

## WILTSHIRE COUNCIL

### CABINET

23 February 2010

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#### Capital Budget Monitoring: April to December 2009

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

#### Executive Summary

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

There is a projected variation of £4.116 against the full year budget for 2009/10.

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

#### Proposal

- 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 and to request the approval of additional budget requirement as detailed in section 3 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

# WILTSHIRE COUNCIL

## CABINET

23 February 2010

### Capital Budget Monitoring: April to December 2009

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

#### Purpose of Report

1. To update Cabinet of the position of the Capital Programme after 9 months (1<sup>st</sup> April 2009 to 31<sup>st</sup> December 2009) of the 2009/10 financial year.

#### Background

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

	£m	Notes
<b>Capital budget (as at 26<sup>th</sup> January 2010)</b>	<b>136.777</b>	
<i>Budget amendments;</i>		
Removal of Thingley Transit Site scheme	-0.154	A bid to the Department for Communities and Local Government for grant funding related to the scheme was rejected. As a result the budgets in 2009/10 and 2010/11 have been removed from the Programme.
Stronger Safer Communities Fund (SSCF) Scheme	-0.114	The SSCF is a Grant provided by the Home Office to achieve targets in the Local Area Agreement. The Grant is being used to fund purchase of TEL waste vehicles (in line with objectives of grant); a budget which was approved by Cabinet in January. The SSCF budget in DCS can therefore be removed from Programme.
Corporate Finance Scheme	-0.252	The scheme was due to be funded by capital receipts brought forward from the ex Kennet District Council. Capital receipts brought forward were at a lower level than expected and as a result funds are no longer available. The scheme is to be removed from budget.
BMP/SAP Scheme	-1.025	Part of the 2009/10 budget was earmarked for a contribution to the Hub strategy scheme. As this scheme has been superseded by OWTP this element of the budget can be removed.
Budget adjustments awaiting Cabinet approval in February's meeting (CFO Delegations)	-5.047	Net budget adjustments as detailed in Appendix B of this report.
<b>Capital budget 2009/10</b>	<b>130.185</b>	

3. Appendix B to the report contains budget adjustments which Cabinet are asked to both note (Section 1 and 2) and approve (Section 3).
4. Cabinet formally approved on the 20<sup>th</sup> October 2009 the Wiltshire Council bid for grant funding from the Home and Community Agency in respect to delivering affordable housing on council owned land. It was confirmed in January 2010, the second element of the bid relating to Southview Trowbridge site had also been approved. This increases the Capital Programme by £0.015m (unsupported borrowing) in 2009/10, £1.998m (£0.888m unsupported borrowing and £1.110m grant) in 2010/11 and £0.207m in 2011/12 (unsupported borrowing). Budget amendments have been reflected in Appendix B and the additional borrowing is requested to be approved.
5. The budget for the Office Workplace Transformation Programme (OWTP) has been increased by £0.340m with a corresponding reduction in the Buildings Repairs and Maintenance budget. This virement relates to work to be carried out at the Browfort hub which is now under the umbrella of the OWTP and so a change in budget has been made to reflect this.

### **Summary of Current Position**

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

<b>Department</b>	<b>Budget 09/10 £m</b>	<b>Actual Spend as at end of Period 9 £m</b>	<b>Projected Outturn for the year £m</b>	<b>Full Year Projected Variance* £m</b>
Children & Education	67.390	38.317	67.285	-0.105
Resources	13.981	9.042	13.972	-0.009
Transport, Environment and Leisure	34.426	19.983	30.849	-3.577
Economic Development, Planning and Housing	12.761	7.019	12.336	-0.425
Community Services	1.627	0.238	1.627	-
<b>Total:</b>	<b>130.185</b>	<b>74.602</b>	<b>126.069</b>	<b>-4.116</b>

\* A negative variance indicates a underspend

7. A breakdown of the position of schemes within the capital programme can be seen in appendix A.

8. The variance on the full year projection is driven mainly by the need for schemes to be reprogrammed. Of the £4.116 million projected underspend, £3.759m relates to reprogramming of expenditure; this is reflected in Appendix A. There is a projected underspend on two of the schemes; DOR Initiatives of £0.009m and Major Highway Improvements of £0.348m (details included in January's report to Cabinet). This makes up the remaining forecasted year end variance.

9. Various comments on schemes are included below:

10. Waste Management

Included within the Waste Management scheme is a budget of £1.314m relating to Warminster Household recycling Centre. The Scheme consists of two distinct elements; relocation of the centre and decontamination of the land. The budget manager has identified that the majority of relocation costs (£0.300m) will be spent in 2009/10. The remaining costs relating to decontamination of the land are likely to be incurred in 2010/11. The budget will be reprogrammed in subsequent reports to move required budget in 2010/11.

