

**Wiltshire Council**

**Cabinet**

**13 December 2016**

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Subject: **Capital Monitoring Period 7 2016/2017 (as at 31 October 2016)**

Cabinet member: **Councillor Dick Tonge - Finance**

Key Decision: **No**

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**Executive Summary**

The report details changes to the budget made since the 2016/2017 budget was set in February 2016 over and above the changes detailed in the Period 4 report.

The report reflects the position of the 2016/2017 spend against budget as at Period 7 (as at 31 October 2016).

**Proposal**

To note the budget movements undertaken to the capital programme shown in appendices A and B; including reprogramming of £43.635 million between 2016/2017 and 2017/2018.

To also note the position of the capital programme in Appendix A.

**Reason for Proposals**

To inform Cabinet of the position of the 2016/2017 capital programme as at Period 7 (31 October 2016), including highlighting any budget changes.

**Michael Hudson** Associate Director Finance

## **Wiltshire Council**

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### **Purpose of Report**

1. To inform Cabinet on the position of the 2016/2017 Capital Programme, as at Period 7 (31 October 2016), including highlighting budget changes. A budget monitoring report to members is taken to Cabinet Capital Assets Committee quarterly in September, December, February and June. This report focuses on major variations in budget.

### **Budget Movements**

2. The original budget for 2016/2017 was presented to the Council as part of the budget meeting on 23 February 2016. Since that date there have been a number of changes to the budget for 2016/2017, largely due to reprogramming of budget from 2015/2016 and to 2017/2018; but also to reflect additional funding being available. The changes to the budget since it was last amended in the Budget Setting report are summarised in the table that follows, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix A.

**Breakdown of Budget Amendments from Period 4 Budget to Period 7 Budget (as at 31 October 2016)**

	<b>£m</b>	<b>Notes</b>
<b>Budget Period 4 2016/2017</b>	<b>171.145</b>	
<b>Additions/amendments to the Capital Programme 2016/2017 since Period 4 Budget</b>		
<b>Additional Budgets added to Programme</b>	<b>1.948</b>	See Appendix A and B section 1 for further details
<b>Reduced Budgets</b>	<b>(0.373)</b>	See Appendix A for further details
<b>Budgets reprogrammed from 2016/2017 into 2017/2018</b>	<b>(43.635)</b>	See Appendices A and B section 2 for further details
<b>Current Budget 2016/2017</b>	<b>129.085</b>	

3. The budget additions shown above largely reflect increases in funding being available and brought into the programme under the Chief Financial Officer delegated authority. They largely comprise of additional grants from Central Government, Section 106 contributions and other contributions used to finance capital spend within the capital programme. Further information on the budget movements at an individual scheme level is shown in Appendix A and in further detail in Appendix B.
4. As part of this report the programme has been reduced by £0.373 million to reflect changes to the approved capital budgets within the revenue provision (interest and capital repayment) of £23.999 million; commentary on these amounts is given in Appendix C.
5. The budgets that have been reprogrammed into 2017/2018 are shown in further detail in Appendices A and B, with the higher value amounts also explained in the narrative for schemes in Appendix C.

## Summary of Position as at 31 October 2016

6. The current budget for the year 2016/2017 is £129.085 million. Actual spend on schemes as at 31 October 2016 was £44.035 million. A full breakdown of these figures is attached in Appendix A.
7. At present Highways Structural Maintenance forecast an overspend of £3.600 million. This has been due to the good weather that has enabled more work to be carried out in a cost effective way. A review is being carried out to schedule the next phase which will be reported in the next report. There are no other anticipated significantly overspending schemes.
8. Capital Financing is currently projecting to be balanced, which is a £2.000 million improvement since Period 4. This has been achieved through a review and reprioritisation of spend, profile of spend and continued sound management of the Council's investment and borrowings.
9. The Corporate Leadership Team has reviewed an amended capital programme covering the next four years which brings the programme back into affordability. This will reflect the reality of the four year offer agreed with government and the need to make significant additional revenue savings.
10. In line with this review some larger programmes have been slowed down to allow the review to take place. This is to ensure that decisions can be taken to address the affordability issues and is in part why the Actual spend to date is low.
11. Included within the programme are also significant schemes that are programmed for the latter part of the year, these include ICT Schemes which includes funding for Windows 10 laptop refresh, Schools Basic Need and Maintenance and Modernisation schemes, Local Growth Fund Scheme Porton Science Park.
12. Significant reprogramming has taken place between 2016/2017 and 2017/2018 in this report on Health & Wellbeing Centres (£10.957 million) and the Council House Build Programme (£20.676 million). This is to reflect the anticipated spend levels in 2016. Both programmes of work are under review with papers to be presented to Cabinet in 2017 which will confirm the schemes to be funded and profiles of spend going forward.
13. Further information on the movements undertaken and the final position of some of the larger schemes is set out in Appendix C, along with updates on the capital receipts received during 2016/2017.

## **Risks Assessment**

14. The capital budget for 2016/2017, as detailed in this report, has been revised to £129.085 million. Within any capital programme there are a number of potential risks such as from cost overruns or lower than expected levels of capital receipts. Such issues will be highlighted as soon as they establish themselves through the quarterly reporting process. Members may wish to bear in mind that the capital programme has been set for four years and therefore risks will be appraised over the whole period.

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

15. None have been identified as arising directly from this report.

## **Financial Implications**

16. This is a report from the Chief Finance Officer and the financial implications are discussed in the detail of this report.

## **Legal Implications**

17. None have been identified as arising directly from this report.

## **Public Health Implications**

18. None have been identified as arising directly from this report.

## **Environmental Implications**

19. Wiltshire Council is now included in the Carbon Reduction Commitment (CRC); the UK's mandatory climate change and energy saving scheme. The objectives of the scheme are to improve energy efficiency and reduce carbon dioxide emissions. It is 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. There are no direct impacts of this report, however there are a number of schemes in the capital programme that are planned to enable energy efficiency benefits for the council.

## **Safeguarding Implications**

20. None have been identified as arising directly from this report.

## **Proposals**

21. To note the budget movements undertaken to the capital programme shown in appendices A and B; including reprogramming of £43.635 million between 2016/2017 and 2017/2018.

To also note the position of the capital programme in Appendix A.

## **Background Papers and Consultation**

None

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### **Appendices:**

- Appendix A – 2016/2017 Capital Programme Budget Movements and spend to 31 October 2016
- Appendix B – Delegated authority for budget movements
- Appendix C – Narrative on specific schemes