

**Greater London Authority Group
Budget Guidance for 2009-10**

July 2008

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1. Introduction

- 1.1 This document sets out formal guidance to the Greater London Authority (GLA) and the functional bodies for the 2009-10 budget planning round.
- 1.2 The budget development process is a key element of the planning framework, the primary purpose of which is to ensure that there are sound medium and long term financial plans within which all Mayoral priorities and objectives are adequately funded and prepared in a timely fashion to meet the GLA's statutory requirements for budget setting. It involves **budget and business plans** based on Mayoral objectives and priorities, including the preparation of detailed robust budgets each year which match planned outcomes with soundly based estimates of income and expenditure, government funding and council tax, and with appropriate and sufficient reserves.
- 1.3 The process is not only concerned with looking forward. Assurance is also sought about performance on key deliverables in 2008-09 taking account of any relevant policy changes of the new administration, including spending and progress on new initiatives and the delivery of agreed savings, when considering future budget proposals.
- 1.4 The 2009-10 process itself is similar to last year. It consists of:
- Budget guidance issued by the Mayor revised if necessary in light of emerging issues
 - Budget development by functional bodies and GLA
 - Interim information from the functional bodies to the GLA by **end of September**
 - Preliminary draft proposals issued by the Mayor for consultation with each of the functional bodies and the Assembly by the **end of October**
 - A formal response to the proposals by **end of November** accompanied by detailed budget and business plans covering at least a three year period and which must be consistent with the Mayor's budget guidance and preliminary proposals
 - Mayor's formal draft budget proposals considered, prepared and issued for consultation in **mid December**
 - Consultation
 - Scrutiny by the Assembly's Budget Committee throughout the process.
- 1.5 An outline of the Mayor's Budget Timetable is attached as **Appendix A**.
- 1.6 This budget guidance will need to be kept under review in light of progress against the current year's budget, emerging issues and significant developments.
- 1.7 The information sought in this guidance is requested in accordance with the provisions of sections 110 and 125 of the GLA Act 1999.**

2. Strategic policy aims and objectives

2.1 The budget development process is designed to ensure that the **Mayor's budget proposals** are an accurate reflection of the Mayor's priority aims and objectives so that real progress can be made in achieving the Mayor's new policy agenda.

2.2 The following key principles should underpin the development of business plans:

- ◆ How is value for national and council taxpayers being delivered?
- ◆ How are resources being prioritised to key objectives?
- ◆ How are resources being used more effectively through joint working across the GLA group?

2.3 Each member of the GLA Group is expected to demonstrate how it has taken account of the above in carrying out its statutory functions. A critical GLA focus during the budget development stage will be to examine and assess the business plan proposals to deliver in line with these principles and the **results** expected to be achieved over the plan period.

2.4 The focus is about delivery of the Mayor's election manifesto and value for money in the investment in London's infrastructure and public services. Specific priorities are attached at **Appendix B** and should be cross referenced to the Mayor's manifesto, but each functional body is expected to take into account the following priority needs:

- ◆ Contributing towards the Mayor's priority of tackling youth violence through preventative measures and increasing youth opportunities
- ◆ Deliver value for money and better quality of life for all Londoners
- ◆ Prioritising measures consistent with the commitment to carbon reduction targets of 60 per cent by 2025 and promoting open spaces
- ◆ Supporting the delivery of the London 2012 Olympic Games and Paralympic Games and its legacy
- ◆ Deliver the Mayor's revised Housing Strategy to be published in the autumn
- ◆ Implementing the Living Wage for London and promoting equality in the workforce

3. Interim budget responses and the Mayor's preliminary draft proposals

3.1 To provide the basis for formal consultation on the Mayor's prospective budget proposals, interim budget information is due by **26 September** and must include the following:

- ◆ A succinct overview describing your main business priorities and how the principles expressed in paragraph 2.2 above are being addressed together with the priorities in Appendix B, for each year of the three year period 2009-10 to 2011-2012.
- ◆ A high level financial breakdown indicating how the financial planning guidelines will be achieved.
- ◆ Costs of manifesto commitments being implemented in 2008-09 and how these are being financed together with budget implications over the planning period.
- ◆ A summary of identified savings to balance the budget.
- ◆ A summary of outstanding financial uncertainties and issues.