11. Leisure and amenities

Work on replacing fuel tanks at Churchfields Depot Salisbury has not progressed as hoped. Quotes for work to replace the electronic gauging system are to be received shortly and will ensure around £0.010m of the £0.050m will be spent in 2009/10. The remaining budget will be required in 2010/11 and the scheme will be reprogrammed in subsequent reports to reflect this.

(a) Highways Depot and Office Strategy

The scheme covers the redevelopment of 3 depots; Wootton Bassett, Marlborough and Amesbury. It was highlighted earlier in the year that both Wootton Bassett and Marlborough depots had experienced delays in works commencing. Budget managers have now highlighted that work won't start this financial year at the Marlborough depot; there is an anticipated start date of April 2010. The projected spend for the year has been reduced to around £2.087m. The budget will be reprogrammed in subsequent reports to move required budget in 2010/11.

(b) Housing revenue Account (HRA)

The budget focuses on the refurbishment and modernisation of the Council's housing stock. The budget manager has identified that the budget is not likely to be fully spent in 2009/10 and is currently predicting a variance of £0.425m. Expenditure between now and the year end is to be determined and once situation is clarified, the scheme will be reprogrammed to move budget slippage into 2010/11.

12. Local Transport Plan – Maintenance of Principal/Non Principal roads

A major scheme at Downton has been revised but still expected to be completed by the end of the financial year. Savings arising from the alteration at the Downton scheme have been allocated to the increased patching work caused by the recent bad weather. As per last month report, the budget is still forecast to show a variance at year end; currently forecast at £0.564m. This is due to a delay on the Pewsey Road bridge scheme which now has an anticipated start date of May 2010. The budget will be reprofiled to move the slippage into 2010/11.

13. Local Transport Plan – Integrated Transport

The scheme is currently showing a forecasted variance of £0.840m against the 2009/10 budget. This is attributable to a delay on a number of individual schemes which make up the integrated transport budget. The budget will be reprogrammed to move slippage into 2010/11.

**Main Considerations for the Council**

14. (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 and to request the approval of additional budget requirement as detailed in section 3 of Appendix B.

**Environmental Impact of the Proposal**

15. 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**

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

**Risk Assessment**

17. The capital budget for 2009/10, as detailed in this report, is approximately £130 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**

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

### **Legal Implications**

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

### **MARTIN DONOVAN**

Chief Finance Officer

Report Author: Lloyd Brown

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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

Appendix A – sources SAP report.

Appendix B – details of net budget adjustments



**CAPITAL BUDGET MONITORING STATEMENT: APRIL TO DECEMBER 2009**

SCHEME NAME	DEPARTMENT	2009/10 BUDGET	SCHEME SPEND AT THE END OF PERIOD 9 £	FORECAST SPEND AT 31/03/10 £	PROJECTED VARIANCE* £
Wellington Academy	DCE	7,663,000	5,005,229	7,663,000	0
Salisbury Academy	DCE	353,000	7,215	353,000	0
Extended Schools	DCE	1,502,000	418,621	1,502,000	0
Additional Accommodation	DCE	3,276,770	482,078	3,276,770	0
Access and Inclusion	DCE	1,384,000	463,988	1,384,000	0
NDS 07/08 & 09/10	DCE	2,752,170	2,434,161	2,752,170	0
NDS Modernisation	DCE	4,591,300	4,019,893	4,591,300	0
Devolved formula Capital	DCE	9,898,000	7,505,282	9,898,000	0
DCSF Primary Capital programme	DCE	802,610	378,909	802,610	0
Melksham Oak School	DCE	18,580,830	11,720,105	18,580,830	0
DCSF Targeted Capital 14-19 SEN	DCE	300,000	0	300,000	0
Other DCSF Initiatives	DCE	270,000	267,420	270,000	0
Targeted Capital Food Technology General	DCE	135,000	9,800	135,000	0
Targeted Capital School Kitchens General	DCE	745,000	745,427	745,427	427
Other Projects New Schools	DCE	2,095,020	165,114	2,095,020	0
Other Schools Projects - Expansions	DCE	2,495,070	947,392	2,495,070	0
Other Schools Projects - Replacements	DCE	1,031,380	171,548	1,031,380	0
DCSF Specialist Schools	DCE	650,000	600,000	650,000	0
DCSF 14-19 Diplomas reforms	DCE	1,000,000	250,580	1,000,000	0
DCSF Information System Parents & Providers	DCE	31,000	130	31,000	0
Sure Start early years	DCE	7,227,000	2,740,963	7,227,000	0
LPSA PRG (DCE)	DCE	50,420	0	50,420	0
Aiming High for Disabled Children	DCE	205,000	95	100,000	-105,000
Youth Projects**	DCE	351,000	-16,454	351,000	0
<b>SUBTOTAL:</b>		<b>67,389,570</b>	<b>38,317,495</b>	<b>67,284,997</b>	<b>-104,573</b>
BMP/SAP	DOR	1,452,000	0	1,452,000	0
ICT Hardware	DOR	751,000	453,534	751,000	0
LPSA PRG (Resources)	DOR	131,250	0	131,250	0
OWTP	DOR	11,612,430	8,588,432	11,612,430	0
Other DOR Initiatives	DOR	34,000	0	25,000	-9,000
<b>SUBTOTAL:</b>		<b>13,980,680</b>	<b>9,041,966</b>	<b>13,971,680</b>	<b>-9,000</b>

