

Wiltshire Council

Cabinet Capital Asset Committee

22 January 2013

Subject: Capital Monitoring Month 8 Report 2012/2013

**Cabinet member: Councillor John Brady
Finance, Performance and Risk**

Key Decision: No

Executive Summary

The report reflects the position of the 2012/2013 Capital Programme as at 30 November 2012.

The report also details changes to the budget made since the previous monitoring reports, which are to be noted by Cabinet.

Proposal

- a. Note the budget movements undertaken to the capital programme in Appendix A, including reprogramming of expenditure of £18.025 million into 2013/2014.
- b. Note total budget increases of £0.389 million as shown in Appendix B.
- c. Note the current spend against the budget to date in Appendix A.

Reasons for Proposals

To inform Cabinet of the current position of the 2012/2013 capital programme and highlight changes and note budget reprogramming into 2013/2014.

Michael Hudson Service Director Finance

Wiltshire Council

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Purpose of Report

1. To update Cabinet on the position of the 2012/2013 Capital Programme as at 30 November 2012, note budget changes and note reprogramming of expenditure into 2013/2014.

Budget movements

2. The revised budget for month 6 was presented to the Cabinet Capital Assets committee (CCAC) at the meeting on 6 November 2012. Movements since this date are detailed in the table below. A fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix A.

Breakdown of Budget amendments from Month 6 to Month 8 Budget

	£m	Notes
Month 6 Capital programme budget (reported to CCAC 6 November 2012)	110.439	
Additions/amendments to the capital programme 2012/2013 since Month 6 budget monitoring		
Month 8 additional budgets added to the programme	0.389	See appendix A and B for further details
Budgets reprogrammed into 2013/2014	(18.025)	See appendix A and B for further details
Current Capital budget Month 8 2012/2013	92.803	

3. The month 8 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 additional Section 106 deposits being used to finance capital spend or additional grants being received to be used within the capital programme. Further information at a scheme by scheme level is shown in appendix A and in further detail in appendix B.

4. The budgets that have been reprogrammed into 2013/2014 are shown in further detail in appendix A and B and are also shown in the narrative for schemes below.

Summary of Current Position as at 30 November 2012

5. The current budget for the year 2012/2013 is £92.803 million. As at 30 November 2012 the actual spend plus the commitments raised to date was £54.446 million (59% spend compared to current budget). A full breakdown of these figures is attached in Appendix A.
6. Further information on the current progress of some of the schemes being undertaken is set out below.

Education schemes

7. Additional Accommodation schemes comprise a number of individual extension schemes to ensure schools can provide enough places for pupils. Budget has now been allocated to 27 individual projects with major works progressing at Downton Trafalgar, Paxcroft Primary and Tidworth Clarendon. Reprogramming of £4.034 million has taken place in this report to match the current expected progress of ongoing schemes and those in the pipeline. This includes £3.500 million for forthcoming schemes in order to meet expected large numbers of new students entering reception, with numbers peaking in 2014/2015 as identified in the schools organisation plan. It also includes £0.294 million for works at Tidworth Clarendon and £0.160 million for works at Pewsey Primary.
8. Schools Maintenance and Modernisation (formerly New Deals for Schools) schemes are many individual projects across the schools in the county to fund high priority condition works such as roof replacements, rewiring and window replacements. Large Modernisation projects are underway and due to complete in 2012/2013 at Sambourne and Warminster St John's, along with high value maintenance work at Downland School (re-wiring) and Avon Valley College (re-roofing). A total of £0.500 million has been reprogrammed in this report relating to various maintenance projects identified at schools which will take place in 2013/2014.
9. Access & Inclusion schemes are individual projects aimed at making schools more accessible to disabled pupils by providing modifications, lifts, ramps, toilets etc. Feasibility studies are now underway for investment into special schools which will identify further individual schemes to fund. In order to match the planned expenditure in this area reprogramming of £0.350 million has taken place in this report.
10. DCSF Targeted Capital 14-19 SEN schemes. The majority of this budget relates to a large extension and refurbishment of Exeter House Special School; works are now complete and the final account due to be determined. Other schemes in this area include major works at Devizes School and Wiltshire College. Due to delays with planning permission

on the project at Devizes School reprogramming of £0.650 million into 2013/2014 has taken place in this report.

11. Other Projects New Schools. The majority of budget allocated to New Schools has already been reprogrammed into 2013/2014 with a further £0.770 million taking place in this report. This is in order to match the anticipated spend profile of the projects with most due to open in September 2014 and construction beginning in 2013/2014. Projects include new schools in East Trowbridge and Tidworth where preparation work has already begun. £0.500 million has been reprogrammed for Clackers Brook Primary School and £0.270 million for a new project, Ridgeway Farm School.

