

## **Further outturn information on schemes in the Capital Programme and funding sources**

### **Education schemes**

1. Sarum Academy has experienced some construction delays primarily due to the weather conditions over the winter; however the project is still anticipated to be completed during July 2013, with the school opening during September 2013. The spend on the scheme stands at £8.157 million for 2012/2013. The revised budget for the year is £9.419 million leaving a variance of £1.262 million due to the delays experienced. This requires reprogramming into 2013/2014 to complete the scheme.
2. Additional Accommodation schemes comprise a number of individual extension schemes to ensure schools can provide enough places for pupils. The outturn position shows a variation of £0.620 million. Schemes in this area are at different stages of completion with some in the planning and early development stages and others now complete with work on site finished. At several sites where work is now complete, only retention payments are outstanding. £0.361 million of the variation relates to the scheme at Paxcroft Primary where the final phase of the project has been completed in 2013/2014. The remaining variation is due to a combination of outstanding retention payments and minor delays in other schemes. £0.620 million is therefore reprogrammed accordingly from 2012/2013 into 2013/2014.
3. Schools Maintenance and Modernisation schemes are many individual projects across the schools in the county to fund high priority condition works such as roof replacements, rewiring and window replacements. At outturn there is a variation of £1.633 million. £0.770 million of this relates to Modernisation schemes where only retention payments are now due on a large extension project at Sambourne and Warminster St John's, where work experienced a delay in completion. £0.863 million of variation relates to Maintenance schemes. This is an 18 month programme in which work is now scheduled and will largely take place in 2013/2014 during the school summer holidays. Reprogramming of £1.633 million will be actioned between 2012/2013 and 2013/2014 to reflect the spend profile of these schemes.
4. DCSF Targeted Capital 14-19 SEN schemes. The majority of this budget relates to a now completed large extension and refurbishment of Exeter House Special School. Work on site is finished and only retention payments remain outstanding. The variation in this area of £0.147 million relates to this scheme and is reprogrammed from 2012/2013 into 2013/2014 to match the final release of retentions due.
5. Other Schools Projects - Expansions & Replacements. These schemes are to provide expanded capacity at schools by provision of new classrooms and blocks etc. Reprogramming has taken place throughout the year as schedules for schemes are finalised. The variation of £0.193 million at outturn relates to schemes at Devizes School, Clarendon College, and Westbury

Juniors where work is now due to complete in 2013/2014. Reprogramming of £0.193 million from 2012/2013 into 2013/2014 will be actioned.

6. Early Years and Childcare schemes comprise of individual schemes to support early years and childcare providers through building and enhancement works at children's centres and nurseries across the county. At outturn there was a variation of £0.087 million. A number of schemes in this area have experienced delays including at Avon Valley College where planning permission approval has delayed the start of the project to build a new nursery. Reprogramming between 2012/2013 and 2013/2014 will be actioned.

### **Highways schemes**

7. The integrated transport budget has seen a number of planned 2012/2013 schemes in the programmed works now being completed in April/May 2013. This has led to a variation of £0.255 million below budget for 2012/2013, the most notable areas including; residents parking, accessibility and growth schemes, and cycle improvement schemes.
8. Structural Maintenance has a variation at outturn of £0.516 million below budget for 2012/2013. This was caused by a delay in the works programme due to adverse weather conditions over the winter months. Many road improvement schemes were delayed or disrupted due to bad weather and as a result schemes were reprogrammed to take part in the early stages of the 2013/2014. Land Drainage shows a variation at outturn of £0.169 million above budget for 2012/2013. This was due to an increase in works as a result of adverse weather and flooding events that were experienced during the winter months of 2012/2013. Additional Highways Works show a variation at outturn of £0.097 million over budget for 2012/2013. This was a result of increased road surface retexturing and footway works during 2012/2013.
9. Highway schemes overall show a variation at outturn of £0.519 million under budget for 2012/2013. This variation has arisen due to a combination of bad weather conditions either delaying or increasing the requirement for works and schemes slipping into next year. Reprogramming of £0.519 million from 2012/2013 into 2013/2014 will therefore be actioned.

### **Campus and Operational Delivery (CAOD) schemes**

10. Campus and Operational Delivery schemes outturn is showing an actual spend of £14.429 million against the revised budget of £17.365 million, giving an overall underspend variance of £2.936 million. The major variances in this area are detailed in the below paragraphs.
11. The Hub Programme Office is progressing well with work on Phase 2 County Hall well underway with an anticipated completion during September 2013. The variance on this area of £0.894 million is all required during 2013/2014 to

complete this scheme as well as the works due to begin shortly at Monkton Park.

