

Capital Forecast

1. The capital outturn forecast for 2012/13 as at the end of January totals £41.9 million, a decrease of £1.8 million reported at the end of December. The main changes represent the slippage of forecast spend into 13/14;-
 - £500k prudential borrowing towards the Garrick House multi-storey improvements slipping into 13/14 due to the next phase of works starting in March.
 - £500k Borders broadband forecast spend in 12/13 slipping into 13/14 as a result of the confirmation of the supplier first claim for funding to be submitted in June.
 - £440k disabled facilities grant forecast spend is expected to fall into 13/14 as referrals and approvals come on line.
 - £300k prudential borrowing towards the moving or refurbishment of the community equipment store for which plans are yet to be agreed.
 - £200k housing revolving loans forecast will be carried forward into 13/14 as a result of finalising agreements between registered social landlords and the HCA.
2. There is a continued overspend on the new livestock market due to the facility encountering problems regarding on site drainage. The 12/13 overspend is currently £170k for which no funding resource has yet been identified, although the increase rentals expected from the site could be used to fund the cost of borrowing this sum.
3. 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	Capital Receipts Reserves £'000
People's Services	8,760	347	8,349	64
Places & Communities	28,331	9,238	15,907	3,186
Corporate Services	4,789	4,332	84	373
Contingency	38	38	-	-
Total	41,918	13,955	24,340	3,623

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

Scheme	Spend to end Jan £'000	2012/13 Original Forecast £'000	2012/13 Current Forecast £'000	Comments
People's Services				
Blackmarstons Special School	1,140	3,000	2,425	SEN school extension in progress
Condition property works	913	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	601	-	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	221	6,807	520	Scheme in planning phase
Places & Communities				
Local Transport Plan	5,919	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	6,233	4,593	6,270	Key property purchase complete
Connect 2	186	1,779	1,736	Cycle footpath connection between the city centre and Rotherwas, site works have commenced
Grange Court	567	-	1,152	Refurbishment works complete
Rotherwas Enterprise Zone	696	-	1,100	To enable the provision of serviced plots to private sector inward investors
Disabled Facilities Grant	540	-	1,000	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.
Rotherwas Relief Road	584	-	806	Final compensation payments falling due
Putson Community Building	462	-	765	S106 funded new build
Affordable Housing Grants	113	-	729	Various grants awarded to approved schemes, budget fully committed
Hereford Active Travel Schemes	68	-	623	Detailed travel schemes recently agreed
Ledbury Library	482	2,537	591	Awaiting confirmation of potential grant funding towards the next phase of works
Street Lighting	572	-	539	Self-financed capital works generating carbon reductions and energy cost savings
Corporate Services				
Corporate accommodation	1,990	4,580	3,265	Works underway at Plough Lane, 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 represents budget brought forward from 2011/12
Sub Total	22,884	35,838	35,609	
Schemes with a budget <£500k in 2012/13	3,826	8,191	6,309	
Total	26,710	44,029	41,918	

Prudential Borrowing

5. 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	(763)	
Removal of Halo driving range funding	(346)	
Add: Revenue financed IKEN capital scheme	65	
Funding resource swap	320	
Slippage from 2011/12	<u>2,774</u>	
		2,050
Expected use of Prudential Borrowing in 2012/13		13,955

Capital Receipts Reserve

6. 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 (£0.5m of this receipt is anticipated to become repayable). Of this total £3.6 million will be used to fund capital expenditure in 2012/13 with the balance remaining earmarked to fund future year's capital expenditure.