on such contributions will be allowed to proceed until the contributions are certain.

4. The Proposed Programme

4.1 The original bids submitted by Chief Officers exceeded the available resources by some £50m and it has been extremely challenging to refine the bids and their phasing to produce a programme which, for the "2", fully reconciles policy and resources.

4.2 The proposed programme of new starts recommended for approval is set out in Annex C. The starts proposed for 2009/10 and 2010/11 (the '2') are set out in the schedule and, as shown in Annex B (ii), are fully financed to their conclusion. The payments in 2009/10 against new starts amount to £18m gross. Together with those already included in the mid-term review this gives gross spend of £100m in 2009/10.

4.3 Schemes amounting to £430m gross (£12m net) are listed as potential starts from 2011/12 onwards (the '3'). At this stage these would exceed the estimated total resources available by about £4m and will continue to be subject to further review and challenge as part of the annual capital programme planning process.

4.4 The complete proposed programme (i.e. mid term review and all proposed new starts) is set out in Annex D.

4.5 Key issues within the recommended programme are:

Adult Social Care

The whole Adult Social Care programme has been re-assessed and re-phased and now includes a revised scheme for Homefield Place reprovisioning (replacing the one contained in the mid-term review).

Chief Executives

For Chief Executives the programme has been adjusted to exclude the £5m lottery grant bid for 'the Keep' which was, unfortunately, not successful. The project itself is retained but reflecting the reduced grant income.

Children's Services

The proposed programme set out in Annex D reflects the latest position but is likely to change further as more information about the BSF and PCP becomes available.

The Children's Services programme for 'the 2' amounts to gross expenditure of £228m with a further £423m gross shown for 2011/12 onwards. This programme reflects four major initiatives:

- a) The Bexhill High School BSF (£37m)
- b) The Academies programme (£51m)
- c) The Primary Capital Programme – split into 2 phases – (£31m)
- d) The dewaving BSF (£388m) split into 2 phases.

Successfully delivering this programme will be a significant challenge and carries major risks (see Section 5 below).

Corporate Resources

The bulk of CRD spending is through the continuing programme but it has been possible to include two important ICT projects (data security in transport and ICT network resilience) in 2009/10.

Transport and Environment

For T&E too the bulk of spend is through the continuing programme where a Council contribution of £11m per annum has been maintained. An additional highway allocation of £1m has been included in 2009/10.

The profile and estimates for the Bexhill and Hastings Link Road are under continual review. The figures and phasing in the draft programme attached represent the latest position. Although there is some remaining uncertainty about the level and phasing of grant funding that can be expected, the County Council's contribution has been 'pegged' at £11.5m as in the current approved programme. The Department for Transport (DfT) are suggesting two alternative grant funding mechanisms which are being reviewed and will be discussed with representatives from the DfT later in January. The choice of funding mechanism will need to be based on a balanced view of the respective grant levels and relative risk of cost increases before and during construction.

Other

Cabinet should note that it may be the case that some of the projects covered by the proposed programme may, in strict accounting purposes, have to be classified as revenue (e.g. some feasibility studies). In those instances this will be dealt with through the technical financing process at the end of each financial year.

5. Risks and Slippage

5.1 The scale of projects which are heavily financed from scheme specific grants, particularly BSF and the Primary Capital Programme (PCP) in Children's Services, has a risk gearing effect. Any costs not met by grant will fall upon the Council and even a relatively small overspend (in percentage terms) could have a significant impact (in £ terms). Additional resources have been included in the programme to increase the feasibility and preparatory work to help mitigate this risk and additional controls will need to be introduced to identify and deal with any risks that do arise.

5.2 Cabinet will be aware that, working closely with the Audit and Best Value Scrutiny Committee, a number of actions are already in hand to reduce the level of slippage in the capital programme. These include revised project management processes and associated training, new procurement arrangements and framework agreements and better feasibility work.

5.3 Another important new measure has been to reclassify the capital programme into:

a) Schemes not fully planned but where it is important to set aside financial provision, and

b) Schemes supported by a worked up and approved Project Initiation Document (PID) which are ready to progress (approved starts). Monitoring takes place against schemes in this second category.

5.4 The goal is for all projects in the '2' to have met this first gateway by the time the programme is considered by County Council but this has not yet been achieved. Further work continues in this area and no scheme will be allowed to progress from category (a) to (b) until a satisfactory PID has been approved. Once approved the project will be dealt with as a variation to the approved programme.

5.5 The massive increase in the size of the total programme is to be welcomed and will help to provide a boost to the construction industry and employment in the current difficult economic climate. This very ambitious programme also carries risks of increased slippage - rather than produce a more modest programme phased over a longer period this increased risk needs to be recognised.

6. Prudential indicators

6.1 The draft prudential indicators for the period 2008/09 to 2012/13 are set out in Annex E. These are required under the "Prudential Code for Capital Finance in Local Authorities" and Part 1 of the Local Government Act 2003. They bring together the capital programme and the impact of capital financing decisions.

7. Conclusions

7.1 The draft Capital Programme amounting to £922m set out in Annex D is the County Council's largest ever programme. It is heavily supported by Government grant, especially for CSD and T&E, and this does carry an additional element of risk and uncertainty. There are many major projects covering most services and in the current economic climate such an ambitious programme is to be welcomed.

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Annexes

A – Updated mid-term review

B – Financial Summaries (i) and (ii)

C – Proposed new starts:

1) 2009/10 and 2010/11 (the '2')

2) 2011/12 onwards (the '3')

D – Complete proposed programme

E – Prudential Indicators

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care							
Major Schemes:							
Beeching Park <i>CERA</i>	131						131 0
Conquest Centre	215	43					258
Mental Health 2005-06	5						5
Sandbanks <i>CERA</i>	194	83					277 0
Age Well - East Sussex	424	40					464
Transformation Change Capacity	733						733
Firstfields	0	0					0
Linden Court - Phase 1	38						38
Linden Court - Phase 2	50	1,235					1,285
Feasibility Studies for Directly Provided Services	19	70					89
St Nicholas Centre	432	14					446
Starting in 2008/09:							
Pembury Road	0	500					500
LD Extra Care Project	0	100					100
Milton Court	350	1,233					1,583
Starting in 2009/10:							
None							
Continuing Programme:							
House Adaptations for People with Disabilities <i>External Contributions</i>	216 (16)	350					566 (16)
Refurbishment - Registration Standards	322	235					557
Older People Residential Home Refurbishment & Intermediate Works	0	115					115
Outstanding Payments	3						3
Extra care/Supported accommodation	0	600					600
Total Net Expenditure PID Approved	3,116	4,618	0	0	0	0	7,734
Awaiting PID Approval							
Major Schemes:							
Gilda Crescent	0	10	290	834	235		1,369
Starting in 2008/09:							
ASC IT Infrastructure <i>External Contributions</i>	158 (158)	168 (168)	179 (179)				505 (505)
Starting in 2009/10:							
Grangemead	0	824	1,136	40			2,000
Homefield Place	0	100	740	260			1,100
Total Net Expenditure PID to be Approved	0	934	2,166	1,134	235	0	4,469

