

Wiltshire Council

Cabinet Capital Asset Committee

18 January 2012

Subject: Capital Monitoring Period 8 (November) 2011/2012

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

Key Decision: No

Executive Summary

The report reflects the position of the 2011/2012 Capital Programme as at 30 November 2011.

The report also details changes to the budget such as reprogramming of schemes which are to be noted by Cabinet. There is also a change to reflect the purchase of E Recruitment Software which requires approval by Council following recommendation to Cabinet.

Proposal

- a. Note the current position of the capital programme as at Period 8 in Appendix A.
- b. Note total budget increases of £0.528 million and the £0.620 million reprogramming of spend between 2011/2012 and 2012/2013.
- c. Recommend to Council, via Cabinet the approval of £0.085m of additional budget for E Recruitment Software to be funded from general capital receipts.

Reasons for Proposals

To inform cabinet of the current position of the 2011/2012 capital programme and to highlight changes in the capital programme.

Michael Hudson Director of Finance

Wiltshire Council

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Purpose of Report

1. To update Cabinet on the position of the 2011/12 Capital Programme as at 30 November 2011 and note budget changes and reprogramming of expenditure, and to recommend to Council unfunded budget additions.

Budget movements

2. Between the Period 6 monitoring report presented to the CCAC at the meeting on 15 November and this Period 8 monitoring report, the budget is proposed to be adjusted as detailed in the table below.

	£m	Notes
Capital budget as per CCAC Period 6 monitoring report (15 November 2011)	114.330	
Additions/amendments to the capital programme 2011/2012 since Period 6 monitoring report		
E Recruitment Software additional expenditure	0.085	See below for further explanation.
Other Additional budgets	0.443	See below and Appendix A & B for further explanation.
Reprogramming adjustments between 2011/2012 and 2012/2013	0.620	See Appendix A & B
Total movements in Period	1.148	
Proposed Revised Capital budget 2011/12	115.478	

3. E Recruitment software has been procured in order to provide the authority with an easier, cheaper and faster solution to recruitment. This system is also to provide functionality to support redeployment, and online testing to support managers in making the best recruitment decisions. Initially this procurement was planned to be financed out of revenue budgets but given the recent reprogramming there is scope within the programme to capitalise this expenditure and ease the pressure on the Revenue budget. An additional £0.085 million budget is therefore requested to be recommended to Council, via Cabinet in order to capitalise this item. As the software has been procured with a short asset life this will be financed by adjusting the overall financing, using capital receipts to minimise the revenue cost of borrowing.
4. Other budget increases of £0.443 million are detailed in Appendix A and B. These are undertaken under delegated authority by the Director of Finance. They primarily relate to additional funding being made available during the year for instance additional grant or Section 106 Developer contributions.
5. In addition to the above there have been budget movements between schemes which are also detailed in Appendix A. There is no additional budget required in these movements.

Summary of Current Position as at 30 November 2011

6. The revised budget proposed for the year 2011/2012 is £115.478 million. As at 30 November the actual spend plus commitments made was £82.283 million (71% of spend to date). A full breakdown of these figures is attached in Appendix A.
7. Some further reprogramming of schemes into 2012/2013 has been undertaken in addition to the major reprogramming undertaken in the previous monitoring statement. This is shown in Appendix A. Further details and updates regarding some of the larger schemes currently being undertaken are below.

Education schemes

8. Wellington Academy is currently showing a minor overspend due to outstanding open commitments to finish the project. The final account for this project is yet to be completed so this is not the projected outturn position. Further examination of the project is being undertaken by officers and the project manager in time for the Month 10 budget monitoring report, where the final position will be known. It is currently anticipated that the outturn will be online to budget.
9. Sarum Academy. As detailed in the previous monitoring report it is currently anticipated that work will begin on site in February 2012 therefore the majority of the costs of this scheme will be incurred in 2012/2013. A full cashflow forecast has now been developed which has

further changed the spending profile from last period. This means an additional £0.459 million has been reprogrammed into 2012/2013 to match the new anticipated spending pattern.

