

## Capital Forecast

1. The capital forecast for 2011/12 totals £58.6m. A summary by directorate and funding source is provided in Table A below.

**Table A – Funding of 2011/12 Capital Forecast**

Directorate	2011/12 Forecast £'000	Prudential Borrowing £'000	Revenue Contribution £'000	Grants & Contributions £'000	Capital Receipts Reserves £'000
People's Services	21,752	1,014	-	20,524	214
Places & Communities	28,627	3,516	-	21,338	3,773
Corporate Services	7,867	6,878	95	612	282
Contingency	383	383	-	-	-
<b>Total</b>	<b>58,629</b>	<b>11,791</b>	<b>95</b>	<b>42,474</b>	<b>4,269</b>

2. The changes from the previous forecast are due to the following:-
- The increase in the Yazor Flood Alleviation Scheme forecast (£1.7m) to reflect the anticipated total grant funded expenditure to be completed in this financial year.
  - Slippage of the Broadband forecast capital spend of £1m in 2011/12 into 2012/13. The competitive procurement process is progressing, with the actual contract is expected to be let in May 2012 meaning only revenue costs are expected to be incurred in this financial year.
  - The Herefordshire ICT efficiencies budget has been increased by £208k representing the bringing forward of the budget for 2012/13 into 2011/12 as capital costs are expected to complete in this financial year.
  - The inclusion of £175k capital budget in relation to the Whitehouse Community Centre lease purchase and works, funded from the insurance settlement fund received in prior years.

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

Scheme	Spend to end October £'000	2011/12 Forecast £'000	Comments
<b>People's Services</b>			
Hereford Wyebriidge Academy	2,502	5,852	Scheme within budget and on schedule, new building open with official opening scheduled for September 2012
Schools Devolved Capital Programme	1,615	3,755	Devolved funding allocations and brought forward capital funding to schools
Condition property works	1,162	2,696	Annual programme of works at various sites committed on a highest need first basis
SEN Targeted Capital Fund	1,251	2,417	Block funding allocation towards SEN provision at Hampton Dene, Barrs Court and Blackmarston

Basic Need - Schools	-	2,154	This funding is being allocated to schools through a structured bidding process
Primary Grant	141	1,731	To provide an all through primary school provision in Leominster, planning application expected to be submitted in January
<b>Places &amp; Communities</b>			
Local Transport Plan	3,940	10,348	Annual programme of capital works to highways, footways and bridges
Ledbury Library	76	2,487	This scheme being progressed on a piecemeal basis
Yazor Flood Alleviation Scheme	1,852	2,270	Grant funded flood alleviation works in association with Hereford Futures
Grange Court	742	2,213	Refurbishment works underway
Disabled Facilities Grant	407	1,727	There is a large demand for these grants, applications are progressed through an approval process
Rural Enterprise Grant	1,009	1,667	Various grant funded schemes
Livestock Market	1,738	1,549	New market provision open
Affordable Housing Grants	397	766	Various grants awarded to approved schemes
Rotherwas Enterprise Zone	455	528	Works completed under Rotherwas Futures now fall within the Rotherwas Enterprise Zone
Connect 2	209	509	Non-motorised connection between the city centre and Rotherwas
Putson Community Building	26	500	S106 funded new build
<b>Corporate Services</b>			
Hereford Leisure Pool	1,894	3,396	Improvement works to complete in November
Corporate accommodation	774	1,100	Budget to be used to improve headquarters, building work expected to start in January 2013
Herefordshire's ICT efficiencies	694	846	Improved ICT provision to generate efficiencies
Capitalisation direction	310	1,543	To fund the statutory element of redundancy costs paid during this financial year
<b>Sub Total</b>	<b>21,194</b>	<b>50,054</b>	
<b>Schemes with a budget &lt;£500k in 2011/12</b>	<b>3,445</b>	<b>8,575</b>	
<b>Total</b>	<b>24,639</b>	<b>58,629</b>	

## Prudential Borrowing

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

	£'000	£'000
2011/12 Original Prudential Borrowing Forecast		10,920
Add: Halo loan	1,700	
Capitalisation direction	<u>1,543</u>	
		3,243
Less: Slippage into future years	(2,336)	
No longer required	<u>(36)</u>	
Less: Slippage into future years		(2,372)
Expected use of Prudential Borrowing in 2011/12		11,791

5. The slippage of capital funds into future years relates to the corporate accommodation budget reprofiling.

## Capital Receipts Reserve

6. The opening capital receipts reserve balance was £6.8m as at 1st April 2011. During 2011/12 £4.3m 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 any remaining compensation claims relating to the Rotherwas development and an element of infrastructure works required as part of Hereford Futures.