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Payments	3,290	5,720	2,345	1,134	235	0	12,724
Income	(174)	(168)	(179)	0	0	0	(521)
Total Allowed Programme	3,116	5,552	2,166	1,134	235	0	12,203
Chief Executives							
Major Schemes:							
New Archive and Record Office - "The Keep" - phase 1	990	251					1,241
<i>Lottery Grant</i>							0
<i>CERA/ Contributions</i>	(167)	(178)					(345)
Starting in 2008/09:							
Travellers Sites Bridies Tan	1,045	200					1,245
<i>GOSE Grant</i>	(1,045)	(200)					(1,245)
Starting in 2009/10:							
None							
Continuing Programme:							
Library Refurbishment Programme	235	270					505
<i>CERA</i>							0
Total Net Expenditure PID Approved	1,058	343	0	0	0	0	1,401
Awaiting PID Approval							
Major Schemes:							
Newhaven Library	10	1,180					1,190
Starting in 2008/09:							
Traveller site refurbishment and additional pitches	168	226	339				733
<i>DCLG Grant</i>	(121)	(226)	(339)				(686)
Starting in 2009/10:							
Hastings Library	0	1,900	4,200	100			6,200
<i>Other Contributions</i>	(650)	(550)	(100)				(1,300)
Registration of Births, Deaths & Marriages - forced relocation	0	360	180				540
<i>CERA</i>		(70)	(80)				(150)
Total Net Expenditure PID to be Approved	(593)	2,820	4,200	100	0	0	6,527
Gross Payments	2,448	4,387	4,719	100	0	0	11,654
Income	(1,983)	(1,224)	(519)	0	0	0	(3,726)
Total Allowed Programme	465	3,163	4,200	100	0	0	7,928
Childrens Services							
Major Schemes:							
Bishop Bell Eastbourne Secondary Schools	42						42
Bexhill High BSF Feasibility	0						0
Bexhill High BSF	3,200	24,307	9,337	495			37,339
<i>Grant</i>	(3,200)	(24,307)	(5,468)				(32,975)
Causeway School Sports Hall	25						25
<i>Grant</i>	(33)						(33)
Chailey Secondary School - Additional Classroom	1	139					140
<i>Schools Contribution</i>	0						0
<i>Modernisation Grant</i>	(126)						(126)
Grove Park School	209	1569					1,778
<i>Modernisation grant and NOF funding</i>	(150)						(150)
<i>Targeted Capital Funding Grant</i>	(900)						(900)
<i>Capital Funding</i>	(303)	(897)					(1,200)
Hailsham Community College	6	138					144
<i>Government Grant NOF</i>							0
Heathfield Community College	0						0

Mid Term Review and Approved Variations

Annex A

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Heathfield CC - Invest to Save	649	17					666
<i>CERA contribution</i>	(3)						(3)
Post 16 Basic Need - Lindfield School	35						35
Ringmer Community College	2,840	86					2,926
<i>Learning Skills and Council Grant</i>	(3,227)	(15)					(3,242)
<i>CERA contribution</i>							0
Rye Area Primary School	2,777	100					2,877
<i>Modernisation Programme</i>	(245)						(245)
<i>CERA contribution</i>							0
St Mary's School Horam - Invest to Save	289	20					309
	(9)						(9)
Sorrel Drive	26						26
	(26)						(26)
Stafford	16						16
<i>Modernisation Programme</i>	(16)						(16)
The Spray Centre	25						25
<i>CERA contribution</i>							0
<i>Grant</i>	0						0
Tideway Community School	6,615	660					7,275
<i>CERA contribution</i>							0
<i>Modernisation Grant</i>							0
Uckfield Community Technology College	32						32
<i>CERA contribution</i>	(32)						(32)
White House and Marshlands School	89						89
Wivelsfield Primary	124						124
<i>Modernisation Grant</i>	(103)						(103)
<i>Contribution from Schools</i>							0
<i>CERA contribution</i>							0
Children Centres and Extended Schools Programme	291	4,000	6749				11,040
<i>Grants / Contributions</i>	(817)	(4,278)	(3,332)				(8,427)
<i>Extended schools grant</i>	0	(3,443)					(3,443)
Ore Valley	0						0
Peacehaven	7						7
Willingdon Trees	15						15
Pebsham	0						0
Churchwood	8						8
Silverdale	1						1
Red Lake	16						16
Langley	1						1
Polegate	1						1
Hailsham Dunbar	37						37
Thomas Peacocke Children Centre	0						0
Hastings and St Leonards	0						0
West Rise	1						1
Eastbourne 28 Seaside	0						0
West St Leonard's	79						79
The Bridge	2						2
Grants							0
Sidley	1						1
Maintenance	38						38
Extended Schools							0
Cross in hand	135						135
Manor	64						64
Ocklynge	0						0
Icklesham	0						0
South Malling	32						32
Netherfield							0
Jarvis Brook							0
Parkland Inf	17						17
Parkland Jnr	1						1
St Mary Magdeline							0
Other extended schools	18						18
Childcare places	52						52
Modernisation Schemes							0
Catsfield CE Primary School	2						2
Feasibility and early works	48						48
<i>CERA</i>	(24)						(24)
<i>External Contribution</i>	(39)						(39)
High Hurstwood CE Primary School	58						58
<i>Schools Contribution</i>	0						0

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Modernisation Programme (Advance)	8						8
<i>Modernisation Funding</i>	(8)						(8)
Northiam CE Primary School	175						175
<i>Rother DC contribution</i>	(300)						(300)
<i>CERA</i>	(4)						(4)
<i>NOF Grant</i>	(27)						(27)
Park Mead Community Primary School	6						6
Pevensey and Westham							0
Peasmarsh CE Primary School	12						12
<i>Schools Contribution</i>							0
Priority 1 Condition Work (Cavendish)	19						19
Ringmer	25						25
Punnetts Town Community Primary School	32						32
<i>Schools Contribution</i>	(24)						(24)
Red Lake Community Primary School	8						8
St. Michael's Primary School, Withyham	31						31
<i>Schools Contribution</i>							0
Childrens Social Services							
Acquisition and Redevelopment of Rose Cottage	5						5
Bexhill and Sidley Sure Start Nursery (was Sure Start Egerton)	19						19
C&F Fostering and Adoption adaptations - invest to save	445	136	139				720
<i>Income</i>	(10)						(10)
Dorset Road Redevelopment	38						38
Integrated Children Services Grant	(24)						(24)
<i>Government Grant</i>	(56)						(56)
Redevelopment of Old Roar	70						70
Internally Managed Schemes							
Denton Island 14-16	1,000						1,000
Eastbourne and Hailsham	426						426
<i>Government Grant</i>	(1,426)						(1,426)
Information System for parents and providers	32						32
<i>Government Grant</i>	(32)						(32)
Mobile Technology Grant	71						71
<i>Government Grant</i>	(71)						(71)
Relocation of St. Anne's Special School							0
<i>Schools Contribution</i>	(11)						(11)
Harnessing Technology	1,318						1,318
<i>Government Grant</i>	(1,318)						(1,318)
Specialist College Status - Claverham	100						100
<i>Grant</i>							0
Specialist College Status - Glyne Gap	100						100
<i>Grant</i>							0
Specialist College - Seaford	39						39
<i>Grant</i>	(39)						(39)
Fair play pathfinder	591	1542					2,133
<i>Grant</i>	(591)	(1,542)					(2,133)
Youth Service DDA	39						39
Youth Capital Fund	237						237
<i>Government Grant</i>	(236)						(236)
Sub Total Net Expenditure for Major Schemes	9,341	(1,768)	7,425	495	0	0	15,493
Starting in 2008/09:							
Kitchen Ventilation	200	250	250	250	146		1,096
<i>CERA</i>	(96)						(96)
BSF Feasibility in all Secondary Schools	180	27	200	200			607
Primary Capital Programme Feasibility	400	200	200	300			1,100
<i>CERA</i>	(200)						(200)
Additional spending on existing schemes (to be allocated)							0
<i>Modernisation Grant</i>							0
Uplands Community College - Design Technology room	250						250
Hillcrest School - ICT upgrade	500						500

