

**CAPITAL PROGRAMME MONITORING 2003/04  
TO 30 SEPTEMBER 2003****Report By: County Treasurer****Wards Affected**

Countywide

**Purpose**

1. To report on the Capital Programme forecast for 2003/2004.

**Financial Implications**

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

**Overview**

3. This is the second round of the 2003/04 capital monitoring process. The purpose of this monitoring exercise is to update the original budget position as at 30th September in order to highlight and manage any slippages or overspends.
4. The revised forecast for 2003/04 as at 30th September totals £34,732,000 (excluding LSVT costs). This is an increase of £2,598,000 from the last round of capital monitoring in July, mainly owing to the external funding available to the Herefordshire Strategic Regeneration Package – Rotherwas Match Funding capital project. This programme is funded as detailed in Appendix 1.
5. Actual spend in the first six months at £9,517,000 was 27% of the revised forecast. This excludes unposted commitments of £5,838,000 which would increase committed spend to 44% 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 September 2002 was 36% of the 2002/03 Capital Programme.
6. Set out in Appendix 4 is a list of all capital schemes with a budget in excess of £500,000.

## Capital Programme Areas

### 7. Education

The following budget changes have been identified mainly owing to confirmation of funding sources. Other budget changes may occur during the year as and when the DfES approve capital schemes and additional grant funding is identified.

#### Change in Budget £'000

• There have been budget increases in capital schemes falling under the Sure Start Initiative. This is owing to confirmation of grant funding by the DfES in relation to early years and childcare provisions.	267
• Other Budget changes of less than £100,000	50
Increase in Education capital budget	<u>317</u>

Actual spend has been low in the first half of the year, at 36% of the total budget. New schemes may be brought on line before the year-end in order to ensure no conditional funding is lost. This will be reflected in future rounds of capital monitoring.

### 8. Social Care

The budgeted capital expenditure on Social Care has increased by £15,000, owing to an additional IT Grant becoming receivable. Actual spend in the first half of the year is very low. However, committed spend reflects 49% of the total budget.

### 9. Property

The only budget change relates to the Hillside Capital works. The budget has been increased by £583,000 to reflect equipment, planning costs and fees not included in the original budget. This is being funded through a capital grant from the Primary Care Trust.

### 10. Policy and Finance

The CCTV capital project is expected to spend £40,000 more than the funding available for the scheme. The reducing crime initiative has also overspent by £5,000. These are being temporarily funded from corporate reserves until new sources of funding are identified.

Actual spend is low at 26%. However, with commitments this increases to 86% of the budget.

## **11. eModernisation Programme**

The total budget for this area has decreased by £148,000 mainly owing to the Implementing Electronic Government partnership capital budget, in relation to the encompassing Single Assessment for Older People and Supporting People, of £147,000 being reduced to nil as this is likely to fall into the next financial year. There are ongoing discussions between Social Care and the Primary Care Trust in order to find the best way forward in relation to this scheme and various options are being considered.

The flexible working pilot has been delayed. However, a paper by the project manager has been produced for the Head of eModernisation highlighting the options available but the preferred way forward is yet to be decided.

Only 20% of the budget has been spent to date. However, committed spend represents 45% of the total budget.

## **12. Environment General**

The total budget has increased by £219,000 owing to a new capital project for the purchase of buses funded through Urban Challenge WyeS Moves capital grant.

It has been recognised that the committed budget for the capitalised assessment and strength of bridges exceeds the original budget by £283,000. Budget virements will be necessary within this service area if these commitments are to be met. As yet such virements have not been identified.

The Ross Flood Alleviation scheme was budgeted to be funded by Defra. However, the scheme has not been approved by Defra at the current time. It is hoped that approval will be granted in the near future. In the meantime the scheme has been funded through the capital receipts reserve.

Total spend to date represents 33% of the total budget. However, committed spend represents 62% of the total budget.

## **13. Social Development**

The total budget has increased by just £1,000 to reflect additional commitments relating to the Burghill Sports Field capital scheme.

The Friar Street museum resource and learning centre capital project is due to start in January and the first Phase is due to be completed in September. This scheme is funded through lottery grant.

There will be a separate report in the near future relating to the current position in relation to providing a swimming pool in Leominster. There is currently no budget for this project although provision for next year has been made in the current forecasts being discussed at budget panels.