## APPENDIX A

SCHEME NAME	DEPARTMENT	2009/10 BUDGET	SCHEME SPEND AT THE END OF PERIOD 9 £	FORECAST SPEND AT 31/03/10 £	PROJECTED VARIANCE* £
LTP – Integrated Transport	TEL	5,003,000	2,866,863	4,163,000	-840,000
Buildings repair & Maintenance	TEL	3,000,180	1,086,873	3,000,180	0
Carbon Trust (NWDC)	TEL	198,000	0	198,000	0
DDA Works	TEL	133,000	7,181	133,000	0
LTP – Maintenance of Principal/Non Principal roads	TEL	12,280,000	8,906,448	11,716,000	-564,000
Additional Highway Maintenance	TEL	1,645,000	461,429	1,645,000	0
Footways	TEL	250,000	106,850	250,000	0
Land Drainage	TEL	500,000	382,987	500,000	0
Highways Depot and office strategy	TEL	2,571,800	1,387,937	2,086,800	-485,000
Major Integrated Tr. Improvements	TEL	620,000	578,850	620,000	0
Major Highway Improvements	TEL	948,000	210,459	300,000	-648,000
Petersfingers Park and Ride	TEL	2,410,000	1,955,593	2,410,000	0
Waste Vehicles (Purchase)	TEL	1,918,000	1,432,002	1,918,000	0
Leisure & Amenities	TEL	935,000	261,138	895,000	-40,000
Waste Management	TEL	1,686,000	126,400	686,000	-1,000,000
					0
Smaller TEL Schemes not split out	TEL	328,000	211,569	328,000	0
	<b>SUBTOTAL:</b>	<b>34,425,980</b>	<b>19,982,578</b>	<b>30,848,980</b>	<b>-3,577,000</b>
Tidworth Castledown	EDPH	1,037,000	35,163	1,037,000	0
Economic Development	EDPH	2,356,000	780,416	2,356,000	0
Disabled facilities grants Housing	EDPH	2,650,000	1,633,001	2,650,000	0
Corporate other housing grants	EDPH	1,200,000	347,166	1,200,000	0
Strategic Housing	EDPH	857,000	171,496	857,000	0
New Housing	EDPH	65,000	5,975	65,000	0
HRA	EDPH	4,596,000	4,046,177	4,171,047	-424,953
	<b>SUBTOTAL:</b>	<b>12,761,000</b>	<b>7,019,394</b>	<b>12,336,047</b>	<b>-424,953</b>
Libraries Heritage Arts Minor Capital Works	DCS	70,000	41,024	70,000	0
Adult Social Care Strategy & Commissioning - Older People	DCS	1,199,500	10,559	1,199,500	0
Adult Social Care Strategy & Commissioning - Learning Disability	DCS	210,000	83,828	210,000	0
Resources Other	DCS	148,000	102,156	148,000	0
	<b>SUBTOTAL:</b>	<b>1,627,500</b>	<b>237,567</b>	<b>1,627,500</b>	<b>0</b>
	<b>TOTAL:</b>	<b>130,184,730</b>	<b>74,599,001</b>	<b>126,069,204</b>	<b>-4,115,526</b>

**NOTES:**

\* A negative variance indicates a underspend

\*\* The negative spend against the Youth Projects schemes relates to a capital grant which was incorrectly posted against the capital scheme.

This has been corrected in Period 10 and the scheme actuals will show a correct position in the next report



**CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES  
WITHIN THE CAPITAL PROGRAMME**

Month: 

February
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 Financial Year: 

2009/10
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**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,etc which fund the addition, "*

**Project Name:** Youth Projects  
**Budget Change:**

2009/10	2010/11	2011/12
75,000		

  
**Funding Source:** Revenue Contribution  
**Description:** Contribution from revenue funds to purchase 11 vehicles for the Youth service.