3.2 It is accepted that each member of the GLA Group may not have an updated balanced budget and business plan that has been formally endorsed by the appropriate Board/Authority by the end of September. With the business planning cycle being at a critical stage it is also recognised that there might be concern if information were to be widely disseminated and the Mayor therefore accepts that the interim response should be supplied in the form of advice to the Mayor.

3.3 Officer meetings between the GLA and each functional body will be held to discuss the material submitted in September, be advised of any subsequent developments, and resolve any queries that might arise.

3.4 Following these meetings the Mayor expects to draw up **preliminary draft budget proposals** and seek comments from the Assembly (in respect of the Assembly's and the Mayor's requirements) and functional bodies (in respect of their own requirement) by the end of October.

4. Budget and business plans

4.1 Functional bodies (and the Assembly's) comments on the Mayor's Preliminary draft proposals should be received by **27 November**. Completed business plans that are consistent with the Mayor's draft budget proposals, and any significant matters that might be raised in the response must accompany the responses.

4.2 The business and budget plans must:

- ◆ Cover at least the period to 2011-12
- ◆ Set out what is planned to be achieved in high-level terms over that period, specifying profiled deliverables and defining measures to assess progress and impact
- ◆ Highlight in high-level terms plans towards delivering carbon reductions
- ◆ Demonstrate how the budgets and business plans will increase diversity within the workforce
- ◆ Include updated budget estimates and borrowing and capital spending plans covering the plan period (these can either be integrated in the business plans, or be in the form of separate accompanying documents)
- ◆ Include an assessment and explanation of the quantified financial benefits expected to be secured by joint working across the GLA Group.

Appendix C to this report provides further information on the financial information to be provided

4.3 The above information and matters raised in the responses will be taken into account when the Mayor prepares draft component budgets in accordance with the provisions of schedule 6 of the Greater London Authority Act 1999. These budgets will then be subject to wider consultation expected to commence on or around **11 December**.

4.4 Financial information within or accompanying the business plans needs to be consistent with the format used in the Mayor's published budget documents in the interests of efficiency, the need to consolidate into a group format and aid budget consultation. Information must be presented in a similar format throughout the budget process.

5. Financial planning guidelines

- 5.1 As part of the Government's Comprehensive Spending Review 2007 TfL has a long term funding settlement until 2016-17 and the other functional bodies have indicative grant allocations until 2010-11 which gives some certainty for planning in the first two years of the Mayoral term. Resources are expected to be tighter in the following two years which will be part of the next spending review period.
- 5.2 The Mayor's intention is that value for the national and council taxpayer should drive the development of forward plans with the GLA and the functional bodies rigorously pursuing efficiency savings, including savings from increased joint working across the GLA Group. This means that the guidelines are more stringent than those advised in the guidance issued for the 2008-09 budget process.
- 5.3 Subject to any further guidance issued later in the year, budget plans should be prepared within the following guidelines and assumptions:

MPA	<ul style="list-style-type: none">◆ For 2009-10 increases in net revenue expenditure of 1.75 per cent over the 2008-09 amount of £2,595.0 million presented in the Mayor's published budget and annual increases of 1.25 per cent in 2010-11 and 2011-12◆ There is no addition to the GLA council tax precept for Olympic security costs
LFEP A	<ul style="list-style-type: none">◆ For 2009-10 an increase in net revenue expenditure of 1.75 per cent over the 2008-09 amount of £425.3 million presented in the Mayor's published budget and annual increases of 1.25 per cent in 2010-11 and 2011-12◆ There is no addition to the GLA council tax precept for Olympic security costs
GLA	<ul style="list-style-type: none">◆ For 2009-10 a reduction of 15 per cent in net revenue expenditure from the amount of £79.1 million (which excludes the contribution to the Olympic and Paralympic Games) presented in the Mayor's published budget and annual increases of 1.25 per cent in 2010-11 and 2011-12
TfL	<ul style="list-style-type: none">◆ No change to the published forecast component budget requirements of £12 million in 2009-10, 2010-11 and 2011-12
LDA	<ul style="list-style-type: none">◆ No change to the published forecast component budget requirements of £nil in 2009-10, 2010-11 and 2011-12.

- 5.4 In addition MPA, LFEP A and GLA should prepare financially balanced plans which take account of the following alternative options to increase net revenue expenditure in 2009-10 over 2008-09 of **0.25 per cent more or less** than the above guidelines, including the impact on service levels over the three year period.

