

Capital Forecast

1. The capital forecast for 2011/12 totals £53.9m, a summary by directorate and funding source is provided in Table A below.

Table A – Funding of 2011/12 Capital Forecast

Directorate	2010/11 Forecast £'000	Prudential Borrowing £'000	Grant £'000	Capital Receipts Reserves £'000
People's Services	21,753	1,015	20,524	214
Places & Communities	27,829	3,492	20,905	3,432
Corporate Services	3,943	3,463	328	152
Contingency	383	383	-	-
Total	53,908	8,353	41,757	3,798

2. The changes from the original budget set in January represent amendments following the closedown of the 2010/11 accounts and any cashflow forecasting adjustments required following updates to capital scheme profiling.

3. Table B - Schemes with a forecast exceeding £500k in 2011/12

Scheme	Spend per agresso to end May £'000	2011/12 Forecast £'000	Comments
People's Services			
Hereford Wyebriidge Academy	705	5,852	Scheme within budget and on schedule to complete in July
Devolved Capital Programme (Schools)	224	3,755	Devolved allocation and carry forward of capital funding to schools
Condition property works	435	2,696	Annual programme of works at various sites committed on a highest need first basis
Targeted Capital Fund (SEN)	248	2,417	Block funding allocation towards SEN provision at Hampton Dene, Barrs Court and Blackmartons
Basic Need - Schools	-	2,154	This funding is being allocated to schools through a bidding process, approved schemes will be notified in September
Primary Grant	66	1,731	To provide an all through primary school provision in Leominster
Places & Communities			
Local Transport Plan	2,609	10,348	Annual programme of works to highways, footways and bridges
Ledbury Library	65	2,487	This is the original funding allocation, scheme brief yet to be confirmed

Grange Court	106	2,213	Refurbishment works commenced
Disabled Facilities Grant	132	1,727	There is a large demand for these grants, applications go through an approval process
Rural Enterprise Grant	172	1,667	Various grant funded schemes
Credenhill Flood Alleviation Scheme	148	1,617	Grant funded flood alleviation works in association with Hereford Futures
Livestock Market	2,027	1,352	New market now open (spend to date to be adjusted by opening creditors, see note 4)
Broadband Pilot	-	1,000	Herefordshire's Pilot scheme awarded by central government
Putson Community Building	-	837	S106 funded new build
Affordable Housing Grants	33	766	Various grants awarded to approved schemes
Rotherwas Futures	177	528	Work progressing on the northern access road
Connect 2	77	509	Non-motorised connection between the city centre and Rotherwas in planning.
Corporate Services			
Hereford Leisure Pool	221	1,412	Improvement works nearing completion
Corporate accommodation	188	1,100	This budget will deliver a new headquarters, building work is expected to start in 2012/13
Herefordshire's ICT efficiencies	62	638	Improved ICT provision to generate efficiencies
Sub Total	7,695	46,806	
Schemes with a budget <£500k in 2011/12	145	7,102	
Total	7,840	53,908	

4. Please note, due to the implementation of the new computer system Agresso spend to date appears unusually high due to opening balances not being reversed until June (period 3), opening capital creditors totalled £4.4m so spend to end May should read £3.4m.

Prudential Borrowing

5. A summary of the forecast Prudential Borrowing (PB) position is set out below.

	£'000
2011/12 Original Prudential Borrowing Forecast	10,920
Less: Slippage into future years	(2,567)
Use of Prudential Borrowing in 2011/12	8,353

6. The slippage of funds into future years relates to the net change between schemes slipping into 2011/12 and then into 2012/13, the main scheme change relates to corporate accommodation where the new build and car park provision is expected to start in 2012/13 however this may be brought forward.

Capital Receipts Reserve

7. The opening capital receipts reserve balance was £6.8m as at 1st April 2011. During 2011-12 £3.8m is expected to fund the capital forecast and receipts are expected from the sale of Hillrise. The remaining capital receipts reserve balance is earmarked to fund corporate accommodation, any remaining compensation claims relating to the Rotherwas development and an element of infrastructure works required as part of Hereford Futures.