

CAPITAL PROGRAMME MONITORING 2004/05 TO 31 JULY 2004

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH SEPTEMBER, 2004

Wards Affected

County-wide

Purpose

To note the current position of the Capital Programme forecast for 2004/05.

Key Decision

This is not a Key Decision.

Recommendation

THAT the position be noted.

Reasons

Report for noting only.

Considerations

1. This is the first round of the 2004/05 capital monitoring process. The purpose of this monitoring exercise is to update the original budget position, as at 31st July, reporting new funding allocations and movements following the closedown on the 2003/04 capital programme.

Overview

2. The revised forecast for 2004/05 as at 31st July totals £32,921,000, a decrease of £2,017,000 from the original budget. The explanations for these changes are detailed in the body of this report. This programme is funded as detailed in Appendix 1.
3. The revised budgets include the allocation of Prudential Borrowing (PB) where applicable. The original budget included the total PB available of £5,000,000 and from that Cabinet allocated £4,741,000 to various capital schemes on the 22nd July. Due to the late allocation of funding £145,000 slippage on schemes has been identified and will be used in 2005/06. It is expected that further amounts of the 2004/05 PB allocation will slip into 2005/06 but as PB is unconditional no resources will be lost.
4. Actual spend in the first four months at £5,618,000 was 17% of the revised forecast. Total committed spend represents £8,824,000, 27% of the revised forecast. A

Further information on the subject of this report is available from
Josie Smith, Accountant – Capital and VAT Services, on (01432) 261867

summary of the programme expenditure for each area is set out on Appendix 2.

5. Set out in Appendix 3 is a list of all capital schemes with a budget in excess of £500,000.
6. Set out in Appendix 4 is a list of capital receipts received and expected in 2004/05.

Capital Programme Areas

7. Education

The capital budget for this area has decreased in this round of capital monitoring by £826,000 due to the revision of funding allocations within the capital programme by DfES, however no funding relating to specific projects has been lost. The budget is expected to increase in the next round of capital monitoring when National Grid for Learning schemes (to be funded by a revenue contribution) and Sure Start schemes (to be funded by capital grants) are included.

8. Social Care

The budget for this area has increased by £607,000 due to the following:

- Cabinet approved a capital bid for Community Equipment of £200,000 to help Herefordshire residents live as independently as possible in their own homes through the supply of equipment and related provisions. It is intended that these projects will complete before 31st March, 2005 although work is yet to start.
- A capital budget of £316,000 for Social Care ICT Development is to be funded temporarily from the Corporate Capital Receipts Reserve. This project is in response to the needs of the Electronic Social Care Record, which requires a re-examination of systems where service user data is held.
- A Mental Health Supported Capital Expenditure (Revenue) sum of £91,000 has been awarded to fund capital projects that assist the development of comprehensive social care mental health services for adults.

9. Property

The budget for this area has increased by £76,000 mainly due to the slippage of spend on disabled access capital schemes from 2003/04 to 2004/05.

10. Policy and Finance

The budget for this area has risen by £185,000 due to the following:

- A Garrick House Service Improvement Project of £116,000 has been approved. This budget is for internal alteration work and the installation of a British Telecom link. This project is being funded through revenue contributions mainly from the Chief Executive's Development Fund.
- Cabinet approved a capital bid for £4,000 to meet feasibility costs of providing an Info Shop in Ledbury.
- Other budget changes represent year-end creditor adjustments relating to the

Info in Bromyard and Community Participation and Planning capital schemes.

11. **ICT Services**

The budget for this area has risen by £1,422,000 due to the following:

- Cabinet approved ICT Services capital bids totalling £1,020,000. This allocation of funding is to be spent on network enhancement and continuity of service plus disaster recovery. The completion of these capital projects will help meet eGovernment targets and other business critical concerns.
- An additional budget of £70,000 for Supporting People Software has been created following the agreement of external capital grant funding.
- Other budget changes represent the carry forward, from 2003/04, of the Flexible Working Project budget and allocation of Implementing Electronic Government grant funding to pursue eGovernment plans to deliver e-enabled priority services.

12. **Environment General**

The budget for this area has increased by £484,000 due to the following:

- Cabinet approved a capital bid of £100,000 to meet planning and development costs for the provision of a new Crematorium in Hereford. Various options are being considered with a view to starting work on site next year.
- Cabinet approved a capital bid of £100,000 for the extension to Hereford Cemetery. This will involve a new burial area and improvements to the cremation vault burial area. This will extend the use and capacity of the cemetery facility.
- Cabinet approved a capital bid of £150,000 for improvements to public toilets. A rolling programme of improvements is being developed.
- Cabinet also approved a capital bid of £45,000 for restoration works on the closed landfill site at Leominster. The restoration work will involve capping the site and landscaping to comply with legal requirements. The completion of this work will result in reduced monitoring costs.
- Other budget changes are due to capital grant funding being awarded towards capital schemes, mainly Objective 2 European grant funding, towards the Rotherwas Access Road capital scheme.

13. **Social Development**

The budget for this area has increased by £426,000 following Cabinet approval of four capital bids:

- £140,000 for Phase 2 of the Friar Street Museum Resource and Learning Centre capital project. This Phase will complete the conversion of the centre and will create storage space for museum collections. This funding is essential to secure external Lottery grant funding.
- £100,000 for continued improvements at Aylestone Park for public open space facilities.
- £117,000 for the Ross Creative Learning Centre. This project will provide creative learning facilities for young people of Ross and the surrounding area with recreation and training for the wider community. This scheme is expected to attract external grant funding, which will be reflected in future capital monitoring reports.