- 5.5 The planning guidelines will be kept under review in light of progress against the current year's budget and any indication that government grant levels for 2009-10 already announced might change. Each member of the GLA Group must also keep the GLA informed of any bids or negotiations for grant or income with government departments or other partners. Supplementary guidance will be circulated if necessary during the budget process.
- 5.6 It is important that proposed capital spending plans demonstrate a rationale/justification for any increase in borrowing over and above the limits that the Mayor approved in March 2008, including any change in the level of headroom between the operational boundary and borrowing limit. The plans must be affordable and the revenue implications fully built into the revenue budgets prepared in accordance with this guidance.
- 5.7 No guidance is being issued in respect of the issue of the use of reserves. These will be discussed with each body during the budget development stages and the Mayor will make proposals on the use of reserves in light of the overall need for reserves and the impact on the GLA council tax precept. At present it is assumed any use of reserves will be in line with the forward plans in the Mayor's 2008-09 published budget.

6. Managing the budget process

- 6.1 During the budget process the Mayor and his advisers will, whenever appropriate, use meetings with functional body members and chief officers to discuss the main strategic issues to be addressed in the budget and business plan processes. The intention is that there will be specific budget development meetings with the Mayor or his advisers with each of the functional bodies before the end of October. Regular officer-level meetings will be arranged to support these.
- 6.2 During the period to the end of October the officer-level meetings will be focussed on:
- Review of delivery of the 2008-09 budget in light of the Mayor's manifesto commitments.
 - Ensuring that information to be provided in the functional bodies' initial responses are responsive to emerging needs and that budget information reflects Mayoral priorities
 - Ensuring that there is consistency and integration across the GLA Group on relevant issues
 - Ensuring that the initial responses provide the information necessary to produce the Mayor's preliminary draft budget proposals.
- 6.3 After the end of October officer-level meetings will be focussed on ensuring that the budgets and business plans of the functional bodies are consistent with the Mayor's preliminary draft budget proposals and that the Mayor's priorities are clearly addressed in the formal budgets and business plans.
- 6.4 After the budgets and business plans of each functional body have been received, some revisions may still be necessary if the Government's draft local government settlement, which is due to be announced at the end of November, is amended from its indicative forward grant allocations or because of the weighting given to particular priorities.
- 6.5 The Mayor will issue his statutory draft budget proposals in mid December, and may decide on changes as a result of this consultation. The Mayor may also decide on final changes following comments by the Assembly in January on his draft consolidated budget.

7. Dialogue with budget consultees

- 7.1 The statutory framework for consultation on the Mayor's budget proposals is restricted by the time available (mid December to mid January). To complement and prepare for this part of the budget process, each body should maintain a dialogue with, and provide information to, key stakeholders before business plans are submitted in November.
- 7.2 The GLA has also refined its dialogue with key stakeholders over the last two years and it is intended to hold a meeting with the voluntary sector in September. A meeting in November will also be arranged by the GLA to enable functional bodies to explain and discuss their budget and business proposals with key stakeholders. Further details will be provided in due course.

8. Monitoring performance

- 8.1 The financial and organisational performance of each body will be regularly monitored by the GLA. This requires robust information to be provided throughout the year and it is important that up to date information is available to inform the submission, consultation and decision stages of the budget process.

9. Assembly's Budget Committee scrutiny

- 9.1 This guidance does not cover the Assembly's Budget Committee's scrutiny process. This is a different process and the Budget Committee will be requesting information at key stages and there will be a requirement for members and officers of each body to attend Committee meetings as appropriate.

10. Contacts and further information

10.1 If any further information or clarification is required then please contact:

Overall process and guidance:

Ray Smith	Interim Head of Strategic Finance	7983 4148
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MPA, LFEPA & LDA priorities:

Henry Abraham	Interim Head of Economic Development, Community Safety & Equalities	7983 4282
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TfL priorities:

Kevin Austin	Head of Transport	7983 4256
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Finance:

Doug Wilson	Budget Development Manager – MPA/LFEPA	7983 4148
Peter Greig	Budget Development Manager – TfL/LDA	7983 4254

Equalities:

Audrey Young	Head of Diversity Performance	7983 4826
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Environment:

Shirley Rodrigues	Head of Environment	7983 4300
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Timetable

