

2008/09 SEPTEMBER CAPITAL PROGRAMME BUDGET MONITORING

OVERALL SUMMARY POSITION

1. The capital programme forecast outturn for 2008/09 as at 30th September totals £60,695k, which is a decrease of £3,611k from the last round of capital programme forecast monitoring reported in August.
2. This decrease follows the revised forecast spend on the Hereford Academy Children's Services scheme to show only spend on fees being incurred in this financial year. The remaining grant funded scheme forecast has been carried forward into 2009/10 (£3,655k).
3. A summary of the overall capital programme expenditure forecast and funding thereof for 2008/09 is provided in table D1. Detailed capital programmes for directorates are reported to the relevant scrutiny committees.
4. 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 D2.
5. Actual total spend to date appears low at £17,903k for the first six months of the year, representing 29% of the total expenditure forecast. This is partly due to the total expenditure forecast including the following items;
 - £3,250k on corporate accommodation for which no spend has been incurred to date;
 - £3,056k on the cattle market for which the Council is waiting external confirmation of total scheme cost following which work and spend should commence;
 - £2,527k of funding available yet to be allocated to a capital scheme.

Prudential Borrowing Position as at 30th September 2008

6. A summary of the Prudential Borrowing position for 2008/09 is set out below. The prudential borrowing funding allocation no longer required includes successful capital bids to be funded by revenue savings now not going forward in relation to the development of specialised AWLD day opportunities and community support centres. The forecast use of prudential borrowing includes an amount of £2,527k yet to be allocated to a capital scheme.

2008/09 Original Prudential Borrowing Allocations	£11,320,000
Add: Slippage from 2007/08	£4,609,000
Corporate accommodation funding	£3,250,000
Gym Equipment purchase funding	£269,000

	<u>£8,128,000</u>
Less: Slippage into future years	(£1,980,000)
No longer required	<u>(£1,884,000)</u>
	<u>(£3,864,000)</u>
Forecast use of Prudential Borrowing in 2008/09	<u>£15,584,000</u>

Capital Receipts Reserves Position as at 30th September 2008

7. The capital receipts reserve totalled £17,945k as at 1st April 2008. Capital receipts of £2,168k have been received to the end of September from the sale of corporate property, smallholdings and sites on the Rotherwas estate. £10,131k is expected to be used to fund the 2008/09 capital programme. The remaining balance will be used to fund future year's capital programme including strategic housing, corporate accommodation and Rotherwas futures.

TABLE D1

FUNDING OF REVISED 2008/09 CAPITAL PROGRAMME

Capital Programme Area	2008/09 Revised Forecast 30/09/08	SCE(R)	Prudential Borrowing	Grant	Revenue Contribution	Capital Receipts Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	16,556	2,373	490	11,826	-	1,867
Resources	4,108	-	4,010	63	-	35
Deputy Chief Executive	2,015	-	1,833	51	-	131
Provider Services	1,234	-	438	478	-	318
Regeneration	10,350	-	172	2,609	-	7,569
Environment & Culture	23,905	10,378	6,114	7,259	-	154
To be allocated	2,527	-	2,527	-	-	-
Total Revised Forecast	60,695	12,751	15,584	22,286	-	10,074
<i>August Forecast</i>	<i>64,306</i>	<i>12,762</i>	<i>15,646</i>	<i>25,797</i>	<i>-</i>	<i>10,101</i>
<i>Change from August</i>	<i>(3,611)</i>	<i>(11)</i>	<i>(62)</i>	<i>(3,511)</i>	<i>-</i>	<i>(27)</i>

Reported to date						
<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 Forecast</i>	<i>64,306</i>	<i>12,762</i>	<i>15,646</i>	<i>25,797</i>	<i>-</i>	<i>10,101</i>
September Forecast	60,695	12,751	15,584	22,286	-	10,074

TABLE D2

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

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	2008-09 Expenditure forecast £'000	Actual spend to 30-09-08	Most relevant Corporate Theme	Comments
<i>Children's Services</i>						
Minster Replacement School	20,642	DCSF Grant	3,881	34	Children and Young People	Contract for works in place, initial decanting work complete & planning permission granted
Devolved Capital Programme	n/a	DCSF Grant	2,795	1,896	Children and Young People	Devolved allocation of capital funding to schools, capital plans requested by school planning
Riverside Amalgamation	8,505	Grant & receipts	2,743	859	Children and Young People	Contamination works required, scheme now anticipated to complete in February
Harnessing Technology	1,318	Grant	1,318	-	Children and Young People	Capital ICT funding devolved to schools
Condition property works	n/a	SCE®	1,038	332	Children and Young People	Annual programme of works at various sites committed on a highest need first basis
Hereford City North Children's Centre	923	Grant	923	10	Children and Young People	Widemarsh workshop conversion proceeding
Childcare Grant	662	Grant	662	-	Children and Young People	Expected to be devolved to nurseries
<i>Resources</i>						
Corporate Accommodation	14,740	Prudential Borrowing	3,250	-	Organisational improvement & greater efficiency	Separate report of options to be presented shortly. Bulk of expenditure expected to be incurred next summer
<i>Deputy Chief Executive</i>						
Social Care ICT Solution	1,583	Prudential Borrowing & receipts	1,291	696	Health & well-being	Progressing with minor alterations, to complete in February

Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	2008-09 Expenditure forecast £'000	Actual spend to 30-09-08	Most relevant Corporate Theme	Comments
Environment & Culture						
Road & Footway Maintenance	n/a	LTP allocation	7,374	1,974	Sustainable communities	Programmed works have committed £4,921k of this budget
Ross on Wye Flood Alleviation	10,331	Grant	4,955	4,494	Sustainable communities	Approval of total grant funding outstanding
Rotherwas Access Road	12,830	Grant, receipts, LTP & prudential borrowing	2,305	1,955	Economic development & enterprise	Construction completed, increased LTP funded element to cover expected increased supervision costs as a result of scheme delays
Crematorium	3,150	Prudential borrowing	1,807	788	Economic development & enterprise	Work on site currently less than two weeks behind, pre handover meeting expected before the end of October
Assessment Strength of Bridges	n/a	LTP allocation	900	325	Sustainable communities	Annual programme of works - £798k committed
Ross Library	1,187	Prudential borrowing	593	3	Economic development & enterprise	& Project in design stage, work expected to start in January
Regeneration						
Cattle Market	5,000	Capital receipts	3,056	47	Economic development & enterprise	& Land purchased, flood alleviation investigation works to start shortly
Affordable Housing Grants	n/a	Capital receipts	2,000	660	Safer & stronger communities	Annual allocation of grants to various schemes
Rotherwas Futures Estate Development Work	4,358	Grant & capital receipts	1,387	294	Economic development & enterprise	Total scope of scheme to be finalised - part of this budget is expected to be used to met any additional access road costs
Extra Care Housing Development	6,602	Grant & capital	1,322	6	Older people	Final payment will become due following agreed completion of the scheme

Development		receipts				completion of the scheme
Scheme Detail By Directorate	Whole Scheme Cost £'000	Funded by	2008-09 Expenditure forecast £'000	Actual spend to 30-09-08	Most relevant Corporate Theme	Comments
Mandatory Disabled Facilities Grant	n/a	Grant & capital receipts	837	343	Health & well-being	This budget is under huge demand, a system is being devised to prioritise applications
Private Sector Housing	n/a	Grant & capital receipts	818	195	Health & well-being	This budget has been reduced to increase the mandatory disabled facilities grant budget
<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			47,782	14,911		
Schemes with a forecast spend in 2008/09 of less than £500,000			12,913	2,992		
Total			60,695	17,903		