

2015/16 Capital Budget Outturn Report

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Purpose of the Report

1. The purpose of this report is to inform Members of the outturn of the capital programme of the Council for 2015/16.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of July 2016.

Public Interest

3. This report advises the outturn of capital expenditure for 2015/16.

Recommendation(s)

4. That the District Executive: -
 - a) note the net spend of £2.084 million on capital for the 2015/16 year and approve the financing of the capital programme (paragraph 7 and 19);
 - b) note the progress of individual capital schemes and the lead officers comments as detailed in Appendix A;
 - c) approve the revisions, including profiling amendments to the Capital Programme for 2016/17 and future years as detailed in paragraph 10;
 - d) review whether the projects which have a delayed start in excess of one year totalling £35,000 remain in the capital programme (paragraph 11);
 - e) approve the virement of £5,000 outlined in paragraph 13;
 - f) note the post completion reports on the completed schemes as detailed in Appendix B;
 - g) note the balance of S106 deposits by developers held in a reserve as outlined in paragraph 21;

Background

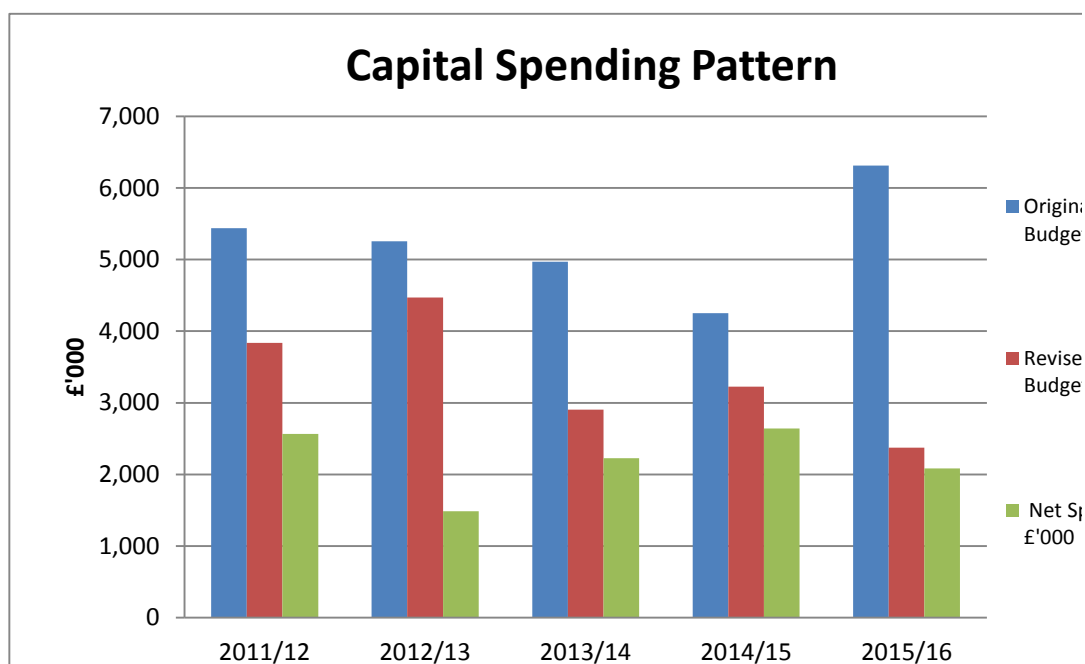
5. Full Council approve the Capital Programme in February each year. Monitoring of the agreed programme has been delegated to District Executive.

Overall Outturn Position

6. The overall position for the Capital Budget for 2015/16 is that total net spending amounted to **£2.084m**; this was **£4.228m (67%)** less than the original planned net expenditure of **£6.312m**. Amendments have been reported to members each quarter and the revised Capital Programme approved.
7. The original budget is revised each quarter to reflect changes to the programme. The position on the Capital Budget for 2015/16 at Quarter 4, showed revised planned net expenditure of **£2.375m**. With the total spend amounted to **£2.084m**; this was **£291k (12%)** less than planned. This is mainly due to project delays. A final report on 2015/16 spend is attached at Appendix A.
8. The **£2.084m** actual spend referred to above is the net position which includes external contributions and grants. Excluding these external contributions and grants shows gross expenditure of **£3.227m** on the capital programme and £95k on vehicles to be leased.

Capital Spending Pattern

9. The graph below shows the actual spend compared to revised budget for the last 5 years. The total 2015/16 spend represented 88% of the revised budgeted spend for the year, compared to 82% in 2014/15.



