

Wiltshire Council

Cabinet

12 July 2022

Subject: Financial Year 2021/22 – Capital Programme Final Financial Year End Position

Cabinet Member: Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

Key Decision: Non Key

Executive Summary

This report sets out the final year end position of the Capital Programme for the council as at 31 March 2022 for the financial year 2021/22, including the movements from the original budget, final scheme slippage and how the programme has been funded.

It provides an update on the significant programmes that have been delivered and those that have been reprogrammed to future years.

The reported forecast position set out in the quarter three budget monitoring report presented to Cabinet at its meeting on 1 February 2022 was that the Council would spend £163.823m on its Capital Programme in 2021/22. The final position for the year is a total spend of £111.130m with a request to Cabinet to roll forward £51.508m budget into future years.

Proposal(s)

Cabinet is asked to note:

- a) the additional capital budgets of £2.677m that have been added to the 2021/22 programme under Chief Finance Officer delegated powers
- b) the underspend and subsequent removal of £2.868m capital budget for the Major Road Network schemes in line with grant received for business cases. Going forward schemes have been added to the programme as individual schemes.
- c) the end of year underspend and subsequent removal of £0.178m for completing Local Growth Fund schemes and Wiltshire Online

d) the £0.816m costs that have been transferred to revenue as the capital schemes are not progressing, £0.809m for Boscombe Down and £0.007m prior year spend of feasibility work for a scheme not proceeding for HRA Council House Build programme.

e) The reprogramming of £79.361m budget from 2022/23 to future years.

Cabinet is asked to approve:

f) the £51.508m of capital programme slippage to be rolled forward into future years

g) Transfer of £1.191m 2022/23 budget from the Boscombe Down scheme to a corporate budget to be used to manage expected inflation pressures on projects during 2022/23

Reason for Proposal(s)

To inform effective decision making and ensure sound financial management as part of the Councils overall control environment.

To inform Cabinet on the final year end capital outturn position for the Council for the financial year 2021/22.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

12 July 2022

**Subject: Financial Year 2021/22 – Capital Programme Final
Financial Year End Position**

**Cabinet Member: Cllr Nick Botterill – Cabinet Member for Finance,
Development Management and Strategic Planning**

Key Decision: Non Key

Purpose of Report

1. To advise Members of the final year end position for financial year 2021/22 (31 March 2022) for the capital programme.

Relevance to the Council's Business Plan

2. Budget monitoring and reporting supports effective decision making and the alignment of resources and financial performance to the Council's priorities and objectives as laid down in the Business Plan.

Main Considerations for the Council

CAPITAL PROGRAMME – YEAR END POSITION 2021/22

3. The Council approved a net capital programme budget for 2021/22 of £214.351m at its meeting on 23 February 2021. Throughout the year as part of the budget monitoring process and as reported and approved by Cabinet, the Capital Programme has been amended and the table below sets out the changes approved at each quarter and the opening position for quarter 3.

Table 1 – Capital Programme Amendments to Quarter 3

	Qtr. 1 £'m	Qtr. 2 £'m	Qtr. 3 £'m
Opening Capital Programme 2021/22	214.351	224.555	166.340
Amendments to Capital Programme from 2020/21 Year End Position			
Budgets reprogrammed into 2021/22	6.392		
Year end position budget transfer from 2020/21 into 2021/22	20.340		
Amendments to Capital Programme as part of Quarterly Review			
Additional budgets added to the programme	16.881	0.164	
Grant amendments	5.407		
Budgets reprogrammed from 2021/2022 into future years	(38.816)	(55.759)	(2.510)
Budget removed from Capital Programme		(2.620)	(0.007)
Closing Capital Programme 2021/22	224.555	166.340	163.823

4. The final capital programme budget for year ending 2021/22 stood at £163.632m, Cabinet is asked to note the movements as shown in the table below from the capital programme budget presented to Cabinet at Q3.

Table 2 – Q4 Capital Programme Amendments

	£'m
Capital Programme 2021/22 as at 31st December 2021	163.823
Amendments to Capital Programme from Qtr. 4 Review to Note:	
Additional budgets added to the programme	2.677
Budget removed from the programme	-2.868
Capital Programme 2021/22 as at 31st March 2022	163.632

5. £2.677m has been added to the 2021/22 programme under Chief Finance Officer delegated powers, this is detailed in Appendix A and B. These additions and amendments have no effect on the net funding position of the capital programme as they are funded by grant or contributions.
6. £2.868m has been removed from the Major Road Network programme to bring the budget in line with the grant received, which supported schemes to the Business Case stage. As part of 2022/23 budget setting, schemes proceeding have now been added to the programme individually for greater transparency.
7. The total capital expenditure for the year was £111.130m compared to the budget of £163.632m, resulting in an underspend on the programme of £52.502m. This is due to a combination of programme slippage and reprofiling as detailed in the paragraphs below, and has meant that the Council has had to finance less capital spend in 2021/22 than planned.

