

**CAPITAL PROGRAMME MONITORING 2003/04
TO 31 JULY 2003****Report By: County Treasurer****Wards Affected**

County-wide

Purpose

1. To inform Strategic Monitoring Committee of the Capital Programme forecast for 2003/04.

Financial Implications

2. The report has no financial implications at this stage. The availability and use of conditional resources will be an issue towards the end of the year.

Monitoring Report

3. This is the first round of the 2003/04 capital monitoring process. The purpose of this monitoring exercise is to update the original budget position as at 31st July in order to highlight and manage any slippages or overspends.

Overview

4. The revised forecast for 2003/04 as at 31st July totals £32,137,000 (excluding LSVT costs). This is an increase of £344,000 from the original budget. This programme is funded as detailed in Appendix 1.
5. Actual spend in the first four months at £4,787,000 was 15% of the revised forecast. This excludes unposted commitments of £3,489,000 which would increase committed spend to 23% of the revised forecast. A summary of the programme expenditure for each area is set out on Appendix 2. For comparison, spend to the end of July 2002 was 17% of the 2002/03 Capital Programme.

Capital Programme Areas**Education**

6. Various small budget changes have been made to accommodate additional spend which are fully funded through grants or capital reserves. Other budget changes may occur during the year as and when the DfES approve capital schemes and additional grant funding is identified.

7. The Education Capital Programme includes a scheme funded by grant for the Early Excellence Centre. This grant is conditional upon the expenditure being incurred by 31st August 2003 or else the unspent funding, £362,198 will have to be returned. As it will not be possible to incur the expenditure by this date, a legal bond is being entered into which will effectively commit the Council to the expenditure. The bond is arranged by the Council's legal team, is held by a bank, and is acceptable to both the granting body and our auditors as meaning the funding has been spent.

Social Care

8. The budgeted capital expenditure on Social Care has increased by £97,000, for a new scheme: 'Improving Management Information' that is grant funded.

Property

9. There have been no budget changes in this round of capital monitoring. Although actual spend appears high the main scheme, Hillside capital works, is due to be completed in November. The budget for this area is currently unfunded by £81,000, although it is anticipated that capital receipts will be received during the year. The timing and value of these various capital receipts are subject to change owing to market forces.

Policy and Finance

10. There are small decreases in the current year forecast to reflect reduced anticipated spend on the Personnel IT System and slippage on the Info in Bromyard capital scheme. The Info in Bromyard scheme was to be funded from Credit Approvals and a swapping of resources will be required to ensure no funding is lost. This programme area is currently unfunded by £15,000 relating to budgeted spend on the CCTV scheme exceeding the funding available. This will be met from corporate reserves until new sources of funding are identified.

eModernisation Programme

11. There are no forecast changes to report. However, this area is continuing to be developed and further information will be reflected in future reports.

Environment General

12. There have been no forecast changes to the original budget. Actual spend appears low. However, the capital budgets for roads and bridges are almost fully committed.

Social Development

13. There have been no forecast changes in this round of capital monitoring. Spend appears low with no spend as yet on Aylestone Hill Park and Castle Pool, which are two of the main schemes for this area. However, tenders for these are currently being drawn up and the spend will be achieved this year.

This programme area remains unfunded by £60,000 owing to a brought forward overspend, which is being met from corporate reserves until new sources of funding are identified.

Economic Development

14. The forecast for this area has increased by £138,000, primarily relating to the Edgar Street Grid additional spend which is being financed from the corporate capital receipts reserve.

Strategic Housing

15. There have been no forecast changes; actual spend is usually low at the start of the year.

LSVT Costs

16. The original budget was for the levy, which has now been paid.

Capital Receipts

17. Set out as Appendix 3 is a summary of anticipated capital receipts for 2003/04.

Conclusion

The current capital monitoring forecast is that, subject to the Education bond issue, no conditional resources will be lost.

The cross-directorate Capital Programme Monitoring Working Group continues to work well to ensure the delivery of the capital programme.

RECOMMENDATION

THAT Strategic Monitoring Committee notes the current position.

BACKGROUND PAPERS

Report to Cabinet – 4 September 2003.

APPENDIX 1

FUNDING OF REVISED 2003/04 CAPITAL PROGRAMME

Capital Programme Area	2003/04 Revised Forecast 31/07/03	Credit Approvals	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
	£'000	£'000	£'000	£'000	£'000	£'000
Education	7,878	3,409	3,740	1,038	(309)	-
Social Care	397	216	181	-	-	-
P&F – Property	837	249	485	-	22	81
P&F – General	1,024	832	192	-	(15)	15
P&F – eModernisation	1,217	556	661	-	-	-
Environment General	10,501	9,821	576	-	104	-
Social Development	995	349	669	46	(129)	60
Economic Development	3,794	1,059	3,572	-	(837)	-
Strategic Housing	5,494	1,500	530	-	3,464	-
Revised Forecast	32,137	17,991	10,606	1,084	2,300	156
Housing Revenue Account – LSVT levy	3,379	-	-	-	3,379	-
Total Revised Forecast	35,516	17,991	10,606	1,084	5,679	156
Original budget	35,172	18,004	9,792	1,084	6,106	186
Change	344	(13)	814	-	(427)	(30)

APPENDIX 2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised Forecast 31/07/03	Change	Actuals at 31/07/03	Actuals as a % of the revised budget
Programme area	2002/03	2003/04	2003/04	2003/04	2003/04	
	£'000	£'000	£'000	£'000	£'000	%
Education	5,761	7,747	7,878	131	1,355	17%
Social Care	618	300	397	97	24	6%
P&F – Property	865	837	837	-	652	78%
P&F – General	320	1,047	1,024	(23)	136	13%
P&F – eModernisation	968	1,216	1,217	1	132	11%
Environment Planning	4	-	-	-	-	-
Environment General	9,745	10,501	10,501	-	1,590	15%
Social Development	873	995	995	-	18	2%
Economic Development	849	3,656	3,794	138	201	5%
Housing Revenue Account	2,898	-	-	-	-	-
Strategic Housing	3,687	5,494	5,494	-	594	11%
HCS	66	-	-	-	-	-
Joint Finance	1,358	-	-	-	85	N/a
Outturn	28,012	31,793	32,137	344	4,787	15%
Housing Revenue Account – LSVT	4,132	3,379	3,379	-	3,428	101%
Total Outturn	32,144	35,172	35,516	344	8,215	23%

APPENDIX 3

ANTICIPATED CAPITAL RECEIPTS FOR 2003/04

Sale Detail	Directorate Share	Directorate Share	Corporate Share	Total receipt
		£'000	£'000	£'000
Leominster Magistrate Court	50% Property	100,000	100,000	200,000
Land at Marden	50% Property	15,000	15,000	30,000
47 Goal St	50% Property	25,000	25,000	50,000
26 High St Leominster	50% Property	25,000	25,000	50,000
Canonbridge Farm	50% Property	50,000	50,000	100,000
Norden Estate	50% Property	100,000	100,000	200,000
Westbrook Estate	50% Property	100,000	100,000	200,000
Goodrich Primary School	£20,000 Diocesan then 50% Education	50,000	50,000	100,000
Eign Road Pupil Referral Unit	50% Education	60,000	60,000	120,000
Vortex Site, Belmont	50% Social Development	40,000	40,000	80,000
Total		565,000	565,000	1,130,000