- £10,000 for initial feasibility costs in relation to the relocation of Ross Library and Info centre. This scheme will be considered in future year's capital programmes.

14. **Economic Development**

The forecast spend for this area has decreased overall by £803,000.

- Cabinet approved a capital bid for Hereford City Centre enhancements of £395,000. This capital scheme will involve the physical and economic regeneration of the city centre by improving shop fronts, Eign Gate, High Town and High Street and the Victoria footbridge.
- The decrease in the overall capital forecast is due to the removal of the development of a Business Centre at Rotherwas capital budget due to funding not being secured. This was part of the Herefordshire Strategic Regeneration Package Phase 1 capital scheme.

15. **Strategic Housing**

The forecast spend for this area has decreased overall by £388,000. This is due to a property to be purchased from the Learning Disability Development Fund no longer being available. The budget will now be carried forward to 2005/06.

Cabinet approved a capital bid for Disabled Facilities Grants of £200,000. This will fund a backlog of adaptation requests.

Recently subsidence has been reported in some properties transferred to Herefordshire Housing Limited under the Large Scale Voluntary Transfer. Costs and legal obligation are yet to be determined. Budgets for these costs may be reflected in future capital monitoring reports.

Conclusion

The monitoring arrangements in place for the capital programme continue to identify improvements in its overall management.

Alternative Options

There are no alternative options.

Consultees

Not applicable.

Risk Management

Capital monitoring is in itself is an integral part of risk management. Potential overspends are highlighted at the earliest opportunity so adjustments can be made accordingly.

Background Papers

None identified.

APPENDIX 1

FUNDING OF REVISED 2004/05 CAPITAL PROGRAMME

Capital Area	Programme	2004/05 Revised Forecast 31/01/07	SCE(R)	Prudential Borrowing	LPSA UCA	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education		6,188	3,211	-	-	2,771	147	59	-
Social Care		739	92	200	-	96	-	351	-
P&F – Property		478	-	300	-	-	-	178	-
P&F – General		210	-	4	-	5	100	90	11
P&F – ICT Services		1,549	-	1,020	126	287	-	116	-
Environment General		12,330	11,072	395	-	863	-	-	-
Social Development		2,893	-	2,082	-	576	-	173	62
Economic Development		3,289	-	310	-	1,579	-	1,400	-
Strategic Housing		5,245	2,055	200	-	302	-	2,688	-
Total Revised Forecast		32,921	16,430	4,511	126	6,479	247	5,055	73
Original Budget		34,938	16,483	5,000	-	8,585	-	4,870	-
Change from original budget		(2,017)	(53)	(489)	126	(2,106)	247	185	73

APPENDIX 2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2004/05 Forecast as at 31/07/04	Change from previous forecast	Actual spend at 31/07/04	Actual spend as a % of the revised forecast
Programme area	2003/04	2004/05	2004/05	2004/05	2004/05	
	£'000	£'000	£'000	£'000	£'000	%
Education	8,248	7,014	6,188	(826)	1,268	20%
Social Care	413	132	739	607	-	-
P&F – Property	2,142	402	478	76	82	17%
P&F – General	924	25	210	185	(4)	0%
P&F – ICT Services	882	127	1,549	1,422	181	12%
Environment General	10,879	11,846	12,330	484	1,690	14%
Social Development	460	2,467	2,893	426	428	15%
Economic Development	4,157	4,092	3,289	(803)	1,626	49%
Strategic Housing	4,929	5,633	5,245	(388)	347	7%
Prudential Borrowing to be allocated	-	3,200	-	(3,200)	-	-
Total	33,034	34,938	32,921	(2,017)	5,618	17%

APPENDIX 3

MAIN CAPITAL SCHEMES OF REVISED 2004/05 CAPITAL PROGRAMME

Capital Programme Area	Schemes with a Revised Forecast >£500,000
	£'000
Education schemes:	
Site Acquisitions	680
John Kyrle High – Sixth Form	506
New Deal for Schools condition property schemes	1,200
ICT Services schemes:	
ICT The Golden Thread Network Enhancement	770
Environment General schemes:	
Roman Road Improvements	3,525
Rural low floor bus project	500
Capitalised maintenance of principal roads	1,200
Capitalised maintenance of non-principal roads	3,272
Footways	550
Capitalised assessment & strength of bridges	500
Social Development schemes:	
Replacement Swimming Pool for North Herefordshire	1,709
Friar Street Museum Resource and Learning Centre	605
Economic Development schemes:	
Leominster Industrial Estate Access Road	2,533
Strategic Housing schemes:	
Social Housing Grants	3,100
<i>Other schemes less than £500,000</i>	<i>12,271</i>
Revised Forecast	32,921

APPENDIX 4

CAPITAL RECEIPTS FOR 2004/05

Sale Detail	Directorate Share	Directorate Share	Corporate Share	Total receipt
		£'000	£'000	£'000
<i>Received</i>				
The Old Goods Shed (deposit)	50% Property	16	15	31
Sub Total		16	15	31
<i>Anticipated</i>				
Various	50% Property	173	174	347
Various	100% Education	120	-	120
Various	100% Corporate	-	910	910
Total		309	1,099	1,408