8. The biggest impact to the Council of the capital programme slippage is created from schemes funded by borrowing. This impacts favourably on the Financing and Investment Income and Expenditure revenue budget for 2021/22 and 2022/23.
9. At Q3 it was forecast that the Financing and Investment Income and Expenditure revenue budget would be £1.927m underspent, the final year end position was £1.773m underspent.
10. The Council took a treasury management decision to borrow £80m in March 2022 for the capital programme to cover the planned activity with Stone Circle Housing and Development companies over the next 8 years. Overall interest payable was (£0.145m) lower than budget and interest receivable was (£0.577m) more than budget due to interest from loans to the council traded companies, interest from loans to Wiltshire College and increasing interest rates, which have been increasing since January 2022. This underspend has been offset by costs charged to revenue for Boscombe Down of £0.807m as the scheme is no longer proceeding. The historic costs need to be transferred back to revenue as an asset will not be created.
11. The final borrowing figure for the 2021/22 capital programme sets the Minimum Revenue Provision charge for year 2022/23 at £16.015m. As a result of the underspend there will be a £1.197m saving on the Minimum Revenue Provision 2022/23 budget.
12. Grants and contributions that are ringfenced but not used to fund the capital programme are held on the balance sheet. During the year no grants or contributions with specific conditions were returned.
13. A detailed financial position by scheme is shown in Appendix A.
14. Cabinet are asked to note the underspend and subsequent removal of £0.020m budget for A350 West Ashton, £0.086m Chippenham Station Hub and £0.036m for Salisbury LGF scheme. These are Local Growth Fund schemes that completed and final bills have come in less than the estimated costs. The grant for these schemes will need to be returned to SWLEP and subsequently Government. £0.036m underspend for Wiltshire Online scheme has been removed as this is no longer required. This scheme is funded by borrowing and was specifically allocated for salary costs which came in lower than expected.
15. Cabinet are asked to approve £51.508m of slippage to be rolled forward into future years, and to note the further reprogramming of £79.361m from 2022/23 into future years. The combined impact of the changes in this report amends the 2022/23 capital programme budget to £280.462m

Table 3 – 2021/22 Slippage

Service	Final Budget 2021/2022	Total Spend 2021/2022	Budget Remaining 2021/2022	Underspend (Budget Removed)	Costs Transferred to Revenue	Budget Moved to Future Years
	£'m	£'m	£'m	£'m	£'m	£'m
Corporate Director - People	24.894	16.724	8.170	0.000	0.000	8.170
Corporate Director - Resources	67.753	49.993	17.760	0.000	0.000	17.760
Corporate Director - Place	49.931	28.292	21.639	0.178	0.809	20.652
General Fund Total	142.578	95.009	47.569	0.178	0.809	46.582
Housing Revenue Account	21.054	16.121	4.933	0.000	0.007	4.926
General Fund and HRA Programme 2021/22	163.632	111.130	52.502	0.178	0.816	51.508

People

16. The table below shows the capital programme summary position for People Directorate. The total spend for 2021/22 was £16.724m against a budget of £24.894m resulting in slippage of £8.170m that is requested to roll forward into 2022/23.

17. £0.393m and £0.178m were added to the capital programme budgets in 2021/22 and 2022/23 respectively for S106 developer and grant contributions, the detail for this is shown in Appendix B.

Table 4 – 2021/22 Capital Programme, People Services

Service	Final Budget 2021/2022	Total Spend 2021/2022	Budget Remaining 2021/2022	Budget Moved to Future Years
	£'m	£'m	£'m	£'m
Whole Life Pathway	0.020	0.000	0.020	0.020
Ageing & Living Well	3.377	2.922	0.455	0.455
Education & Skills	20.997	13.802	7.195	7.195
Families & Children's	0.500	0.000	0.500	0.500
Corporate Director - People	24.894	16.724	8.170	8.170

Aging & Living Well

18. The Disabled Facilities grant programme is a grant scheme for adaptations and facilities to enable disabled residents to stay in their home. In addition, in 2021/22 it has been used to fund the provision of two extended and adapted flats for bariatric wheelchair clients in the Council's homeless hostel and funded the Optimising Care Initiative and Occupational Therapist Service to ensure clients are assisted to move to more suitable accommodation. The slippage of £0.455m is largely due to delays from reprofiling of works where vulnerable clients have needed to shield and the supply of materials.

Education & Skills

19. In March 2021, Cabinet approved a list of 41 large, planned maintenance projects including roof replacements, full rewires and heating system replacements to be completed in 2021/22. The majority of these projects have been completed, there

is slippage of £0.558m in relation to projects that were scheduled for the Easter 2022 holidays and some retentions that have not been released due to ongoing snagging issues. A large scheme to replace time expired temporary accommodation at Preshute Primary completed over the summer.

20. Six projects completed this financial year in relation to additional pupil place provision. This programme is to ensure that Wiltshire Council is meeting its statutory duty to provide sufficient school places. Included within this work was the expansion of Bitham Brook Primary School and the creation of a new Alternative Provision unit at Hope Nature Centre. There is slippage of £2.744m on the programme partly due to delay in the delivery of the Lea and Garsdon expansion which is now expected to complete this summer.
21. Stonehenge School replacement has recently been tendered, with works planned to commence on site in the summer of 2022.
22. During 2021/22 the Council continued to move forward with its capital programme to create additional places for children with special educational needs. The Authority has supported the delivery of 155 additional high needs places over the last three years. This included projects with all of Wiltshire's special schools and the creation of new resource base places across Wiltshire.
23. The Special Schools Transformation agenda has moved forward to deliver new places at the Rowde site of Silverwood School. During 2021/22 planning consent, preliminary and preconstruction works completed ready for construction to commence in April 2022.
24. The Silverwood build programme will deliver significant additional places from September 2023 for learners with SEND, and in the meantime, schemes have been being progressed at pace to ensure Wiltshire has sufficient capacity for learners requiring specialist provision through the SEND Special School Capacity and Alternative Provision budget. This will see the creation of 44 new specialist provision places across the county for September 2022 and 23 places for September 2023 in both special schools and resource bases.

Families & Children

25. The bid submitted to the DfE for building, buying or refurbishing children's residential homes to meet growing demand for local placements for children in care was unsuccessful however, the local authority will be submitting bids to subsequent funding rounds.
26. Operational model options include operating in house or commissioning an experienced provider to operate from the building. Options around delivery models were considered and the most cost-effective model is a commissioned children's home. The successful external bidder will score most highly for quality, safeguarding, flexibility, and value for money. In order to consider options fully, the decision making process around this has taken longer than anticipated and the

options around available Wiltshire properties on the housing market have been both limited and in high demand hence the delay to this scheme.

