

2007/08 CAPITAL PROGRAMME BUDGET MONITORING

OVERALL SUMMARY POSITION

1. The capital programme forecast outturn for 2007/08 as at 29th February totals £52,821k, which is a decrease of £597k from the previous capital programme forecast outturn for 2007/08 as at 31st January. This is a net change from review of larger capital expenditure forecasts detailed in the body of this report; no funding resources are expected to be lost.
2. The revised forecast excludes devolved formula capital spend at schools. This is grant funded capital spend determined by schools. This will fall within future years capital programme monitoring. Spend to be transferred from revenue to capital at the 2007/08 year end in relation to the devolved formula capital spend in 2007/08 is expected to total approximately £2,898k.
3. A summary of the overall capital programme position for 2007/08 is provided in table D1. Detailed capital programmes for directorates are reported to the relevant scrutiny committees.
4. Details of total capital scheme costs, their funding, spend to date and any potential issues for capital schemes with a revised forecast spend for 2007/08 exceeding £500k are provided in table D2.

CHILDREN AND YOUNG PEOPLE'S SERVICES DIRECTORATE

5. The forecast spend on the Minster school replacement and Riverside amalgamation before the end March have decreased representing slippage in the cashflow with no impact on the capital funding or total scheme costs. The Council will benefit from the funding remaining in the Councils bank account over the year end.

HEREFORDSHIRE CONNECTS

6. The Core Logic social care solution capital spend has slipped by £602k into 2008/09, the prudential borrowing funding allocation has been carried forward.

RESOURCES

7. The capital programme forecast for this directorate has increased representing corporation accommodation costs to be incurred in moves to Plough Lane, funded by the capital receipt reserve and spend on smallholdings to enable property sales.

CAPITAL DE-MINIMUS

8. The Council has a capital de-minimus level of £10,000, which means that capital expenditure of less than £10,000 remains in the Councils revenue account, however with the introduction of devolved formula capital spend, it has been noticed that this capital grant permits the capitalisation of costs of less than £10,000 therefore it should be noted that there will be instances where the de-minimus level may not be

reached where capital grant conditions provide a lower threshold.

VAT

9. The position in relation to 2008/09 VAT Partial Exemption calculation has not been announced. As soon as this information is available the impact on the authority will be communicated in this report.

Prudential Borrowing Position as at 29th February 2008

10. A summary of the Prudential Borrowing position for 2007/08 is set out below.

2007/08 Original Prudential Borrowing Allocation		£16,995,000
Add: Subsequent Allocation (Rotherwas Enterprise)		£90,000
Add: Slippage from 2006/07		£16,288,000
Less: Slippage into future years	(£23,499,000)	
No longer required	(£1,074,000)	
Funded by available SCE(R)	(£125,000)	(£24,698,000)
Forecast use of Prudential Borrowing in 2007/08		<u>£8,675,000</u>

Capital Receipts Reserves Position as at 29th February 2008

11. The capital receipts reserve totalled £22,426m as at 1st April 2007. Capital receipts of £1,850k have been received to date, mainly in relation to the sale of small holdings. £7,451k is expected to be used to fund 2007/08 capital programme. The remaining balance will be used to fund future year's capital programme including strategic housing, Rotherwas futures and the provision of a cattle market.

TABLE D1

FUNDING OF REVISED 2007/08 CAPITAL PROGRAMME

Capital Programme Area	2007/08 Revised Forecast 29/02/08	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People's Services	11,151	2,163	2,275	4,573	-	2,140
Resources	2,825	-	254	2,146	60	365
Corporate and Customer Services	322	-	322	-	-	-
Social Care Solution	342	-	342	-	-	-
Environment Services	27,585	7,582	4,088	15,822	45	48
Adult and Community Services	10,596	218	1,394	4,030	56	4,898
Total Revised Forecast	52,821	9,963	8,675	26,571	161	7,451
<i>January Forecast</i>	<i>53,418</i>	<i>9,963</i>	<i>9,277</i>	<i>26,880</i>	<i>161</i>	<i>7,137</i>
<i>Change from January</i>	<i>(597)</i>	<i>-</i>	<i>(602)</i>	<i>(309)</i>	<i>-</i>	<i>314</i>