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Modernisation Grant</i>	(857)						(857)
Starting in 2009/10:							
Grove Park Hydrotherapy Pool - Grant	0	40	360				400
Continuing Programme:							
Schools Access Initiative	912	1,165					2,077
<i>Schools contribution</i>	(12)						(12)
DH - Temporary Accommodation	361	600					961
<i>Insurance cont</i>							0
House Adaptations for disabled children's carers homes	228	150					378
Sub Total Net Expenditure for Continuing Programme	1,866	2,432	1,010	750	146	0	6,204
Schools Delegated Capital	8,461	7,331	7,331				23,123
<i>Government Grant</i>	(7,988)	(7,331)	(7,331)				(22,650)
<i>External contributions</i>	0						0
<i>CERA</i>	(80)						(80)
Sub Total Net Expenditure for Schools Delegated Capital	393	0	0	0	0	0	393
Total Net Expenditure PID Approved	11,600	664	8,435	1,245	146	0	22,090
Awaiting PID Approval							
Major Schemes:							
GV - Hillcrest School (pitch)	297						297
<i>External Resources</i>	(150)						(150)
Elm Court Youth centre replacement	100	675					775
Other modernisation schemes to be identified	103						103
<i>Government Grant</i>	(103)						(103)
Starting in 2008/09:							
High Hurstwood CE School - hall and kitchen	360	1,012	38				1,410
Barcombe CE School - Kitchen/dining room	50	556	38				644
Total Net Expenditure PID to be Approved	657	2,243	76	0	0	0	2,976
Gross Payments	35,149	44,720	24,642	1,245	146	0	105,902
Income	(22,892)	(41,813)	(16,131)	0	0	0	(80,836)
Total Allowed Programme	12,257	2,907	8,511	1,245	146	0	25,066
Corporate Resources							
Major Schemes:							
NGN - Invest to save scheme & NGN contingency	3,600	262					3,862
<i>Grant</i>	(60)						(60)
<i>CERA - County</i>	(594)						(594)
Microsoft Office	471	388	82	40			981
Replacement Financial System (CBOSS)	110	297					407
Eastbourne Hub Project	425	10					435
<i>CERA Contributions</i>	(291)						(291)
Improvements to Maresfield travellers' sites	249						249
<i>Government grant</i>	(83)						(83)
Disabled access to public buildings (BVPI) Improvements	406						406
<i>CERA Contributions</i>	0						0
Invest to Save, Energy and Water Efficiency Schemes	50						50
Access for people with disabilities	10						10

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Starting in 2010/11:							
Ocean House 1st Floor - Invest to Save <i>CERA Contributions</i>	0 0		225 (225)				225 (225)
Continuing Programme:							
Building maintenance and backlog reduction <i>Grant</i>	2,582 (188)	2,300					4,882 (188)
DDA improvements to non-school properties	489	880					1,369
Outstanding Payments on Completed Schemes	212	157					369
SALIX Contract <i>External Contribution</i>	125 (54)	139 (82)	51 (51)	73 (73)			388 (260)
Sustainable Building Design for Capital projects (CPT 2.6e) <i>CERA Contributions</i>	175 (175)	350					525 (175)
Total Net Expenditure PID Approved	7,459	4,701	82	40	0	0	12,282
Awaiting PID Approval							
Starting in 2008/09:							
Enabling works in Hub buildings to support continuous power	175						175
Total Net Expenditure	175	0	0	0	0	0	175
Gross Payments	9,079	4,783	358	113	0	0	14,333
Income	(1,445)	(82)	(276)	(73)	0	0	(1,876)
Total Allowed Programme	7,634	4,701	82	40	0	0	12,457
Transport and Environment							
Major Schemes:							
Bexhill & Hastings Link Road - Pre Approval <i>CERA and External Contribution</i>	1,855 (200)	954					2,809 (200)
Bridge Assessment Strengthening <i>LTP Grant</i> <i>CERA</i> <i>External Contribution</i>	1,013 0 0						1,013 0 0
ICT Highways Contract <i>CERA Contributions</i>	224 (66)						224 (66)
Land Compensation	33						33
Beachy Head Road - Belle Tote	0						0
Rationalisation of Highway Depots - Ringmer	(75)	28					(47)
New Leachate Collection System at Pebsham Landfill Site	0						0
Closure of Sussex Steps, Hastings	1						1
ROW Network Survey	150	50					200
Waste Performance Grant <i>Funded from Performance and Efficiency grant from DEFRA</i>	(13)						(13)
Subsidised compost bins	9						9
Lewes DC - cardboard scheme	0						0
Lewes DC - Flats and mini recycling centres	0						0
Old Landfield site works	0						0
HWRS improvements	0						0
WCA Allocations/Wealden Caddy Bins	0						0
Eastbourne WRAP LACF	6						6
Starting in 2008/09:							

