

# REPORT TO THE EXECUTIVE

Report No. 8

Date of Meeting	August 30, 2007
Title of Report	Capital Monitor 2007/08 - Month 03
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

## Summary of Report

The purpose of this report is to inform the Committee of the latest position and forecast outturn on the 2007-08 capital programme and note change to the Risk Assessment Table.

## Officer Recommendations

### That the Executive:

1. Note the figures contained in Annex 1 in relation to the Capital Programme for 2007/2008 and the contents of this Report.
2. Note the detailed information on Capital Schemes at Annex 2.
3. Note the Capital Risk Assessment contained in Annex 3.
4. Consider which schemes should proceed in the light of the Unitary decision.
5. Consider whether to borrow further to fund the Capital Programme.

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	YES	YES	YES	NONE

<b>Contact Officer</b>	Val Cradock, Financial Consultant 01249 706220 <a href="mailto:vcradock@northwiltsgov.uk">vcradock@northwiltsgov.uk</a>
------------------------	--

## 1. Introduction

- 1.1 This report details capital expenditure to 30 June 2007 (M3) and projected expenditure to 31 March 2008. See Annex 1.
- 1.2 The main issues to bring out at M3 are the total amount of Schemes slipped from 2006/2007 and, that some proposed Schemes identified in the 2007/2008 Budget round may not now go ahead as a result of the bid by WCC, to have just one council covering the whole of the county which was recently approved by the Secretary of State Hazel Blears.

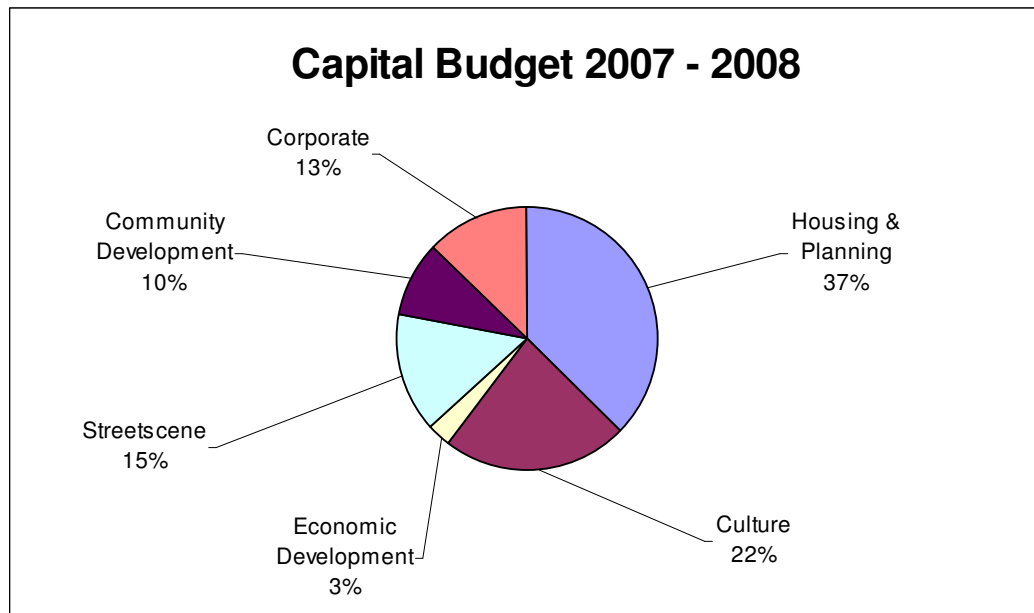
## 2. Options and Options Appraisal

- 2.1 Option 1: To agree the recommendations and consider whether to proceed with all Capital schemes and/or borrow to fund the programme.
- 2.2 Option 2: To not agree the recommendations and not consider whether to proceed with all Capital schemes and/or borrow to fund the programme.

## 3. Background Information

- 3.1 **Overall position** - The projected Capital programme for the year, to include the budget unspent from previous years totals £10.7m. Annex 1 gives a full analysis. Work on determining the projected underspend at Month 12 is ongoing and will be reported on in detail as the year progresses.

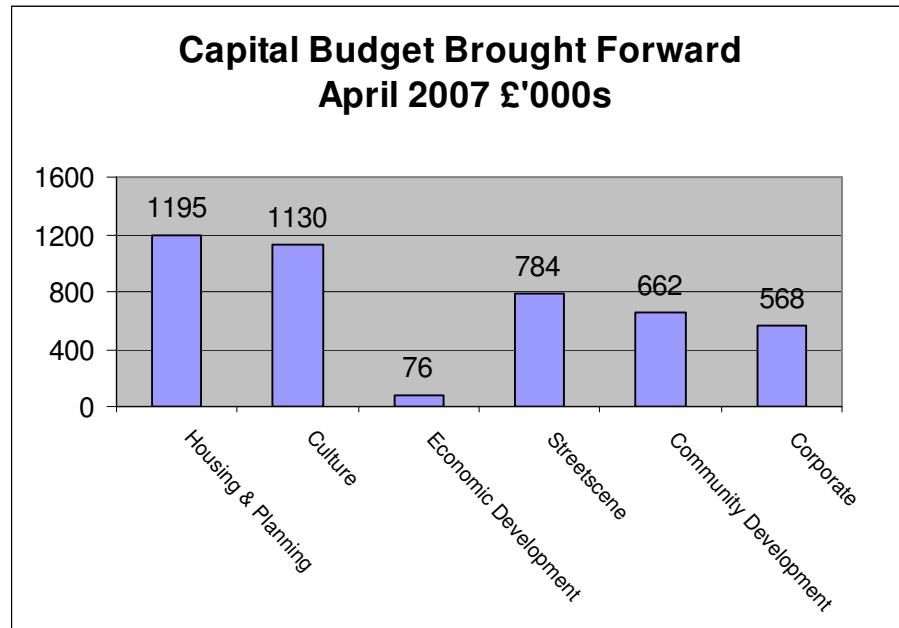
**Exhibit 1 - Graph showing 2007/2008 Capital Programme by Theme**



