

**Wiltshire Council**

**Cabinet**

**19 October 2010**

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**Subject: Capital Budget Monitoring 2010-11**

**Cabinet Member: Councillor Fleur de Rhe-Philippe, Finance,  
Performance and Risk**

**Key Decision: No**

**Executive Summary**

The report reflects the position of the 2010-11 capital programme as at 31 August 2010.

The report also details budget changes which are to be noted by Cabinet.

**Proposal**

- a) To note the current position of the 2010-11 capital programme.
- b) Note the budget changes in section 1 of Appendix B

**Reasons for Proposals**

To inform cabinet of the current position of the 2010-11 capital programme and identify issues which need to be resolved as a result of cuts in funding from Central Government.

**Michael Hudson**

Interim Chief Finance Officer

## Wiltshire Council

### Cabinet

19 October 2010

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**Subject:** Capital Budget Monitoring 2010-11

**Cabinet Member:** Councillor Fleur de Rhe-Philippe  
Finance, Performance and Risk

**Key Decision:** No

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### Purpose of Report

1. To update Cabinet on the position of the Capital Programme as at 31 August 2010.

### Background

2. Since the last Cabinet meeting the budget has been adjusted as follows;

	£m	Notes
<b>2010-11 Capital budget (as per Cabinet 14th September 2010)</b>	<b>169.801</b>	
Budget adjustments awaiting Cabinet approval since July's meeting (CFO Delegations)	0.080	Net budget adjustments as detailed in Appendix B of this report.
Reduction in budgets to match cut in Central Government grant funding	(2.809)	Cabinet decision at September's meeting to manage cuts by a corresponding reduction in budget.
The addition of new Waste schemes to Capital Programme	0.400	Cabinet decision at September's meeting to approve scheme at Marlborough Household Recycling Centre
<b>Revised Capital budget 2010-11</b>	<b>167.472</b>	

### Summary of Current Position

3. The financial position of the 2010-11 capital budget is summarised below.

Department	2010-11 Budget £m	Actual Spend as at 31 August 2010 £m	Forecast Outturn £m	Full Year Projected Variance* £m
Children & Education	70.472	15.182	52.875	(17.597)
Resources	39.909	7.413	20.088	(19.821)
Neighbourhood & Planning	53.529	16.238	48.942	(4.587)
Community Services	3.563	0.195	2.554	(1.009)
<b>Total</b>	<b>167.472</b>	<b>39.028</b>	<b>124.459</b>	<b>(43.014)</b>

\* Underspends are shown in brackets

4. A breakdown of the position of schemes within the capital programme can be seen in appendix A.
5. The variance on the full year projection is £43.014 slippage, of which all relates to re-profiling of expenditure.
6. The Sure Start Early Years and Aiming High for Disabled Children (AHDC) capital schemes are funded by Central Government grant. Early indications are that the grants are likely to be cut as part of the Government spending reviews. No confirmation has been received regarding cut in grants but budget managers have reprioritised the commissioning of schemes to allow for anticipated budget cuts.
7. Comments on schemes which are forecasting a significant year end variance are included in the following paragraphs.
8. Various aspects of the **Additional Accommodation** scheme have been delayed due to unforeseen circumstances and the current economic climate and overall the project is currently showing a slippage of £5.204m. This relates to a need for the budget to be reprogrammed into 2011/12 with the main drivers detailed below:
- **Clarendon Tidworth scheme** – The project is linked to a Ministry of Defence (MOD) housing development which will provide additional S106 funds to joint fund the scheme. The MOD development has been delayed which in turn has delayed the start of the scheme.

- **Trafalgar scheme** – The project has been delayed as a result of a local consultation regarding the possibility of a private leisure facility being built adjacent to the school scheme. Tenders have now been submitted for the Council managed scheme but the majority of expenditure will now occur in 2011/12.
  - **Amesbury Archer Scheme** – The project is linked to a major housing development which will provide S106 funds to compliment the Council's resource in order to see the project completed. Due to the economic conditions, the housing development has experienced delays and so this has resulted in the scheme being delayed.
  - **Paxcroft Scheme** – The project is partly funded by S106 funds and due to economic conditions in the housing market and uncertainties around future build rates has meant the scheme has experienced delays.
9. The **Primary Capital Programme** scheme is currently projecting a slippage of £3.199m, all of which relates to the need for the scheme to be reprogrammed due to longer than anticipated consultation periods and the confirmation of Central Government grant funding. Schemes at Lydiard Millicent, Marlborough St Peters and Purton have been reassessed and now are likely to span across the 2010/11 and 2011/12 financial years.
  10. The **Target capital 14-19 Special Education Needs (SEN)** scheme is currently projecting a slippage of £4.815m, all of which relates to the need for scheme to be reprogrammed. The largest element of the budget is a scheme at Exeter House with an allocation of £5.00m. The project has experienced delays due to a SEN review which until results were confirmed did not detail the funding available to SEN projects in 2010/11. Now this has been finalised, the scheme can progress, but as a result it is likely most of expenditure will occur in 2011/12. The complex nature of scheme arising from the sensitivities associated with SEN schemes has contributed to pushing expenditure into future financial years.
  11. The **New Housing** scheme is currently projecting a slippage of £1.823m, all of which relates to the need for scheme to be reprogrammed. The largest element of the reprogramming relates to Pembroke Road Salisbury scheme which has experienced delays. Work was due to start on Site in March 2010 but this has been delayed until February 2011 due to issues with sale of the land to a developer. This has been resolved but the planning application for site is still be decided in October 2010, meaning a project commencement after this decision. As a result most of the expenditure will occur in 2011/12 financial year.
  12. The position of schemes are to be confirmed with budget managers and reprogrammed in future reports.

### **Main Considerations for the Council**

- a) To note the current financial position of the 2010-11 Capital Budget.
- b) To note the budget changes in section 1 of Appendix B.

### **Environmental Impact of the Proposal**

- 13. Wiltshire Council is preparing for its mandatory inclusion to the Carbon Reduction Commitment (CRC). The CRC is the UK's mandatory climate change and energy saving scheme, due to commence in April 2010. The objectives of the scheme are to improve energy efficiency and reduce carbon dioxide emissions. It's calculated that 79% of the Council's carbon footprint comes from energy use in buildings. Capital schemes therefore have the potential to greatly increase or decrease carbon emissions, for example schemes making council buildings more energy efficient will reduce the Council's carbon footprint.

### **Equality and Diversity Impact of the Proposal**

- 14. No equality and diversity issues have been identified arising from this report

### **Risk Assessment**

- 15. The capital budget for 2010-11 has a number of potential risks arising from cost overruns or lower than expected levels of capital receipts. Such issues will be highlighted as soon as they establish themselves through the monthly reporting process. Members may wish to bear in mind that the capital programme has been set for three years and therefore risks will be appraised over the whole period (2010-11 through to 2012-13).

### **Financial Implications**

- 16. These have been examined and are contained within the report.

### **Legal Implications**

- 17. There are no legal implications arising from this report.

### **Michael Hudson**

Interim Chief Finance Officer

Report Author: Lloyd Brown

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Unpublished documents relied upon in the preparation of this report: NONE  
Environmental impact of the recommendations contained in this report: NONE