July	Issue Mayor's Budget Guidance
July to September	<p>On-going liaison, guidance, steer, etc to budget/business plan development</p> <ul style="list-style-type: none"> ◆ Close involvement of GLA policy/performance teams to secure Mayoral priorities within proposed financial planning guidelines ◆ Financial planning and monitoring documents made available to the GLA
26 September	<p>Initial response providing information requested in guidance received including:</p> <ul style="list-style-type: none"> ◆ An overview describing main priorities for each year 2009-10 to 2011-12 and how the financial planning guidelines will be achieved. ◆ Costs and funding of manifesto commitments in 2008-09 and budget implications over the planning period. ◆ A summary of identified savings to balance the budget and outstanding financial uncertainties and issues
By end of October	<p>F&P/Strategic Finance to identify and resolve issues, and report to the Mayor's Office on:</p> <ul style="list-style-type: none"> ◆ Extent Mayoral priorities reflected in updated budget estimates ◆ Possible budget options ◆ Preliminary draft budget proposals prepared and issued for consultation with Assembly/FBs ◆ Comments invited and response to include completed draft business plans that are consistent with draft budget proposals and response to consultation
27 November	Assembly/FBs responses received
11 December	Statutory consultation of draft budget
Dec to Feb	Budget Committee scrutiny of Mayor's budget proposals
15 Jan	Issue draft capital spending plan, including consultation on proposed borrowing limits, before this date
28 Jan	Assembly to consider draft consolidated budget
11 Feb	Assembly final consideration of consolidated budget

28 Feb	Issue capital spending plan before this date
31 Mar	Authorised Limits for borrowing agreed by this date

Specific policy priorities

(1) Applicable to the GLA and all functional bodies

- ◆ GLA group priorities for preventative work on youth violence, including more youth opportunities, are currently being developed by the Mayor. It is clear that significantly increased resources will be needed across the GLA group to tackle these issues and budgets should be developed to ensure that the GLA group contributions to implementing the Mayor's priorities in this key area are fully funded for 2009-10 onwards
- ◆ Deliver value for money and better quality of life for all Londoners
- ◆ Prioritising measures consistent with the commitment to carbon reduction targets of 60 per cent by 2025 and promoting open spaces
- ◆ Supporting delivery of the London 2012 Olympic Games and Paralympic Games and its legacy
- ◆ Deliver the Mayor's revised draft Housing Strategy to be published in the autumn
- ◆ Implementing the Living Wage for London and promoting equality in the workforce

(2) Applicable to the GLA

- ◆ Preventative work on youth violence, including more youth opportunities, that are currently being developed by the Mayor
- ◆ Deliver more affordable homes through the Regional Housing Pot, including the flagship First Steps Housing scheme to offer a mid-price product for Londoners on moderate incomes
- ◆ Encourage more family sized homes; increased shared ownership schemes for low income families; local delivery of s106 benefits across London; an increase in intermediate housing units and shared equity schemes through the Regional Housing Pot
- ◆ Prioritise higher design standards in new developments
- ◆ Increase the rate of renovation of empty properties by investment from the Regional Housing Pot
- ◆ Review of the London Plan, including delivering a sustainable suburbs strategy
- ◆ Plant 10,000 trees by 2012 and develop a Priority Parks Programme to revive rundown open spaces
- ◆ Deliver six further high technology Low Carbon Zones by 2012 to reduce carbon emissions in London
- ◆ Introduce a council tax rebate scheme to incentivise home insulation
- ◆ Encourage incentive schemes to improve London's recycling rate
- ◆ Promote London's economic growth and competitiveness, including employment opportunities and support of SMEs
- ◆ Increase frequency of People's Question Time with increased advertising

(3) Applicable to the MPA

- ◆ Maintain the highest level of preparedness and resources to protect Londoners against terrorism
- ◆ Greater emphasis to be given to preventing and detecting crime of violence and hate, including violence against specific groups such as women
- ◆ Immediate priority be given to tackling knife and gun crime, including provision for additional handheld scanners and knife arches
- ◆ A more visible police presence on buses, trains and at transport hubs
- ◆ Reduce bureaucracy to increase resources for frontline policing
- ◆ Increase police accountability through the introduction of crime mapping and regular public meetings with borough commanders
- ◆ Greater emphasis on internal HR issues including staff welfare, morale, diversity and equality

