

Wiltshire Council

Cabinet

14 September 2021

Subject: Financial Year 2021/2022 - Quarter One Capital Programme

Cabinet Member: Cllr Pauline Church – Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation

Key Decision: Non-Key

Executive Summary

This report sets out the Capital Programme for 2021/22 as of 30 June 2021 for the first quarterly budget monitoring period. It includes the movements from the original budget set by full Council in February 2021 to the revised programme and sets out how the programme is forecast to be financed. It provides an update on the significant programmes that are planned to be delivered and those that have been reprofiled to future years.

Quarter 1 Capital Budget Monitoring

The Quarter 1 Capital programme is based on information as of 30 June 2021. The report confirms the current forecast movement of approvals between years as schemes have been assessed and the spend profile recast.

Proposal(s)

Cabinet is asked to note:

- a) the additional capital budgets of £16.881m that have been added to the 2021/22 programme under Chief Finance Officer delegated powers;
- b) the Grant amendment of £5.407m that have been added to the 2021/22 programme under Chief Finance Officer delegated powers;
- c) The reprofile of £38.816m of budgets into future years under Chief Finance Officer delegated powers;
- d) Budget Movements between Schemes;
- e) The revised 2021/22 Capital Programme as at quarter 1 of £224.555m; and
- f) The capital spend as of 30 June 2021 of £11.675m

Cabinet is asked to approve:

- g) Approve £2.2m of the £5m ringfenced budget for Melksham House site so development can commence once planning consent is received subject to successfully securing £3.3m Levelling Up funding and remove the balance of £2.8m as no longer required;
- h) Remove £2.545m of budget allocated to Wiltshire College Loan as this has been accounted for through the balance sheet rather than the capital programme so is not required;
- i) Remove £0.075m of budget allocated to HRA Council House Build Programme Phase 1 as this has completed and is no longer required; and
- j) Approve transfer of up to £1.500m from “Other Capital Schemes to be approved” budget to match fund or, fully fund two new Children’s Homes.

Reason for Proposal(s)

To inform effective decision making and ensure sound financial management as part of the Councils overall control environment.

To inform Cabinet on the financial position of the Council on the 2021/22 capital programme as at Quarter 1 (30 June 2021).

Terence Herbert – Chief Executive

Andy Brown – Corporate Director of Resources & Deputy Chief Executive (S.151 Officer)

Wiltshire Council

Cabinet

14 September 2021

Subject: Financial Year 2021/2022 - Quarter One Capital Programme

Cabinet Member: Cllr Pauline Church – Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation

Key Decision: Non-Key

Purpose of Report

1. To advise Members of the 2021/22 Capital Programme position as at Quarter 1 (30 June 2021) with suggested actions as appropriate.

Relevance to the Council's Business Plan

2. Budget monitoring and reporting supports effective decision making and the alignment of resources and financial performance to the Council's priorities and objectives as laid down in the Business Plan.

Background

CAPITAL PROGRAMME MONITORING 2021/22 – QUARTER 1

3. The Council approved a net capital programme budget for 2021/22 of £214.351m at its meeting on 23 February 2021. As part of in year budget monitoring and the final year end position Cabinet approved the reprogramming of £6.392m and slippage of £20.340m into 2021/22, this increased the Capital programme to £241.083m.

Main Considerations for the Council

1. As part of quarter one review the Chief Finance officer has authorised the addition of £16.881m budget under his delegated powers. These increases are set out in Appendix B and discussed later in the report, these increases have no effect on the net funding position of the programme or the approved borrowing level.
2. Capital schemes have also been reviewed and £38.816m budget has been reprogrammed into future years to align with forecast programme delivery. There are no negative financial or reputational implications to report from this re-programming.

3. Cabinet is asked to note the Government Grant amendments of £5.407m as presented in Appendix B. This aligns forecast grant in the capital programme to actual allocations.
4. The Capital Programme for 2021/22 stands at £224.555m as of 30 June 2021 after the above changes have been made. The table below summarises the budget movements discussed.
5. Cabinet is asked to authorise a total of £5.420m reduction in Capital programme budgets. This affects three schemes. Wiltshire College Loan £2.545m, this budget is not required as due to the structure of the Loan it does not need to go through the capital programme. The Loan has been issued to Wiltshire College and is presented on the Council Balance sheet as a long term Debtor. Melksham House Capital budget £2.8m, based on current proposals this budget will no longer be required and HRA New Build Programme Phase 1 £0.075m, this phase is now complete, and has come in under budget so this element is no longer required.

