

CAPITAL PROGRAMME BUDGET MONITORING

OVERALL SUMMARY POSITION

1. The capital programme forecast outturn for 2008/09 as at 31 August totals £64.306m, which is an increase of £6.41m from the original capital programme forecast as reported in the corporate plan.
2. This increase follows the closedown of the 2007/08 accounts and the effect being reflected in the 2008/09 forecast. It also includes additional capital grant funding allocations in 2008/09.
3. The forecast spend on the Ross flood alleviation scheme has increased by £3.64m. This increase is grant funded and relates to additional costs associated with tunnelling and shaft sinking works schemes. The other main changes represent slippage in the Minster replacement secondary school and Rotherwas access road expenditure forecasts of £1.21m and £1.39m respectively. The slippage on these schemes into 2008/09 does not result in any loss of funding.
4. Minster replacement secondary school is a wholly grant funded scheme, enabling works have started with the main contract of works expected to be started in the near future.
5. Rotherwas access road is funded by a combination of grant, Local Transport (LTP), borrowing and capital receipts. The current expenditure forecast for this scheme results in a total scheme forecast outturn of £12.78m however compensation events are still to be agreed.
6. A summary of the overall capital programme expenditure forecast and funding for 2008/09 is provided in table B1. Detailed capital programmes for directorates are reported to the relevant scrutiny committees.
7. Details of total capital scheme costs, funding, spend to date and any potential issues for capital schemes with a revised forecast spend for 2008/09 exceeding £500k are provided in table B2.

Prudential Borrowing Position as at 31 August 2008

8. A summary of the Prudential Borrowing position for 2008/09 is set out below. The prudential borrowing no longer required mainly relates to the completed network enhancement capital scheme (£1.5m). This funding has been returned to the corporate pot to be allocated to future successful capital bids. The forecast use of prudential borrowing includes an amount of £2.53m yet to be allocated to a capital scheme.

9. The following summarises the current position.

2008/09 Original Prudential Borrowing Allocations		£11,320,000
Add: Slippage from 2007/08	£4,609,000	
Corporate accommodation funding	<u>£3,250,000</u>	
		£7,859,000
Less: Slippage into future years	(£1,945,000)	
No longer required	<u>(£1,588,000)</u>	
		(£3,533,000)
Forecast use of Prudential Borrowing in 2008/09		<u>£15,646,000</u>

Capital Receipts Reserves Position as at 31st August 2008

10. The capital receipts reserve totalled £17.95m as at 1st April 2008. Capital receipts of £2.1m have been received to the end of August and £10.1m is expected to be used to fund the 2008/09 capital programme. The remaining balance will be used to fund future years' capital programme including strategic housing, corporate accommodation and Rotherwas futures.

TABLE B1

FUNDING OF REVISED 2008/09 CAPITAL PROGRAMME

Capital Programme Area	2008/09 Revised Forecast 31/08/08	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	20,185	2,384	490	15,420	-	1,891
Resources	4,117	-	4,010	63	-	44
Deputy Chief Executive	2,015	-	1,833	51	-	131
Provider Services	1,530	-	734	478	-	318
Regeneration	10,396	-	172	2,617	-	7,607
Environment & Culture	23,536	10,378	5,880	7,168	-	110
To be allocated	2,527	-	2,527	-	-	-
Total Revised Forecast	64,306	12,762	15,646	25,797	-	10,101
<i>Original Budget</i>	<i>57,896</i>	<i>12,750</i>	<i>14,911</i>	<i>19,961</i>	<i>170</i>	<i>10,104</i>
<i>Change from Original</i>	<i>6,410</i>	<i>12</i>	<i>735</i>	<i>5,836</i>	<i>(170)</i>	<i>(3)</i>

<u>Reported to date</u>						
<i>Original Budget</i>	<i>57,896</i>	<i>12,750</i>	<i>14,911</i>	<i>19,961</i>	<i>170</i>	<i>10,104</i>
<i>August 2008 Forecast</i>	<i>64,306</i>	<i>12,762</i>	<i>15,646</i>	<i>25,797</i>	<i>-</i>	<i>10,101</i>

TABLE B2

Schemes with a forecast spend exceeding £500k in 2008-09

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	Current 2008-09 expenditure forecast £'000	Actual spend to 31-08-08	Comments
Children's Services					
Wyebriidge Academy	22,189	DCSF Grant	3,655	56	A Memorandum of Understanding with Partnership for Schools is in place to use the National Academy Procurement Framework for this scheme
Minster Replacement School	20,642	DCSF Grant	3,881	26	Contract for whole works to be signed shortly. Initial enabling works are underway
Riverside Amalgamation	8,505	Grant & capital receipts	2,743	703	Contamination works required. Scheme now anticipated completing in February 2009.
Harnessing Technology	1,318	Grant	1,318	-	Expected to be devolved to schools
Hereford City North Children's Centre	923	Grant	923	7	Widemarsh workshop conversion proceeding
Childcare Grant	662	Grant	662	-	Expected to be devolved to nursery schools
Condition property works	n/a	SCE®	1,090	153	Annual programme of works at various sites committed on a highest need first basis
Resources					
Corporate Accommodation	14,740	Prudential Borrowing	3,250	-	Expenditure plans being drafted by corporate accommodation board
Deputy Chief Executive					
Social Care ICT Solution	1,583	Prudential Borrowing & capital receipts	1,291	683	Progressing with minor alterations. To be completed by February

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	Current 2008-09 expenditure forecast £'000	Actual spend to 31-08-08	Comments
<i>Environment & Culture</i>					
Rotherwas Access Road	12,780	Grant, receipts, LTP & prudential borrowing	2,255	1,526	Construction completed, final outturn report to be presented when compensation events agreed
Ross on Wye Flood Alleviation	10,331	Grant	4,955	3,831	Additional grant allocated for funding increased costs incurred on tunnelling and shaft sinking works
Crematorium	3,150	Prudential borrowing	1,807	623	Work on site currently three weeks behind schedule but is expected to be regained
Road & Footway Maintenance	n/a	LTP allocation	7,374	1,462	Programmed works have committed £3,536k of this budget
Assessment Strength of Bridges	n/a	LTP allocation	900	287	Annual programme of works - £685k committed
<i>Regeneration</i>					
Extra Care Housing Development	6,602	Grant & capital receipts	1,322	3	Final payment due following completion of the scheme
Cattle Market	5,000	Capital receipts	3,056	38	Land purchased, flood alleviation investigation works to start shortly
Rotherwas Futures Estate Development Work	4,358	Grant & capital receipts	1,387	174	Total scope of scheme to be finalised - part of this budget is expected to be used to meet any additional access road costs
Ross Library	1,187	Prudential borrowing	593	2	Project in design stage. Work expected to start in January 2009
Affordable Housing Grants	n/a	Capital receipts	2,000	660	Annual allocation of grants

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	Current 2008-09 expenditure forecast £'000	Actual spend to 31-08-08	Comments
Private Sector Housing	n/a	Grant & capital receipts	818	152	This budget has been reduced to increase the mandatory disabled facilities grant budget
Mandatory Disabled Facilities Grant	n/a	Grant & capital receipts	825	276	This budget is under huge demand, a system is being devised to prioritise applications
<i>To be allocated</i>	<i>n/a</i>	<i>Prudential borrowing</i>	<i>2,527</i>	<i>-</i>	<i>This funding is available to be allocated to fund either accommodation, Edgar Street Grid or the cattle market</i>
Total			48,632	10,662	
Schemes with a forecast spend in 2008/09 of less than £500,000			15,674	3,884	
Total			64,306	14,546	