Scheme Description	2008/09	2009/10	2010/11	2011/12	2012/13	Future Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cuilfail Tunnel Refurbishment <i>Grant</i>	1,300 (1,300)	1,300 (1,300)					2,600 (2,600)
Starting in 2009/10:							
None							
Continuing Programme:							
Integrated Transport - LTP plus Externally Funded <i>Development and Borough Council Contributions</i>	4,468 (1,990)	3,339 (1,796)	1,050 (1,050)	650 (650)	400 (400)		9,907 (5,886)
<i>Grant</i>	(1,500)	(1,672)					(3,172)
<i>CERA Contributions</i>	(20)						(20)
LTP Structural Maintenance <i>Grant</i>	6,783 0	8,775					15,558 0
Speed Management <i>SSRP and Parish Council Contributions</i>	403 (90)	469 (90)					872 (180)
<i>CERA Contributions</i>	(150)						(150)
Local Safety Schemes & Minor Works - LTP <i>External Contribution</i>	1,393 (237)	1,040					2,433 (237)
Rights of Way Surface Repairs Project	63	77					140
Rights of Way Bridge Replacement Project <i>External Contribution</i>	218 (12)	200					418 (12)
Street Lighting - Life Expired Equipment	399	400					799
Total Net Expenditure PID Approved Schemes	12,665	11,774	0	0	0	0	24,439
Awaiting PID Approval							
Major Schemes:							
Eastern Area Highways Depot/Rationalisation of Highway Depots	220						220
Starting in 2008/09:							
Additional Highways Allocation <i>CERA</i>	500 (500)						500 (500)
Starting in 2009/10:							
A26 South Street <i>Grant</i>	0	75 (75)					75 (75)
Carlisle Parade <i>Grant</i>	0	75 (75)	50 (50)				125 (125)
Bexhill & Hastings Link Road - Post Approval <i>Grant</i>	0	5,531	18,190 (24,500)	29,380 (29,380)	31,630 (26,476)	4,470	89,201 (80,356)
Starting in 2010/11:							
Phoenix Causeway <i>Grant</i>			400 (400)				400 (400)
Total Net Expenditure Awaiting PID Approval	220	5,531	(6,310)	0	5,154	4,470	9,065
Gross Payments	18,963	22,313	19,690	30,030	32,030	4,470	127,496
Income	(6,078)	(5,008)	(26,000)	(30,030)	(26,876)	0	(93,992)
Total Allowed Programme	12,885	17,305	(6,310)	0	5,154	4,470	33,504
ESCC Capital Programme							
Total Gross Payments	68,929	81,923	51,754	32,622	32,411	4,470	272,109
Total Income	(32,572)	(48,295)	(43,105)	(30,103)	(26,876)	0	(180,951)
TOTAL NET COST	36,357	33,628	8,649	2,519	5,535	4,470	91,158

Capital Programme Summary			2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Later years	Total
			£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Mid Term Review plus approved adjustments										
Adult Social Care	Gross		3,290	5,720	2,345	1,134	235	0		12,724
	Income		(174)	(168)	(179)	0	0	0		(521)
	Net		3,116	5,552	2,166	1,134	235	0		12,203
Chief Executive	Gross		2,448	4,387	4,719	100	0	0		11,654
	Income		(1,983)	(1,224)	(519)	0	0	0		(3,726)
	Net		465	3,163	4,200	100	0	0		7,928
Childrens	Gross		35,149	44,720	24,642	1,245	146	0		105,902
	Income		(22,892)	(41,813)	(16,131)	0	0	0		(80,836)
	Net		12,257	2,907	8,511	1,245	146	0		25,066
Corporate Resources	Gross		9,079	4,783	358	113	0	0		14,333
	Income		(1,445)	(82)	(276)	(73)	0	0		(1,876)
	Net		7,634	4,701	82	40	0	0		12,457
Transport & Environment	Gross		18,963	22,313	19,690	30,030	32,030	4,470		127,496
	Income		(6,078)	(5,008)	(26,000)	(30,030)	(26,876)	0		(93,992)
	Net		12,885	17,305	(6,310)	0	5,154	4,470		33,504
Total	Gross		68,929	81,923	51,754	32,622	32,411	4,470	0	272,109
	Income		(32,572)	(48,295)	(43,105)	(30,103)	(26,876)	0	0	(180,951)
	Net		36,357	33,628	8,649	2,519	5,535	4,470	0	91,158
New starts 2009/10 and 2010/11										
Adult Social Care	Gross		0	400	4,185	2,980	1,465	1,340	0	10,370
	Income		0	(482)	(482)	0	0	0	0	(964)
	Net		0	(82)	3,703	2,980	1,465	1,340	0	9,406
Chief Executive	Gross		0	0	2,850	10,100	3,860	100	0	16,910
	Income		0	0	(1,000)	(3,000)	(1,000)	0	0	(5,000)
	Net		0	0	1,850	7,100	2,860	100	0	11,910
Childrens	Gross		0	14,249	46,543	39,129	11,753	10,199	0	121,873
	Income		0	(12,320)	(42,229)	(35,504)	(10,078)	(8,474)	0	(108,605)
	Net		0	1,929	4,314	3,625	1,675	1,725	0	13,268
Corporate Resources	Gross		0	1,564	3,575	3,112	3,100	3,100	0	14,451
	Income		0	(51)	(76)	0	0	0	0	(127)
	Net		0	1,513	3,499	3,112	3,100	3,100	0	14,324
Transport & Environment	Gross		0	1,793	14,381	13,436	13,436	13,436	0	56,482
	Income		0	(593)	(3,181)	(2,436)	(2,436)	(2,436)	0	(11,082)
	Net		0	1,200	11,200	11,000	11,000	11,000	0	45,400
Total	Gross		0	18,006	71,534	68,757	33,614	28,175	0	220,086
	Income		0	(13,446)	(46,968)	(40,940)	(13,514)	(10,910)	0	(125,778)
	Net		0	4,560	24,566	27,817	20,100	17,265	0	94,308
New starts 2011/12 onwards										
Adult Social Care	Gross					1,000	1,400	2,800	0	5,200
	Income					0	0	0	0	0
	Net					1,000	1,400	2,800	0	5,200
Chief Executive	Gross					1,357	294	0	0	1,651
	Income					(400)	0	0	0	(400)
	Net					957	294	0	0	1,251
Childrens	Gross					27,885	83,860	108,133	203,526	423,404
	Income					(28,699)	(78,960)	(106,933)	(203,526)	(418,118)
	Net					(814)	4,900	1,200	0	5,286
Corporate Resources	Gross					0	0	0	0	0
	Income					0	0	0	0	0
	Net					0	0	0	0	0
Transport & Environment	Gross					0	0	0	0	0
	Income					0	0	0	0	0
	Net					0	0	0	0	0
Total	Gross					30,242	85,554	110,933	203,526	430,255
	Income					(29,099)	(78,960)	(106,933)	(203,526)	(418,518)
	Net					1,143	6,594	4,000	0	11,737
Total programme										
Adult Social Care	Gross		3,290	6,120	6,530	5,114	3,100	4,140	0	28,294
	Income		(174)	(650)	(661)	0	0	0	0	(1,485)
	Net		3,116	5,470	5,869	5,114	3,100	4,140	0	26,809
Chief Executive	Gross		2,448	4,387	7,569	11,557	4,154	100	0	30,215
	Income		(1,983)	(1,224)	(1,519)	(3,400)	(1,000)	0	0	(9,126)
	Net		465	3,163	6,050	8,157	3,154	100	0	21,089
Childrens	Gross		35,149	58,969	71,185	68,259	95,759	118,332	203,526	651,179
	Income		(22,892)	(54,133)	(58,360)	(64,203)	(89,038)	(115,407)	(203,526)	(607,559)
	Net		12,257	4,836	12,825	4,056	6,721	2,925	0	43,620
Corporate Resources	Gross		9,079	6,347	3,933	3,225	3,100	3,100	0	28,784
	Income		(1,445)	(133)	(352)	(73)	0	0	0	(2,003)
	Net		7,634	6,214	3,581	3,152	3,100	3,100	0	26,781
Transport & Environment	Gross		18,963	24,106	34,071	43,466	45,466	17,906	0	183,978
	Income		(6,078)	(5,601)	(29,181)	(32,466)	(29,312)	(2,436)	0	(105,074)
	Net		12,885	18,505	4,890	11,000	16,154	15,470	0	78,904
Total	Gross		68,929	99,929	123,288	131,621	151,579	143,578	203,526	922,450
	Income		(32,572)	(61,741)	(90,073)	(100,142)	(119,350)	(117,843)	(203,526)	(725,247)
	Net		36,357	38,188	33,215	31,479	32,229	25,735	0	197,203

