

Capital Outturn 2012/13

1. The capital outturn for 2012/13 totals £38.6m, £0.5m more than forecast in February. The main reason for this increase is as a result of the capitalisation of revenue costs incurred where possible. ICT spend of £0.5m and property costs of £0.7m were capitalised in the year. A summary by directorate and funding source is provided in Table A below.

Table A – Funding of 2012/13 Capital Outturn

Directorate	2012/13 Outturn £'000	Prudential Borrowing £'000	Grants & Contributions £'000	Capital Receipts Reserves £'000
People's Services	6,985	92	6,893	-
Places & Communities	25,860	8,346	14,870	2,644
Corporate Services	5,718	5,297	168	253
Total	38,563	13,735	21,931	2,897

Table B - Schemes with an outturn exceeding £500k in 2012/13

Scheme	2012/13 Outturn £'000	2012/13 Original Forecast £'000	2012/13 February Forecast £'000	Comments
People's Services				
Blackmarstons Special School	1,984	3,000	1,933	SEN school extension in progress
Condition property works	1,190	1,807	1,267	Annual programme of works at various sites committed on a highest need first basis. The funding has decreased in 12/13 as a result of a number of schools converting to academies
Basic Need – Schools	619	-	1,217	This funding has been allocated to schools through a structured bidding process. This relates to grant funding brought forward from previous years.
Hampton Dene	618	750	708	SEN school specialist unit works complete
Places & Communities				
Local Transport Plan	9,985	9,985	9,985	Annual programme of capital works to highways, footways and bridges, This funding has been cut by 5% from the 2011/12 funding allocation
Link Road	6,808	4,593	6,470	Key property purchase complete
Grange Court	1,320	-	1,152	Refurbishment works complete
Connect 2	1,006	1,779	1,100	Cycle footpath connection between the city centre and Rotherwas, site works have commenced
Rotherwas Enterprise Zone	994	-	600	To enable the provision of serviced plots to private sector inward investors
Ledbury Library	889	2,537	591	Grant funding to contribute towards the

				next phase of works
Disabled Facilities Grant	743	-	1,000	There is a large demand for these grants, processing is dependent on the rate of referrals. This represents grant funding (unknown when original budget set) plus match funding brought forward.
Street Lighting	638	63	480	Original forecast increased by Salix interest free loan financing received
Rotherwas Relief Road	614	-	584	Final compensation payments falling due
Putson Community Building	579	-	765	S106 funded new build
Corporate Services				
Corporate accommodation	2,822	4,580	2,985	Works underway at Plough Lane, the civic hub and the better ways of working project. The new heritage, archive and record centre (HARC) has been granted planning permission
Hereford Leisure Pool	1,029	-	911	Scheme complete, forecast represents budget brought forward from 2011/12
Sub Total	31,838	29,094	31,748	
Schemes with a budget <£500k in 2012/13	6,725	14,935	6,311	
Total	38,563	44,029	38,059	

Prudential Borrowing

2. A summary of the Prudential Borrowing (PB) position is set out below.

	£'000	£'000
2012/13 Original Prudential Borrowing Forecast		11,905
Less: Slippage into 2013/14	(789)	
Removal of Halo driving range funding	(346)	
Add: Revenue financed IKEN capital scheme	65	
Capitalised interest costs	126	
Slippage from 2011/12	<u>2,774</u>	
		1,830
Use of Prudential Borrowing in 2012/13		13,735

Capital Receipts Reserve

3. The opening capital receipts reserve balance was £2.8 million as at 1st April 2012. This has been increased by capital receipts of £3.6 million, which includes £1.5 million from the sale of West Mercia Supplies, £1.0 million from the sale of the old livestock market and £0.5m preserved right to buy receipts. £2.9 million of this funding resource was used to fund capital expenditure in 2012/13 with the balance remaining (£3.5m) earmarked to fund future year's capital expenditure.