27. The slippage of £0.500m is required in 2022/23 to enable the purchase to take place.

Resources

28. The table below shows the capital programme summary position for Resources Directorate. The total spend for 2021/22 was £49.993m against a budget of £67.753m leading to slippage of £17.760m that is requested to roll forward into 2022/23.

29. In line with cabinet decisions taken in 2021/22 Capital Receipts Enhancement budget has been increased by £0.500m in 2021/22 and £0.600m in 2022/23 to fund demolitions at Christie Miller and Melksham Blue pool.

Table 5 – Capital Programme 2021/22, Resources

Service	Final Budget 2021/2022 £'m	Total Spend 2021/2022 £'m	Budget Remaining 2021/2022 £'m	Budget Moved to Future Years £'m
Finance	4.000	1.241	2.759	2.759
Assets & Commercial Development	46.933	36.667	10.266	10.266
Capital Loans	11.561	8.560	3.001	3.001
Information Services	5.259	3.525	1.734	1.734
Corporate Director - Resources	67.753	49.993	17.760	17.760

Finance

30. The Evolve programme reports within the Finance budget line and is for the procurement and implementation of a new Enterprise Resource Planning (ERP) system for the Council. The contract was awarded in 2021/22 and the new system will be Oracle. The new system is planned to go live towards the latter end of the 2022/23 calendar year with SAP expected to be decommissioned by April 2023. As part of the financial review and final revenue position for the year staff costs totalling £0.533m were not capitalised in 2021/22 to create more capacity in the capital budget for 2022/23.

Assets & Commercial Development

31. As part of the Depot Phase One programme the refurbishment of the Highpost and Royal Wootton Bassett Depots were completed in 2021, and Warminster Depot was completed in 2022. The refurbishment and expansion of Parsonage Way Depot in Chippenham is scheduled to complete in the Autumn of 2022 and the new depot at Hindon Stagger in the south west of the county will complete in 2023/24. The slippage of budget to 2022/23 relates to delays in spending on the two outstanding projects, including the final land acquisition for Hindon Stagger. The delays will not affect the forecast completion dates for these projects.

32. The Operational Property Energy Efficiency & Generation (OPEEG) and the grant funded Public Sector Decarbonisation Scheme (PSDS) budgets have delivered 63 projects this year to reduce the council's carbon emissions and reduce the cost of utilities across the property estate. These projects include multiple PV (solar panel) installations, lighting upgrades, upgraded air handling units, and the installation of air source heat pumps across all types of property in the estate including leisure centres, depots, respite centres and hub buildings. The focus on delivering projects through the PSDS programme resulted in a slow down of projects and spend through the OPEEG programme creating some budget slippage to 2022/23.
33. The Facilities Management Operational Estate budget is for essential repair and maintenance works across the council's whole property estate to keep those buildings open and safe. Major works are required to several of the multi-storey car parks which were due to be completed in 2021/22 however these works will now not be completed until 2022/23 and results in the budget slippage of £1.555m to 2022/23.
34. Melksham Community Campus is on track and due to open in the summer of 2022 and is on target to be delivered within budget. Melksham House has completed design stage and achieved planning consent in 2021/22. Calne and Cricklade community campus are complete, but retentions have not been released as defects are still being resolved. This combined with reprofiling on Melksham House accounts for the £1.596m outturn slippage.
35. Porton Science Park phase two will deliver a 3,576 sqm Collaborative Innovation Centre to support specific scientific activities linked to the Porton Campus. The Centre will be a research and innovation facility providing meeting and conferencing space, collaborative workspace, Grow-on space and flexible office and laboratory bench space. A programme of business support, training and development will be offered, delivered by specialist providers out of the new building.
36. Following a pre-construction agreement to deliver the design and provide construction costs, McAvoy were retained as the modular building contractor and a NEC3 Engineering & Construction contract was entered into in July 2021. All 83 modules have been constructed and delivered to site, and work has begun on the roof and weather proofing the building. There was some programme delay resulting in £1.728m slippage and the building is due for handover at the end of July 2022.

Capital Loans

37. This represents the capital loans funding provided to Stone Circle companies in 2021/22. The total capital loan for 2021/22 was £8.122m for Stone Circle Housing and £0.438m for Stone Circle Development Company.
38. Stone Circle Housing Company purchased 37 properties in 2021/22. The original Business Plan target was to acquire 72 units but this was not achieved due to market conditions, significant competition and a scarcity of available property.

There is year-end capital budget slippage of £1.878m as these issues continued into the fourth quarter of the year.

39. In total Stone Circle Housing company has acquired 51 properties and has a Capital Loan of £11.055m and a working capital loan of £0.184m from Wiltshire Council as at the 31 March 2022. The Business Plan programme is still based on acquiring 250 units by 2024/25 and the Plan has been revised and new house price parameters established to enable the company to be more competitive.
40. Stone Circle Development Company has worked on five development sites across Wiltshire for delivery of market properties. The proposal is to deliver Carbon Zero affordable housing at policy compliant levels. In 2021/22 the Company achieved its first planning permission on Priestly Grove and submitted planning on three other sites. The end of year slippage of £1.123m is due to sites progressing at a slower pace. The company has a Capital Loan of £0.535m and a Working Capital Loan of £0.162m from Wiltshire Council as at the 31 March 2022.
41. Wiltshire Council charged interest to Stone Circle Housing Company of £0.224m and Stone Circle Development Company of £0.017m for 2021/22.