**Project Name:** Department for Children, Schools and Families (DCSF) Specialist Schools  
**Budget Change:**

2009/10	2010/11	2011/12
50,000		

  
**Funding Source:** Grant  
**Description:** Increased Grant from DCSF to fund initiatives in specialist Schools

**Project Name:** New Housing  
**Budget Change:**

2009/10	2010/11	2011/12
1,109,805		

  
**Funding Source:** Grant  
**Description:** Confirmation received in January 2010 that funding was approved by Home and Communities Agency for second element of affordable housing bid. The second element of funding relates to Southview Trowbridge site.

**SECTION 2 - DELEGATED CFO POWERS**

*"Schemes within the capital programme which require the reprogramming of expenditure between years due to scheme not progressing as originally anticipated or other circumstances"*

**Project Name:** Libraries, Heritage & Arts  
**Budget Change:**

2009/10	2010/11	2011/12
-1,032,000	1,032,000	

  
**Funding Source:** Capital Receipts  
**Description:** Work on projects at Pewsey, Lugershall and Salisbury libraries and the Pounds Art Centre Calne have all experienced delays. Schemes require the reprogramming of expenditure from 2009/10 into 2010/11.

**Project Name:** Adult Social Care Strategy & Commissioning - Older People  
**Budget Change:**

2009/10	2010/11	2011/12
-721,500	721,500	

  
**Funding Source:** Grant  
**Description:** Scheme relates to Extra Housing Care at Rutland and Malmesbury. Not all of the specific Ringfenced grant funding is expected to be spent in 2009/10, the remainder is to be used in 2010/11 and so scheme is being reprogrammed.

**Project Name:** Adult Social Care Strategy & Commissioning - Learning Disability  
**Budget Change:**

2009/10	2010/11	2011/12
-66,000	66,000	

  
**Funding Source:** Capital Receipts  
**Description:** Project is currently on hold awaiting the outcome of a pending property strategy. Remaining budget reprogrammed into 2010/11.

**Project Name:** Adult Social Care Strategy & Commissioning - Mental Health  
**Budget Change:**

2009/10	2010/11	2011/12
-575,000	575,000	

  
**Funding Source:** Grant / Supported Borrowing  
**Description:** Clear proposals agreed for spending of the Ringfenced Department of Health (DOH) Mental Health Grant. Projects have been identified for providing vocational, day care and accommodation services in the mental health arena. All of the budget being reprogrammed into 2010/11 as no projects will commence in 2009/10.

**Project Name:** Disability Discrimination Act (DDA) Works  
**Budget Change:**

2009/10	2010/11	2011/12
-200,000	200,000	

  
**Funding Source:** Capital Receipts  
**Description:** Budget reprofiled to take into account in the delay encountered in commencing work on ensuring County Hall lifts are complying with the Disability Discrimination Act (DDA).

**Project Name:** Disabled Facilities Grants  
**Budget Change:**

2009/10	2010/11	2011/12
-1,022,000	1,022,000	

  
**Funding Source:** Grant  
**Description:** Simple reprogramming of Grant from 2009/10 to 2010/11.

**Project Name:** Corporate Housing Grants  
**Budget Change:**

2009/10	2010/11	2011/12
-49,000	49,000	

  
**Funding Source:** Grant  
**Description:** Simple reprogramming of Grant from 2009/10 to 2010/11.

**Project Name:** Strategic Housing  
**Budget Change:**

2009/10	2010/11	2011/12
-1,522,000	1,522,000	

  
**Funding Source:** Grant / Other Contributions  
**Description:** Simple reprogramming of Grant from 2009/10 to 2010/11.

**SECTION 3 - REQUESTS TO CABINET FOR ADDITIONAL RESOURCES**

*"Adjustment/addition of scheme to the capital programme which places an additional funding requirement on the programme"*

**Project Name:** New Housing

<b>Budget Change:</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	15,000	887,845	206,960

**Funding Source:**

**Description:** Confirmation received in January 2010 that funding approved by Home and Communities Agency for second element of affordable housing bid. The Funding does not cover the whole cost of the scheme and as a result has attracted further borrowing to fill the funding gap. Members approved the bidding for the second element of the grant in October Cabinet meeting

In the exercise of my delegated powers (Section 1 and 2), I hereby authorise the amendments to the Capital Programme summarised above.

**CHIEF FINANCE OFFICER:** Martin Donovan

**SIGNED:**

**DATE:**