

CAPITAL BUDGET MONITORING**Report By: DIRECTOR OF ENVIRONMENT AND CULTURE****Purpose**

1. To advise the Committee on the final outturn position for the 2007/08 Environment Capital Programme and to highlight the proposed programme for 2008/09.

Financial Implications**Capital Outturn 2007/08**

2. The final outturn position for the Environment Capital Programme for 2007/08 is shown in Appendix I.
3. The total of the Capital Programme slightly increased to £27,599,000 from the figure of £27,586,000 reported to the last meeting as at 31st January 2007. This is a net increase of £13,000 and relates to:
 - i) Additional contract costs for the Rotherwas Access Road of £227,000 bringing the 2007/08 outturn to £7,686,000. This is funded by Advantage West Midlands (£5,000,000), Capital receipts from various lease premiums (£565,000), Prudential borrowing (£1,383,000) and £738,000 from LTP budget.
 - ii) Reduction in rural network of cycle routes & parking of £149,000 due to delays with the development of schemes as work was prioritised to deliver the flood repair activities. Schemes have now been included in the programme for the current year.
 - iii) Additional capitalisation of principal roadworks of £375,000 and non-principal roadworks of £78,000. The outturn reflects the completion of the annual programme and additional works to alleviate pressure on the revenue budgets.
 - iv) Reduction in footway maintenance expenditure of £181,000 due to prioritising works on principal and non-principal roads.
 - v) Additional spend on the Ross Flood Alleviation Scheme of £237,000 in relation to main construction costs incurred before 31st March 2008. Completion is expected in September 2008.
 - vi) Additional spend on the Hereford Crematorium of £315,000 in relation to contractor costs, cremator deposit and fees to maximise the VAT Partial Exemption Moratorium for 2007/08, the position for 2008/09 has not yet been confirmed. This scheme is due for completion in March 2009.
 - vii) Slippage in expenditure on Leominster Closed Landfill Site monitoring Infrastructure of £287,000. Half of this 60 week contract was completed by end of March 2008.

- viii) Slippage in Public Toilets Improvements Scheme of £167,000 relating to Broad St, Leominster and St Martin's, Hereford. These works will now be carried out in 2008/09. Public Toilets improvement schemes at Union Walk Hereford, Church Lane Ledbury and Wye St. Ross-on-Wye were completed in 2007/08.
- ix) Reduction in expenditure on schemes funded by s106 Agreement monies which will be carried forward into 2008/09 Programme.

Capital budget 2008/09

- 4. The proposed Capital Programme for 2008/09 is attached as Appendix II. This has increased to £19,949,000 from the original budget included in the Medium Term Financial Management Strategy of £16,203,000, This increase of £3,746,000 relates to:
 - i) Net additions to 2008/09 Programme due to slippage in the 2007/08 Programme;
 - ii) An additional allocation for Enhancements to High St, Hereford of £751,000;
 - iii) Provisional increase in costs of Rotherwas Access Road of £1,390,000 to match funding available. Compensation events are still to be agreed and forecast will be revised when the Project Manager assessments are completed. Also currently awaiting the outcome of Stage 3 Audit & Departure submission application for A49 tie in and associated works.

Considerations

- 5. The Environment General Capital Working Group meets regularly and keeps the overall spending position under careful review.

RECOMMENDATION

THAT the report be noted.