Information Services

42. The ICT capital programme is shown across Applications, Get Well, Other Infrastructure and Business as Usual and covers staff costs and project costs to deliver key infrastructure, applications, cost of replacing staff devices and for further digital transformation and activities and emerging fields like business intelligence. A refresh of the technology in the main council chamber has been undertaken this financial year.
43. There has been some programme delay and reprofiling resulting in £1.734m slippage, due to a range of factors. Infrastructure projects have suffered from global shortages of ICT equipment and lead in times for procurement were greatly extended. Specialist staffing and resources were not always easy to secure which delayed some work and, following the end of the COVID19 pandemic period, further time has been necessary to determine and establish business direction on some areas of technology needs.

Housing Revenue Account (HRA)

44. The table below shows the capital programme summary position for the Housing Revenue Account. The total spend for 2021/22 was £16.121m against a budget of £21.054m leading to slippage of £4.926m that is requested to roll forward into 2022/23.

Table 6 – Capital Programme 2021/22, HRA

Service	Final Budget 2021/2022 £'m	Total Spend 2021/2022 £'m	Budget Remaining 2021/2022 £'m	Costs Transferred to Revenue £'m	Budget Moved to Future Years £'m
Housing Revenue Account	21.054	16.121	4.933	0.007	4.926

45. HRA Capital programme consists of two elements, the planned capital maintenance and the council house build programme. The planned capital maintenance of the existing housing stock covers bathrooms, kitchens, roofs, boilers etc. and the Council House Build programme, which has been split into different phases, is planned to deliver 1000 homes over the next ten years.
46. Challenges with the material supply chain and with contractor capacity resulted in some areas of the planned maintenance work programme slowing down during the year. In addition, there were delays with the delivery of new vans which meant they did not arrive until the new financial year. Combined, this has led to £1.560m slippage.
47. The Council House Build programme completed 21 units in 2021/22 with a further 46 units commencing works on site. The outturn slippage of £3.366m is due to projects not progressing as quickly as anticipated, as seen nationally there have been issues with the construction industry supplies and increasing costs. This will need to be monitored closely for the rest of the programme.

Place

48. The table below shows the capital programme summary position for Place Directorate. The total spend for 2021/22 was £28.292m against a budget of £49.931m resulting in slippage of £20.652m that is requested to roll forward into 2022/23.
49. Appendix B shows the breakdown of the capital budget adjustments in quarter 4. For Place Services £0.159m additional grant and £0.542m S106 and Town/Parish contributions were added to the programme budgets. In addition, a revenue contribution to capital of £0.986m was made towards capital staffing costs. This contribution was made to support the forecast inflation increases for 2022/23 and possible due to the favourable 2021/22 revenue year end position.
50. £2.868m has been removed from the Major Road Network programme, in line with the value of the grant received to deliver schemes to the Business Case stage. As part of 2022/23 budget setting, schemes proceeding have now been added to the programme individually for greater transparency.
51. The final retention and invoices for the completed Local Growth Fund schemes are less than the estimated costs. The budget of £0.142m has therefore been removed and the grant for these schemes will need to be returned to SWLEP and subsequently government.

52. The unspent 2021/22 budget of £0.036m for Wiltshire Online scheme staffing has been removed. This scheme is funded by borrowing.

53. Boscombe Down is not proceeding so the historical capital costs need to be transferred to revenue as an asset will not be created. £0.809m costs been transferred in 2021/22. It is recommended that the future capital budgets of £1.191m which is funded by borrowing is moved to create a corporate budget within Resources to be used in 2022/23 for the increased inflation costs forecast for 2022/23. The allocation of this will be reported as part of the budget monitoring reporting during the year.

Table 7 – Capital Programme 2021/22, Place Services

Service	Final Budget 2021/2022 £'m	Total Spend 2021/2022 £'m	Budget Remaining 2021/2022 £'m	Underspend (Budget Removed) £'m	Costs Transferred to Revenue £'m	Budget Moved to Future Years £'m
Highways & Transport	31.288	27.748	3.540	0.000	0.000	3.540
Economy & Regeneration	16.277	(0.597)	16.874	0.178	0.809	15.887
Environment	0.876	0.408	0.468	0.000	0.000	0.468
Leisure Culture & Communities	1.490	0.733	0.757	0.000	0.000	0.757
Corporate Director - Place	49.931	28.292	21.639	0.178	0.809	20.652

Highways & Transport

54. Included under Highways & Transport are the Structural Maintenance and Bridges programmes. These are funded by grant from the Department for Transport (DfT) and the schemes cover maintaining, improving and renewing carriageways and footways including reconstruction, resurfacing, surface dressing and patching. The grant funding is also used for lighting column and traffic signal replacement and re-decking, resurfacing, masonry repair and strengthening of bridges. It ensures the renewal, repair and preventative maintenance of carriageway/footway and land drainage infrastructure to prevent flooding.

55. Overall, the majority of projects included within the works programme for 2021/22 were completed, however there were a small number of projects that needed to be reprofiled into 2022/23 resulting in £1.871m slippage. Due to substantially increasing construction inflation and the more favourable revenue position, staffing costs were not capitalised in 2021/22 and were instead funded from revenue contribution to capital to create capacity in the 2022/23 capital budgets to manage this pressure. This accounts for £0.986m of the slippage.

56. The Integrated Transport programme is also funded by DfT grant and covers design and implementation of a range of safety engineering schemes and projects to improve economic growth and traffic management. This includes new and/or improvement of signing, traffic signals, street furniture, crossings and cycleway/footway implementation and improvements. Overall, the majority of projects included within the works programme were completed, however there is £0.824m slippage of projects into 2022/23.

57. The LED Street Lighting project to convert 40,000 streetlights to LED substantially completed in 2021/22 with 38,100 streetlights being converted. The programme slippage of £0.563m is due to a number of heritage style units which take longer to complete. The programme is due to be finalised in July 2022. The programme is delivering energy and maintenance savings to cover the cost of borrowing for the programme and deliver an additional £0.400m revenue savings.