Actual spend represents only 5% of the total budget. This is partly because of the externalisation of Commercial Services, which has delayed the start of some capital projects. It is forecast that the total budget will be spent before the year-end.

This programme area remains unfunded by £61,000 owing to a brought forward overspend. However, possible capital receipts of £68,000 are anticipated for this financial year. If realised these will be used to repay the temporary funding from corporate capital receipts reserve.

#### 14. Economic Development

Budgets have changed to reflect additional funding being awarded to this service area.

##### Change in Budget £'000

<ul style="list-style-type: none"> <li>• The Herefordshire Regeneration Edgar Street Grid capital budget has been increased to £250,000. This is being funded through government grant of £125,000 and corporate capital receipts reserve.</li> </ul>	112
<ul style="list-style-type: none"> <li>• The Herefordshire Strategic Regeneration Package – Rotherwas Match funding budget has been increased to show the anticipated gross spend. The budget relates to developing a variety of workspace schemes, transport improvements and business assistance. This is to be funded through grant funding from Objective 2, Rural Regeneration Zone and Single Regeneration Budget. This project is expected to carry on into 2004/05.</li> </ul>	2,042
<ul style="list-style-type: none"> <li>• Other Budget changes of less than £100,000 each</li> </ul>	93
<p>Increase in Economic Development capital budget</p>	<u>2,247</u>

Actual spend is very low for the first half of the year at 8% and lead officers have been made aware of the situation. No conditional funding is expected to be lost.

#### 15. Strategic Housing

Budgets have been reduced to reflect actual anticipated spend. The savings will be put back into the LSVT ring fenced capital receipts reserve.

##### Change in Budget £'000

<ul style="list-style-type: none"> <li>• Reduction in the housing renewal programme budget.</li> </ul>	(62)
<ul style="list-style-type: none"> <li>• Reduction in Social Housing Grants budget</li> </ul>	(600)
<p>Decrease in Strategic Housing capital budget</p>	<u>(662)</u>

Actual spend remains low for the first half of the year at 18% of the revised forecast.

## **16. Housing Revenue Account**

The original budget was for the LSVT levy, which has now been paid. Additional costs relating to professional fees of £30,000 have been identified as requiring funding from the LSVT capital receipt.

Commitments, mainly owing to retention costs of £364,000 will be funded from the capital receipts reserve. This account will close in November.

## **17. Capital Receipts**

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

## **Conclusion**

The current capital monitoring forecast is that, subject to the expected acceleration of spending in the second half of the year, 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 the Strategic Monitoring Committee notes the current position**

## **BACKGROUND PAPERS**

- Report to Cabinet – 20 November 2003.

## APPENDIX 1

### FUNDING OF REVISED 2003/04 CAPITAL PROGRAMME

Capital Programme Area	2003/04 Revised Forecast 30/09/03	Credit Approvals	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Education Capital schemes</i>	5,533	3,409	2,415	-	(291)	-
<i>Local Public Service Agreement schemes</i>	37	-	37	-	-	-
<i>Education Inspectorate schemes</i>	2,296	-	1,258	1,038	-	-
<i>Sure Start schemes</i>	330	-	330	-	-	-
<b>Total Education</b>	<b>8,196</b>	<b>3,409</b>	<b>4,040</b>	<b>1,038</b>	<b>(291)</b>	<b>-</b>
Social Care	411	215	196	-	-	-
P&F – Property	1,419	249	1,068	-	102	-
P&F – General	1,050	833	167	-	10	40
P&F – eModernisation	1,068	556	512	-	-	-
Environment General	10,720	9,821	555	-	284	60
Social Development	996	349	659	86	(159)	61
Economic Development	6,040	1,059	5,696	-	(715)	-
Strategic Housing	4,832	1,500	528	-	2,804	-
<b>Revised Forecast</b>	<b>34,732</b>	<b>17,991</b>	<b>13,421</b>	<b>1,124</b>	<b>2,035</b>	<b>161</b>
Housing Revenue Account	3,774	-	-	-	3,774	-
<b>Total Revised Forecast</b>	<b>38,506</b>	<b>17,991</b>	<b>13,421</b>	<b>1,124</b>	<b>5,809</b>	<b>161</b>
Original budget	35,172	18,004	9,792	1,084	6,106	186
<b>Change</b>	<b>3,334</b>	<b>(13)</b>	<b>3,629</b>	<b>40</b>	<b>(297)</b>	<b>(25)</b>

