

Wiltshire Council

Cabinet Capital Asset Committee

15 November 2011

Subject: Capital Monitoring Period 6 (September) 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 Budget as at 30 September 2011.

The report also details budget changes and reprogramming which are to be noted by Cabinet, plus a change to the Rural Farms Estate which requires approval by Council following recommendation to Cabinet.

Considerable work has been undertaken to review the Capital budgets for 2011/2012 and therefore significant reprogramming of budget has occurred in this monitoring report of £49.342 million. Further details are included in the body of this report and the appendices.

Proposal

- a. Note the current position of the capital programme as at Period 6 in Appendix A.
- b. To recommend that Council, via Cabinet, approve the allocation of the £0.225 million to the Farms Estate.
- c. Note the additional budget for the Wiltshire Incubation Environment of £0.375 million, other budget movements of £0.539 million and the £49.342 million reprogramming of budget into 2012/2013.

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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Key Decision: No

Purpose of Report

1. To update Cabinet on the position of the 2011/12 Capital Programme as at 30 September 2011 and seek approval to recommend to Council, via Cabinet, an increase in budget to the Farms Estate.

Budget movements

2. Between the Period 4 monitoring report presented to the CCAC at the meeting of the 14 September and this Period 6 monitoring report, the budget has been adjusted as detailed in the table below.

| | £m | Notes |
|---|-----------------|-----------------------------------|
| Capital budget as per CCAC Period 4 monitoring report (14 September 2011) | 162.533 | |
| Additions/amendments to the capital programme 2011/2012 since Period 4 monitoring report | | |
| Rural Estates Additional expenditure | 0.225 | See below for further explanation |
| Wiltshire Incubation Environment Network Additional expenditure | 0.375 | See below for further explanation |
| Reprogramming of expenditure into 2012/2013 | (49.342) | See Appendix A & B |
| Other additional budget | 0.539 | See Appendix A & B |
| Total in movements in Period | (48.203) | |
| Current Capital budget 2011/12 | 114.330 | |

3. 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.
4. As part of ongoing business planning Investment of £0.225 million in the Council's Rural Estates is requested to provide a coherent plan and best manage the Council's liabilities under the new legislation regarding Nitrate Vulnerable Zones, which becomes effective from 1 January 2012. A report giving further details of this scheme is to be found elsewhere on the agenda.
5. Further options considered and specific liabilities are detailed within the report, with the investment of £0.225 million being considered the best option. It is therefore requested that Members approve this additional funding into the Rural Estate Capital Programme.
6. A report on Wiltshire Incubation Environment was taken to the 13 September 2011 Cabinet and funding was formally agreed by Cabinet on the 18 October 2011. This report set out a proposal to create four Incubation Centres. Investment of £0.375 million was agreed to create and manage these centres alongside a programme of activities and services to identify, encourage and support potential growth businesses. This additional budget has now been added to the programme.
7. At the previous CCAC held on the 14 September 2011, a paper was submitted detailing the proposed allocation of the Aiming High for Disabled Children (AHDC) grant into specific projects. Following further work by Officers in the Department for Children and Education it has been suggested that the £0.031 million allocation under Appendix F of this report would best be used to provide additional Hearing equipment rather than the original equipment listed in appendix F of the 14 September 2011 report. This has no bearing on the overall budget allocation.
8. Other movements in Appendix A are undertaken under delegated authority by the Director of Finance and are detailed further in and Appendix B.

Summary of Current Position as at 30 September 2011

9. The current revised budget for the year 2011/2012 is £114.330 million, as at 30 September the actual spend plus commitments made was £59.893 million. A full breakdown of these figures is attached in Appendix A.

10. An Examination of the reprofiling of schemes into 2012/2013 has been undertaken and is shown in Appendix A. Further details and updates regarding some of the larger schemes are below.

Education schemes

11. Sarum Academy is progressing well and is being submitted for planning permission. Assuming permission is granted it is currently anticipated that work will begin on site in February 2012. As highlighted in the Period 4 report, much of the budget for this scheme has to be reprogrammed into 2012/2013 to match the anticipated spending pattern. A total of £11.000 million has therefore been moved from 2011/2012 into 2012/2013, which has no impact on the overall project budget, just the profiling of the budget across years. This will be updated further in the next monitoring report.
12. 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 Period 4 monitoring report much of the planned expenditure is now due to be spent during 2012/2013, therefore £12.786 million has been reprogrammed from 2011/2012 into 2012/2013.
13. New Deals for Schools (NDS) schemes are to fund high priority condition works including roof replacements, rewiring and window replacements. Budgets have 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. Therefore as indicated in the period 4 report £3.982 million has been reprofiling into 2012/2013.
14. DCSF Primary capital programme. These schemes include funding replacement school buildings at Lydiard Millicent which has been completed, and at Purton St Mary's which is due for completion in December. It also funds extensions to 4 other schools which are due for completion by summer 2012. The budget is therefore anticipated to be largely spent during 2011/2012.
15. 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. Other schemes in this area

at Wiltshire College and Devizes School are also on target to complete during 2011/2012.