10. Additional Accommodation schemes comprise 26 individual extension projects across the county. A seven class extension has now started on site at Amesbury Archer School. Subject to the progress of housing developments which have yet to start, £2.000 million of the budget is earmarked to contribute to building new schools. Eight further projects with planned costs of £6.500 million are at the design/planning application stage so spending is likely to commence towards the end of the financial year. As previously indicated in the previous monitoring reports much of the planned expenditure is now due to be spent during 2012/2013, therefore an additional £0.810 million has been reprogrammed from 2011/2012 into 2012/2013.
11. New Deals for Schools (NDS) schemes are to fund high priority condition works including roof replacements, rewiring and window replacements. Budgets have also been allocated to replace Pratton blocks at schools in Warminster which are currently at the design stage, with work on these sites planned to begin in January. In the period 6 report, £3.982 million was reprogrammed into 2012/2013, to match the likely spending pattern of some of the schemes. On further examination of the schemes currently in progress some are more advanced than previously thought so £0.687 million of the amount previously reprogrammed has been brought back from 2012/2013 into 2011/2012.
12. DCSF Targeted capital 14–19 Special education needs. These schemes are to improve special education needs delivery by building new extensions and altering existing sites. £5.000 million of the budget is allocated to Exeter House Special School which is providing an extension and major refurbishment. This project is experiencing some delays caused by land acquisition issues but it is currently anticipated that will be largely spent during 2011/2012. The Scheme at Wiltshire College is on target to complete during 2011/2012 but there have been some delays to the scheme at Devizes School, which means £0.700 million has been reprogrammed into 2012/2013 to match the revised spending profile.
13. Other Projects New Schools. Old Sarum Primary has been completed and opened in September and a new school in Devizes is also under construction. The local housing scheme in East Trowbridge is now under way allowing the scheme for the new school there to progress, with the first payment to the contractor now due this financial year. This project has moved forward quicker than expected therefore £0.650 million of previously reprogrammed budget has been brought back into 2011/2012 to match the planned expenditure profile.
14. Other Schools Projects – Expansions and Replacements. These schemes are to provide expanded capacity at schools by provision of

new classrooms and blocks etc. Major schemes are underway and on schedule to complete in 2011/2012 at Clarendon College and Westbury Junior School. Other major schemes at Monkton Park Primary School, Devizes School, and some minor schemes are not now due to complete until 2012/2013. Therefore reprogramming of £0.815 million of budget into 2012/2013 has been actioned to match the planned expenditure profile

15. In addition to the above there have been other minor reprogramming of Education schemes which are detailed in Appendix A. All other education schemes are currently anticipated to be online against budget.

Highways schemes

16. Integrated Transport schemes budget has been allocated across many individual schemes and it is anticipated that there will be no variations to budget at year end. Schemes in progress include Melksham Town Centre – phase 4 (£0.360 million) plus a number of local safety schemes and the Area Board discretionary highways budget.
17. Bridges Schemes have been allocated fully to schemes. Major Bridge work is progressing well at Clatford, Dauntsey, Haxton and Tidworth. Significant expenditure has been allocated to road over rail conversions with the majority of the expenditure anticipated to be spent in early 2012. A potential scheme at Whaddon Canal Bridget may now be delayed until 2012/2013. As much of the expenditure has been programmed to occur early in 2012 this area is being closely monitored but at present it is anticipated that spend will be online against budget at year end.
18. Major Structural Maintenance schemes. £4.600 million of budget has been allocated to surfacing and surface dressing schemes. Many surfacing schemes are now complete with road markings now taking place. The major scheme at junction 16 and 17 of the M4 is progressing well with J17 completed and the final account being agreed. Drainage investigations are progressing well with much of the spend on repairs programmed to be spent in early 2012. Some schemes are currently being examined and may be pushed back into the 2012/2013 year. As a large proportion of the budget is still to be spent this area is under close observation but at present is expected to be online against budget at year end, with only minor variations at year end.
19. All other Highways schemes are currently anticipated to be on line with no major variations at year end with the exception of the Highways vehicles budgets. This budget is currently running over spent due to the purchase of additional street cleaning vehicles. Further work examining spend on vehicles in this area, and the overall spend on vehicles across the capital programme is currently being undertaken. This is in order to review all funding sources and ensure the complete schedule of vehicles to be replaced are built into the budget in time for the February budget setting report.