Table 1 – 2021/22 Q1 Capital Programme Amendments

	£'m
Original Capital Programme Approved by Full Council Feb 2021	214.351
Amendments to Capital Programme as part of 2020/21 Monitoring and Year end Position	
Budgets reprogrammed into 2021/22	6.392
Year end position budget transfer from 2020/21 into 2021/22	20.340
Amendments to Capital Programme from Qtr. 1 Review to Note:	
Additional budgets added to the programme	16.881
Grant amendments	5.407
Budgets reprogrammed from 2021/2022 into future years	-38.816
Capital Programme 2021/22 as at 30th June 2021	224.555
Requested Budget reductions for approval Qtr. 1	-5.420

6. This is an ambitious capital programme at £224.555m, historically Wiltshire Councils average annual Capital Programme spend is circa £100m. There are however some significant schemes included in the programme that is driving the budget level, these are detailed in the report below.
7. The total capital expenditure as at quarter 1 is £11.675m, approx. 5% of the total budget. The low spend figure is an indication that schemes are progressing slower than anticipated, however officers at this stage are still forecasting that these schemes will progress and spend to budget in 2021/22.
8. The biggest implication from not delivering the capital programme as planned is linked to schemes funded by borrowing. This impacts on the Financing and Investment Income and Expenditure revenue budget which is set based on the programme for the previous financial year.

9. Reported in the quarter one revenue budget monitoring report is a £1.869m underspend on the Financing and Investment Income and Expenditure budget as a result of the 2020/21 capital programme year end position.
10. The 2021/22 capital schemes funded by borrowing inform the Financing and Investment Income and Expenditure budget for 2022/23, if the programme is set too high and is not deliverable then revenue budget is set aside that is not required and is diverted away from key services. The programme needs to be reviewed to ensure it is robust and achievable, this will be done as part of budget monitoring and the quarter 2 review will be key to informing the 2022/23 Budget setting process.
11. A detailed financial position by scheme is shown in Appendix A for cabinet to review. The summary position is shown in the table below.

Table 2 – 2021/22 Q1 Capital Programme

	<i>Original Budget Approved Feb 2021</i> A £m	<i>Revised Budget</i> B £m	<i>Actual Spend as at Qtr. 1</i> C £m	<i>% Actual to Budget</i> C/B £m
Corporate Director - People	33.597	28.380	1.980	7%
Corporate Director - Resources	83.988	89.202	2.027	2%
Corporate Director - Place & Environment	65.189	79.995	5.874	7%
General Fund Total 2021/22	182.774	197.577	9.881	5%
Housing Revenue Account	31.577	26.978	1.794	7%
General Fund and HRA Programme 2021/22	214.351	224.555	11.675	5%

People

12. The table below shows the quarter 1 capital programme summary position for People Directorate. The revised budget stands at £28.380m and spend is currently at 7%. A thorough review of programme budgets have been undertaken and £11.494m has been reprogrammed into future years. The budget has been increased under CFO powers by a total of £3.005m, this represents a new SEND grant of £2.055m from Department for Education into High Needs Provision, this has then been re-programmed so that £1.555m of this grant is moved into future years. A S106 developer contribution of £0.950m has been added to Basic Need for works at Clarendon Academy.

