

# CAPITAL PROGRAMME - FINAL OUTTURN 2003/04

## PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

15TH JULY 2004

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### Wards Affected

County-wide

### Purpose

To note the Capital Programme outturn for 2003/04.

### Key Decision

This is not a Key Decision

### Recommendation

That the position be noted.

### Reasons

Report for noting only.

### Considerations

1. The final capital programme outturn for 2003/04 totalled £32,075,000 (excluding LSVT costs) compared to an original budget of £31,793,000, which represents an increase of £282,000 or 1%. Changes in original capital budgets represent a combination of total increases of £6,148,000 and total decreases of £5,866,000. This is due to new schemes and new sources of funding being identified, slippages and deferment of schemes into future years, and budget virements where necessary. Appendix 1 gives a further breakdown.
2. The outturn position is financed by making use of credit approvals of £17,925,000, grants totalling £10,863,000 and capital receipts and reserves totalling £4,246,000.
3. The outturn on the use of Credit Approvals was £1,617,000 less than the original budget. The potential loss of conditional resources caused by this underspend has been avoided by using those resources to fund projects originally to be funded from capital receipts reserve funding. Therefore, no conditional resources have been lost but are instead carried forward. This underspend was significantly less than it might have been as capital monitoring procedures identified the position and ensured that certain significant invoices were obtained and paid before the year end rather than in the subsequent year.
4. Basic Credit Approval funding of £900,000 has been returned from Warwickshire. This was originally transferred to Warwickshire in 2002/03.

5. Total revenue contributions to capital spend were £1,365,000. These have been swapped with corporate capital receipts reserve funding in order to retain revenue reserves, as reported previously as part of the final revenue outturn report. This sum does not represent additional funds; merely a transfer between the revenue and capital element of general reserves.
6. New schemes and new sources of finance have been identified and reported throughout the year as part of the established Capital Monitoring process. Reports have been submitted to Cabinet highlighting movements in the capital programme identified during these monitoring exercises. This process ensures that no conditional capital resources are lost.
7. Details of significant variances are set out below (Appendix 2 gives a detailed breakdown):

**Property:** The spend has increased mainly owing to the inclusion of the Hillside Intermediate Care Unit capital project which was funded by the Primary Care Trust capital grant.

**Social Development:** The decreased spend is mainly owing to the Friar Street Phase 1 capital project actual spend incurred during the year being less than anticipated. This phase forms part of a larger project and is expected to complete in September 2004.

**Strategic Housing:** The decrease is mainly owing to reduced spend on Social Housing Grants because of a cautious approach to placement following the abolishment of the Local Authority Social Housing Grant for 2003/04.

**Housing Revenue Account:** The decrease is mainly owing to the LSVT levy cost of £2,534,000 being carried back and accounted for in 2002/03 when the stock was transferred. Spend this year represents commitments entered into before the date of transfer.

## Conclusion

Capital monitoring systems and procedures continue to improve.

The work of the Capital Programme Monitoring Working Group has helped to ensure that no conditional resources have been lost.

## Consultees

Not applicable.

## Background Papers

None identified.

## APPENDIX 1

### CAPITAL OUTTURN 2003/04

Capital Programme Area	Original Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Education	7,747	8,248	501	6%
Social Care	300	413	113	38%
P&F – Property	837	2,141	1,304	156%
P&F – General	1,047	924	(123)	(12%)
P&F – eModernisation	1,216	882	(334)	(27%)
Environment General	10,501	10,879	378	4%
Social Development	995	460	(535)	(54%)
Economic Development	3,656	4,157	501	14%
Strategic Housing	5,494	3,971	(1,523)	(28%)
<b>Outturn</b>	<b>31,793</b>	<b>32,075</b>	<b>282</b>	<b>1%</b>
Housing Revenue Account (LSVT Costs)	3,379	959	(2,420)	(72%)
<b>Total Outturn</b>	<b>35,172</b>	<b>33,034</b>	<b>(2,138)</b>	<b>(6%)</b>

## APPENDIX 2

### CAPITAL OUTTURN 2003/04 – BUDGET CHANGES

Capital Programme Area	£'000
<b><i>Education</i></b>	
- E Learning Credits budget increase	348
- John Masefield New Building budget increase	149
- other (net)	4
<b><i>Social Care</i></b>	
- Improving Management Information budget increase	98
- other (net)	15
<b><i>P&amp;F - Property</i></b>	
- Capitalised Revenue Costs budget increase	208
- Hillside Capital Project budget increase	744
- Leominster Bus Station budget increase	110
- Plough Lane Accommodation – new budget	170
- other (net)	72
<b><i>P&amp;F – General</i></b>	
- Info in Bromyard budget decrease	(77)
- other (net)	(46)
<b><i>P&amp;F – eModernisation</i></b>	
- Implementing Electronic Government Partnership budget decrease	(145)
- Flexible Working budget decrease	(116)
- other (net)	(73)
<b><i>Environment General</i></b>	
- Urban Bus Challenge WyeS Moves budget increase	240
- Roman Road budget decrease	(455)

- Capitalised Maintenance Principal Roads budget increase	233
- Capitalised Maintenance Non Principal Roads budget increase	354
- Capitalised Assessment & Strength of Bridges budget increase	361
- other (net)	(355)
<b><i>Social Development</i></b>	
- Aylestone Hill budget decrease	(137)
- Friar Street Phase 1 budget decrease	(426)
- Joint Finance	71
- other (net)	(43)
<b><i>Economic Development</i></b>	
- Leominster Industrial Estate Access Road budget decrease	(152)
- Match Funding South Wye budget decrease	(218)
- Coldnose Road budget decrease	(233)
- Herefordshire Regeneration Edgar Street Grid budget increase	252
- Match Funding Rotherwas budget increase	820
- other (net)	32
<b><i>Strategic Housing</i></b>	
- Social Housing Grant budget decrease	(1,461)
- other (net)	(62)
<b>Outturn Variance</b>	<b>282</b>
<b><i>Housing Revenue Account</i></b>	
- LSVT Levy costs budget decrease	(2,534)
- other (net)	114
<b>Total Outturn Variance</b>	<b>(2,138)</b>