(4) Applicable to TfL

- ◆ Work towards delivering Crossrail on time and within budget
- ◆ Make public transport safer and more pleasant by increasing the number of police officers on buses, trains and at suburban stations; devoting more resources to tackling illegal minicabs; introducing more knife scanners at transport hubs and trial live CCTV on buses.
- ◆ Improve traffic flow and greater use of greener technologies on the bus fleet
- ◆ Continue the vital upgrades of the London Underground infrastructure, prioritising line and signal upgrades to expand capacity and improve reliability
- ◆ Reform the congestion charge by allowing payment by account and explore moving to a flexible pricing system.
- ◆ Re-open consultation on the Western Extension of the congestion charge zone and abide by the result
- ◆ Make London a genuinely cycle friendly city by introducing a bicycle hire scheme and expanding secure cycle parking
- ◆ Concentrate ongoing service improvements to the bus network in outer London, including a trial of orbital express bus routes
- ◆ Deliver the Mayor's vision for a 21st century Routemaster by 2012
- ◆ Continue tube-cooling innovations, and ensure new trains on sub-surface lines include air conditioning
- ◆ Maintain and enhance commitment to disabled friendly public transport, by implementing an effective Dial a Ride system and ensuring the reliability of wheelchair ramps on buses
- ◆ Phase out articulated buses

(5) Applicable to LFEPA

- ◆ Maintain front line services by implementing the modernisation agenda and deriving benefits from a risk-based approach to fire safety issues
- ◆ Promote equality in the workforce

(6) Applicable to the LDA

- ◆ Restructure business support services to encourage business start up and help existing businesses to grow.
- ◆ Increase LDA's work with young people by funding youth community groups providing mentoring schemes developing community sports projects
- ◆ Work with the LSEB, LSC and Job Centre Plus to deliver the Mayor's skills agenda including; creating a single umbrella brand for skills training and advice; creating a 'one stop shop' for Londoners to access skills training and advice; increasing literacy and numeracy training, employability skills and ESOL training
- ◆ Maximise skills training opportunities presented by 2012 Olympics and 2011 WorldSkills Olympics
- ◆ Channel funding to the London Waste and Recycling Board to improve recycling rates
- ◆ Campaign to promote age equality in the work place

Financial information required by 27 November

Component budgets and business plans

Service Analysis

1. The main financial element of the final budget submissions will be an analysis of budget proposals by service division/objective for the three years 2009-10 to 2011-12 with comparative figures for 2008-09 (both original budget and forecast outturn) showing:

- ◆ Income to be raised and expenditure to be incurred in providing the complete range of services provided by the body
- ◆ Capital financing costs (including capital expenditure charged to revenue)
- ◆ External interest receipts
- ◆ All estimated specific grants
- ◆ Transfers to and from reserves
- ◆ Any other financial charges and adjustments
- ◆ The resultant budget requirements.

2. If service division/objective analysis is revised from that used for 2008-09, then the figures for the previous year should be re-stated on a comparable basis.
3. The budget proposals must be supported by an analysis of changes from the equivalent budgeted figures for 2008-09, separately identifying changes in each of three years due to:

- ◆ Inflation
- ◆ Changes in service levels (making a distinction between those which are committed and those which are new initiatives)
- ◆ Savings and efficiencies
- ◆ Specific government grants
- ◆ Use of reserves
- ◆ Any other significant reasons.

4. It is important to ensure that the movements recorded as detailed above are capable of reconciliation between the reported figures for each of the two years e.g. specific government grants for 2008-09 plus any increase in specific government grants must equal the figure for specific government grants in 2009-10.

Subjective analysis

5. A subjective analysis must also be submitted covering the three-year plan period, including a comparison with 2008-09 figures.

New initiatives and service improvements

6. A clear distinction must be made between full year effects of new activities approved in 2008-09 or earlier years – these are committed service increases – and proposed new initiatives. However, for clarity, the definition of new initiatives is restricted to new provision of new services and service improvements, including those to be funded by a redeployment or more effective use of existing resources.
7. For each new initiative/service improvement there should be a brief description of the proposal including the expected service improvement or deliverable, and the cost in each of the three years 2009-10 to 2011-12. Costs of new initiatives should be reflected in each of the three years in which they will be incurred i.e. unless the initiative is of a short-term nature, costs will be repeated in each year.