Table 3 – 2021/22 Capital Programme, People Services

	<i>Original Budget Approved Feb 2021</i> A £m	<i>Revised Budget</i> B £m	<i>Actual Spend as at Qtr. 1</i> C £m	<i>% Actual to Budget</i> C/B £m
Education & Skills	23.619	16.472	1.734	11%
Joint Commissioning	9.978	11.888	0.246	2%
Learning Disabilities & Mental Health	0.000	0.020	0.000	0%
Corporate Director - People	33.597	28.380	1.980	7%

Education & Skills

13. In March 2021, Cabinet approved a list of 41 large, planned maintenance projects including roof replacements, full rewires and heating system replacements to be completed in 2021/22. Most of these projects will have been completed over the summer holiday period, with some larger works continuing into the Autumn term. In addition, £0.800m was set aside to fund reactive/emergency works including those identified through ongoing servicing. This has resulted in many additional projects already underway at schools and will continue to fund others as we go into the Winter season. A large scheme to replace time expired temporary accommodation at Preshute Primary has also just started on site.
14. Work has recently been completed on the large expansion to Melksham Oak Academy. Projects also underway include expansions to Lea and Garsdon Primary School, Bitham Brook Primary School, Marlborough St John's and the provision of a new Alternative provision unit at Hope Nature Centre. During the summer, works will have also been taking place at several schools to make them accessible for pupils with additional needs joining from September 2021.

Joint Commissioning

15. SEND capital schemes are on track to deliver benefits for Wiltshire children and young people with SEND. In June we updated the Department of Education on how we have used £1.360m from them to support the creation of 155 additional high needs places over the last three years.
16. Wiltshire has been awarded a further £2.055 which is to be used to deliver further places primarily for September 2022. Funding will be committed throughout the year in line with local priorities and needs identified through a Specialist Provision Strategy.
17. The Silverwood Build programme is progressing at pace, with a detailed build design finalised through a successful and extensive programme of co-design with pupils, parents and carers, staff, and governors. On 13th July Cabinet approved the allocation of £5.283m of capital budget funded by borrowing from the "Other Capital Schemes to be Confirmed" budget and to be reprofiled to £3m in 2023/24 and £2.283m in 2024/25. The additional capital was allocated in recognition of increased and unforeseeable cost pressures due to a combination of factors including extreme volatility in the construction market with significant increases in material prices and challenges in supply, and the unique nature of the site requiring measures to protect its biodiversity. A planning application was submitted in July and if planning permission is granted the Council will work closely with the main construction partner, Willmott Dixon, over the rest of the year in preparation for a start of the main construction works in March 2023. Some enabling works will be taking place during the autumn to ensure the site is prepared for the main programme start in March.
18. The Silverwood build programme will deliver significant additional places from September 2023 for learners with SEND, and in the meantime, schemes have been being progressed at pace to ensure we have sufficient capacity for learners requiring specialist provision through the SEND Special School

Capacity and Alternative Provision budget. This will see the creation of 64 new specialist provision places across the county for September 2021 in both special schools and resource bases.

19. The Department for Education are also leading on the development of a Free School in the south of Wiltshire, working with Reach South and Wiltshire Council. They have been exploring the feasibility of the UTC site in Salisbury for this development, and the project will deliver 150 places for learners with ASD / SEMH.

Capital Investment Children's Homes & DfE Grant Opportunity

20. Wiltshire Council has a duty to provide suitable and safe accommodation for the children and young people within our care. Where possible, we endeavour to place these children and young people into family-based care, through adoption or foster placements, but there are times when this is not appropriate for the young person. In these instances, residential care homes provide an environment for these young people where their needs can be met.

21. Although residential care provision exists within Wiltshire, only 24% of the looked after children under the care of Wiltshire Council are placed in the county, whilst 76% are placed in neighbouring counties or further afield. Additionally, costs for residential care are significant with a total spend in 2019/20 of £6.7m for 43 young people who required residential care during the year. The aim is to place children and young people close to their home and communities to enable them to continue with their education and maintain positive relationships in their communities. However, sometimes this is not in their best interest, and a placement further away will be required. The core issues of cost and sufficiency could be addressed by increasing the number of beds that are available in Wiltshire for placing looked after children under our care. An options paper was drafted for the Corporate Leadership Team (CLT) to explore issues and potential solutions in greater detail, presenting benefits and options for future commissioning of residential care.

22. The preferred option is to purchase property and commission an experienced provider to operate from the building but design a 10-bed block contract which is not limited to these properties thus providing flexibility. As the Council is able to access low borrowing rates, the providers would be able to provide care with a lower weekly unit cost and the Council will own the asset throughout.

