

Cabinet member: Councillor Fleur de Rhé-Philippe - Finance, Performance and Risk

Capital Budget Monitoring: April to October 2009

Executive Summary

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

There is a projected variation of £9.771m, which relates to the reprogramming of expenditure.

The report details budget changes which are to be noted 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

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

CABINET

15 December 2009

Capital Budget Monitoring: April to October 2009**Purpose of Report**

1. To update Cabinet of the position of the Capital Programme after 7 months (1st April 2009 to 31st October 2009) of the 2009/10 financial year.

Background

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

	£m	Notes
Capital budget (as at 24th November 2009)	148.389	
<i>Budget amendments;</i>		
Workplace Transformation Programme	10.836	Included in Capital Programme after being approved in October Cabinet.
Removal of Bourne Hill and Hub Strategy schemes	-20.271	The approval of the Workplace Transformation Programme means the two schemes are superseded by the programme.
Budget adjustments approved at last Cabinet meeting (CFO Delegations)	1.803	Net budget movement as detailed in Appendix B of November report
Capital budget 2009/10	140.757	

3. Appendix B to the report contains budget adjustments which Cabinet are asked to note (Section 1 and 2).

Summary of Current Position

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

Department	Budget 09/10 £m	Actual Spend as at end of Period 6 £m	Projected Outturn for the year £m	Full Year Projected Variance* £m
Children & Education	70.248	26.886	64.872	-5.376
Resources	3.645	0.225	3.645	-
Transport, Environment and Leisure	46.839	19.542	43.044	-3.795
Economic Development, Planning and Housing	15.889	5.283	15.289	-0.600
Community Services	4.136	0.209	4.136	-
Total:	140.757	52.145	130.986	-9.771

* A negative variance indicates a underspend

5. A breakdown of the position of schemes within the capital programme can be seen in appendix A.
6. The variance on the full year projection is driven by the need for schemes to be reprogrammed. All of the £9.771 million projected underspend relates to reprogramming of expenditure; this is reflected in Appendix A.
7. The Targeted Capital School Kitchens and DCSF Specialist Schools schemes are both currently projecting overspends. The budget reprofiling relating to the schemes are waiting approval (as detailed in appendix B) and aren't reflected in this report; once approved this will counteract the overspend.
8. Various comments on schemes are included below;
- 8.1 Laverstock Academy

There are a number of issues which need to be resolved in order to progress with the Academy. Timescales have slipped compared to original plans and therefore significantly less than the original budget of

£400,000 for 2009/10 will be spent. There is still a degree of uncertainty; at this stage expenditure of between zero and £50,000 is anticipated by the budget manager. The budget will be reprofiled in the New Year when more information is available.

8.2 Aiming High for Disabled Children – Short Break Funding

The grant funding received in 2009/10 was £205,000 and it is intended that the full amount of the grant will be commissioned for use. Due to delays in planning consent, it is unlikely that this will all occur in 2009/10 and the budget manager has indicated a large proportion of the grant will have to be reprogrammed for use in 2010/11. Under the terms of the grant from the Department for Children, Schools and Families, rolling forward of the grant is permitted, as long as the grant is spent by March 2011. Plans are in place to ensure unspent grant is allocated and utilised by this deadline. The scheme will be reprofiled in subsequent reports once the detailed information about spending levels in 2009/10 has been established.

8.3 Tidworth Castledown

The construction element of the scheme is projected to be completed by February 2010 with the fit out completed by the end of the financial year. The IT element of the budget may require some reprogramming to move funds from the 2009/10 to 2010/11 financial year. This cannot be accurately assessed until the scheme moves closer to completion. Any reprogramming required is estimated to be less than £100,000 by the budget manager and will occur when the position is clarified.

8.4 Melksham Oak School

The scheme is progressing as anticipated. Orders in the value of £6,800,000 have been raised this financial year, in addition to the £6,892,849 which has already been spent. Expenditure is on target to be in line with budget for the financial year.

8.5 Local Transport Plan – Maintenance of Principal/Non Principal roads

An element of the bridge strengthening programme has experienced delays. Work at the Pewsey Road scheme has not progressed as anticipated and it is expected the majority of planned spend in 2009/10 will not occur. As a result the scheme is projecting an underspend of £436,000. The scheme will be reprofiled once the budget manager has identified the extent of slippage relating to Pewsey Road; this will be adjusted in future reports.

8.6 Local Transport Plan – Integrated Transport

Allowances within the budget for increased costs in the Petersfinger Park & Ride scheme have proved to be unwarranted to the extent they were made. This combined with delays in a number of other projects within the scheme have meant that the projected underspend has increased to £500,000. The scheme will be reprogrammed and reported in subsequent reports.

8.7 Disability Discrimination Act Works

The scheme is currently showing a nil spend against the £333,000 budget for the 2009/10 financial year. Commitments have been raised for work to commence on the lifts in County Hall MECH complex ensuring they are compliant with the Disability Discrimination Act. It is anticipated that £160,000 expenditure will occur this financial year, with the remaining budget being reprogrammed in 2010/11. The budget will be reprofiled once the position of the scheme is clarified.

8.8 Westbury Bypass

As the scheme has been terminated, all costs charged to the capital programme this financial year are to be charged to revenue sources. Costs that are currently showing within the capital budget will be removed and charged to the relevant revenue budgets.

Main Considerations for the Council

- 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

Environmental Impact of the Proposal

- 10. 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

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

Risk Assessment

12. The capital budget for 2009/10, as detailed in this report, is approximately £140 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

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

Legal Implications

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

MARTIN DONOVAN

Chief Finance Officer

Report Author: Lloyd Brown

Unpublished documents relied upon in the preparation of this report: NONE
Environmental impact of the recommendations contained in this report: NONE