

## Capital Forecast

- The capital outturn forecast for 2012/13 as at the end of December totals £43.7 million, an increase of £1.6 million reported at the end of November. The main changes include;-
  - The re-phasing of the link road budget increasing this year's forecast spend by £1.677 million to cover the cost of a key property purchase.
  - The allocation of £370k Salix interest free loan funding towards the cost of replacement street lighting that will reduce carbon emissions and energy costs.
  - An allocation of £300k capital receipts reserve funding towards Model Farm costs to enable vacant possession of the site.
  - The slippage of £550k capital funding on this years on Marches Redundant Building Grant scheme into 13/14. This is an external grant funded scheme.
- 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	29,891	9,453	16,383	229	3,826
Corporate Services	4,759	4,297	84	35	343
Contingency	38	38	-	-	-
<b>Total</b>	<b>43,748</b>	<b>14,435</b>	<b>24,816</b>	<b>264</b>	<b>4,233</b>

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

Scheme	Spend to end Dec £'000	2012/13 Original Forecast £'000	2012/13 Current Forecast £'000	Comments
<b>People's Services</b>				
Blackmarstons Special School	967	3,000	2,425	SEN school extension in progress
Condition property works	898	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
Basic Need – Schools	628	-	1,217	This funding has been allocated to schools through a structured bidding process. This relates to grant funding brought forward from previous years.

Hampton Dene	603	750	708	SEN school specialist unit works complete
Leominster Primary school	218	6,807	520	Scheme options under consideration
<b>Places &amp; Communities</b>				
Local Transport Plan	5,300	9,985	9,985	Annual programme of capital works to highways, footways and bridges, This funding has been cut by 5% from the 2011/12 funding allocation.
Link Road	6,123	4,593	6,270	Key property purchase complete.
Connect 2	184	1,779	1,736	Cycle footpath connection between the city centre and Rotherwas.
Disabled Facilities Grant	512	-	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	635	-	1,152	Refurbishment works nearing completion.
Rotherwas Enterprise Zone	520	-	1,100	To enable the provision of serviced plots to private sector inward investors.
Garrick House multi storey car park	254	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.
Affordable Housing Grants	43	-	729	Various grants awarded to approved schemes, budget fully committed.
Hereford Active Travel Schemes	46	-	623	Detailed travel schemes recently agreed
Ledbury Library	454	2,537	591	Phase 2 restoration works start February.
Street Lighting	459	-	539	Enhancement works to generate carbon reductions and energy cost savings.
Broadband	-	4,035	500	Contract for works let in December.
<b>Corporate Services</b>				
Corporate accommodation	1,876	4,580	3,265	Works at Plough Lane and the civic hub and the better ways of working project. The new heritage, archive and record centre (HARC) has been granted planning permission.
Hereford Leisure Pool	994	-	911	Scheme complete. Forecast spend represents budget brought forward from 2011/12.
<b>Sub Total</b>	<b>21,460</b>	<b>40,873</b>	<b>37,467</b>	
<b>Schemes with a budget &lt;£500k in 2012/13</b>	<b>3,062</b>	<b>3,156</b>	<b>6,281</b>	
<b>Total</b>	<b>24,522</b>	<b>44,029</b>	<b>43,748</b>	

## 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	37	
Removal of Halo driving range funding	(346)	
Add: Revenue financed IKEN capital scheme	65	
Slippage from 2011/12	<u>2,774</u>	
		2,530
Expected use of Prudential Borrowing in 2012/13		14,435

## Capital Receipts Reserve

4. The opening capital receipts reserve balance was £2.8 million as at 1st April 2012; this has been increased by £1.4 million by the capital receipt share from the sale of West Mercia Supplies and £1.5 million from the sale of the old livestock market. Of this total £4.2 million will be used to fund capital expenditure in 2012/13 with the balance remaining of £1.5 million earmarked to fund future year's capital expenditure.