23. The issue of local placements is not limited to Wiltshire and in an attempt to address this, the DfE launched a timely opportunity to bid for a share of £19.500m capital grant to build, buy or refurbish a childrens residential home to meet growing demand.

Some key highlights are:

- 50% match funding required from successful Local Authorities
- Applications to be submitted by mid October 2021

- Building work to be completed by the end of March 2023
- Local Authorities able to partner with private and voluntary sector providers to operate homes
- Multiple bids are permitted per local authority

24. It is therefore proposed that match funding is approved for this scheme and a bid finalised over the summer and submitted to the DfE in order to take full advantage of this opportunity. Due to the late launch date and unknowns around exact purchase cost of property, the best estimate is that two homes accommodating 3 or 4 young people including required modifications could cost £1.200m to £1.500m. Should the bid not be successful or be partially successful, it is proposed that the full costs of the scheme are funded by Wiltshire Council in order to respond to the needs of young people in the county, to support them to remain in their in their communities and at a lower unit cost. It is recommended that this proposal is approved and £1.5m of budget is transferred and reprofiled from the “Other Capital Schemes tot be confirmed”.

Resources

25. The table below shows the quarter 1 capital programme summary position for Resources Directorate. The revised budget stands at £89.202m and spend is currently at 2%.

26. Budget of £2.545m has been recommended to be removed from Wiltshire College Loan, this is a technical reduction as it does not need to be accounted for through the capital programme. The loan has been provided and is recorded on Wiltshire Council’s Balance Sheet as a long-term debtor.

27. As approved as part of Cabinet reports £2.150m budget has been drawn back from 2022/23 into 2021/22 for Other Capital Schemes to be confirmed and allocated to Porton Science Park to cover additional fit out on the scheme to secure tenants.

28. A budget movement of £5.481m has been made from IT Applications to the Evolve Project in line with previous Cabinet report recommendations, this is so that the full Evolve project cost is reported in once place to aid transparency. This budget has also been reprofiled alongside IT schemes with a total of £7.170m being moved into future years.

Table 4 – Capital Programme 2021/22, Resources

	<i>Original Budget Approved Feb 2021</i> A £m	<i>Revised Budget</i> B £m	<i>Actual Spend as at Qtr. 1</i> C £m	<i>% Actual to Budget</i> C/B £m
Housing & Commercial Development	31.973	39.241	1.654	4%
Capital Loans to Stone Circle	33.827	36.572	0.000	0%
Digital & Information	18.188	8.889	0.300	3%
Resources	0.000	4.500	0.073	2%
Corporate Director - Resources	83.988	89.202	2.027	2%

Housing & Commercial Development

29. A significant programme included in this area is the Housing Infrastructure Fund and Lackham College land purchase. A Cabinet report went to Cabinet in July 2021, the budget will need to be updated based on the outcome of this meeting and subsequent discussions with landowners and Homes England, this will be done as part of the quarter two report.

30. Three main expansion and refurbishment projects at Highway Depots are underway this year. Wootton Bassett and High Post are due for completion in October 2021, and Warminster is due to complete 2022. Two further projects for a new depot in the south west and the refurbishment and expansion of Parsonage Way are at the design stage.

31. Operational Property Energy Efficiency and Generation and Public Sector Decarbonisation budgets have multiple projects underway to reduce the council's carbon emissions and generate utility cost savings from the property estate. These projects include lighting upgrades, PV installations, upgraded air handling units, and the installation of air source heat pumps and include all types of property in the estate including leisure centres, depots, respite centres and hub buildings. Combined these programmes are forecast to spend £6.485m in 2021/22.

32. £4.042m budget is for Facilities Management works and covers essential projects on the council's property estate to repair and maintain buildings and systems to keep them open and safe. A significant amount of work is required to three multi-storey car parks and across multiple leisure centres and libraries. £0.350m budget has been moved from 2022/23 into 2021/22 to manage the pressure from the multistorey works.

