

Wiltshire Council

Cabinet Capital Assets Committee

15 September 2015

Subject: **Capital Monitoring Period 4 2015/2016 (as at 31 July 2015)**

Cabinet member: **Councillor Dick Tonge
Finance, Performance, Risk, Systems Thinking,
Procurement & Welfare Reform**

Key Decision: **No**

Executive Summary

The report details changes to the budget made since the 2015/2016 budget was set in February 2015.

The report reflects the position of the 2015/2016 spend against budget as at Period 4 (as at 31 July 2015).

Proposal

To note the budget movements undertaken to the capital programme shown in Appendices A and B.

Reason for Proposals

To inform Cabinet of the position of the 2015/2016 capital programme as at Period 4 (31 July 2015), including highlighting any budget changes.

Michael Hudson Associate Director Finance

Wiltshire Council

Cabinet Capital Asset Committee

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Key Decision: **No**

Purpose of Report

1. To inform Cabinet on the position of the 2015/2016 Capital Programme, as at Period 4 (31 July 2014), including highlighting budget changes. A budget monitoring report to members is taken to Cabinet Capital Assets Committee quarterly in September, December, February and June. This report focuses on major variations in budget.

Budget Movements

2. The original budget for 2015/2016 was presented to the Council as part of the budget meeting on 24 February 2015. Since that date there have been a number of changes to the budget for 2015/2016, largely due to reprogramming of budget from 2014/2015, but also to reflect additional funding being available. These changes are summarised in the table below, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix A.

**Breakdown of Budget Amendments from Original Budget to Period 4
Budget (as at 31 July 2015)**

	£m	Notes
Original Capital Programme Budget (reported to Council 24 February 2015)	146.322	
Additions/amendments to the Capital Programme 2015/2016 since Original Budget setting		
Period 9 (to December 2014) 2014/2015 budgets reprogrammed into 2015/2016	6.779	See Appendix A for further details
Outturn 2014/2015 budgets reprogrammed into 2015/2016	29.029	See Appendix A for further details
Additional Budgets added to Programme	4.757	See Appendix A and B section 1 for further details
Budget reductions	(11.186)	See Appendix A for further details
Budgets reprogrammed from 2015/2016 into 2016/2017	(2.487)	See Appendices A and B section 2 for further details
Current Budget Period 4 2015/2016	173.214	

3. The budget additions shown above largely reflect increases in funding being available and brought into the programme under the Chief Financial Officer delegated authority. They largely comprise of additional grants from Central Government, Section 106 contributions and other contributions used to finance capital spend within the capital programme. Further information on the budget movements at an individual scheme level is shown in Appendix A and in further detail in Appendix B.
4. As part of this report the programme has been reduced by £11.186 million to reflect changes to the approved capital budgets and ensure greater ability to manage the revenue financing costs of the programme within the revenue provision of £23.199 million; commentary on these amounts is given in Appendix C.

5. The budgets that have been reprogrammed into 2016/2017 are shown in further detail in Appendices A and B, with the higher value amounts also explained in the narrative for schemes in Appendix C.

Summary of Position as at 31 July 2015

6. The current budget for the year 2015/2016 is £173.214 million. Actual spend on schemes as at 31 July 2015 was £22.054 million. A full breakdown of these figures is attached in Appendix A.
7. At present there are no anticipated significantly overspending schemes.
8. Some reprogramming of budgets into future years has already taken place as part of this report; however more is anticipated. The capital programme is currently with CLT for review as it is not affordable if all of the approved budgets are spent. Options available for review have been put forward. The capital financing budget for 2015/2016 is not sufficient to cover the £60.977m borrowing that this programme would require if not reviewed. It should be noted that historically the capital programme has spent around £90m a year with large slippage each year, £35.808m from 2014/15 to 2015/16.
9. Further information on the movements undertaken and the forecast position of some of the larger schemes is set out in Appendix C, along with updates on the capital receipts received during 2015/2016.

Risks Assessment

10. The capital budget for 2015/2016, as detailed in this report, has been revised to £173.214 million. Within any capital programme there are a number of potential risks such as from cost overruns or lower than expected levels of capital receipts. Such issues will be highlighted as soon as they establish themselves through the quarterly reporting process. Members may wish to bear in mind that the capital programme has been set for four years and therefore risks will be appraised over the whole period.

Equality and Diversity Impact of the Proposal

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

Financial Implications

12. This is a report from the Chief Finance Officer and the financial implications are discussed in the detail of this report.

Legal Implications

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

Public Health Implications

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

Environmental Implications

15. Wiltshire Council is now included in the Carbon Reduction Commitment (CRC); the UK's mandatory climate change and energy saving scheme. The objectives of the scheme are to improve energy efficiency and reduce carbon dioxide emissions. It is 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. There are no direct impacts of this report, however there are a number of schemes in the capital programme that are planned to enable energy efficiency benefits for the council.

Safeguarding Implications

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

Proposals

17. To note the general budget additions for grants, contributions and other sources of £4.757 million as per Appendix B; and to note the Period 4 position of the Capital Programme in Appendix A.

To also note the reprogramming of £2.487 million between 2015/2016 and 2016/2017.

Background Papers and Consultation

None

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Appendices:

- Appendix A – 2015/2016 Capital Programme Budget Movements and spent to 31 July 2015
- Appendix B – Delegated authority for budget movements
- Appendix C – Narrative on specific schemes