

# 2009/10 JULY CAPITAL PROGRAMME BUDGET MONITORING

### OVERALL SUMMARY POSITION

1. The capital programme forecast outturn for 2009/10 as at 31<sup>st</sup> July totals £84.443m, which is an increase of £17.005k from the original 2009/10 capital programme. The main reason for this increase follows slippage identified as a result of the 2008/09 closedown plus the inclusion of additional funding allocations following the setting of the original forecast. Slippage from 2008/09 into 2009/10 includes;
  - £3.25m corporate accommodation prudential borrowing funding
  - £2.91m cattle market capital receipts reserve funding
  - Allocation of the 2008/09 unallocated prudential borrowing budget of £2.527m to the 2009/10 successful capital bids.
  - Herefordshire Connects prudential borrowing funding of £2.122m
  - Children's centre grant funding £1.592m.
  - Ross library £560k prudential borrowing fundingNew funding allocations include;
  - Re-instatement of the Primary Strategy DCSF grant funding allocation of £3.0m
  - Wave 2 playbuilder DCSF grant funding allocation of £526k
  - Smallholding works capital receipts reserve funding allocation of £500k
2. A summary of the overall capital programme expenditure forecast and funding thereof for 2009/10 is provided in table B1.
3. Detailed capital programmes for directorates are reported to the relevant scrutiny committee. Details of total capital scheme costs, funding, spend to date and any potential issues for capital schemes with a revised forecast spend for 2009/10 exceeding £500k are provided in table B2.
4. Actual total spend to date is low at £12.426m to the end of July. This is mainly due to the following items;
  - £9.0m expenditure forecast on the new Hereford Academy, for which the contract of main works is yet to be signed.
  - No spend to date against the £6.14m corporate accommodation capital expenditure forecast;
  - Delays on spends on Herefordshire Connects as a result of the Shared Service review;
  - A forecast spend of £2.91m on the new livestock market provision for which the

Council is waiting external confirmation of total scheme cost following which approval will be sought to commence spend;

The effect of this low spend impacts on the revenue account because any borrowing requirements are being delayed, which results in less revenue interest charges in the year.

#### **Prudential Borrowing Position as at 31<sup>st</sup> July 2009**

5. A summary of the Prudential Borrowing position for 2009/10 is set out below.

	<b>£000</b>	<b>£000</b>
2009/10 Original Prudential Borrowing Allocations		14,258
Add: Slippage from 2008/09	10,144	
Plus spend brought forward	<u>338</u>	
		10,482
Less: Slippage into future years		<u>(1,282)</u>
Forecast use of Prudential Borrowing in 2009/10		<u>£23,458</u>

#### **Capital Receipts Reserves Position as at 31<sup>st</sup> July 2009**

6. The capital receipts reserve totalled £17.556m as at 1<sup>st</sup> April 2009. Very few capital receipts are expected during this financial year. £8.126m of this funding source is expected to be spent in 2009/10 with the remaining balance to be used to fund future year's capital programme.

**TABLE B1**

**FUNDING OF REVISED 2009/10 CAPITAL PROGRAMME**

<b>Capital Programme Area</b>	<b>2009/10 Revised Forecast 31/07/09</b>	<b>SCE(R)</b>	<b>Prudential Borrowing</b>	<b>Grant</b>	<b>Revenue Contribution</b>	<b>Capital Receipts Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Children's Services	36,052	2,372	526	33,154	-	-
Resources	7,343	-	6,654	162	1	526
Deputy Chief Executive	5,992	-	5,923	-	-	69
Adult Social Care	1,039	-	365	444	-	230
Regeneration	12,654	-	2,885	2,543	-	7,226
Environment & Culture	21,363	11,195	7,105	2,988	-	75
<b>Total Revised Forecast</b>	<b>84,443</b>	<b>13,567</b>	<b>23,458</b>	<b>39,291</b>	<b>1</b>	<b>8,126</b>
<i>Original Forecast</i>	<i>67,438</i>	<i>13,567</i>	<i>16,449</i>	<i>34,154</i>	<i>-</i>	<i>3,268</i>
<i>Change from Original Forecast</i>	<i>17,005</i>	<i>-</i>	<i>7,009</i>	<i>5,137</i>	<i>1</i>	<i>4,858</i>