Economy & Regeneration

58. There are three significant schemes included in the 2021/22 programme under Economy & Regeneration; £8.784m for West Ashton Urban Extension Project, £2.593m for Salisbury Future High Street and £2.157m for Trowbridge Future High Street which have all had significant year end slippage.

59. The council secured £8.784m of Housing Infrastructure Funding from Homes England to support the costs of road infrastructure required to deliver 2,200 new houses at West Ashton, Trowbridge. Once the scheme is in the delivery phase the grant will be repaid to the council by the developer as the new homes are occupied. The council will then be able to reinvest the funding in further residential projects where there are viability issues, in agreement with Homes England. The project has been delayed and the full budget of £8.784m will slip into 2022/23 due to delays in agreement and execution of the Section 106 agreement to grant the scheme planning permission. Execution of the Section 106 agreement is now scheduled to complete by 14 July 2022 at which point the developer should complete land assembly, mobilise contractors and provide financial evidence to enable draw down of the funding from Homes England. The funding should be fully defrayed by 31 March 2023 and will be repaid to the council over the following years as the new homes are occupied.

60. Salisbury Future High Street will focus on the Station Forecourt and Fisherton Street in Salisbury. This will enhance the public realm and improve accessibility to make it easier, safer, and more convenient to travel into the city centre.

61. The Trowbridge Future High Streets Fund will be spent across a range of projects aiming to strengthen the sustainability of Trowbridge Town centre by creating a more diverse offer and increasing footfall. Ensuring this long-term sustainability involves maximising the use of some key buildings, bringing vacant retail units back into use, as well as improving connectivity, the public realm and active travel opportunities within the town centre. The programme is fully grant funded.

62. Both Future High Street programmes have slipped in 2021/22 due to delays with funding approval from DLUHC. Year end slippage of £2.274m for Salisbury and £1.879m for Trowbridge are being managed with DLUHC and spend reprofiled, with a requirement for grant funding being defrayed by April 2024. Salisbury has also seen delays to the programme due to rail authorisation processes.

Capital Programme 2020/21 Funding

63. The Capital Programme for 2021/22 has been financed as shown in the table below.

Table 8 – Capital Programme 2021/22 Funding

Funding	£'m
Grants	46.927
Contributions	4.501
HRA	16.121
Capital Receipts	3.181
Borrowing Funded by Revenue Savings in Service	3.506
Borrowing	27.349
Stone Circle Capital Loan	8.560
Revenue Contributions to Capital	0.985
Total Capital Programme 2021/22	111.130

64. The two borrowing amounts that total £30.855m, together with historic Council borrowing, will generate a Minimum Revenue Provision (MRP) charge, which is the amount councils have to statutorily set aside to repay the debt. For 2022/23 this charge to revenue will be £16.015m. This is lower than the 2022/23 budget, that was set at £17.212m based on the capital programme forecast as at Q3 and will result in a saving in 2022/23 of £1.197m.

65. In line with the Council's Minimum Revenue Provision policy, MRP is not set aside in respect of the Stone Circle Loans as the expectation is that the funds lent will be repaid in full a future date. This position is monitored through the companies' Business Plans and Accounts and reviewed annually. If it was determined that the loan or any part of the loan would not be repaid then MRP would need to be applied as appropriate. The Stone Circle Loans were reviewed alongside the Business Plan in 2021/22 and the ability to repay determined as likely no MRP has been accounted for in 2021/22 or proposed for 2022/23.

66. In 2021/22 £7.582m of capital receipts was brought forward and in year a further £3.302m was recognised. In addition to funding £3.181m of the capital programme from capital receipts as shown in the table above, £1.906m was allocated to fund transformational activity under the Flexible Use of Capital Receipts regulation. This spend and the schemes are reported within the Final Year End Financial Position 2021/22 Revenue report. As at 31st March 2022 the balance on Capital Receipts was £5.797m.

Overview & Scrutiny Engagement

67. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position. This report is being considered by Financial Planning Task Group at its meeting on 8 July 2022.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities and diversity impact of the proposals

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

Environmental and Climate Change Considerations

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

Risks that may arise if the proposed decision and related work is not taken

73. If the Council fails to take actions to address forecast shortfalls, overspends or increases in its costs it will need to draw on reserves. The level of reserves is limited and a one-off resource that cannot be used as a long term sustainable strategy for financial stability.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

74. Ongoing budget monitoring and management forms part of the control environment and is a mitigating process to ensure early identification and action is taken. This control has been effective during the year and as a result the risk managed, with the effect of significant amounts being set aside in reserves to help support financial risks in future years.

Financial implications – Section 151 Officer Commentary

75. This report is the final report on the Councils capital budgets for the financial year 2021/22.

76. The Councils capital programme started out at £214m, it had reduced to £164m by Q3 in recognition of programmes slippage. The final year end position is further slippage of £51.5m, with the final capital spend being £111.130m.

77. In 2022/23 the Council has an approved programme, subject to the approval of slippage and reprogramming, of £280m. This level of investment and the schemes within the programme will once again need to be reviewed by Cabinet, not only to ensure they are aligned with future policy direction but also to confirm if the profiling and phasing are accurate as this would be an extremely ambitious programme and

more than double what the Council has ever delivered in one financial year. This will be updated in the Q1 report to Cabinet in September.

Legal Implications

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

Workforce Implications

63. No workforce implications have been identified as arising directly from this report. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification of variances and action is taken so that impacts to the workforce are minimised.

Options Considered

64. Budget monitoring forms part of the financial control environment and it is important to provide reporting on all aspects of financial management and performance to Cabinet and the public, including delivery to plans, variances and risks and impacts.