Capital Loans to Stone Circle

33. This represents the capital loan funding to Stone Circle companies for 2021/22 and is aligned to the companies approved Business Plans. This is a significant programme at £34.027m and is likely to be reviewed as part of the Stone Circle governance review and updated Business Plan. This budget is funded by Loan repayments and in line with the Councils accounting policies minimum revenue provision charge is not set aside so reprogramming will not have a significant impact on future Finance and Investment revenue budgets.

Digital and Information

34. ICT capital programme is shown across Applications, Get Well, Other Infrastructure and Business as usual and covers staff costs and project costs to deliver key infrastructure, applications, cost of replacing staff devices and for further digital transformation and activities and emerging fields like business intelligence. A refresh of the technology in the man council chamber will also be undertaken this financial year. The budget has been reprofiled and transferred between programmes to align to schemes delivery, overall, £4.196m will be moved into future years.
35. The Microsoft Navigator budget is fully committed and has been allocated to Automation as part of Organisational Recovery. This work is going to expand the use of Robotic Process Automation to automate simple tasks across the Council. This engagement will also deliver an automation team within Wiltshire Council so more tasks can be automated in the future internally without relying on 3rd parties to design and implement such automations.

Resources

36. The core project under Resources is the Evolve programme, which is the procurement and implementation of a new Enterprise Resource Planning (ERP) system for the Council. The budget has been reprofiled to align to programme delivery. Tender submissions have been received and are currently in the evaluation stage. Significant expenditure will be incurred when the contract is awarded, which is due September 2021. The new system is planned to go live towards the latter end of the 2022 calendar year with SAP expected to be decommissioned by March 2023.

Housing Revenue Account (HRA)

37. The table below shows quarter 1 capital programme summary position for the Housing Revenue Account. The revised budget stands at £26.978m and spend is currently at 7%.

Table 5 – Capital Programme 2021/22, HRA

	<i>Original Budget Approved Feb 2021</i> A £m	<i>Revised Budget</i> B £m	<i>Actual Spend as at Qtr. 1</i> C £m	<i>% Actual to Budget</i> C/B £m
Housing Revenue Account	31.577	26.978	1.794	7%

38. HRA Capital programme consists of two elements, the planned capital maintenance and the council house build programme. The planned capital maintenance of the existing housing stock covers bathrooms, kitchens, roofs, boilers etc. and the Council House Build programme, which has been split into different phases, is planned to deliver 1000 homes over the next ten years.
39. Budget have been reviewed and re-profiled to align to planned delivery, this reprogrammed £10.696m into future years.

40. Budget for Refurbishment of Stock has been increased by £0.547m, this is a Business, Energy & Industrial Strategy Grant to provide additional funding towards the HRA HEAT programme.

41. Cabinet is asked to approve a reduction in budget for the completed Council House Build programme phase 1 of £0.075m. These schemes have now completed, and the remaining budget is to cover final retentions.

Place and Environment

42. The table below shows the quarter 1 capital programme summary position for Place and Environment Directorate. The revised budget stands at £79.995m and spend is currently at 7%.

Table 6 – Capital Programme 2020/21, Place and Environment

	<i>Original Budget Approved Feb 2021</i> A £m	<i>Revised Budget</i> B £m	<i>Actual Spend as at Qtr. 1</i> C £m	<i>% Actual to Budget</i> C/B £m
Economic Development & Planning	11.282	24.262	-0.696	-3%
Highways & Environment	27.288	34.959	3.833	11%
Communities & Neighbourhood	26.619	20.774	2.737	13%
Corporate Director Place & Environment	65.189	79.995	5.874	7%

Economic Development & Planning

43. There are four significant schemes included in the revised 2021/22 programme under Economic Development and Planning the budgets in 2021/22 are Porton Science Park phase two £9.756m and West Ashton Urban Extension Project at £8.784m, Salisbury Future High Street £2.593m and Trowbridge Future High Street £2.157m.

44. Porton Science park budget has been increased by £2.150m in line with cabinet report to cover additional fit out costs and secure tenants. The phase two building will provide a combination of innovation space for start-up and small business in the life sciences and digital sectors, conferencing space outside of the secure wire which will be a new feature of the science park as well as Grow On space for growing and larger businesses in science and technology.

