

## 2006/07 CAPITAL PROGRAMME BUDGET MONITORING

### Summary

1. The revised forecast for 2006/07 as at 31<sup>st</sup> January totals £44,092,000, which is a decrease of £7,709,000 from the November forecast. This decrease represents slippage in various capital schemes detailed in this report, mainly in relation to Herefordshire Connects (£4,000,000) and Museum Resource and Learning Centre in Friar Street (£1,323,000). This slippage has been carried forward into future years capital programme. The expected use of Prudential Borrowing has decreased by £6,194,000 as result of this. This will cause slippage on capital financing costs incurred in the revenue budget this year. A summary of the overall position is provided in table D1.
2. Each individual capital project has an expected spend profile and expected spend totalled 86% of the revised forecast. The actual spend of £30,826,000 represents 70% of the revised forecast. Including commitments this rises to 79% of the revised forecast. The under spend to date mainly relates to the expected spend on Museum Resource and Learning Centre in Friar Street not being incurred. A summary of the expenditure for each service area is set out in table D2.

### Capital Receipts Reserves Position as at 31<sup>st</sup> January 2007

3. The capital receipts reserve totals £16,047,000, £8,921,000 of which is ring fenced to fund the Strategic Housing capital programme. The remaining balance will be used to fund future year's capital programme.

### CHILDREN AND YOUNG PEOPLE'S SERVICES DIRECTORATE

#### Directorate Summary as at 31<sup>st</sup> January 2007

|  |             |
|--|-------------|
| Budget Reported as at 30 <sup>th</sup> November 2006 | £11,592,000 |
| Capital Budget Decreases                             |             |
| • Ledbury Children's Centre (slippage)               | (£450,000)  |
| Other budget revisions (<£100k)                      | (£91,000)   |
| Revised Budget                                       | £11,051,000 |

4. Ledbury Children's Centre capital works, funded through capital grant, have gone out to tender with the bulk of expenditure expected to be incurred in the next financial year, the forecast has been re-profiled to reflect this.
5. In December and January tenders were received for the major capital projects at Sutton County Primary and Riverside Primary School respectively. Both tenders were higher than anticipated and higher than the budgets allocated within the Children & Young People's Capital Programme. The position on each is set out in the report.

**RESOURCES DIRECTORATE****Directorate Summary as at 31<sup>st</sup> January 2007**

|  |            |
|--|------------|
| Budget Reported as at 30 <sup>th</sup> November 2006 | £2,960,000 |
| Capital Budget Increases                             |            |
| • Purchase of Cattle Market site (new budget)        | £769,000   |
| Capital Budget Decreases                             |            |
| • Corporate Accommodation (reduction)                | (£591,000) |
| Other budget revisions (<£100k)                      | (£5,000)   |
| Revised Budget                                       | £3,133,000 |

6. A new cattle market site on the north of Hereford city has been identified; this is to be funded by capital receipts.
7. Capital alteration works at Plough Lane offices have been removed; these works are no longer required.

**CORPORATE AND CUSTOMER SERVICES DIRECTORATE****Directorate Summary as at 31<sup>st</sup> January 2007**

|  |              |
|--|--------------|
| Budget Reported as at 30 <sup>th</sup> November 2006 | £7,742,000   |
| Capital Budget Decreases                             |              |
| • Herefordshire Connects (no spend)                  | (£4,000,000) |
| Revised Budget                                       | £3,742,000   |

8. There has been no updated forecast provided in this round of capital monitoring however the Herefordshire Connects spend has been reduced to £nil this year due to no spend being incurred to date.
9. There is an overspend of £190,000 currently showing on the Info by phone capital scheme. This scheme is due to complete shortly with Garrick House due to open on the 19<sup>th</sup> February. The overspend concerns have been highlighted.

**ENVIRONMENT DIRECTORATE****Directorate Summary as at 31<sup>st</sup> January 2007**

|  |             |
|--|-------------|
| Budget Reported as at 30 <sup>th</sup> November 2006 | £13,387,000 |
| Capital Budget Increase                              |             |
| • Rotherwas Access Road (additional spend)           | £110,000    |
| Capital Budget Decreases                             |             |
| • Crematorium (slippage)                             | (£650,000)  |
| • Leominster Closed Landfill Site (slippage)         | (£245,000)  |
| • Public conveniences (slippage)                     | (£341,000)  |
| Other budget revisions (<£100k)                      | £40,000     |
| Revised Budget                                       | £12,301,000 |

10. The Rotherwas Access Road additional spend follows the award of contract and is to be funded by statutory undertaking income following the completion of works on Roman Road last year.
11. The Crematorium forecast has slipped further to reflect that a contractor has not yet been appointed and the land has not yet been purchased.
12. Leominster Closed Landfill site works are committed however delays have been incurred resulting in expected slippage.
13. Public conveniences at Union Street and Ross are committed but falling due in the next financial year.