Savings and efficiencies

8. The GLA and the functional bodies must be able to demonstrate that there has been a rigorous pursuit of efficiencies on existing services and structures. This requires a thorough examination of the existing cost base to identify both possible savings (including maximising income) and any effect on service levels should the savings be implemented. Therefore an analysis should be provided, which includes:

- ◆ The assumptions made on elements of the budget that are and are not reducible in the short term, with savings required expressed as a percentage of that reducible amount
- ◆ A brief description of the expected savings to be achieved, separately identifying cashable and non cashable savings to be achieved by:
 - Procurement efficiencies
 - Reducing staff input/headcount reduction
 - Cost avoidance
 - Other means
- ◆ The saving in each of the three years 2009-10 to 2011-12, which should be shown in the analysis on a cumulative basis i.e. ongoing savings should be reflected in each of the three years
- ◆ The savings that will be achieved through collaborative working with other members of the GLA Group
- ◆ A comparison/reconciliation of the amount of savings with government targets for each body.

9. In addition to providing an analysis of savings, the GLA and the functional bodies must also outline:

- ◆ Progress in achieving efficiencies and savings agreed as part of the 2008-09 budget, including the latest available estimate of projected financial performance in 2008-09.

Reserves and general balances

10. To meet the requirement of the Local Government Act 2003 in respect of adequacy of reserves and demonstrate compliance with the guidance on local authority reserves and balances issued by CIPFA in June 2003, the GLA and the functional bodies must provide:

- ◆ A statement of reserve policy
- ◆ Details of all reserves and general balances
- ◆ An analysis and explanation of the expected movements between the start and end of each year from 1 April 2008 to 31 March 2012
- ◆ In the case of earmarked reserves held for purposes beyond 2011-12, an indication should be given as to when they are likely to be applied
- ◆ Proposed allowances for contingencies separately identified and justified.

Inflation factors

11. There is no specific guidance for pay and inflation rates to be used. However, the GLA and the functional bodies must be able to explain their inflation assumptions (for both pay and non pay costs) and all figures must be at outturn prices.

Robustness of estimates and adequacy of reserves

12. To help meet the GLA meet the statutory requirements of the Local Government Act 2003, the GLA and the functional bodies must provide a report by the chief finance officer on the robustness of the proposed budget estimates and the adequacy of the proposed financial reserves.

Borrowing limits

13. Under the Local Government Act 2003, the Mayor has the duty of determining authorised limits for the GLA and each of the functional bodies in respect of external debt after consulting the London Assembly and the functional bodies in respect of their own limits. The GLA and the functional bodies must therefore provide:

- ◆ Estimates of proposed authorised limits over the capital spending plan period 2009-10 to 2011-2012. These must be justified by reference to the requirements of the Prudential Code, including providing calculations of the prudential indicators, and supported by a draft capital spending plan (see below)
- ◆ A rationale/justification for any increase in borrowing over and above the limits that the Mayor approved in March 2008, including any change in the level of headroom between the operational boundary and borrowing limit
- ◆ The level of borrowing required to support the draft capital spending plan
- ◆ The sources of this borrowing.

Capital spending

14. The draft capital spending plan should be supported by:

Strategy/policy

- ◆ A statement linking capital expenditure to the delivery of the organisation's objectives/priorities
- ◆ A statement outlining how projects have been prioritised

Links to revenue budget

- ◆ The revenue/operational expenditure consequences of the overall draft plan, including debt management costs, which must be identified and fully reflected in the revenue budget proposals
- ◆ Cross referencing of capital financing costs in revenue budget to capital spending plan

Capital expenditure

- ◆ A summary of all the proposed projects providing for each project:
 - The name/title of the project.
 - A brief description of the project in non- technical jargon free language free from abbreviations
 - For any new projects proposed, the purpose and anticipated impact
 - Total cost of the project (minor projects can be grouped together)
 - Previous years' expenditure (in total)
 - Projected costs for 2009-10 to 2011-12
- ◆ Proposed spending on common themes across the GLA group
- ◆ Justification for increase in capital expenditure over the years

Funding

- ◆ Funding of the capital programme by government grants, specific grants, capital receipts, borrowing, revenue contribution

- ◆ Funding of PFI/PPP Schemes and the financial implications of such funding

Risks

- ◆ Impact of changing forecast interest costs on revenue budget
- ◆ Risks associated with funding from capital receipts and what is proposed if funding is not realised. Eg where in year capital receipts are not as much as anticipated

Monitoring

- ◆ A statement outlining how performance is to be monitored and evaluated
- ◆ How slippage for previous years will be managed and impact on service delivery.