

**WILTSHIRE COUNCIL
CABINET**

26 JANUARY 2010

CAPITAL BUDGET MONITORING: APRIL TO NOVEMBER 2009

Cabinet Member: Councillor Fleur de Rhe Philipe, Finance, Performance and Risk

Executive Summary

The report reflects the position on the Capital Budget as at the end of November 2009.

There is a projected variation of £7.913m against the full year budget for 2009/10.

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

Proposal

- a.) To note the current financial position of the 2009/10 Capital Budget
- b.) To note the budget changes in sections 1 and 2 of Appendix B

Reasons for Proposals

To inform cabinet of the current financial position of the 2009/10 capital budget and to identify schemes within the programme where expenditure is not progressing as anticipated.

MARTIN DONOVAN
Chief Finance Officer

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Purpose of Report

1. To update Cabinet of the position of the Capital Programme after 9 months (1st April 2009 to 30th November 2009) of the 2009/10 financial year.

Background

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

	£m	Notes
Capital budget (as at 24th November 2009)	140.757	
<i>Budget amendments;</i>		
Budget adjustments approved at last Cabinet meeting (CFO Delegations)	-7.462	Net budget adjustments detailed in December report.
Budget adjustments awaiting Cabinet approval in January's meeting (CFO Delegations)	3.446	Net budget adjustments as detailed in Appendix B of this report.
Removal of Laverstock Academy scheme	-0.400	Scheme withdrawn from the Capital Programme.
Office Workplace Transformation Scheme	0.436	Included in Capital Programme after being approved in October Cabinet.
Capital budget 2009/10	136.777	

3. Appendix B to the report contains budget adjustments which Cabinet are asked to note (Section 1 and 2).

Summary of Current Position

4. The financial position of the 2009/10 capital budget is summarised below;

Department	Budget 09/10 £m	Actual Spend as at end of Period 8 £m	Projected Outturn for the year £m	Full Year Projected Variance* £m
Children & Education	67.264	32.889	67.160	-0.104
Resources	14.918	0.465	14.909	-0.009
Transport, Environment and Leisure	35.120	24.049	33.007	-2.113
Economic Development, Planning and Housing	15.339	5.926	12.650	-2.689
Community Services	4.136	0.252	1.138	-2.998
Total:	136.777	63.581	128.864	-7.913

* A negative variance indicates a underspend

5. A breakdown of the position of schemes within the capital programme can be seen in appendix A.
6. The variance on the full year projection is driven mainly by the need for schemes to be reprogrammed. Of the £7.913 million projected underspend, £7.604m relates to reprogramming of expenditure; this is reflected in Appendix A. There is a projected underspend on two of the schemes which makes up the remaining year end variance. Details on the underspend are included in comments on schemes below.
7. Various comments on schemes are included below;

7.1 Laverstock Academy

It has become apparent that it is not possible to progress the development of the Laverstock Academy in the way that it was

originally envisaged. The scheme will therefore not proceed and the potential grant from the Department for Children, Schools and Families (DCSF) will not be utilised. Other options are being appraised for developing the three School sites but these would not constitute an academy. The budget is being deleted from the Capital Programme as highlighted earlier in the report. No expenditure had been incurred on the scheme, any costs which relate to the scheme will be charged to revenue sources; these are thought to be minimal.

7.2 Aiming High for Disabled Children – Short Break Funding

As highlighted in last month's report, the budget manager indicates a large element of the grant will not be spent in the 2009/10 financial year. Clarification on the 2009/10 spending levels is expected in the near future and once confirmation is received, the scheme will be reprofiled to reflect the slippage required into 2010/11. The whole of the £205,000 is intended to be spent by the end of the 2010/11 financial year.

7.3 Other DOR Initiatives

The scheme relates to professional fees associated with Cotswold Community Archaeology project. Planning conditions were attached to the sale of gravel deposits as archaeological works had to be conducted before the gravel could be removed. The final bill has been received at a cost of £24,000, with payment expected in February/March 2010. The scheme is therefore showing a underspend in 2009/10 of £9,000.

7.4 Local Transport Plan – Integrated Transport

The budget is to be increased by a further £107,000 due to developer funding and contributions increasing the budget for 2009/10 to £5.110m. The forecast expenditure for the year is expected to be £4.163m due to a delay in a number of schemes which make up the integrated transport budget. The funds will be required next year and so the slippage of funds will occur to move budget to 2010/11. This will happen in subsequent reports once clarifications on the exact amounts are received.

7.5 Local Transport Plan – Maintenance of Principal/Non Principal roads

It has been confirmed that work at Pewsey Road; which is an element of the bridge strengthening programme will not commence this financial year. This accounts for a large proportion of the projected underspend at the year end. Schemes at Bay Bridge and Ogbourne Flyover may also suffer delays which has the potential to increase the underspend. Once the situation of the schemes are clarified, the budget will be reprofiled and funds slipped into 2010/11 to account for delays.

7.6 Major Highway Improvements

Agreement for compensation claims have not progressed as anticipated and as a result the forecast expenditure for the year is likely to be £300,000 against the £900,000 budget. Budget managers have identified that £300,000 of the variance needs to be slipped into 2010/11 while the remaining £300,000 represents an underspend against the scheme. The budget will be reprofiled in subsequent reports to adjust for the slippage amount.

7.7 Libraries, Heritage & Arts Minor Capital Works

The budget covers capital works at Pewsey and Lugershall Libraries and the Pounds Arts centre. All schemes have experienced delays and as a result all the budget will not be spent in 2009/10; there is currently a forecast spend of £60,000 in 2009/10 all of which relates to works at Pewsey Library. The budgets will be reprofiled once the situation is clarified on each element of the budget. Funds will be slipped into the 2010/11 financial years in subsequent reports.

7.8 Adult Social Care Strategy and Commissioning

The above scheme relates to 3 separate budgets; Older people, Learning Disabilities and Mental Health. All budget areas have experienced delays in expenditure and significant amount of the budgets will not be spent in 2009/10. Work is being done to access the level of spending this financial year. Budgets will be reprofiled accordingly in future reports once this has been ascertained.

7.9 Disabled Facilities Grant

The scheme involves providing grants to help disabled people adapt their properties to ensure they remain accessible. It is anticipated that the whole of the budget will be committed by the end of the 2009/10 financial year but actual payments will total £2.650m. If work commissioned can not be accrued for, reprogramming of the budget will need to happen to slip the remaining committed budget into 2010/11.

7.10 Strategic Housing

The scheme is currently projecting a spend of £1.117m at the end of the 2009/10 financial year. Potential schemes are being examined to ensure the remainder of the budget is committed by the end of the financial year. Reprogramming of the budgets may be required to slip committed funds into the 2010/11 financial, this will be accessed and any changes made in future reports.

Main Considerations for the Council

- a) To note the current financial position of the 2009/10 Capital Budget.
- b) To note the budget changes in section 1 and 2 of Appendix B

Environmental Impact of the Proposal

9. 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. The budget setting process for the 2010-11 is assessing the perceived impact of schemes on the Council's carbon footprint and using this as part of the basis to form a decision on the 2010-11 budget.

Equality and Diversity Impact of the Proposal

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

Risk Assessment

11. The capital budget for 2009/10, as detailed in this report, is approximately £136 million and within this programme there are a number of potential risks 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 (2009/10 through to 2011/12).

Financial Implications

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

Legal Implications

13. There are no legal implications arising from this report.

MARTIN DONOVAN

Chief Finance Officer

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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

Appendices :

Appendix A – sources SAP report.

Appendix B – details of net budget adjustments