12. Operational Estate is showing an outturn variance of £1.683 million which has now been wrapped up into the campus programme which has a variance of £0.182 million. Corsham Campus started on site in April and is expected to complete in autumn 2014. The first phase of construction is the new extension followed by the refurbishment of the sports centre and pool. Salisbury Campus is at the final stages of design and a planning application will be submitted at the end of July 2013. Melksham Campus is in the detailed design phase which includes many stakeholders and partners; a planning application is scheduled for the end of 2013. Therefore the budget allocations for operational estate and campus will be reprogrammed into 2013/2014 to meet the planned expenditure.
13. Salisbury Market Place scheme is progressing well with work on the New Canal area now complete, and work is well in progress on the main site, particularly outside the Guildhall. The outturn position shows a variation of £0.226 million spend below budget in 2012/2013, overall though the budget is still on target and this amount is required to complete the scheme. Reprogramming of £0.226 million from 2012/2013 into 2013/2014 is therefore required.

### **Other Property Schemes**

14. The Other Property schemes are the planned maintenance works at properties across the council's portfolio (outside of the Campus and operational delivery schemes). Projects underway in this area include new boilers and building maintenance upgrades in leisure centres and schools in addition to the council offices. There is only a minor outturn variance on these schemes.

### **Housing schemes**

15. Disabled Facilities Grants are statutory grant payments paid to individual households to adapt homes to allow disabled people to live independently by providing stair lifts, level access showers and ramps etc. The actual spend in this area for 2012/2013 is £2.313 million against a revised budget of £2.222 million. During 2012/2013 £1.000 million was reprogrammed out of 2012/2013 into 2013/2014, to match the planned expenditure. Projects have taken place which were previously anticipated to do so in 2013/2014 leaving a minor variance of £0.090 million for 2012/2013. Therefore the budget for 2013/2014 will be reduced to reflect this.
16. Other Housing Grants are small grants in the private housing sector and involve payments for households for re-wiring, supplying heating systems and energy efficiency schemes. Actual spend in this area at outturn 2012/2013 is £0.047 million against a budget of £0.437 million, leaving a variance of £0.390 million which is required to be reprogrammed into 2013/2014, to match the planned expenditure in 2013/2014.

17. HRA refurbishment of Council Stock has had actual spend for 2012/2013 of £4.538 million against a final budget of £5.467 million. This spend includes the completion of the old planned maintenance contracts for 2012/2013, as well as finalisation of the new housing ICT system. The remaining budget of £0.929 million will be reprogrammed into 2013/2014 with plans to spend £0.330 million on the purchase of new operative vans, £0.410 million for the replacement of windows, heating systems and any other major work. £0.189 million is planned to be used for the remainder of the new ICT system developments for 2013/2014.

### **Other schemes**

18. The Planning IT system is a consolidated system replacing 4 older systems which were all based in the different hubs. By only having the one system in place the process of planning applications is able to be completed more effectively and efficiently. The migration of this system is currently underway and part of the system is due to be completely migrated by the end of June 2013. Phase two will include the planning migration which is due to be completed for go live at the end of September 2013. Since the last monitoring report an additional £0.221 million has been spent, largely on migration costs. Total spend in 2012/2013 is £0.613 million against a budget of £0.866 million, leaving £0.253 million variance which is needed to be reprogrammed into 2013/2014 to complete the project.
19. Oil to Biomass schemes are progressing however most of the costs are not anticipated to begin in the reduced number of schools in the scheme until the summer 2013. £2.049 million was reprogrammed into 2013/2014 in the previous monitoring report and the 2012/2013 underspend variance of £0.546 million is also required to be reprogrammed into 2013/2014.
20. Adult Social Care Strategy and Infrastructure has seen a combined actual spend for 2012/2013 of £0.333 million against a budget of £0.769 million leaving a £0.436 million variation under budget. This is required to be reprogrammed into 2013/2014. It was anticipated that this remaining budget would have been spent in 2012/2013 on extra care housing in Malmesbury and Royal Wootton Bassett; however there have been some delays in the process and these projects are now expected to be complete in 2013/2014.
21. Area Board grants are funds allocated to Area Boards to support local schemes within Wiltshire. The actual spend as at the end of 2012/2013 was slightly higher than expected at £0.620 million. This includes a large spend on the Malmesbury Skatashed project which has previously seen significant delays in payment, spend on Sevington School in Chippenham, the A4 Quemerford footway, riverside walk lighting, skateboarding funds and various other refurbishments for youth clubs and community centres. This has meant that the overall spend in 2012/2013 is slightly above the revised budget of £0.595 million giving a minor variance of £0.055 million, which will be adjusted in the budget for 2013/2014.