Annex B (ii)

Financial Summary - net of external resources

	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	Total £000s
General resources available							
Revenue Contributions	2,335	2,335	2,335	2,335	2,335	2,335	14,010
Borrowing - General	21,427	22,000	21,000	21,000	21,000	21,000	127,427
Capital Receipts	3,071	1,000	1,000	1,000	0	0	6,071
Capital Programme Reserve	8,153	12,680	8,741	6,005	7,000	1,216	43,795
Invest to save borrowing	1,371	173	139				1,683
Total Resources	36,357	38,188	33,215	30,340	30,335	24,551	192,986
Less:							
Net cost of Mid Term Review schemes	36,357	33,628	8,649	2,519	5,535	4,470	91,158
Balance of Resources	0	4,560	24,566	27,821	24,800	20,081	101,828
Less:							
New starts 2009/10 and 2010/11 (net)		4,560	24,566	27,817	20,100	17,265	94,308
Balance of Resources	0	0	0	4	4,700	2,816	7,520
Less:							
New starts 2011/12 onwards (net)				1,143	6,594	4,000	11,737
Balance of Resources	0	0	0	-1,139	-1,894	-1,184	-4,217

Proposed New Starts

Project	Profiled Estimate							Total Cost
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Later Years	
	£000	£000	£000	£000	£000	£000	£000	£000
Continuing Programmes								
Adult Social Care								
House Adaptions for People with Disabilities			350	475	475	475		1,775
<i>External Contributions</i>								
Refurbishment - Registration Standards			50	50	50	50		200
Older Peoples Residential Homes & Intermediate Works			115	115	115	115		460
Extra Care/Supporters Accommodation			600	700	700	700		2,700
Gross Cost	0	0	1,115	1,340	1,340	1,340	0	5135
<i>Less: specific income</i>	0	0	0	0	0	0	0	0
Net Cost	0	0	1,115	1,340	1,340	1,340	0	5135
Chief Executives								
Library Refurbishment Programme			100	100	100	100		400
Gross Cost	0	0	100	100	100	100	0	400
<i>Less: specific income</i>	0	0	0	0	0	0	0	0
Net Cost	0	0	100	100	100	100	0	400
Children's Services								
Temporary Accommodation			600	600	600	600		2,400
Schools Access Initiative			800	825	850	900		3,375
House Adaptations for Disabled Children's Homes			150	150	150	150		600
Youth Capital Fund (Continuing Programme)			236					236
			(236)					(236)
BSF Feasibility in all secondary schools								
Primary Capital Programme Feasibility								
Gross Cost	0	0	1,786	1,575	1,600	1,650	0	6,611
<i>Less: specific income</i>	0	0	(236)	0	0	0	0	(236)
Net Cost	0	0	1,550	1,575	1,600	1,650	0	6,375
CRD								
Sustainable Building Design for Capital Projects (CPT 2.6e)			350	350	350	350		1,400
Building Maintenance - Backlog Maintenance Reduction			2,500	2,500	2,500	2,500		10,000
DDA Improvements to Non-school Properties (Business Plan P 1.3)			572	262	250	250		1,334
Gross Cost	0	0	3,422	3,112	3,100	3,100	0	12,734
<i>Less: specific income</i>	0	0	0	0	0	0	0	0
Net Cost	0	0	3,422	3,112	3,100	3,100	0	12,734
Transport & Environment								
LTP Structural Maintenance			8,600	8,600	8,600	8,600		34,400
Integrated Transport - LTP			2,014	2,136	2,136	2,136		8,422
<i>Grant</i>			(1,674)	(1,846)	(1,846)	(1,846)		
Speed Management		200	600	400	400	400		2,000
<i>SSRP and Parish Council Contributions</i>			(90)	(90)	(90)	(90)		(360)
Street Lighting - Life Expired Equipment			450	450	450	450		1,800
Rights of Way Bridge Replacement Project			200	200	200	200		800
Rights of Way Surface Repairs project			100	150	150	150		550
Local Safety Schemes & Minor Works - LTP			1,000	1,000	1,000	1,000		4,000
Gross Cost	0	200	12,964	12,936	12,936	12,936	0	51,972
<i>Less: specific income</i>	0	0	(1,764)	(1,936)	(1,936)	(1,936)	0	(360)
Net Cost	0	200	11,200	11,000	11,000	11,000	0	51,612
TOTAL GROSS COST	0	200	19,387	19,063	19,076	19,126	0	76,852
<i>Less: Total specific income</i>	0	0	(2,000)	(1,936)	(1,936)	(1,936)	0	(596)
TOTAL CONTINUING PROGRAMME	0	200	17,387	17,127	17,140	17,190	0	76,256

