

Capital Forecast

- The capital outturn forecast for 2012/13 as at the end of November totals £42.1m, an increase of £1.3m from the last forecast mainly due to the inclusion of the remaining Rotherwas funding and re-profiling of the corporate accommodation capital budget. Individual scheme budget changes include;-
 - The allocation of £257k Salix interest free loan funding towards providing more energy efficient street lights and traffic signals.
 - The allocation of £210k capital funding from the contingency fund to fund additional costs being incurred on the Yazor brook flood alleviation scheme in relation to land payments, legal fees and riverbank collapse costs.
 - The allocation of £200k from the strategic housing capital receipts reserve to pump prime a revolving loans fund to bring empty spaces back into use as residential units.
- A summary by directorate and funding source is provided in Table A below.

Table A – Funding of 2012/13 Capital Outturn Forecast

Directorate	2012/13 Forecast £'000	Prudential Borrowing £'000	Grants & Contributions £'000	Revenue Contribution £'000	Capital Receipts Reserves £'000
People's Services	9,060	647	8,349	-	64
Places & Communities	28,503	6,876	16,755	146	4,726
Corporate Services	4,454	4,297	84	30	43
Contingency	38	38	-	-	-
Total	42,055	11,858	25,188	176	4,833

- Table B - Schemes with an outturn forecast exceeding £500k in 2012/13**

Scheme	Spend to end Nov £'000	2012/13 Original Forecast £'000	2012/13 Forecast £'000	Comments
People's Services				
Blackmarstons Special School	605	3,000	2,425	SEN school extension in progress
Basic Need – Schools	253	-	1,748	This funding has been allocated to schools through a structured bidding process. This relates to grant funding brought forward from previous years.
Condition property works	695	1,807	1,267	Annual programme of works at various sites committed on a highest need first basis. The funding has decreased in 12/13 as a result of a number of schools converting to academies

Hampton Dene	603	750	708	SEN school specialist unit works complete
Leominster Primary school	214	6,807	520	Scheme options under consideration
Places & Communities				
Local Transport Plan	4,632	9,985	9,985	Annual programme of capital works to highways, footways and bridges, this funding has been cut by 5% from 2011/12s funding allocation
Link Road	6,084	4,593	4,593	Key property purchase complete, re-phased budget profile being complied
Connect 2	151	1,779	1,736	Non-motorised connection between the city centre and Rotherwas
Disabled Facilities Grant	420	-	1,440	There is a large demand for these grants, processing is dependent on the rate of referrals. This represents grant funding (unknown when original budget set) plus match funding brought forward.
Grange Court	316	-	1,152	Refurbishment works nearing completion, expected completion date slipped by contractor
Rotherwas Enterprise Zone	502	-	1,100	To enable the provision of serviced plots to private sector inward investors.
Garrick House multi storey car park	245	1,000	918	Essential lift and enhancement works
Rotherwas Relief Road	584	-	806	Final compensation payments falling due
Putson Community Building	162	-	765	S106 funded new build
Marches Redundant Building Grant Scheme	54	750	750	Various LEP grant funded schemes
Affordable Housing Grants	43	-	729	Various grants awarded to approved schemes, budget fully committed
Hereford Active Travel Schemes	35	-	623	Detailed design works commenced
Ledbury Library	411	2,537	591	Phase 2 restoration works not to start until February
Broadband	-	4,035	500	Contract for works expected to be let in December
Corporate Services				
Corporate accommodation	1,415	4,580	3,265	Works planned to start in February at Plough Lane, works started on the civic hub and better ways of working projects. The new heritage, archive and record centre is in the planning stage
Hereford Leisure Pool	994	-	906	Scheme complete. Forecast spend represents budget brought forward from 2011/12
Sub Total	18,418	41,623	36,527	
Schemes with a budget <£500k in 2012/13	3,329	2,406	5,528	
Total	21,747	44,029	42,055	

Prudential Borrowing

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

	£'000	£'000
2012/13 Original Prudential Borrowing Forecast		11,905
Less: Slippage into 2013/14	(2,540)	
Removal of Halo driving range funding	(346)	
Add: Revenue financed IKEN capital scheme	65	
Slippage from 2011/12	<u>2,774</u>	
		(47)
Expected use of Prudential Borrowing in 2012/13		11,858

Capital Receipts Reserve

4. The opening capital receipts reserve balance was £2.8m as at 1st April 2012; this has been increased by £1.4m from the capital receipt share from the sale of West Mercia Supplies and £1.5m from the sale of the old livestock market. Of this total £4.8m will be used to fund capital expenditure in 2012/13 with the balance remaining of £0.9m earmarked to fund future year's capital expenditure.