22. Porton Science Park has been separated out from the Other Economic Development Schemes line. This large scheme has so far incurred costs of £0.351 million to secure an implementable planning permission and detailed design costs. These costs will be met from the £8.000 million grant from the Regional Growth Fund. This grant is due to begin to be received during 2013/2014 in stages to match the bulk of the expenditure on the scheme. So the costs incurred to date will be offset against the budget in 2013/2014.
23. Leisure Schemes (Non Campus). These schemes consist of M&E plant upgrades at Westbury and Bradford on Avon Swimming Pools. Spend at outturn stands at £0.593 million against a budget of £0.750 million with the remaining sums being due in early 2013/2014. Reprogramming of £0.157 million has therefore taken place from 2012/2013 into 2013/2014 in this report.
24. Fleet Vehicles. During 2012/2013 a total of 14 vehicles were purchased including 3 Gritters for the winter maintenance fleet and 3 new minibuses. The remaining budget will be required for replacement during 2013/2014 so the total variance of £0.310 million will be reprogrammed into 2013/2014.

### **Funding of Capital Programme**

25. The capital programme is funded by 3 principal sources; grants and contributions, capital receipts and borrowing.
26. Grants and contributions fund the largest proportion of the programme, the total received in 2012/2013; mainly from Central Government was £47.737 million, most notably to fund Highways and Education schemes, with smaller grants towards Housing and Social Care. Of the £47.737 million, £30.279 million was used to fund the expenditure incurred in 2012/2013, so a total of £15.457 million has been held back to fund expenditure in 2013/2014. In addition to the grants received in 2012/2013, a total of £9.136 million was used which had been held back from previous financial years in order to fund 2012/2013 expenditure. Therefore a total of £39.415 million of grants were utilised during 2012/2013 to finance expenditure.
27. Capital Receipts received from the proceeds of fixed asset sales are managed and monitored closely by the Strategic Property team in conjunction with Finance. Sales of assets are managed and marketed dependant on market conditions, so the timing of receipts can vary from initial estimates. During 2012/2013 a total of £13.570 million of income from general asset disposals and under the Council Housing Right to Buy (RTB) scheme was achieved, higher than the £10.000 million target required for the year to finance the capital programme.
28. The total receipts include significant receipts as mentioned in previous reports such as Pembroke Park school land for £1.587 million and the Sarum Centre in Salisbury for £1.200 million. Since the last monitoring report taken to members in March 2013, additional receipts were received from the sale of

Urchfont Manor Residential College in Devizes for £2.910 million, the sale of Buryhill farm for £0.698 million, plus various other smaller receipts.

29. Of the £13.570 million Capital Receipts received during 2012/2013, £1.051 million was received through the Council housing RTB scheme selling a total of 20 properties in 2012/2013. This figure is a net total after amounts were paid over to Central Government as part of the RTB Pooling system.
30. Of the net £13.570 million received during the year as capital receipts, a total of £10.321m was used to finance capital expenditure in 2012/2013, with the remainder added to accumulated capital receipts to be used on future Capital spend. There is now a total of £4.372 million being held back to spend on 2013/2014 expenditure.
31. Borrowing is the final source of funding for the capital programme. The revenue costs involved in borrowing on repaying the principal and the interest charges amount to approximately 10% of the amount of borrowing undertaken. The optimal mix of using receipts, grants and other sources to fund schemes is undertaken before borrowing is considered to minimise the revenue costs of borrowing. In 2012/2013 the total amount of borrowing utilised to finance schemes was £16.220 million. This borrowing was used in many areas including Waste schemes, Building Repairs and some Education schemes. The amount borrowed is lower than anticipated because there has been significant reprogramming into 2013/2014, which means the anticipated revenue costs of borrowing have also dropped. This has been factored into the 2013/2014 budget setting process.