Campus and Operational Delivery (CAOD) schemes

20. Budgets within CAOD have been separated into their separate workstreams for clarity as shown in Appendix A.
21. The County Hall MECH scheme is still progressing well and the site is due to be opening during 2012. The costs incurred to date are slightly behind profiled budget however the forecast for the end of the year is expected to be on target with the original estimates.
22. Other projects within the operational (Hub) element of the Transformation programme are being reviewed and it is anticipated that minimal spend will be incurred in 2011/2012, reprogramming of this area was undertaken in the month 6 report.
23. ICT expenditure has been reprogrammed bringing budget forward from 2012/2013 into 2011/2012. This is to allow work to continue at an accelerated pace to ensure that all the necessary ICT infrastructure is in place to deliver the rest of the Transformation programme. This means a reprogramming of expenditure of £2.100 million from 2012/2013 into 2011/2012 has been undertaken in this report.
24. The majority of the budget for Campus projects was reprogrammed into 2012/2013 in the month 6 report. A paper was taken to Cabinet in December on the three pilot campuses Salisbury, Corsham and Melksham. The budget setting report for 2012/2013 will cover any reprogramming and detail funding requirements in future years.

Housing schemes

25. Disabled Facilities grants are small grants given to enable private householders to undertake improvements to their properties. In previous monitoring reports amounts have been reprogrammed into 2012/2013 and against the current budget the schemes are progressing well, however further reprogramming may be required into 2012/2013 which will be confirmed in the next budget monitoring report.
26. Corporate Other Housing Grants. Previous monitoring reports have highlighted reprogramming of expenditure into 2012/2013 and it is currently anticipated that there will be more reprogramming required in the next monitoring report particularly in the Affordable Housing and Private Sector Housing schemes. This will be confirmed and actioned as part of the month 10 report in February.
27. New Housing. Four of the five schemes in this project are now complete and tenants have moved into the sites. Retentions and final payments are to be arranged at these sites but it appears the project spend is lower than was budgeted. Pembroke Road Salisbury is still being worked on and is due to be completed in March 2012. Initial projections are that this scheme will be completed on line to budget. Overall for the new

housing scheme budget managers are anticipating that the budget will underspend by around £0.700 million which can therefore be returned to the centre. Underspending schemes which have potential for returning budgets to the centre will be considered in the Month 10 report. This will enable the budgets to align with the 2012/2013 capital budget setting report which will also be presented in February.

Waste Schemes

28. Waste schemes as detailed in the previous reports are well advanced and are anticipated to be fully spent with a potential small saving on the budget at year end.

Other schemes

29. Revenue & Benefits IT system. The software for this scheme has been bought and installed and the system went live on the 28th November. The scheme is now nearing completion but final accounts have not been completed. It is currently anticipated that spend to be broadly on line to budget.

Proposals

30. To note the general budget additions that are largely grant funded of £0.443 million, the net reprogramming of £0.620 million between 2011/2012 and 2012/2013, and the Period 8 position of the 2011/2012 Capital Programme. Also to recommend to Council, via Cabinet, the approval of the £0.085 million additional budget required for the E Recruitment Software.

Environmental Impact of the Proposal

31. 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 the 2011/2012 assessed the perceived impact of schemes on the Council's carbon footprint and built this into the mechanism for setting the 2011/2012 budget.

Equality and Diversity Impact of the Proposal

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

Risk Assessment

33. The capital budget for 2011/2012, as detailed in this report, has been revised to approximately £115 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

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

Legal Implications

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

Michael Hudson
Director of Finance

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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