

**Wiltshire Council**

**Cabinet**

**13 September 2016**

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Subject: **Capital Monitoring Period 4 2016/2017 (as at 31 July 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.

The report reflects the position of the 2016/2017 spend against budget as at Period 4 (as at 31 July 2016).

**Proposal**

To note the budget movements undertaken to the capital programme shown in appendices A and B.

To also note the reprogramming of £0.278 million between 2016/2017 and 2017/2018.

**Reason for Proposals**

To inform Cabinet of the position of the 2016/2017 capital programme as at Period 4 (31 July 2016), including highlighting any budget changes.

**Michael Hudson** Associate Director Finance

## **Wiltshire Council**

### **Cabinet**

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### **Purpose of Report**

1. To inform Cabinet on the position of the 2016/2017 Capital Programme, as at Period 4 (31 July 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 Original Budget to Period 4 Budget (as at 31 July 2016)**

	<b>£m</b>	<b>Notes</b>
<b>Original Capital Programme Budget (reported to Council 23 Feb 2016)</b>	<b>154.252</b>	
<b>Additions/amendments to the Capital Programme 2016/2017 since Original Budget Setting</b>		
<b>Outturn 2015/16 Budgets reprogrammed into 2016/2017</b>	<b>9.760</b>	See Appendix A for further details
<b>Additional Budgets added to Programme</b>	<b>8.351</b>	See Appendix A and B section 1 for further details
<b>Grant Amendments</b>	<b>0.074</b>	See Appendix A for further details
<b>Reduced Budgets</b>	<b>(1.570)</b>	See Appendix A for further details
<b>Budgets reprogrammed from 2016/2017 into 2017/2018</b>	<b>0.278</b>	See Appendices A and B section 2 for further details
<b>Current Budget 2016/2017</b>	<b>171.145</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 £1.570 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 July 2016**

6. The current budget for the year 2016/2017 is £171.145 million. Actual spend on schemes as at 31 July 2016 was £22.644 million. A full breakdown of these figures is attached in Appendix A.
7. At present there are no anticipated significantly overspending schemes.
8. The £9.760 million of reprogramming from 2015/2016 to 2016/2017 includes a draw forward of £4.000 million of Structural Maintenance funding to cover spend incurred completing works in advance of schedule.
9. The capital financing revenue budget at Month 4, 31 July 2016 shows an overspend of £2 million. The Corporate Leadership Team are reviewing the capital programme over the next four years focusing on the areas funded by our own resources to bring the programme back into affordability.
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. The budget currently shown for the Council House Build Programme is the original budget for 2016/2017 and the slippage from 2015/2016. Following the decision to seek re-approval for the programme in 2015-16 Housing Services are currently reviewing the profile over the whole programme and this will be amended in the next report. This programme does not impact on the capital financing revenue budget as it is financed by HRA and grants and contributions.
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 £171.145 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.

To also note the reprogramming of £0.278 million between 2016/2017 and 2017/2018.

## **Background Papers and Consultation**

None

### **Contact Name:**

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## **Appendices:**

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