Proposed New Starts

Annex D

Project	Profiled Estimate							Total Cost
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Later Years	
New Bids								
Adult Social Care								
FirstFields			785					785
LD Extra Care Project			250					250
House Adaptions for People with Disabilities								0
Gilda Crescent								0
Homefield Place - Existing Scheme		(100)	(740)	(260)				(1,100)
Homefield Place Reprovision		500	2,475	1,900	125			5,000
Grant - Social Care SCP		(309)	(309)					(618)
Grant - Social Care Mental Health		(173)	(173)					(346)
Greenacres			300					300
Gross Cost	0	400	3,070	1,640	125	0	0	5,235
Less: specific income	0	(582)	(1,222)	(260)	0	0	0	(2,064)
Net Cost	0	(182)	1,848	1,380	125	0	0	3,171
Chief Executives								
New Archive Facility - 'The Keep' - Final Stage								
Grants and Contributions			2,750	15,000	3,760			21,510
			(1,000)	(8,000)	(1,000)			(10,000)
Rye Library								0
Prudential Borrowing Funded From Revenue Budget								0
Eastbourne and South Wealden Library Provision								0
Gross Cost	0	0	2,750	15,000	3,760	0	0	21,510
Less: specific income	0	0	(1,000)	(8,000)	(1,000)	0	0	(10,000)
Net Cost	0	0	1,750	7,000	2,760	0	0	11,510
Children's Services								
Primary Capital Programme - New Projects		4,674						4,674
PCP Grant		(4,529)						(4,529)
DFC		(145)						(145)
Developer Contribution								
Modernisation								
PCP Phase 2			9,470	7,174	4,737	4,674		26,055
PCP Grant			(6,907)	(4,529)	(4,529)	(4,529)		(20,494)
DFC			(145)	(145)	(145)	(145)		(580)
Developer Contribution			(182)	(250)	(63)			(495)
Modernisation			(2,236)	(2,250)				(4,486)
Primary Capital Programme - Carried Forward								
Eastbourne primary places								
Developer Contribution								
BSF - The Dewaving Programme		1,000	2,214					3,214
BSF Grant								
DFC								
Additional Project Capacity		500	500					1,000
Academies Programme		5,110	20,440	25,550				51,100
Grant		(4,715)	(18,860)	(23,575)				(47,150)
TCF Contribution		(395)	(1,605)					(2,000)
Modernisation (Primary and secondary)			2,236	450	3,000	3,800		9,486
Grant			(2,236)	(450)	(3,000)	(3,800)		(9,486)
Primary Non - PCP								
From Existing Programme								
South Wealden new primary places (Polegate/Hailsham)								
Developer Contribution								
Rother new primary places (Battle)								
Developer Contribution								
Secondary Non - BSF								
From Existing Programme								
South Wealden new secondary places								
Developer Contribution								
Secondary School Sports Provision		100	600	600				1,300
Grant		(100)	(600)	(600)				(1,300)
Other New Schemes								
Demolition of Tideway A and B blocks		100						100

Proposed New Starts

Annex D

Project	Profiled Estimate							Total Cost
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Later Years	
Landsdowne Secure Unit		500	2,200	1,800	500			5,000
<i>Grant</i>		(500)	(2,200)	(1,800)	(500)			(5,000)

Proposed New Starts

Annex D

Project	Profiled Estimate							Total Cost
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Later Years	
Net Cost	0	0	0	1,000	1,400	1,000	1,800	5,200

Proposed New Starts

Annex D

Project	Profiled Estimate							Total Cost
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Later Years	
Chief Executives								
Rye Library				1,307	244			1,551
<i>Prudential Borrowing Funded From Revenue Budget</i>				(400)				(400)
Eastbourne and South Wealden Library Provision				50	50			100
Gross Cost	0	0	0	1,357	294	0	0	1,651
<i>Less: specific income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(400)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(400)</i>
Net Cost	0	0	0	957	294	0	0	1,251
Children's Services								
Eastbourne primary places				1,500	2,000	500		4,000
<i>Developer Contribution</i>				(500)				(500)
Rother primary places (Bexhill)				800	3,800			4,600
<i>Developer Contribution</i>				(200)	(3,000)			(3,200)
BSF - The Dewaving Programme				17,285	66,160	96,733	203,526	383,704
<i>BSF Grant</i>				(20,000)	(65,000)	(95,000)	(200,000)	(380,000)
<i>DFC</i>				(499)	(1,160)	(1,733)	(3,526)	(6,918)
Modernisation (Primary and secondary)								
Etchingam CEPS				1,800	1,500	700		4,000
<i>Grant</i>				(1,800)	(1,500)	(700)		(4,000)
Primary Non - PCP								
From Existing Programme								
Rother new primary places (Battle)				500	1,300	200		2,000
<i>Developer Contribution</i>					(600)			(600)
South Wealden new primary places (Polegate/Hailsham)				2,200	3,500			5,700
<i>Developer Contribution</i>				(2,200)	(3,500)			(5,700)
Wealden new primary places (East Hoathly)				300	1,100			1,400
<i>Developer Contribution</i>					(200)			(200)
New Project								
Wealden new primary places (Uckfield)						4,000		4,000
<i>Developer Contribution</i>						(4,000)		(4,000)
Secondary Non - BSF								
From Existing Programme								
South Wealden new secondary places				3,500	4,000	1,000		8,500
<i>Developer Contribution</i>				(3,500)	(4,000)	(1,000)		(8,500)
New Project								
Wealden new secondary places (Uckfield)						4,500		4,500
<i>Developer Contribution</i>						(4,500)		(4,500)
Gross Cost	0	0	0	27,885	83,360	107,633	203,526	422,404
<i>Less: specific income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(28,699)</i>	<i>(78,960)</i>	<i>(106,933)</i>	<i>(203,526)</i>	<i>(418,118)</i>
Net Cost	0	0	0	(814)	4,400	700	0	4,286
CRD								
								0
Gross Cost	0	0	0	0	0	0	0	0
<i>Less: specific income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Net Cost	0	0	0	0	0	0	0	0
Transport & Environment								
								0
Gross Cost	0	0	0	0	0	0	0	0
<i>Less: specific income</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Net Cost	0	0	0	0	0	0	0	0
TOTAL GROSS COST	0	0	0	30,242	85,554	109,133	205,326	430,255
<i>Less: Total specific resources</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(29,099)</i>	<i>(78,960)</i>	<i>(106,933)</i>	<i>(203,526)</i>	<i>(418,518)</i>
TOTAL NEW BIDS - THE 3	0	0	0	1,143	6,594	2,200	1,800	11,737
TOTAL NET COST OF BIDS	0	4,360	7,179	11,833	9,554	2,275	1,800	37,001

Scheme Description	PID Approved	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Future Years £'000	Total £'000
Adult Social Care									
Schemes in Progress:									
Beeching Park	Y	131							131
Conquest Centre	Y	215	43						258
Mental Health 2005-06	Y	5							5
Sandbanks	Y	194	83						277
Age Well - East Sussex	Y	424	40						464
Transformation Change Capacity	Y	733							733
Linden Court - Phase 1	Y	38							38
Linden Court - Phase 2	Y	50	1,235						1,285
Feasibility Studies for Directly Provided Services	Y	19	70						89
St Nicholas Centre	Y	432	14						446
Milton Court	Y	350	1,233						1,583
ASC IT Infrastructure	N	158	168	179					505
<i>External Contributions</i>		<i>(158)</i>	<i>(168)</i>	<i>(179)</i>					<i>(505)</i>
Starting in 2009/10:									
Grangemead	N		824	1,136	40				2,000
Gilda Crescent	N		10	290	834	235			1,369
Pembury Road	Y		500						500
LD Extra Care Project	Y		100	250					350
Homefield Place Repronision	N		500	2,475	1,900	125			5,000
Starting in 2010/11:									
Greenacres	N			300					300
Firstfields	N			785					785
Starting in 2011/12:									
The Gables/Beacongate	N				1,000				1,000
Starting in 2012/13:									
Specialist Supported Housing Programme	N					1,000	1,000		2,000
St Anthony's Court	N					200	900		1,100
Finwood House	N					200	900		1,100
Net Expenditure		2,591	4,652	5,236	3,774	1,760	2,800	0	20,813
Continuing Programme:									
House Adaptations for People with Disabilities	N/A	216	350	350	475	475	475		2,341
<i>External Contributions</i>		<i>(16)</i>							<i>(16)</i>
Refurbishment - Registration Standards	N/A	322	235	50	50	50	50		757
Older People Residential Home Refurbishment & Intermediate Works	N/A	0	115	115	115	115	115		575
Outstanding Payments	N/A	3							3
Extra care/Supported accommodation	N/A	0	600	600	700	700	700		3,300
<i>Grant - Social Care SCP</i>			<i>(309)</i>	<i>(309)</i>					<i>(618)</i>
<i>Grant - Social Care Mental Health</i>			<i>(173)</i>	<i>(173)</i>					<i>(346)</i>
Net Expenditure Continuing Programme		525	818	633	1,340	1,340	1,340	0	5,996
Adult Social Care									
Gross Payments		3,290	6,120	6,530	5,114	3,100	4,140	0	28,294
Income		(174)	(650)	(661)	0	0	0	0	(1,485)
Net		3,116	5,470	5,869	5,114	3,100	4,140	0	26,809
Chief Executives									
Schemes in Progress:									
New Archive and Record Office - "the Keep" - phase 1	Y	990	251						1,241
<i>CERA/ Contributions</i>		<i>(167)</i>	<i>(178)</i>						<i>(345)</i>
Newhaven Library	N	10	1,180						1,190
Travellers Sites Bridies Tan	Y	1,045	200						1,245
<i>GOSE Grant</i>		<i>(1,045)</i>	<i>(200)</i>						<i>(1,245)</i>
Traveller site refurbishment and additional pitches	N	168	226	339					733
<i>DCLG Grant</i>		<i>(121)</i>	<i>(226)</i>	<i>(339)</i>					<i>(686)</i>
Starting in 2009/10:									

