

Date of Meeting	15 March 2007
Title of Report	Capital Monitor 2006/07 - Month 9
Portfolio	Leader's Portfolio
Link to Corporate Priorities	Where appropriate details of links to the various Corporate Objectives for specific schemes in the Capital Programme were included in the original scheme proposals presented to the Council or its Committees in the past.
Key Decision	No
Executive Workplan Ref	A19
Public Report	Yes

<p>Summary of Report</p> <p>The purpose of this report is to inform the Executive of the latest position and forecast outturn on the 2006-07 capital programme and agree a transfer of resources to 2007-10.</p>
<p>Officer Recommendations</p> <p>That the Executive:</p> <ol style="list-style-type: none"> Note the figures contained in Appendix 1 in relation to the Capital Programme for 2006/2007 and the contents of this Report. Note the detailed information on Capital Resources at Appendix 2. Note the Capital Risk Assessment contained in Appendix 3. Note the Slippage Table in Appendix 4.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.				
Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	NONE	NONE	NONE	NONE

Contact Officer	Val Cradock, Financial Consultant 01249 706220 vcradock@northwilts.gov.uk
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1. Introduction

- 1.1 This report details capital expenditure to 31 December 2006 (Month 9) and projected expenditure to 31 March 2007. See Appendix 1.
- 1.2 Some schemes have slipped and will not be completed in the year for which the budget was approved. The projected level of slippage has been reviewed and is at £4.207m. As part of continually improving the capital monitor, the slippage analysis has been improved and the reasons are detailed at Appendix 4.
- 1.3 Affordable housing schemes, a Council Priority, have a long lead time. Officers enter into negotiations with RSL's/developers before putting a report before Members to approve individual schemes. This enables RSL's to apply for external funding from the Housing Corporation and reduces the amount of grant requested from NWDC.
- 1.4 Financing of the capital programme has, traditionally, been resourced through the sale proceeds of assets disposed of in prior year and specified 'in year' capital grants. As part of continually improving the capital monitor, the resource position is reported, see Appendix 2.
- 1.5 The original capital programme for 2006-07 was set by Council on 21 February 2006. The value of the approved programme was £5.875m.
- 1.6 Schemes approved in prior years, which were uncompleted as at 31 March 2006, totalled £3.049m. Allocated funding for these schemes had previously been identified.

2. Options and Options Appraisal

- 2.1 To note the figures contained in the Appendices in relation to the Capital Programme for 2006/2007 and the contents of this Report.
- 2.2 To note the risk of a projected overspend on the North Wiltshire Arts Centre Projected as identified in Appendix 3.

3. Background Information – budget and expenditure

- 3.1 The total capital programme, including the budget unspent from previous years, is £9.251m as set out below, and detailed at Appendix 1:

Table 1: 2006-07 Capital Programme 2006-07 £000's

Original 2006-07 budget	5,875	
Slippage from 2005-06	<u>3,049</u>	8,924
In-year changes		
Virements	101	
New spend funded by new resources	<u>226</u>	327
Revised 2006-07 capital programme		9,251

3.2 Expenditure during 2006/07 totals £3.007m to 31st December 2006. It is projected that a further £1.941m will be spent on capital schemes during the remainder of 2006/07, of which £0.803m relates to Housing schemes and grants and £0.200m relating to North Wiltshire Arts Centre Project. In effect, nearly 40% of the capital programme is planned to be spent in the last 25% of the programme.

Table 2: 2006-07 Summary of Expenditure 2006-07 £000's

Expenditure to date	3,007	
Projected Expenditure Jan-March	1,941	
Savings	<u>96</u>	
		5,044

3.3 Projected slippage on committed schemes totals just over £4m and is almost £1m higher compared to last month. The slippage is detailed at Appendix 4. The main reasons for the increased slippage are set out below:

Table 3: 2006-07 Reasons for increased slippage 2006-07 £000's

Housing - Affordable	235	
Housing - Renewal Grants	<u>156</u>	
		391
NW Art Centre		403
Street works		200
Community grants		131
Other, net		17
In-year change		1,032

3.4 This Appendix also shows projected savings of £96k and £116k of slippage that no longer required. However, there are indications that that this released funding could be reduced by up to £50k because of the possible overspend of the North Wiltshire Arts Centre Project as identified in Appendix 3. This will also form the subject of a separate report.

3.5 Work on identifying any possible income from Section 106 agreements is ongoing and will form part of the year end processes.

4. Capital Resources

4.1 Capital Receipts, virements and specific grants, totalling £8.404m have been identified to fund the 2006/2007 capital programme. In addition, there is £3,049m of resources brought forward to fund the slippage from 2005-06.

4.2 As set out at Appendix 2, there is a resulting resource of £2.202m in excess of the level of expenditure; this was invested to generate interest to support the 2006-07 revenue budget. This 'base budget' assumption, that there is revenue income from the capital surplus, has been built into the 2007-10 revenue budgets.

4.3 Tighter control on achieving expenditure in accordance with the plans (less slippage to future years) will reduce the amount of interest available to support the revenue budget.

5. Financial Implications

- 5.1 The net effect of the increased slippage is that, compared to the plan of carrying forward £2.2m of unused capital receipts into 2007-08, the interest on which helps support the 2007-08 revenue budget, the amount carried forward will be £6.4m. Appendix 2 also sets out the position of the Equipment Fund.

6. Risk Analysis

- 6.1 The Risk Assessment approved at Full Council on 21st February 2006 in relation to the 2006/2007 Capital Programme has been reviewed and updated. This is set out at Appendix 3.

Appendices:	<ol style="list-style-type: none"> 1. Capital Monitor April - November 2006 2. Capital Resources - 2006/2007 3. Risk Assessment - November 2006 4. Slippage Table - November 2006
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • Expenditure reports produced by the Council's Accounting System • Budget Holders monitoring reports

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
<ul style="list-style-type: none"> • Budget Proposals 2006/2007 	Council - 21 February 2006	C92.
<ul style="list-style-type: none"> • Capital Outturn 2005/2006 	Executive - 13 July 2006	E25.
<ul style="list-style-type: none"> • Capital Monitors: <ul style="list-style-type: none"> ○ Month 6 ○ Month 7 ○ Month 8 	<ul style="list-style-type: none"> Executive – Nov 9 2006 Executive – Dec 14 2006 Executive - Jan 18 2007 	