Conclusions

65. The report supports effective decision making and ensures a sound financial control environment.

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Appendices

Appendix A: Capital Programme Report 2021/22

Appendix B: Capital Programme Adjustments Q4 2021/22

Background Papers

The following documents have been relied on in the preparation of this report:

Wiltshire Council's Financial Plan Update 2021/22, Medium Term Financial Strategy 2025/26 and Capital Programme and Strategy
- Full Council, 23 February 2021

<https://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=130&MId=13056&Ver=4>

Financial Year 2021/2022 - Quarter Three Capital Budget Monitoring
- Cabinet, 1 February 2022

[Agenda for Cabinet on Tuesday 1 February 2022, 10.00 am | Wiltshire Council](#)

APPENDIX A – CAPITAL PROGRAMME REPORT 2021/22 (page 1)

Scheme Name	21/22 Budget Approved Q3	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Final Budget 2021/2022	Total Spend 2021/2022	Budget Remaining 2021/2022	Underspend (Budget Removed)	Costs Transferred to Revenue	Budget Moved to Future Years
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Whole Life Pathway									
Sensory Stimulation & Development Play Equipment	0.020	0.000	0.000	0.020	0.000	0.020	0.000	0.000	0.020
Whole Life Pathway Total	0.020	0.000	0.000	0.020	0.000	0.020	0.000	0.000	0.020
Ageing & Living Well									
Disabled Facilities Grants	3.377	0.000	0.000	3.377	2.922	0.455	0.000	0.000	0.455
Ageing & Living Well Total	3.377	0.000	0.000	3.377	2.922	0.455	0.000	0.000	0.455
Education & Skills									
Access and Inclusion	0.158	0.000	0.000	0.158	0.132	0.026	0.000	0.000	0.026
Army Rebasing	0.032	0.000	0.000	0.032	0.020	0.012	0.000	0.000	0.012
Basic Need	9.078	(0.020)	0.340	9.398	6.654	2.744	0.000	0.000	2.744
Stonehenge School Replacement of Lower Block	0.409	0.000	0.000	0.409	0.113	0.296	0.000	0.000	0.296
Devolved Formula Capital	0.634	0.000	0.053	0.687	0.687	0.000	0.000	0.000	0.000
Schools Maintenance & Modernisation	4.755	0.020	0.000	4.775	4.217	0.558	0.000	0.000	0.558
Early Years & Childcare	0.467	0.000	0.000	0.467	0.011	0.456	0.000	0.000	0.456
DfE Funded SEN Specialist Placement Expansion	0.003	0.000	0.000	0.003	0.000	0.003	0.000	0.000	0.003
Silverwood Special School	3.757	0.000	0.000	3.757	1.060	2.697	0.000	0.000	2.697
SEND Special School Capacity & Alternative Provision	1.311	0.000	0.000	1.311	0.908	0.403	0.000	0.000	0.403
Education & Skills Total	20.604	0.000	0.393	20.997	13.802	7.195	0.000	0.000	7.195
Families & Children's Service									
Childrens Homes	0.500	0.000	0.000	0.500	0.000	0.500	0.000	0.000	0.500
Families & Children's Total	0.500	0.000	0.000	0.500	0.000	0.500	0.000	0.000	0.500
Corporate Director - People Total	24.501	0.000	0.393	24.894	16.724	8.170	0.000	0.000	8.170

APPENDIX A – CAPITAL PROGRAMME REPORT 2021/22 (page 2)

Scheme Name	21/22 Budget Approved Q3	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Final Budget 2021/2022	Total Spend 2021/2022	Budget Remaining 2021/2022	Underspend (Budget Removed)	Costs Transferred to Revenue	Budget Moved to Future Years
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Finance									
Evolve Project	4.000	0.000	0.000	4.000	1.241	2.759	0.000	0.000	2.759
Finance Total	4.000	0.000	0.000	4.000	1.241	2.759	0.000	0.000	2.759
Assets & Commercial Development									
Capital Receipt Enhancement	0.111	0.000	0.500	0.611	0.113	0.498	0.000	0.000	0.498
Commercial - Commercial Investment	0.003	0.000	0.000	0.003	0.000	0.003	0.000	0.000	0.003
Lackham College Land Purchase	1.300	0.000	0.000	1.300	0.000	1.300	0.000	0.000	1.300
Depot & Office Strategy	5.236	0.000	0.000	5.236	4.624	0.612	0.000	0.000	0.612
Facilities Management Operational Estate	4.042	0.000	0.000	4.042	2.487	1.555	0.000	0.000	1.555
Housing Infrastructure Fund (HIF)	7.390	0.000	0.000	7.390	5.514	1.876	0.000	0.000	1.876
Porton Science Park	7.756	0.000	0.000	7.756	6.028	1.728	0.000	0.000	1.728
Health and Wellbeing Centres - Live Schemes	14.054	0.000	0.000	14.054	12.458	1.596	0.000	0.000	1.596
Non-Commercial Property Purchases	0.075	0.000	0.000	0.075	0.000	0.075	0.000	0.000	0.075
Operational Property Energy Efficiency and Generation	1.547	0.000	0.000	1.547	0.971	0.576	0.000	0.000	0.576
Public Sector Decarbonisation Scheme Projects	4.438	0.000	0.000	4.438	4.366	0.072	0.000	0.000	0.072
Salisbury Central Car Park & Maltings	0.481	0.000	0.000	0.481	0.106	0.375	0.000	0.000	0.375
Assets & Commercial Development Total	46.433	0.000	0.500	46.933	36.667	10.266	0.000	0.000	10.266
Capital Loans									
Stone Circle Housing Company Loan	10.000	0.000	0.000	10.000	8.122	1.878	0.000	0.000	1.878
Stone Circle Development Company Loan	1.561	0.000	0.000	1.561	0.438	1.123	0.000	0.000	1.123
Capital Loans Total	11.561	0.000	0.000	11.561	8.560	3.001	0.000	0.000	3.001
Information Services									
ICT Applications	1.713	0.000	0.000	1.713	1.036	0.677	0.000	0.000	0.677
ICT Business as Usual	0.557	0.000	0.000	0.557	0.462	0.095	0.000	0.000	0.095
ICT Other Infrastructure	1.070	0.000	0.000	1.070	0.040	1.030	0.000	0.000	1.030
ICT Get Well	1.315	0.000	0.000	1.315	1.531	(0.216)	0.000	0.000	(0.216)
Microsoft Cloud Navigator	0.604	0.000	0.000	0.604	0.456	0.148	0.000	0.000	0.148
Information Services Total	5.259	0.000	0.000	5.259	3.525	1.734	0.000	0.000	1.734
Corporate Director - Resources Total	67.253	0.000	0.500	67.753	49.993	17.760	0.000	0.000	17.760

