

Appendix 1 - Options for funding £4.027m of Priority Flood Works from the Capital Programme at July 2020

Option 1 Extend borrowing

Scheme Name	2020/21	2021/22	2022/23	2023/24	Total				
	Total Budget	Total Budget	Total Budget	Total Budget	Scheme Budget	Capital receipts	Grant	Prudential borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Priority Flood Works	4,027	0	0		4,027	2,550		1,477	4,027
	4,027	0	0	0	4,027	2,550		1,477	4,027

The current capital forecast spend in 2020/21 at £66.678m is less than the capital budget of £75.042m, this would permit a decision to be taken to reallocate borrowing earmarked from a capital budget forecasting an underspend to fund the £4.027m flood repair works. This would mean that the £4.027m would be funded from borrowing and the borrowing requirement in 2020/21 would not change. However the capital budget reduced would need to be revisited to determine if a bid is required to replenish this reduction in the 2021/22 budget setting process. To increase the capital budget funded from borrowing by £1.477m. This represents the £4.027m flood repair works cost less the reduced capital budget on the completed Hillside scheme of £2.550m. The cost of repaying this additional borrowing at £0.090m pa will require funding from future years revenue budget.

Option 2

Reallocate £4.027m from existing projects

Projects below have been included where no spend or commitments have been incurred and the project could be removed. Or the project completed and delivered an underspend.

Scheme Name	2020/21	2021/22	2022/23	2023/24	Total				
	Total Budget	Total Budget	Total Budget	Total Budget	Scheme Budget	Capital receipts	Grant	Prudential borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Hereford City Centre Improvements (HCCI)	1,000	3,000	1,500		5,500			5,500	5,500
Hereford ATMs and Super Cycle Highway	1,000	0	0		1,000			1,000	1,000
Investment in C & U Roads	2,000	0	0		2,000			2,000	2,000
Investment in Infrastructure Assets	2,000	0	0		2,000			2,000	2,000
Hereford Library	211	0	0		211			211	211
Car Park Re-Surfacing	115	0	0		115			115	115
Electronic Document Management Storage	380	0	0		380			380	380
Children centre changes	116	0	0		116			116	116
Peterchurch Area School Investment	300	7,353	3,193		10,846	5,658		5,188	10,846
Preliminary works to inform key investment need throughout the county (schools)	986	0	0		986			986	986
Highways Asset Management	4,000	3,250	0		7,250		6,250	1,000	7,250
Orleton Primary	300	0	0		300			300	300
Super Hubs	200	1,800	0		2,000			2,000	2,000
Private sector housing improvements	199	0	0		199	199			199
	12,807	15,403	4,693	0	32,903	5,857		20,796	32,903

The below projects have no spend or commitments but funded by grant or ROI so no funding to reallocate

Scheme Name	2020/21	2021/22	2020/21	2023/24	Total				
	Total Budget	Total Budget	Total Budget	Total Budget	Scheme Budget	Capital receipts	Grant	Prudential borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Passenger Transport Fleet (Electric)	0	7,800	15,600	15,600	39,000		35,000	4,000	39,000
Employment Land & Incubation Space in Market Towns	0	5,052	3,066	5,513	13,631	4,020	2,053	7,558	13,631
Leominster Heritage Action Zone	295	841	2,664		3,800	1,800	2,000		3,800
Leisure Centres	368	0	0		368			368	368
Solar Photovoltaic Panels	245	1,286	0		1,531			1,531	1,531
Carehome & Extra Care Development	250	669	13,081		14,000	6,081	451	7,468	14,000
Technology Enabled Communities	1,000	500	0		1,500		1,500		1,500
	2,158	16,148	34,411	21,113	73,830	11,901	41,004	20,926	73,830

The below projects have spend or commitments but the project could be removed to release funding.

Scheme Name	2020/21	2021/22	2020/21	2023/24	Total				
	Total Budget	Total Budget	Total Budget	Total Budget	Scheme Budget	Capital receipts	Grant	Prudential borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Ross Enterprise Park (Model Farm)	1,000	5,786	0	0	6,786	3,251		3,535	6,786
Empty Property Investment & Development	1,000	752	300		2,052			2,052	2,052
	2,000	6,538	300	0	8,839	3,251	0	5,587	8,839

Projects have completed
Funded from return on investment
Planned to have future capital receipts to replenish reserve

Option 3

Use of the Pothole and Challenge Fund

Scheme Name	2020/21	2021/22	2022/23	2023/24	Total				
	Total Budget	Total Budget	Total Budget	Total Budget	Scheme Budget	Capital receipts	Grant	Prudential borrowing	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Priority Flood Works	4,027	0	0	0	4,027		4,027		4,027
Pothole and Challenge Fund works	3,049	0	0	0	3,049		3,049		3,049
	7,076	0	0	0	7,076	0	7,076	0	7,076

Option 4

A combination of any of the above Options