**Exhibit 2 - Table showing 2007-08 Budget plus Brought Forward**

Theme	2007-08 £000's	Brought Forward £000's	Total Budget £000's
Housing & Planning	2,795	1,195	3,990
Culture	1,270	1,130	2,400
Economic Development	262	76	338
Streetscene	775	784	1,559
Community Development	355	662	1,017
Corporate	794	568	1,362
<b>Total</b>	<b>6,251</b>	<b>4,415</b>	<b>10,666</b>

**Exhibit 3 - Graph showing Budget Brought Forward By Theme**



**3.2 Expenditure April - June 2007.** Detailed expenditure analysis by major theme can be seen at Annex 1. The following table shows spend for first three months of budget period compared with same period for previous two years.

**Exhibit 4 - Table showing first quarter expenditure over three years.**

<b>Theme</b>	<b>April - June 2007-08 £000's</b>	<b>April - June 2006-07 £000's</b>	<b>April - June 2005-06 £000's</b>
Housing & Planning	165	126	1,139
Culture	273	91	107
Economic Development	14	17	12
Streetscene	13	117	42
Community Development	66	59	115
Corporate	109	75	49
<b>Sub Total</b>	<b>640</b>	<b>485</b>	<b>1,464</b>
Equipment	59	92	35
<b>Total</b>	<b>699</b>	<b>577</b>	<b>1,499</b>

3.3 Detailed information on major schemes can be found at Annex 2.

**4. Special circumstances**

4.1 The following are the special events, both recent and forthcoming, that have, or will affect the outturn:

- Difficulty in staffing recruitment and retention which is impacting on the progression of some schemes
- The transition to a Unitary authority. The first transition team, which is headed by the county council environmental services director, has already started work. Among their first projects will be a county wide review of services and premises.
- Delay in completing the Restructure is adding to the delay in progressing some schemes.
- Recent Central Government announcement to the commitment to build at least 70,000 affordable houses a year by 2010-11 across the Country. This work will impact on the available capacity of the Housing Team to progress schemes.

**5. Capital Resources**

5.1 Capital Receipts, virements, specific grants and borrowing, totalling £6.251m have been identified to fund the 2007/2008 capital programme. In addition, there is £4.422m of resources brought forward to fund the underspend from 2006/2007.

**Exhibit 5 - Table showing funding sources for 2007/2008 Programme.**

<b>Funding Source</b>	<b>£000's</b>
Capital Grants	650
Additional Interest on Capital Investments	333
Borrowing	<u>4,000</u>
Sub Total	4,983
Capital Receipts or Additional Borrowing	<u>1,268</u>
<b>Total</b>	<b><u>6,251</u></b>

5.2 Further funding of £50k has been identified through the use of s.106 contributions.

**6. Financial Implications**

6.1 Forecast capital receipts for 2007/2008 total £3.9m.

**Exhibit 6 - Forecast Capital Receipts by Source.**

<b>Source of Capital Receipts</b>	<b>£000's</b>
Capital Grants	650
Additional Interest on Capital Investments	333
Land Sales	2,400
Other small sites	<u>526</u>
<b>Total</b>	<b><u>3,909</u></b>

6.2 The resolution to fund future capital expenditure through further borrowing will need to be reviewed in light of changing interest rates and the Unitary decision.

**7. Risk Analysis**

7.1 The Risk Analysis is set out at Annex 3. At this stage of the budgetary cycle, none of the risks are critical enough for them to be in the outturn, although, consideration, in M4, should be given to the risk with the maximum and medium scores.

<b>Annexes:</b>	<ol style="list-style-type: none"> <li>1. Capital Monitor April - June 2007</li> <li>2. Major Schemes Update</li> <li>3. Risk Assessment - June 2007</li> </ol>
<b>Background Documents Used in the Preparation of this Report:</b>	<ul style="list-style-type: none"> <li>• Expenditure reports produced by the Council's Accounting System</li> <li>• Budget Holders monitoring reports</li> </ul>

**Previous Decisions Connected with this Report**

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
Budget Proposals 2007/2008	Council - February 22, 2007	C.95