Complete Proposed Programme

Annex D

Scheme Description	PID Approved	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Access Initiative <i>Schools contribution</i>	N/A	912 (12)	1,165	800	825	850	900		5,452 (12)
Temporary Accommodation	N/A	361	600	600	600	600	600		3,361
House Adaptations for disabled children's carers homes	N/A	228	150	150	150	150	150		978
Youth Capital Fund (Continuing Programme) <i>Government Grant</i>	Y			236 (236)					236 (236)
BSF Feasibility in all Secondary Schools	N/A	180	27	200	200	200	200		1,007
Primary Capital Programme Feasibility <i>CERA</i>	N/A	400 (200)	200	200	300	300	300		1,700 (200)
Net Expenditure for Continuing Programme		1,869	2,142	1,950	2,075	2,100	2,150	0	12,486
Children's Services Department									
Gross Payments		35,149	58,969	71,185	68,259	95,759	118,332	203,526	651,179
Income		(22,892)	(54,133)	(58,360)	(64,203)	(89,038)	(115,407)	(203,526)	(607,559)
Net		12,257	4,836	12,825	4,056	6,721	2,925	0	43,620
Corporate Resources									
Schemes in Progress:									
NGN - Invest to save scheme & NGN contingency <i>Grant</i> <i>CERA - County</i>	Y	3,600 (60) (594)	262						3,862 (60) (594)
Microsoft Office	Y	471	388	82	40				981
SAP System Development	Y	110	297						407
Eastbourne Hub Project <i>CERA Contributions</i>	Y	425 (291)	10						435 (291)
Improvements to Maresfield travellers' sites <i>Government grant</i>	Y	249 (83)							249 (83)
Disabled access to public buildings (BVPI) Improvements	Y	406							406
Invest to Save, Energy and Water Efficiency Schemes	Y	50							50
Access for people with disabilities	Y	10							10
Enabling works in Hub buildings to support continuous power supply	Y	175							175
Starting 2009/10:									
Information Security - Data in Transit	N		354						354
ICT Network Resilience	N		757						757
Invest to Save Salix Energy Efficiency Fund II <i>Government Grant</i>	N		103 (51)	153 (76)					256 (127)
Hub Office Developments	N		350						350
Starting in 2010/11:									
Ocean House 1st Floor - Invest to Save <i>CERA Contributions</i>	Y			225 (225)					225 (225)
Net Expenditure		4,468	2,470	159	40	0	0	0	7,137
Continuing Programme:									
Building maintenance and backlog reduction <i>Grant</i>	N/A	2,582 (188)	2,300	2,500	2,500	2,500	2,500		14,882 (188)
DDA improvements to non-school properties	N/A	489	880	572	262	250	250		2,703
Outstanding Payments on Completed Schemes	N/A	212	157						369
SALIX Contract <i>External Contribution</i>	Y	125 (54)	139 (82)	51 (51)	73 (73)				388 (260)
Sustainable Building Design for Capital projects (CPT 2.6e) <i>CERA Contributions</i>	N/A	175 (175)	350	350	350	350	350		1,925 (175)
Net Expenditure for Continuing Programme		3,166	3,744	3,422	3,112	3,100	3,100	0	19,644
Corporate Resources Department									
Gross Payments		9,079	6,347	3,933	3,225	3,100	3,100	0	28,784
Income		(1,445)	(133)	(352)	(73)	0	0	0	(2,003)
Net		7,634	6,214	3,581	3,152	3,100	3,100	0	26,781