Highways schemes

12. Highways schemes are currently on track with no expected variation against the budget of £19.738 million. Project budgets have been allocated into the numerous individual schemes within these budget headings. Schemes under way in this area include a number of major local transport improvement cycle schemes within the integrated transport area, along with the major surface dressing, micro asphaltting and bridges and junction repairs within the Structural Maintenance and Bridges areas. In this report £0.100 million has been allocated from the Integrated Transport budget to support the Local Sustainable Transport Fund Rail bid (Improving Wiltshire's Rail offer) which will receive grant funding from DfT in 2012/2013 and future years.
13. Of the £3.250 million allocated to Bridges; major schemes are underway at Enford Bridge (£0.482 million) and Whaddon Canal Bridge (£0.215 million) with major work due to begin at Seend Station (£0.310 million). £5.185 million of the Structural Maintenance budget is allocated to Surface and Surface Dressing schemes with the majority of schemes now complete across the county and sites being identified for future years.

Campus and Operational Delivery (CAOD) schemes

14. The remaining works on the Hub Programme include the Phase 2 County Hall and the remodelling works at Monkton Park, both of which are anticipated to require significant costs during 2013/2014, therefore £6.000 million has been reprogrammed into the next financial year to meet this planned expenditure.
15. The proposals for the second tranche of Campuses were taken to Cabinet on 23 October 2012. The majority of the additional spend is phased in later years so will be added to the Capital programme as part of the 2013/2014 budget setting report. A review of the progress against the first tranche of schemes has highlighted £1.500 million of

reprogramming largely because the start on site at Corsham is now expected to be in February 2013.

16. The progress of the Salisbury Vision Market Place scheme has been reviewed following on from its adoption into the COAD budgets in the previous monitoring report. As expected a total of £1.150 million has been reprogrammed into 2013/2014 to reflect when work is likely to be completed.

Housing schemes

17. Disabled Facilities Grants are statutory grant payments paid to individual households to enable improvements such as stair lifts, disabled showers etc. Actual spend on this area as at end of November 2012 is £1.550 million against the revised budget of £2.220 million. The remainder of the budget is planned to be spent during 2012/2013. The government has recently announced additional grant of £0.322 million which is the subject of an additional paper on this agenda. This funding if allocated into this area would not be spent during 2012/2013 due to the lack of time before year end, so would be added to the 2013/2014 budget.
18. The line formally reported as Corporate Other Housing Grants has been separated out into three component areas.
19. Other Housing Grants are small grants in the Private housing sector and involves payments for households for re wiring, supplying heating systems and energy efficiency schemes etc. £1.000 million has been identified for reprogramming into future financial years to match the planned expenditure.
20. Affordable Housing schemes are dependent on future papers being brought to Cabinet Capital Assets Committee in the near future. It is not anticipated that the full budget will be required in 2012/2013, therefore £0.500 million was reprogrammed into 2013/2014 as mentioned in the last report. In Month 8 some additional budget funded from Commuted sums from developers was added into this area to cover schemes in 2012/2013 for the projects at Lambroke Road in Warminster and Portway/Epping Close in Warminster.
21. Gypsies and Travellers schemes are well underway. This area has 2 elements; firstly the new build scheme where the actual spend as at the end of November 2012 was £0.177 million against the budget of £0.250 million. The majority of the spend being the purchase of additional land at the Thingley site. There is a budget of £3.552 million in 2013/2014 to fully redevelop the five sites. There is also an additional budget for Health and Safety works shown in this line which is separate to the new conversion project. The budget for this is £0.090 million and so far spend on this area is £0.068 million with a plan to spend the remainder of the budget by the end of 2012/2013.

22. A report was taken to cabinet on 6 November 2012 for approval to sign five separate contracts for the delivery of repairs, maintenance and improvements for Council Housing stock as part of the Housing Revenue Account Budget line. These five new contracts are likely to begin fully during 2013/2014 and have authorised a combined Revenue and Capital expenditure of £61.000 million over the next five years. Capital budget was reprogrammed as part of the month 6 report to reflect that costs relating to the enhanced contracts will not begin until 2013/2014. The remaining lower budget in 2012/2013 is expected to be fully spent.

Waste Schemes

23. Waste Transformation schemes as detailed in the previous reports are well advanced, spend so far in 2012/2013 is £0.316 million on the combined waste budgets which has been spent on items including £0.076 million on recycling boxes, and £0.238 million on the purchase of new wheelie bins. Planned expenditure for the remaining budget in 2012/2013 includes £0.067 million for recycling boxes and food digesters, plus a further £0.055 million has been allocated for additional black boxes. To enable this, a transfer of £0.142 million between the two waste areas has been actioned. In addition to this as per previous monitoring reports further budget of £0.156 million is allocated for Solar panels for the Mechanical Biological Treatment (MBT) Plant in Westbury. The HRC Projects at Marlborough and Warminster are now finalised and remaining budgets have been reallocated to other waste schemes. Future budget allocations from the remainder of the waste transformation budget include security works to fence a hard standing area of the depot at Wyle in Salisbury. Also £0.025 million is planned for the purchase of radio communication for vehicles to complete the fit out of the fleet.