APPENDIX A – CAPITAL PROGRAMME REPORT 2021/22 (page 3)

Scheme Name	21/22 Budget Approved Q3	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Final Budget 2021/2022	Total Spend 2021/2022	Budget Remaining 2021/2022	Underspend (Budget Removed)	Costs Transferred to Revenue	Budget Moved to Future Years
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Highways & Transport									
Churchyards & Cemeteries	0.054	0.000	0.000	0.054	0.026	0.028	0.000	0.000	0.028
CIL Funded Schemes	0.053	0.000	0.000	0.053	0.000	0.053	0.000	0.000	0.053
Fleet Vehicles	0.364	0.000	0.000	0.364	0.244	0.120	0.000	0.000	0.120
Highway flooding prevention and Land Drainage schemes	0.000	0.000	0.044	0.044	0.313	(0.269)	0.000	0.000	(0.269)
Integrated Transport	3.675	0.000	0.656	4.331	3.507	0.824	0.000	0.000	0.824
LED Street Lighting	4.071	0.000	0.000	4.071	3.508	0.563	0.000	0.000	0.563
Major Road Network (MRN)	4.604	0.000	(2.868)	1.736	1.652	0.084	0.000	0.000	0.084
Pothole Fund Grant	9.212	0.000	0.000	9.212	0.000	9.212	0.000	0.000	9.212
Structural Maintenance & Bridges	10.290	0.000	0.986	11.276	18.429	(7.153)	0.000	0.000	(7.153)
Churchfields Depot Drainage and Traffic Management	0.147	0.000	0.000	0.147	0.066	0.081	0.000	0.000	0.081
Passenger Transport RTP1	0.000	0.000	0.000	0.000	0.003	(0.003)	0.000	0.000	(0.003)
Highways & Transport Total	32.470	0.000	(1.182)	31.288	27.748	3.540	0.000	0.000	3.540
Economy & Regeneration									
A350 West Ashton/Yarnbrook Junction Improvements	0.020	0.000	0.000	0.020	0.000	0.020	0.020	0.000	0.000
Boscombe Down	0.000	0.000	0.000	0.000	(0.809)	0.809	0.000	0.809	0.000
Chippenham Station HUB	0.000	0.000	0.000	0.000	(0.290)	0.290	0.086	0.000	0.204
Corsham Mansion House	0.048	0.000	0.000	0.048	0.000	0.048	0.000	0.000	0.048
Salisbury Future High Streets	2.593	0.000	0.000	2.593	0.319	2.274	0.000	0.000	2.274
Salisbury LGF Schemes	0.000	0.000	0.000	0.000	(0.036)	0.036	0.036	0.000	0.000
Trowbridge Future High Streets	2.157	0.000	0.000	2.157	0.278	1.879	0.000	0.000	1.879
West Ashton Urban Extension Project	8.784	0.000	0.000	8.784	0.000	8.784	0.000	0.000	8.784
Carbon Reduction Projects	0.070	0.000	0.000	0.070	0.000	0.070	0.000	0.000	0.070
Wiltshire Ultrafast Broadband	0.904	0.000	0.000	0.904	(0.169)	1.073	0.000	0.000	1.073
Wiltshire Online	1.701	0.000	0.000	1.701	0.110	1.591	0.036	0.000	1.555
Economy & Regeneration Total	16.277	0.000	0.000	16.277	(0.597)	16.874	0.178	0.809	15.887
Environment									
Waste Services	0.876	0.000	0.000	0.876	0.408	0.468	0.000	0.000	0.468
Environment Total	0.876	0.000	0.000	0.876	0.408	0.468	0.000	0.000	0.468
Leisure Culture & Communities									
Area Boards and LPSA PRG Reward Grants	0.971	0.000	0.000	0.971	0.729	0.242	0.000	0.000	0.242
Other Schemes including cross cutting systems	0.019	0.000	0.000	0.019	0.000	0.019	0.000	0.000	0.019
Leisure Requirements	0.500	0.000	0.000	0.500	0.004	0.496	0.000	0.000	0.496
Leisure Culture & Communities Total	1.490	0.000	0.000	1.490	0.733	0.757	0.000	0.000	0.757
Corporate Director - Place Total	51.113	0.000	(1.182)	49.931	28.292	21.639	0.178	0.809	20.652
2020/2021 Capital Programme General Fund Total	142.867	0.000	-0.289	142.578	95.009	47.569	0.178	0.809	46.582

APPENDIX A – CAPITAL PROGRAMME REPORT 2021/22 (page 4)

