

## CAPITAL PROGRAMME OUTTURN 2004/05

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1. The capital programme is by its nature prone to rapid changes. New schemes and new sources of finance have been identified and reported throughout the year as part of the established Capital Monitoring process. This process helps to ensure that no conditional capital resources are lost. The details of changes throughout the year are to be found in those reports. This report provides a brief summary of the overall changes from the original budget to the outturn position.
  2. The capital programme outturn for 2004/05 totalled £33,198,000 compared to an original budget of £34,938,000, which represents a decrease of £1,740,000 or 5%. Changes in original capital budgets represent a combination of total increases of £7,597,000 and total decreases of £9,337,000. This is due to new schemes and new sources of funding being identified, slippages and deferment of schemes into future years, and budget virements where necessary. **Annex 1** gives a further breakdown.
  3. Cabinet allocated Prudential Borrowing of £4,741,000 to various capital schemes in July 2004. Additional Supported Capital Expenditure (Revenue) (SCE(R)) funded £127,000 of this requirement. The outturn for the use of Prudential Borrowing for 2004/05 was £2,603,000 with the slippage of £2,011,000 being required in 2005/06. As Prudential Borrowing funding is unconditional no resources have been lost.
  4. The outturn position is financed by SCE (R) of £17,270,000, Prudential Borrowing of £2,603,000, Unsupported Credit Approval of £130,000, Revenue Contributions of £244,000, Grants of £8,751,000 and Capital Receipts Reserve of £4,328,000.
  5. Total revenue contributions to capital spend were £1,006,000. Of this £762,000 has been swapped with corporate capital receipts reserve funding in order to enhance revenue reserves. This sum does not represent additional funds merely a transfer between the capital and revenue element of general reserves in order to provide greater flexibility.
  6. A summary of the significant variances between the original forecast and the outturn position are set out below. **Annex 2** gives a detailed breakdown.
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**Education:** The decreases in spend are primarily due to the budget and resources for several high value property schemes, namely Kingstone, Fairfield and Weobley Sports Hall, now being profiled into 2005/06. Increased budgets relate to the site acquisition for the new Whitecross School under the PFI scheme and the funding of Weobley Science Labs.

**Social Care:** The spend has increased mainly due to the capitalisation of community equipment costs incurred in the year and the inclusion of ICT Development costs as detailed in the capital bid. These increases have been funded from Capital Reserves.

**Property:** Spend has increased mainly due to the inclusion of the purchase of Station Approach in Hereford which was funded by capital grant.

**P&F General:** Spend has increased due to the capitalisation of the Revenue and Benefits computer system. This was funded by a combination of revenue contribution and capital grant.

**ICT Services:** The increased spend is due to a combination of contract adjustments, decreasing spend on Network Enhancement and increased spend on the Herefordshire in Touch eGateway Phase 2 capital scheme funded by an increase in capital grant.

**Environment General:** Spend has increased mainly due to increased costs incurred on the Roman Road capital scheme. These increased costs are currently unfunded resulting in an overdrawn capital receipts reserve position of £875,000 in the Environment capital programme. The reserves position will be repaid from the Environment capital programme in future years.

**Social Development:** The spend for this area has decreased due to delays encountered on the building of the replacement swimming pool in North Herefordshire and delays due to waiting for confirmation of external funding towards the Ross Creative Learning Centre capital project.

**Economic Development:** Increased spend relates to the Leominster Industrial Access Road which is being funded from a combination of capital grants and capital receipts reserve, as previously reported to Cabinet. There is decreased expenditure on the Rotherwas match funding capital scheme while waiting for confirmation of external funding towards the cost of the Rotherwas Business Centre.

**Strategic Housing:** The original budget for Affordable Housing Grants included the cost of the purchase of Grange House and the former nursery site. These are Council assets therefore only a virement of funding was needed to correctly account for the transaction.