Other schemes

24. Revenue & Benefits IT system. The remaining budget as at end November 2012 is £0.137 million, £0.065 million has been committed for a module to deal with the Council Tax reduction. This spend will be paid in advance during 2012/2013 rather than spread over two years to take advantage of a significant discount. In addition to this a further £0.024 million will be needed to purchase the Northgate Social fund administration module which again will be purchased in advance with a discount. A further £0.050 million is earmarked for the purchase of additional mobile devices, this amount is now not anticipated to be spent during 2012/2013 and will be reprogrammed into 2013/2014. As per the month 6 report the project is showing an overall saving of £0.050 million which has now been confirmed and will be removed from the programme as part of the month 10 report.

25. Planning IT System is on course for delivery and is planned to be fully operational by the end of March 2013. So far £0.534 million has been spent and committed against the budget of £0.866 million. The remaining is earmarked for instance to be spent on a requirement for additional licences for increased numbers of staff during 2012/2013.
26. Area Board grants are funds which are allocated to the Area Boards to support small local schemes. Since the previous report in month 6 sums have been allocated to various additional schemes such as a new footpath in Pewsey, the refurbishment of the stadium in Mere, and the resurfacing of a playground also in Mere. The budget has been allocated to schemes following approval by the Area Boards and the total actual spend for 2012/2013 as at the end of month 8 was £0.263 million with a total budget of £0.715 million. Reprogramming of £0.150 million into 2012/2013 has taken place in this report in order to match when the payment of the grants is likely to take place.
27. Cross departmental initiatives include allocations for further corporate systems improvements. It is not anticipated that the full budget will be required in 2012/2013; therefore £0.250 million has been reprogrammed into 2013/2014.
28. Wiltshire Online (formerly Digital Inclusion) aims to invest in Wiltshire's infrastructure by providing superfast broadband to between 85 and 95 percent of the county for the benefit of Wiltshire's businesses and communities. Following evaluation of tenders, BT has now been selected as the Council's preferred provider with the contract due to be signed in January 2013. A total budget of £20.660 million for the project has been agreed with the majority of work progressing in 2013/2014. Reprogramming of £1.000 million into 2013/2014 has taken place in this report to reflect the current anticipated spend profile of the project.

Funding of Capital Programme

29. The capital programme is funded by 3 principal sources; grants and contributions, capital receipts and borrowing.
30. Grants and contributions fund the largest proportion of the programme, it is expected that around £50.000 million of grants and contributions will be available either received in 2012/2013 or received in previous years and held over to fund expenditure in 2012/2013. Some smaller grants and contributions are often not announced in advance of the year and so are added to the programme through the monitoring reports under the Director of Finance delegated authority. These additions are broken down in Appendix B of each report.
31. Since the last monitoring report the Council has received an additional £3.700 million which includes the remaining balance for the sales of 37 Endless Street in Salisbury, Dasletts Cottage in Salisbury, Pembroke

Park School in Salisbury, and the sale of Malmesbury School. As at the end of November 2012 the total of Capital receipts income has risen to £7.400 million. The target for the year is £10.000 million and the Council is on course for achieving (and hopefully exceeding) this target. Planned future sales include the Order of St John care home (Coombe End Court) in Marlborough, the Mansion house and Library in Corsham, and a number of office sales such as Bedwin Street in Salisbury and Wootton Bassett depot. In addition there are a number of farm sales due such as Buryhill farm in Braydon and Oxhouse farm in Rowde, plus a number of other smaller receipts due before the end of 2012/2013.

32. Additional Capital receipts are received under the Housing Revenue Account Right to Buy (RTB) scheme. Although the Council has currently received £0.233 million under the RTB scheme, around 50 - 75% of this receipt is pooled and then paid over to the government for reallocation. The details of this scheme have changed during 12/13 and higher discounts of up to £0.075 million per property are now available. Additional sums generated from increased sales can be reinvested into affordable housing schemes, but at present take up is not sufficient to have generated a large amount of additional resource. Further briefings on this area will be provided if the additional resource generated is significant. So far during the year 8 properties on the Right to Buy scheme have been sold which is higher than previous years. There are a number of likely sales in the pipeline before the end of the financial year.
33. Borrowing is the final source of funding for the capital programme. The revenue costs involved in borrowing on repaying the principal and the interest charges amount to approximately 10% of the amount of borrowing undertaken. The optimal mix of using receipts, grants and other sources to fund schemes is undertaken before borrowing is considered to minimise the revenue costs of borrowing.

Proposals

34. To note the general budget additions for grants and revenue contributions of £0.389 million per Appendix B and note the Month 8 position of the Capital Programme in Appendix A. Also note the reprogramming of £18.025 million between 2012/2013 and 2013/2014.

Environmental Impact of the Proposal

35. Wiltshire Council is preparing for its mandatory inclusion 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. The budget setting process for 2011/2012 assessed the perceived impact of schemes on the Council's carbon footprint and built this into the mechanism for setting the 2012/2013 budget.

Equality and Diversity Impact of the Proposal

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

Risk Assessment

37. The capital budget for 2012/2013, as detailed in this report, has been revised to approximately £93 million. Within this 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 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.

Financial Implications

38. These have been examined and are implicit throughout the report

Legal Implications

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

Michael Hudson
Service Director Finance

Report Author: Stephen MacDonald, Principal Accountant (Capital).

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