Scheme Description	PID Approved	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Future Years £'000	Total £'000
Transport and Environment									
Schemes in Progress:									
Bexhill & Hastings Link Road - Pre Approval <i>CERA and External Contribution</i>	Y	1,855 (200)	954						2,809 (200)
Bridge Assessment Strengthening	Y	1,013							1,013
ICT Highways Contract <i>CERA Contributions</i>	Y	224 (66)							224 (66)
Land Compensation	Y	33							33
Rationalisation of Highway Depots - Ringmer	Y	(75)	28						(47)
Closure of Sussex Steps, Hastings	Y	1							1
ROW Network Survey	Y	150	50						200
Waste Performance Grant									
Subsidised compost bins	Y	9							9
Eastbourne WRAP LACF <i>Funded from Performance and Efficiency grant from DEFRA</i>	Y	6 (13)							6 (13)
Eastern Area Highways Depot/Rationalisation of Highway Depots	Y	220							220
Cuilfail Tunnel Refurbishment <i>Grant</i>	Y	1,300 (1,300)	1,300 (1,300)						2,600 (2,600)
Additional Highways Allocation <i>CERA</i>	N/A	500 (500)							500 (500)
Starting in 2009/10:									
A26 South Street <i>Grant</i>	N		75 (75)						75 (75)
Carlisle Parade <i>Grant</i>	N		75 (75)	50 (50)					125 (125)
Bexhill & Hastings Link Road - Post Approval <i>Grant</i>	N		5,531	18,190 (24,500)	29,380 (29,380)	31,630 (26,476)	4,470		89,201 (80,356)
Additional Highway Allocation	N/A		1,000						1,000
Invest to Save Street Lighting 250W Reduction Project <i>CERA or Prudential Borrowing</i>	N		367 (367)						367 (367)
Waste Performance Efficiency Grant Schemes <i>Waste Performance Efficiency Grant</i>	N		226 (226)						226 (226)
Starting in 2010/11:									
Phoenix Causeway <i>Grant</i>	N			400 (400)					400 (400)
Integrated Transport - Externally Funded <i>Development and Borough Council Contributions</i>	N/A			1,417 (1,417)	500 (500)	500 (500)	500 (500)		2,917 (2,917)
Net Expenditure		3,157	7,563	(6,310)	0	5,154	4,470	0	14,034
Continuing Programme:									
Integrated Transport - LTP plus Externally Funded <i>Development and Borough Council Contributions</i> <i>Grant</i> <i>CERA Contributions</i>	N/A	4,468 (1,990) (1,500) (20)	3,339 (1,796) (1,672)	3,064 (1,050) (1,674)	2,786 (650) (1,846)	2,536 (400) (1,846)	2,136 (1,846)		18,329 (5,886) (10,384) (20)
LTP Structural Maintenance	N/A	6,783	8,775	8,600	8,600	8,600	8,600		49,958
Speed Management <i>SSRP and Parish Council Contributions</i> <i>CERA Contributions</i>	Y	403 (90) (150)	669 (90)	600 (90)	400 (90)	400 (90)	400 (90)		2,872 (540) (150)
Local Safety Schemes & Minor Works - LTP <i>External Contribution</i>	N/A	1,393 (237)	1,040	1,000	1,000	1,000	1,000		6,433 (237)
Rights of Way Surface Repairs Project	Y	63	77	100	150	150	150		690
Rights of Way Bridge Replacement Project <i>External Contribution</i>	Y	218 (12)	200	200	200	200	200		1,218 (12)
Street Lighting - Life Expired Equipment	N/A	399	400	450	450	450	450		2,599
Net Expenditure for Continuing Programme		9,728	10,942	11,200	11,000	11,000	11,000	0	64,870
Transport and Environment									
Gross Payments		18,963	24,106	34,071	43,466	45,466	17,906	0	183,978
Income		(6,078)	(5,601)	(29,181)	(32,466)	(29,312)	(2,436)	0	(105,074)
Net		12,885	18,505	4,890	11,000	16,154	15,470	0	78,904
ESCC Capital Programme									
Total Gross Payments		68,929	99,929	123,288	131,621	151,579	143,578	203,526	922,450
Total Income		(32,572)	(61,741)	(90,073)	(100,142)	(119,350)	(117,843)	(203,526)	(725,247)
TOTAL NET COST		36,357	38,188	33,215	31,479	32,229	25,735	0	197,203

Prudential indicators for 2008/09 to 2011/12

P1 The actual gross capital expenditure that was incurred in 2007/08 and the estimates of capital expenditure to be incurred for the current and following 3 years that are recommended for approval are:

Department	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Adult Social Care	6,898	3,290	6,120	6,530	5,114
Chief Executives	264	2,448	4,387	7,569	11,557
Childrens Services	37,082	35,149	58,969	71,185	68,259
Corporate Resources	6,434	9,079	6,347	3,933	3,225
Transport and Environment	17,596	18,963	24,106	34,071	43,466
Total for ESCC	68,274	68,929	99,929	123,288	131,621

P2 Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual financing requirement at 31 March 2007 are:

31/03/2008	31/03/2009	31/03/2010	31/03/2011	31/03/2012
Actual	Estimate	Estimate	Estimate	Estimate
£'000	£'000	£'000	£'000	£'000
274,000	286,000	297,000	306,000	315,000

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, East Sussex County Council does not associate borrowing with particular items or types of expenditure. The Council has an integrated treasury management strategy and has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury positions in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Council's underlying need to borrow for a capital purpose.

- P3 Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2007/08 are:

2007/08 Actual %	2008/09 Estimate %	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %
5.33%	5.69%	6.98%	7.05%	7.25%

The estimates of financing costs include current commitments and the proposals in this budget report.

- P4 The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have previously been taken by the Council are:

For the band D Council Tax

	2009/10	2010/11	2011/12
Annual Increase	£0.61	£5.17	£14.71
Cumulative Increase	£0.61	£5.78	£20.49

This represents the cumulative impact of the new starts proposed for 2008/09, 2009/10, and 2010/11.

Consideration of options for the capital programme.

In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:

- Affordability, e.g. implications for Council Tax;
- Prudence and sustainability, e.g. implications for external borrowing;
- Value for money, e.g. option appraisal;
- Stewardship of assets, e.g. asset management planning;
- Service objectives, e.g. strategic planning for the authority;
- Practicality, e.g. achievability of the forward plan.

The following indicators are considered in detail within the treasury management strategy considered elsewhere on this agenda.

- P5 CIPFA's *Prudential Code of Capital Finance in Local Authorities* includes the following as a key indicator of prudence:

"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 capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

The Deputy Chief Executive and Director of Corporate Resources reports that the Council envisages no difficulty meeting this requirement for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Authorised Limit for External Debt				
	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m
Total Borrowing	326	338	347	356

The Council's updated treasury management strategy and annual plan for 2008/09 was agreed by the Council at its meeting in January 2008 and has subsequently been updated in the light of the deterioration of financial markets and the banking system. The plan for 2009/10 is contained elsewhere on the agenda.

- P6 The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Deputy Chief Executive and Director of Corporate Resources' estimate of the most likely, prudent but not worse case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Deputy Chief Executive and Director of Corporate Resources.

Operational Boundary for External Debt				
	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m
Total Borrowing	306	318	327	336

P7 **Borrowing**

The Council will continue the current practice of seeking to secure competitive fixed interest rate exposure. It is proposed to continue to set limits which would allow variable rate borrowing and lending in case that becomes a more effective approach. The table below shows both borrowing and lending and a combined borrowing and lending table.

	2008/09 Projected Outturn	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
Borrowing:				
Fixed Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	100%	87%	85%	82%
Variable Rate Exposure				
Upper Limit	0%	13%	15%	18%
Lower Limit	0%	0%	0%	0%
Lending:				
Fixed Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%
Variable Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%
Combined:				
Fixed Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	46%	42%	41%	40%
Variable Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%

- P8 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Maturity Period	Lower Limit	Upper Limit
Under 12 months	0%	25%
12 months and within 24 months	0%	40%
24 months and within 5 years	0%	60%
5 years and within 10 years	0%	80%
10 years and above	0%	100%

- P9 East Sussex County Council has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*.

- P10 Any investments made of over one year will match the County Council's policies. For example, investment of the Waste reserve where the balances can be lent out for a known period before being required. The table below shows the fund growing in the next few years where deposits exceed the withdrawals. The limits shown include an allowance for any other investments over 1 year although as set out in the Treasury Management report elsewhere on this agenda no such investments are envisaged in the current financial climate.

Year	Opening Balance	Net Movement	Closing Balance		Waste Maximum Over 1 Year	Limit Maximum Over 1 Year
	£M	£M	£M		£M	£M
2009/10	67	4	71		71	75
2010/11	71	-1	70		70	75
2011/12	70	4	74		74	80
2012/13	74	6	80		80	85
2013/14	80	7	87		87	90