16. 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 provision of a new school in East Trowbridge has been delayed pending the commencement of local housing, therefore £1.002 million of budget has been reprogrammed into 2012/2013 to meet the planned expenditure.

Highways schemes

17. 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 plus a number of local safety schemes and the Area Board discretionary highways budget.
18. Bridges and Structural maintenance budgets have been allocated fully to schemes. It is anticipated there will be no variance at year end. Major bridge work to be undertaken includes work at Clatford, Dauntsey, Haxton and Tidworth. Major Structural maintenance schemes include numerous surface and surface dressing schemes, Micro asphalt surfacing, drainage works plus a major scheme around junctions 16 & 17 of the M4.
19. All other Highways schemes are currently anticipated to be on line with no variations at year end.

Campus and operational Delivery schemes

20. The County Hall MECH scheme is progressing well. The costs are slightly behind schedule however the forecast for the end of the year is expected to be on target with the original estimates.
21. Other projects within the operational (Hub) element of the Transformation programme are being reviewed and it is anticipated that minimum spend will be incurred in 2011/2012.
22. Work is ongoing to finalise Resource centres started during 2010/2011. The remainder of the work in this area budget is linked to the development of the Campuses.
23. Expenditure on the Depots review Phase 2 is expected to begin during this financial year on one depot and 2 salt stores, therefore the majority of the budget will be reprogrammed into 2012/2013.
24. Libraries, heritage and arts budgets (which were moved into Campus and Operational delivery during 2010/2011) are now being considered

as part of the Campus projects. The majority of the budget is being reprogrammed into 2012/2013.

25. A paper is being taken to Cabinet in December on the three pilot campuses Salisbury, Corsham and Melksham. Further details will be established following this however it is unlikely significant spend will commence during 2011/2012 so the majority of the budget is being moved into 2012/2013.
26. As a result of the progress shown above on Campus and Operational delivery schemes, £17.383 million is being reprogrammed into 2012/2013 to reflect the likely spending patterns.

Other Property schemes

27. Building repair and maintenance schemes are the planned maintenance works at buildings that are not covered by the Transformation Programme. Works have been programmed covering a variety of buildings including renewal of the mechanical and electrical (m&e) plant and boilers at Malmesbury Activity Zone, a new roof and m&e works at City Hall Salisbury and work to replace the roof at the Shambles Devises. Due to the interrelation between these schemes and the Campus and hub projects further essential projects have been delayed until the plans for certain buildings are finalised. Therefore are highlighted in the period 4 report, £1.000 million is being reprogrammed into 2012/2013 to match with planned expenditure.

Housing schemes

28. Disabled Facilities grants are small grants given to enable private householders to undertake improvements to their properties. As highlighted in the Period 4 report £0.400 million of the programmed expenditure has been reprogrammed into 2012/2013 to match with current spending plans.
29. Corporate Other Housing Grants. As highlighted in the Period 4 report, Budget managers for these schemes have forecast that £0.440 million mainly relating to Gypsies and Travellers sites and Energy Efficiency schemes is to be reprogrammed into 2012/2013.
30. 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. Full project closure details will be established during the

coming months so this figure will be updated during the next budget monitoring report.

31. HRA refurbishment of council stock. The 2011/2012 programme of expenditure is well underway and the budget has been committed into numerous schemes to deliver new Kitchens, Bathrooms, roofing etc and is still expected to on line against budget.

Waste Schemes

32. Waste Transformation project budget of £7.761 million is anticipated to be fully spent with a potential small saving on the budget at year end. The majority of the vehicles and equipment have been purchased or ordered and there have been some savings realised on this part of the capital allocation.
33. A part of the original plan for the waste transformation Capital allocation was to pay for circa 50% of a new compost pad with the remainder to be paid to the contractor over the coming years as a revenue charge out of the revenue waste transformation budget. Taking the opportunity to pay for this cost 100% out of the capital allocation enables the council to save on its revenue costs in the coming years as well as saving paying the contractors cost of capital. Therefore this is the best value option for the council and remains well within the capital allocation for Waste Transformation.

Proposals

34. To note the general budget additions largely grant funded of £0.539 million, the £0.375 million for the Wiltshire Incubation Network, the reprogramming of £49.342 million into 2012/2013, and the Period 6 position of the 2011/2012 Capital Programme. Also to recommend to Council, via Cabinet, the approval of the £0.225 million additional budget required for the Rural Estates (County Farms).

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 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

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

Risk Assessment

37. The capital budget for 2011/2012, as detailed in this report, has been revised to approximately £114 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
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