## APPENDIX 2

### CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised Forecast 30/09/03	Change	Actuals at 30/09/03	Actuals as a % of the revised forecast
Programme area	2002/03	2003/04	2003/04	2003/04	2003/04	
	£'000	£'000	£'000	£'000	£'000	%
Education	5,761	7,747	8,196	317	2,913	36%
Social Care	618	300	411	15	39	9%
P&F – Property	865	837	1,419	583	1,049	74%
P&F – General	320	1,047	1,050	26	277	26%
P&F – eModernisation	968	1,216	1,068	(148)	216	20%
Environment Planning	4	-	-	-	-	-
Environment General	9,745	10,501	10,720	219	3,545	33%
Social Development	873	995	996	1	54	5%
Economic Development	849	3,656	6,040	2,103	477	8%
Strategic Housing	3,687	5,494	4,832	(662)	873	18%
HCS	66	-	-	-	-	-
Joint Finance	1,358	-	-	-	74	N/a
<b>Outturn</b>	<b>25,114</b>	<b>31,793</b>	<b>34,732</b>	<b>2,454</b>	<b>9,517</b>	<b>27%</b>
Housing Revenue Account	7,030	3,379	3,774	394	3,453	91%
<b>Total Outturn</b>	<b>32,144</b>	<b>35,172</b>	<b>38,506</b>	<b>2,992</b>	<b>12,970</b>	<b>34%</b>

## APPENDIX 3

### CAPITAL RECEIPTS FOR 2003/04

Sale Detail	Directorate Share	Directorate Share	Corporate Share	Total receipt
		£'000	£'000	£'000
<b><i>Received</i></b>				
Artic Circle	50% Economic Development	7	7	14
RTB Clawbacks (75% set aside)	100% HRA	2	-	2
RTB Discounts (75% set aside)	100% HRA	4	-	4
Improvement grants	100% Strategic Housing	5	-	5
1.5 acres of land at Fir Tree Lane	100% Corporate	-	18	18
64 Waterside, Evesham	100% Corporate	-	22	22
Land at waterside, Evesham	100% Corporate	-	7	7
204/206 Wilden Lane, Stourport	100% Corporate	-	29	29
73 Park St Kidderminster	100% Corporate	-	13	13
Magistrates Court Tenbury	100% Corporate	-	28	28
Newnham Bridge Depot Tenbury Wells	100% Corporate	-	61	61
<b><i>Anticipated</i></b>				
Various	50% Property	283	282	565
Various	50% Education	60	60	120
Various	50% Social Development	68	67	135
<b>Total</b>		<b>429</b>	<b>594</b>	<b>1,023</b>



## APPENDIX 4

### MAIN CAPITAL SCHEMES OF REVISED 2003/04 CAPITAL PROGRAMME

Capital Programme Area	Schemes with a Revised Forecast >£500,000 as at 30/09/03 £,000
<b>Education schemes:</b>	
John Masefield High – 6th Form block	650
St David's PRU – refurbishment of John Venn Unit	500
Marlbrook Early Excellence Centre – new building	734
National Grid for Learning various schemes	2,096
New Deal for Schools condition property schemes	1,027
<b>P&amp;F Property:</b>	
Hillside Capital Scheme	1,068
<b>P&amp;F General schemes:</b>	
Info in Bromyard	765
<b>Environment General schemes:</b>	
Rural areas and market towns integrated transport strategy	683
Roman Road	800
Rural low floor bus project	1,267
Capitalised maintenance of principal roads	910
Capitalised maintenance of non-principal roads	3,090
Capitalised assessment and strength of bridges	1,874
<b>Economic Development schemes:</b>	
Leominster Industrial Estate Access Road	2,257
Herefordshire Strategic Regeneration Package - Rotherwas Match Funding	2,291
<b>Strategic Housing schemes:</b>	
Social Housing Grants	2,420

<b>Capital Programme Area</b>	<b>Schemes with a Revised Forecast &gt;£500,000 as at 30/09/03 £,000</b>
<i>Other schemes less than £500,000</i>	<i>16,074</i>
<b>Revised Forecast</b>	<b>38,506</b>