<u>Reported to date</u>						
<i>Original Budget</i>	<i>65,462</i>	<i>9,963</i>	<i>28,256</i>	<i>18,358</i>	<i>170</i>	<i>8,715</i>
<i>July 2007 Forecast</i>	<i>62,433</i>	<i>9,963</i>	<i>15,926</i>	<i>25,781</i>	<i>54</i>	<i>10,709</i>
<i>Sept 2007 Forecast</i>	<i>61,602</i>	<i>9,963</i>	<i>16,503</i>	<i>25,291</i>	<i>54</i>	<i>9,791</i>
<i>Nov 2007 Forecast</i>	<i>53,168</i>	<i>9,963</i>	<i>9,296</i>	<i>26,645</i>	<i>161</i>	<i>7,103</i>
<i>Jan 2008 Forecast</i>	<i>53,418</i>	<i>9,963</i>	<i>9,277</i>	<i>26,880</i>	<i>161</i>	<i>7,137</i>
<i>Feb 2008 Forecast</i>	<i>52,821</i>	<i>9,963</i>	<i>8,675</i>	<i>26,571</i>	<i>161</i>	<i>7,451</i>

TABLE D2

Schemes with a forecast spend exceeding £500k in 2007-08

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	Current 2007-08 expenditure forecast £'000	Actual spend to 29-02-08	Comments
<i>Children & Young People's Services</i>					
Sutton Primary Replacement School	2,811	Grant, Parish Council & capital receipts	2,144	1,475	Scheme running behind schedule due to weather, expected completion in May
Riverside Amalgamation	8,505	Grant & capital receipts	4,040	2,723	£1,200k expected spend in March, scheme anticipated to complete in September
Condition property works	n/a	SCE®	900	736	Annual programme of works at various sites committed on a highest need first basis
<i>Resources</i>					
Property Purchase	1,446	Grant	1,446	1,422	Purchase under Edgar St Grid development
<i>Environment Services</i>					
Rotherwas Access Road	11,697	Grant, LTP & prudential borrowing	7,459	6,814	Construction to complete in April, compensation events yet to be agreed
Crematorium	3,150	Prudential borrowing	810	501	Work on site currently three weeks behind but this time is expected to be regained
Road Maintenance	n/a	LTP allocation	5,863	3,922	Flood work has delayed programme works however total budget spend is still anticipated
Hereford Flood Defences	2,172	Private developer	2,172	-	Payment to complete in March
Footways	n/a	LTP allocation	1,065	507	Total budget spend still anticipated
Ross on Wye Flood Alleviation	6,974	Grant	5,000	3,035	Scheme in progress, completion (excluding retention) expected in September

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	Current 2007-08 expenditure forecast £'000	Actual spend to 31-01-08	Comments
Assessment Strength of Bridges	n/a	LTP allocation	750	558	Annual programme of works fully committed
Adult & Community Services					
Cattle Market	5,022	Capital receipts	1,650	288	Land purchase and release of restrictive covenant to complete in March
Affordable Housing Grants	n/a	Capital receipts	2,000	2,013	Annual allocation of grants
Private Sector Housing	n/a	Grant & capital receipts	833	529	A tightening of the eligibility criteria has resulted in the slowing of grant approvals
Friar St Museum and Resource Centre	2,040	Grant, borrowing & capital receipts	1,364	809	Negotiations with the contractor are ongoing which may result in slippage
Rotherwas Futures Est. Dev. Work	4,358	Grant & capital receipts	668	405	Total scope of scheme and costs thereof to be finalised
Disabled Facilities Grant	n/a	60% grant & 40% capital receipts	920	586	Grants committed can be rolled forward; continued increasing demand on this budget
Aylestone Hill Park	627	Prudential borrowing & private developer	507	533	Phase complete, future phases will commence upon receipt of developer funding
Total			39,591	26,856	
Schemes with a forecast spend in 2007/08 of less than £500,000			13,230	7,286	
Total			52,821	34,142	