45. The Council's main building contractor McAvoy started on site at Porton Science Park on the 2nd of August 2021 and the programme is on track to open the second phase building in spring 2022.

46. A new grant of £8.784m from Homes England has been added to the programme under CFO powers for the West Ashton Urban Extension scheme. This scheme will unlock 2,200 houses on the site. The grant will be passported to Persimmons upon reaching the relevant milestones. The Housing Infrastructure Funding grant is revolving, which means that it will be repaid to the council by the developer as the new houses are occupied. The council will

agree with Homes England other housing schemes in Wiltshire which have viability issues which the funding can then be reinvested into, accelerating the delivery of further new housing for our communities.

47. MHCLG grant funding for future high streets has now been confirmed and agreements entered for Salisbury totalling £9.356m and Trowbridge £16.347m. This has been added to the programme, the impact for 2021/22 is an increase in budget of £3.294m grant and £0.456m private sector funding.
48. Salisbury Future High street will focus on the Station Forecourt and Fisherton Street in Salisbury. This will enhance the public realm and improve accessibility to make it easier, safer, and more convenient to travel into the city centre.
49. The Trowbridge Future High Streets Fund allocation of £16.347m will be spent across a range of projects aiming to strengthen the sustainability of Trowbridge Town centre by creating a more diverse offer and increasing footfall. Ensuring this long-term sustainability involves maximising the use of some key buildings, bringing vacant retail units back into use, as well as improving connectivity, the public realm and active travel opportunities within the town centre.

Highways & Environment

50. Highways & Environment covers the major maintenance for Highways including flooding prevention and drainage. Pothole Fund Grant of £9.212m has been added to the capital programme and the Structural maintenance grant has been reduced by £4.624m in line with actual grant allocations for 2021/22.
51. The LED project to convert 40,000 streetlights to LED is due to complete in December 2021. The programme is delivering energy and maintenance savings to cover the cost of borrowing for the programme and deliver an additional £0.400m revenue savings.
52. The MRN budget is for preparatory work on the A350 Melksham Bypass, A338 Salisbury Junction Improvements, A350 Chippenham Bypass (Ph 4 & 5), and M4 Junction 17 Improvements to prepare the Outline Business Cases (OBC). If the Department of Transport approve the OBCs they will provide further funding to help develop the Full Business Cases.

Communities & Neighbourhood

53. Melksham Campus construction started on site in March 2021, budget has been aligned to match programme delivery and £6.858m has been reprogrammed into future financial years. The site is planned to open in Autumn 2022.
54. In the Capital Programme an additional £5m (£2m already approved to go through to planning stage) was ringfenced for Melksham House to enable a scheme to come forward to meet the preoccupation condition on Melksham Campus subject to Cabinet approval. A scheme has now been developed that meets this condition and planning has been submitted, this will see the site become a flexible, collaborative building providing community and office space. The additional budget requirements for this scheme is £2.2m, taking the total

budget to £4.2m. Cabinet are asked to approve £2.2m budget from the £5m ringfenced subject to successfully securing £3.3m Levelling Up funding. The balance of the £5m ring-fenced budget, £2.8m can be removed as it is no longer required.

55. Planning has been submitted and if approval is given, demolition would start at the end of year in advance of the access road being constructed which would prevent any further delays to Melksham Campus.

Capital Programme 2021/22 Funding

56. The Capital Programme for 2021/22 has been financed as shown in the table below.

Table 7 – Capital Programme 2021/22 Funding

Funding	£'m
Grants	72.778
Contributions	3.073
HRA	26.432
Capital Receipts	3.238
Borrowing Funded by Revenue Savings in Service	14.815
Borrowing	70.192
Stone Circle Capital Loan	34.027
Total Capital Programme 2021/22	224.555

57. The Council bid for and receive Government and third party grants, these come from various departments including Department for Transport, Homes England, Department for Business, Energy and Industrial Strategy, Ministry of Housing, Communities and Local Government and Department for Education.

58. In addition to grants, contributions are also used to finance the programme, contributions cover any third party non grant funding for example S106 developer contributions, Community Infrastructure Levy (CIL), contributions from private or public sector organisations.