**TABLE B2**

**Schemes with a forecast spend exceeding £500k in 2009-10**

<b>Scheme Detail By Directorate</b>	<b>Whole Scheme Cost £'000</b>	<b>Funded by</b>	<b>2009-10 Expenditure forecast £'000</b>	<b>Actual spend to 31-07-09 £'000</b>	<b>Most relevant Corporate Theme</b>	<b>Comments</b>
<i>Children's Services</i>						
New Hereford Academy	23,924	DCSF Grant	9,000	82	Children and Young People	Preliminary work underway, main contract of works to be signed shortly
Minster Replacement School	20,642	DCSF Grant	7,201	3,200	Children and Young People	Work progressing, no issues
Devolved Capital Programme	n/a	DCSF Grant	4,914	1,473	Children and Young People	Devolved allocation of capital funding to schools, including ICT
Primary Grant	8,378	DCSF Grant	3,000	3	Children and Young People	Capital funding to improve junior and infant provision
Children's Centres	n/a	DCSF Grant	2,187	234	Children and Young People	Various children's centre schemes progressing
Targeted Capital Fund	8,000	DCSF Grant	2,000	-	Children and Young People	Capital funding allocated towards 14 to 19 year olds
Condition property works	n/a	Supported Borrowing	1,591	321	Children and Young People	Annual programme of works at various sites committed on a highest need first basis
Childcare Grant	n/a	DCSF Grant	1,324	260	Children and Young People	Grant funding devolved to nurseries
Riverside Amalgamation	8,505	Grant & receipts	1,188	595	Children and Young People	Appointed contractor in liquidation, new contractor appointed to complete scheme
Intervention Centres	1,734	DCSF Grant	850	2	Children and Young People	To provide an area for excluded pupils at each High School
Wave 2 Playbuilder	1,120	DCSF Grant	526	-	Children and Young People	Funding towards 22 play area provision

<b>Scheme Detail By Directorate</b>	<b>Whole Scheme Cost £'000</b>	<b>Funded by</b>	<b>2009-10 Expenditure forecast £'000</b>	<b>Actual spend to 31-07-09 £'000</b>	<b>Most relevant Corporate Theme</b>	<b>Comments</b>
<b>Resources</b>						
Corporate Accommodation	17,112	Prudential Borrowing & capital receipts	6,140	-	Organisational improvement & greater efficiency	Preferred option hoped to be commenced in the near future with bulk of expenditure expected to be incurred in the summer
Smallholdings	1,500	Capital receipts	500	-	Economic development & enterprise	Improvement works to commence in November
<b>Deputy Chief Executive</b>						
Herefordshire Connects	6,683	Prudential Borrowing & receipts	5,368	650	Organisational improvement & greater efficiency	Slippage expected due to the Shared Service review currently underway
<b>Environment &amp; Culture</b>						
Road & Footway Maintenance	n/a	LTP allocation	7,857	1,488	Sustainable communities	Programme of annual Amey works
Ledbury Library	2,922	Prudential borrowing	2,764	69	Economic development & enterprise	Architect assessment and structural survey under review
Bridgeworks	n/a	LTP allocation	1,500	140	Sustainable communities	Annual programme of works
Ross Library	1,240	Prudential borrowing	1,153	40	Economic development & enterprise	Project hoped to go out to tender before Christmas
City Centre Enhancements	2,751	Prudential borrowing	1,149	18	Sustainable communities	Improvements to be made in line with Edgar Street Grid development
Sustran	1,401	Prudential borrowing	777	51	Economic development & enterprise	Walking and cycling route over River Wye in design stage
Waste Performance & Efficiency	869	Grant	754	-	Economic development & enterprise	Bulk of expenditure to be on purchase of wheelie bins in October
Park & Ride - North	n/a	LTP allocation	500	42	Sustainable communities	Scheme dependent on Cabinet member decision

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	2009-10 Expenditure forecast £'000	Actual spend to 31-07-09 £'000	Most relevant Corporate Theme	Comments
<b>Regeneration</b>						
Rotherwas Futures Estate Development Work	4,358	Grant & capital receipts	3,021	453	Economic development & enterprise	Refurbishment of site and internal road works planned this year
Cattle Market	5,000	Capital receipts	2,910	17	Economic development & enterprise	Total scheme cost and approval to proceed, to be reported to Cabinet separately
Affordable Housing Grants	n/a	Capital receipts	1,979	518	Safer & stronger communities	Annual allocation of grants to various schemes
Mandatory Disabled Facilities Grant	n/a	Grant & capital receipts	1,301	120	Health & well-being	This budget is under huge demand, a backlog of approximately £1m recorded
Mortgage Rescue	900	Prudential Borrowing	900	-	Safer & stronger communities	Over £600k committed to individual schemes helping families remain in their properties
Empty Property	879	Prudential Borrowing	600	-	Health & well-being	Approximately £200k committed to bringing individual properties back into use
<b>Total</b>			<b>72,954</b>	<b>9,776</b>		
<b>Schemes with a forecast spend in 2009/10 of less than £500,000</b>			<b>11,489</b>	<b>2,650</b>		
<b>Total</b>			<b>84,443</b>	<b>12,426</b>		