Scheme Name	21/22 Budget Approved Q3	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Final Budget 2021/2022	Total Spend 2021/2022	Budget Remaining 2021/2022	Underspend (Budget Removed)	Costs Transferred to Revenue	Budget Moved to Future Years
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Housing Revenue Account									
HRA - Council House Build Programme	0.081	0.000	0.000	0.081	0.043	0.038	0.000	0.000	0.038
HRA - Council House Build Programme (Phase 2)	0.797	0.000	0.000	0.797	0.349	0.448	0.000	0.000	0.448
HRA - Council House Build Programme (Phase 3.1)	6.598	0.000	0.000	6.598	5.553	1.045	0.000	0.000	1.045
HRA - Council House Build Programme (Phase 3.2)	3.895	0.000	0.000	3.895	2.038	1.857	0.000	0.007	1.850
HRA - Council House Build Programme (Phase 3.3)	0.000	0.000	0.000	0.000	0.015	(0.015)	0.000	0.000	(0.015)
HRA - Refurbishment of Council Stock	9.585	0.000	0.098	9.683	8.123	1.560	0.000	0.000	1.560
Housing Revenue Account Total	20.956	0.000	0.098	21.054	16.121	4.933	0.000	0.007	4.926
2021/2022 Capital Programme General Fund and Housing Revenue Account Total	163.823	0.000	-0.191	163.632	111.130	52.502	0.178	0.816	51.508

APPENDIX B – CAPITAL PROGRAMME ADJUSTMENTS Q4 2021/22 (Page 1)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME						
Cabinet Meeting	12-Jul-22					
Financial Year:	2021/2022					
SECTION 1 - DELEGATED CFO POWERS						
"Adjustment/addition of scheme in the capital programme which has no effect on the net funding position of the programme i.e. Additional resources available in the form of Grant, Section 106 contributions etc which fund the addition, "						
Project Name:	Basic Need	Reason for movement:			Devizes School and Forest & Sandridge Expansion	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.340	0.178				
Funding Source:	S106 Developer Contributions					
Project Name:	Devolved Formula Capital	Reason for movement:			New grant money received	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.053					
Funding Source:	DFE Connect The Classroom Grants					
Project Name:	Capital Receipt Enhancement	Reason for movement:			Christie Miller Demolitions	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.500					
Funding Source:	Capital Receipts - General Fund					
Project Name:	Capital Receipt Enhancement	Reason for movement:			Melksham Blue Pool Demolitions	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		0.600				
Funding Source:	Capital Receipts - General Fund					
Project Name:	Highway flooding prevention and Land Drainage schemes	Reason for movement:			Land Drainage 21/22 Works	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.015					
Funding Source:	Wessex River Trust Contribution to works					
Project Name:	Highway flooding prevention and Land Drainage schemes	Reason for movement:			Amesbury & Salisbury SW Schemes	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.029					
Funding Source:	Environment Agency Grant towards schemes					
Project Name:	Integrated Transport	Reason for movement:			Developer Funds drawn for Mill Rd, Abberd Brook and Longhenge Path projects	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.004					
Funding Source:	S106 Developer Contributions					
Project Name:	Integrated Transport	Reason for movement:			Various small project contributions	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.522					
Funding Source:	S106 & Parish contributions					
Project Name:	Integrated Transport	Reason for movement:			Devizes Gateway Rail station	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.050					
Funding Source:	DFT Grant Devizes Railway					
Project Name:	Integrated Transport	Reason for movement:			Traffic Signal Maintenance Fund	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.080	0.420				
Funding Source:	DFT Grant Traffic Signals					
Project Name:	Integrated Transport	Reason for movement:				
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.000					
Funding Source:	DFT Grant					
Project Name:	Major Road Network	Reason for movement:			DFT Overall Grant Reduction	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.868					
Funding Source:	DFT Grant Reduction					
Project Name:	LTP Maintenance General	Reason for movement:			Staffing costs not capitalised in 2021/22	
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.986					
Funding Source:	Revenue Contribution to Capital					
Total Delegated Changes Approved by Section 151	-0.289	1.198	0.000	0.000	0.000	0.000

APPENDIX B – CAPITAL PROGRAMME ADJUSTMENTS Q4 2021/22 (Page 2)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME						
Cabinet Meeting	12-Jul-22					
Financial Year:	2021/2022					
SECTION 2 - DELEGATED CFO POWERS						
<i>"Schemes within the capital programme which require the reprogramming of expenditure between years due to scheme not progressing as originally anticipated or other circumstances"</i>						
Project Name:	Commercial - Commercial Investment		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-14.854	14.854			
Funding Source:	Borrowing funded by revenue savings					
Project Name:	Operational Property Energy Efficiency and Generation		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-4.000	4.000			
Funding Source:	Borrowing					
Project Name:	Salisbury Central Car Park & Maltings		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-33.005	33.005			
Funding Source:	Borrowing funded by revenue savings					
Project Name:	Stone Circle Housing Company Loan		Reason:	Reprofiled in line with revised Business Plan		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-14.072	7.036	7.036		
Funding Source:	Borrowing funded by revenue savings					
Project Name:	Trowbridge Leisure Centre		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-1.500	1.500			
Funding Source:	Borrowing					
Project Name:	HRA - Council House Build Programme (Phase 2)		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-0.435	0.435			
Funding Source:	HRA Borrowing					
Project Name:	HRA - Council House Build Programme (Phase 3)		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-4.753	4.753			
Funding Source:	HRA Borrowing					
Project Name:	HRA - Council House Build Programme (Phase 3)		Reason:	Reprofiled in line with forecast programme		
Budget Change:	2021/2022	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
		-6.742	6.742			
Funding Source:	HRA Borrowing					
Total Re-programming between years	0.000	-79.361	72.325	7.036	0.000	0.000
<p>In the exercise of my delegated powers (Section 1 and 2), I hereby authorise the amendments to the Capital Programme summarised above.</p> <p>CHIEF FINANCE OFFICER: Andy Brown</p> <p>DATE: Jul-22</p>						