59. The HRA finances its capital programme depending on sources available in that financial year with the aim of minimising borrowing. The new build programme financing has been delegated to the Corporate Director of Resources and the Director of Housing and Commercial. Funding sources are the HRA Revenue and Capital Reserves, Right to Buy receipts, shared ownership receipts, commuted sums, grants, and as a last resort borrowing.

60. The General Fund borrowing figure of £70.192m, together with historic Council borrowing, will generate a Minimum Revenue Provision (MRP) charge, which is the amount Councils have to statutorily set aside to repay the debt. For 2021/22 a revenue saving of £1.869m (for MRP and Interest payable) has been reported as a result of the reduction in the 2020/21 capital programme year end position.

61. The 2021/22 capital schemes funded by borrowing inform the Financing and Investment Income and Expenditure budget for 2022/23, the programme therefore needs to be deliverable to ensure that revenue budget is not set aside unnecessarily and diverted away from key services. The programme needs to be reviewed to ensure it is robust and achievable, this will be done as part of budget monitoring and the quarter 2 review will be key to informing the 2022/23 budget setting process.

62. The Council brought forward into 2021/22 £7.582m of capital receipts and is forecasting to achieve £4.369m receipts from the disposal on assets in 2021/22. £3.238m of capital receipts are planned to be used to finance the capital programme and £6.146m under Capital Receipts flexibilities to fund transformational schemes. This would leave a balance to roll forward to 2022/23 of £2.567m.

Overview and Scrutiny Engagement

63. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position.

Safeguarding Implications

64. None have been identified as arising directly from this report.

Public Health Implications

65. None have been identified as arising directly from this report.

Procurement Implications

66. None have been identified as arising directly from this report.

Equalities Impact of the Proposal

67. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

68. None have been identified as arising directly from this report.

Risks that may arise if the proposed decision and related work is not taken

69. If the Council fails to take actions to address forecast shortfalls, overspends or increases in its costs it will need to draw on reserves. The level of reserves is limited and a one-off resource that cannot be used as a long-term sustainable strategy for financial stability.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

70. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken.

Financial Implications – S151 commentary

71. The financial implications are implicit throughout the report.
72. As part of the budget monitoring process reviews are carried out of the likely timing of the delivery of the schemes within the capital programme. As is usual at this time of the year this early review has identified almost £39m of spend that now is forecast in future years as the delivery of some schemes has been assessed in more detail. This review and more specifically the funding of the schemes that have been reprofiled is assessed to ensure the financial impacts on areas such as the revenue budget are identified and included in the council's future budget requirements.
73. The delivery of the capital programme is an important focus area of the Cabinet, and therefore the review in quarter 2 will inform with greater confidence the requirements for borrowing and the impact on the budget requirement for 2022/23 as well as the remainder for 2021/22.

Legal Implications

74. None have been identified as arising directly from this report.

Workforce Implications

75. No workforce implications have been identified as arising directly from this report. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification of variances and action is taken so that impacts to the workforce are minimised.

Options Considered

76. Budget monitoring forms part of the financial control environment and it is important to provide reporting on all aspects of financial management and performance to Cabinet and the public, including delivery to plans, variances and risks and impacts.

Conclusions

77. The report supports effective decision making and ensures a sound financial control environment.

Andy Brown (Deputy Chief Executive and Corporate Director - Resources),
andy.brown@wiltshire.gov.uk

Report Authors:

Lizzie Watkin, Assistant Director of Finance and Deputy S151 Officer,
lizzie.watkin@wiltshire.gov.uk
Leanne Sykes, Head of Finance, Growth, Investment & Place
Marie Taylor, Head of Finance, Children & Education
Neil Haddock, Head of Finance, Adults

31/08/2021

Appendices

Appendix A: Capital Programme Report Q1 2021/22

Appendix B: Capital Programme Adjustments Q1 2021/22

Background Papers

The following documents have been relied on in the preparation of this report:

(Wiltshire Council's Financial Plan Update 2021/22, Medium Term Financial
Strategy 2025/26 and Capital Programme and Strategy

- Full Council, 23 February 2021

<https://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=130&MId=13056&Ver=4>