**ADULT AND COMMUNITY SERVICES DIRECTORATE****Directorate Summary as at 31<sup>st</sup> January 2007**

|  |              |
|--|--------------|
| Budget Reported as at 30 <sup>th</sup> November 2006 | £16,120,000  |
| Capital Budget Decreases                             |              |
| • North Herefordshire Swimming Pool (slippage)       | (£227,000)   |
| • Museum Resource & Learning Centre (slippage)       | (£1,323,000) |
| • Haywood Country Park (slippage)                    | (£108,000)   |
| • Hereford High Town (slippage)                      | (£233,000)   |
| • Affordable Housing Grants (slippage)               | (£176,000)   |
| Other budget revisions (<£100k)                      | (£188,000)   |
| Revised Budget                                       | £13,865,000  |

14. North Herefordshire Swimming Pool retention slippage due to defect works outstanding.
15. Museum Resource and Learning Centre in Friar Street slippage reflects the seven weeks delay incurred at the start of project works with progress now proceeding to timetable.
16. Haywood Country Park and associated facilities capital scheme has slipped into next year, this scheme is still in the feasibility stage.
17. Hereford High Town slippage represents works on Bewell Street to be carried out in the next financial year.
18. The affordable housing grants slippage follows planning delays. The target is to achieve 100 units with 19 due to complete before the end of March.

**TABLE D1**  
**FUNDING OF REVISED 2006/07 CAPITAL PROGRAMME**

| Capital Programme Area               | 2006/07 Revised Forecast 30/09/06 | SCE(R)        | Prudential Borrowing | Grant         | Revenue Contribution | Capital Receipts Reserves | Unfunded  |
|--------------------------------------|-----------------------------------|---------------|----------------------|---------------|----------------------|---------------------------|-----------|
|                                      | £'000                             | £'000         | £'000                | £'000         | £'000                | £'000                     | £'000     |
| Children & Young People's Services   | 11,051                            | 2,460         | 2,000                | 4,062         | -                    | 2,486                     | 43        |
| Resources                            | 3,133                             | -             | 201                  | 1,575         | 30                   | 1,327                     | -         |
| Corporate and Customer Services      | 3,742                             | -             | 3,472                | 270           | -                    | -                         | -         |
| Environment Services                 | 12,301                            | 10,475        | 798                  | 991           | -                    | 37                        | -         |
| Adult and Community Services         | 13,865                            | 217           | 3,222                | 6,724         | 1                    | 3,701                     | -         |
| <b>Total Revised Forecast</b>        | <b>44,092</b>                     | <b>13,152</b> | <b>9,693</b>         | <b>13,622</b> | <b>31</b>            | <b>7,551</b>              | <b>43</b> |
| <i>November 2006 Forecast</i>        | <i>51,801</i>                     | <i>13,152</i> | <i>15,887</i>        | <i>14,471</i> | <i>388</i>           | <i>7,903</i>              | <i>-</i>  |
| <i>Change from November Forecast</i> | <i>(7,709)</i>                    | <i>-</i>      | <i>(6,194)</i>       | <i>(849)</i>  | <i>(357)</i>         | <i>(352)</i>              | <i>43</i> |

| <b><u>Reported to date</u></b>      |                      |                      |                     |                      |                  |                     |                  |
|-------------------------------------|----------------------|----------------------|---------------------|----------------------|------------------|---------------------|------------------|
| <i>Original Budget</i>              | <i>37,015</i>        | <i>13,197</i>        | <i>9,499</i>        | <i>9,431</i>         | <i>33</i>        | <i>4,855</i>        | <i>-</i>         |
| <i>July 2006 Forecast</i>           | <i>60,671</i>        | <i>13,152</i>        | <i>23,491</i>       | <i>13,483</i>        | <i>96</i>        | <i>10,410</i>       | <i>39</i>        |
| <i>September 2006 Forecast</i>      | <i>59,803</i>        | <i>13,152</i>        | <i>23,807</i>       | <i>13,209</i>        | <i>378</i>       | <i>9,257</i>        | <i>-</i>         |
| <i>November 2006 Forecast</i>       | <i>51,801</i>        | <i>13,152</i>        | <i>15,887</i>       | <i>14,471</i>        | <i>388</i>       | <i>7,903</i>        | <i>-</i>         |
| <b><i>January 2007 Forecast</i></b> | <b><i>44,092</i></b> | <b><i>13,152</i></b> | <b><i>9,693</i></b> | <b><i>13,622</i></b> | <b><i>31</i></b> | <b><i>7,551</i></b> | <b><i>43</i></b> |

TABLE D2

## CAPITAL EXPENDITURE BY PROGRAMME AREA

|                                    | Outturn       | Original Budget | Revised 2006/07 Forecast as at 31/01/07 | Actual spend at 31/01/07 | Actual spend as a % of the revised forecast | Committed Spend as a % of the revised forecast | Expected spend as a % of the revised forecast |
|------------------------------------|---------------|-----------------|---|--------------------------|---|--|---|
| Programme area                     | 2005/06       | 2006/07         | 2006/07                                 | 2006/07                  | 2006/07                                     | 2006/07  | 2006/07                                       |
|                                    | £'000         | £'000           | £'000                                   | £'000                    | %   | %  | %   |
| Children & Young People's Services | 7,907         | 8,048           | 11,051                                  | 7,294                    | 66%   | 66%  | 81%   |
| Resources                          | 662           | 520             | 3,133                                   | 2,100                    | 67%   | 67%  | 75%   |
| Corporate & Customer Services      | 4,623         | 1,760           | 3,742                                   | 2,753                    | 74%   | 74%  | 90%   |
| Environment Services               | 10,288        | 12,554          | 12,301                                  | 7,850                    | 64%   | 89%  | 88%   |
| Adult & Community Services         | 8,365         | 14,133          | 13,865                                  | 10,829                   | 78%   | 83%  | 90%   |
| <b>Total</b>                       | <b>31,845</b> | <b>37,015</b>   | <b>44,092</b>                           | <b>30,826</b>            | <b>70%</b>                                  | <b>79%</b>                                     | <b>86%</b>                                    |