## CAPITAL OUTTURN 2004/05

Capital Programme Area	Original Budget	Original Budget after approval of Capital Bids	Outturn	Variance
	£'000	£'000	£'000	£'000
Education	7,014	7,014	5,746	(1,268)
Social Care	132	332	722	390
P&F – Property	402	702	2,568	1,866
P&F – General	25	29	941	912
ICT Services	127	1,147	1,919	772
Environment General	11,846	12,241	12,994	753
Social Development	2,467	2,834	2,209	(625)
Economic Development	4,092	4,547	3,001	(1,546)
Strategic Housing	5,633	5,833	3,098	(2,735)
Prudential Borrowing – £5,000,000 was to be allocated including £1,800,000 already allocated to Social Development, final allocation £4,741,000.	3,200	259	-	(259)
<b>Outturn</b>	<b>34,938</b>	<b>34,938</b>	<b>33,198</b>	<b>(1,740)</b>

## CAPITAL OUTTURN 2004/05 – BUDGET CHANGES

Capital Programme Area	Budget Increase	Budget Decrease	Reason - Slippage or Funded by
	£'000	£'000	
<b>Education</b>			
- Whitecross High School Site Acquisition	550		Funded by SCE(R)
- Kingstone High Sports Hall		(966)	Grant funded, drawn down after expended
- Fairfield High New Building		(460)	Funded by SCE(R)
- Weobley High Science Labs	449		Funded by SCE(R)
- Weobley Hall Sports Hall		(980)	Grant funded carried forward until 31/08/05
- Other (net)	139		
<b>Social Care</b>			
- Mental Health SCE(R)	91		Allocation of SCE(R) funding
- Community Equipment	119		Funded by revenue contribution
- ICT Development	151		Funded by capital receipts reserve
- Integrated Children's System	21		Allocation of grant funding
- Other (net)	8		
<b>P&amp;F - Property</b>			
- Purchase of Station Approach	1,989		Funded by grant
- Other (net)		(123)	
<b>P&amp;F – General</b>			
- CCTV in Ledbury	69		Funded by contribution from various bodies
- Revenue and Benefits system	692		Funded by grant and revenue contribution (swapped with capital receipts reserve)

- Garrick House SIP	128		Funded by capital receipts reserve and revenue contribution (swapped with capital receipts reserve)
- Other (net)	23		
<b>ICT Services</b>			
- Implementing Electronic Government Partnership	175		Funded by grant
- Flexible Working	114		Remainder of funding allocated to capital bid in 2003/04
- Network Enhancement		(676)	Successful capital bid funding carried forward into 2005/06
- eGateway	973		Funded by grant
- Other (net)	186		
<b>Environment General</b>			
- Local Transport Plan including Roman Road	735		Due to accelerated payments for the Roman Road capital scheme
- Other (net)	18		
<b>Social Development</b>			
- Replacement Swimming Pool		(515)	Project slippage into 2005/06
- Ross Creative Learning Centre		(117)	Awaiting external funding confirmation therefore carried forward into 2005/06.
- Other (net)	7		

<b><i>Economic Development</i></b>			
- Leominster Industrial Estate Access Road	960		Funded through grants, overspend funded by capital receipts reserve
- Match Funding Rotherwas		(1,913)	Awaiting external funding confirmation
- Hereford Shop Front Scheme		(50)	Funding carried forward into 2005/06 re late Prudential Borrowing allocations
- High Street & High Town		(145)	
- Victoria Foot Bridge		(100)	
- other (net)		(298)	
<b><i>Strategic Housing</i></b>			
- Affordable Housing Grant		(1,942)	Share of capital receipt transferred to corporate
- Learning Disability Development Fund		(240)	Funding carried forward into 2005/06
- Disabled Facilities Grant		(200)	Successful capital bid spend committed funding carried forward into 2005/06
- Other (net)		(353)	
<b><i>Prudential Borrowing budget decrease</i></b>		<b>(259)</b>	
<b>Outturn Variance</b>	<b>7,597</b>	<b>(9,337)</b>	