Revised Capital Programme

10. Some amendments have been requested since Quarter 3. A summary of those amendments are outlined below and members are requested to approve the revised Capital Programme shown in Appendix B. The budget for 2015/16 was revised from **£1.866m to £2.375m** for the following reasons: -

	15/16	16/17	17/18	18/19	19/20
	£'000	£'000	£'000	£'000	£'000
Capital Programme for Quarter 3 approved by District Executive in February 2016	1,866	7,460	516	(345)	(345)
Profiling amendments to capital programme quarter 4 2015/16	250	(250)			
Plus budget for year-end capital salaries & photovoltaics	211				
Less projects moved to / (from) reserves	34				
Revenue contributions to capital (RCCO) quarter 4 for accounting adjustments	14				
Plus projects added to Capital Programme quarter 4:					
New projects approved by Council February 2016		1,215	1,657	329	
Area West Grant to Merriott Village Hall		11			
Area North Grant to Chilthorne Domer Recreational Trust Pavilion Alteration		10			
Revised Capital Programme for 2015/16	2,375	8,446	2,173	(16)	(345)

(Figures shown in brackets reduce the capital spend in any particular year)

Delayed Projects

11. In accordance with the capital strategy any project that has been delayed by more than one year before starting is required to be reviewed so that members can consider whether to continue to support the project or to re-allocate the budget to new schemes. Delayed projects of longer than one year as at the 31st March 2016 are detailed below;

Scheme	Budget £'000	Date of Original Approval	Explanation	Request for Inclusion in 2016/17 Capital Programme (Y/N)
Land Acquisition & Enhancements at Waterside, Wincanton	35	February 2008	Confirmation now received from landowner, proposal to be prepared for approval.	Y
Total Delayed Projects	35			

12. Members are requested to review and approve the projects shown above where managers have requested their continued inclusion within the Capital Programme.

Virements between Capital Projects

13. The table below shows the requested budget virements between projects within the capital programme:

Amount £'000	From	To	Reason
4	Hardware Replacement Programme	Upgrade to ICT Helpdesk System	Underspend on Hardware to fund additional spend needed for Helpdesk system
1	Empty Property Grants	Grant to the former Chard Working Men's Club	Contribution towards final finishes needed at Chard Working Men's Club. Funds added to other sources.
5	Total Virements		

Additional Income

14. This section highlights any new funding or changes to external funding that have been received by the Council within the last quarter. All the income listed in the table below is S106 funding and the projects have been added to the capital programme.

Project	Source of Income	Additional funding received £'000
Disabled Facilities Grants	Better Care Fund	984
Westlands Leisure Complex	S106	839
Huish & Langport Rec Ground Play Area Surfacing	S106	8

Completed schemes (including feasibility)

15. The table below shows the projects/schemes completed in the period. Post completion reports, where indicated, are attached in Appendix C.

Scheme	Revised Net Budget £'000	Actual Spend £'000	Within acceptable limits?	Responsible Officer	Post Completion report Y/N
Sharing Brympton Way with SCC	208	208	Y	Garry Green	Y
Purchase of 3 Bed Bungalow	176	176	Y	Colin Mcdonald	N/A
Market House, Castle Cary	169	169	Y	Pam Williams	Y
Yeovil Country Park Ranger Base	125	125	Y	Katy Menday	Y
Upgrade CedAr Financial System	106	107	Y	Karen Gubbins	Y
Photovoltaics at Brympton Way	98	97	Y	Garry Green	To follow
Affordable Housing	71	71	Y	Colin Mcdonald	N/A
Replacement Sweepers	70	71	Y	Chris Cooper	Y
Octagon Theare - PA	44	44	Y	Adam Burgan	N/A

Scheme	Revised Net Budget £'000	Actual Spend £'000	Within acceptable limits?	Responsible Officer	Post Completion report Y/N
System					
Upgrade to ICT Helpdesk System	33	33	Y	Roger Brown	To follow
Microsoft Lync	29	29	Y	Roger Brown	To follow
Hardware Replacement Prog	16	16	Y	Roger Brown	N/A
Purchase of Compact Tractor	14	14	Y	Chris Cooper	N/A
Grant to former Chard Working Mens Club	4	4	Y	Colin Mcdonald	N/A
Ropewalk at 94 High Street, West Coker	5	5	Y	Garry Green Martin Woods	N/A

16. In order for an over/under spend to be within acceptable limits, the variation on budget should be within £10,000 or 5% (whichever is greater) of revised budget. On this basis, all of the 15 competed schemes are within an acceptable margin of the overall budget. Explanations for both under/over spends are outlined in the post completion.

Area Capital Programmes

17. Each Area has balances that can be used during the year. The position of the Area balances at 31st March 2016 and any movement within the year are as follows:

	Area East £'000	Area North £'000	Area South £'000	Area West £'000	Totals £'000
Position at start of financial year	70	211	179	145	605
Additional resources approved by DX	25	25	25	25	100
Allocations to/(from) reserve during year	(24)	(51)	(13)	(18)	(106)
Position at end of financial year	71	185	191	152	599

18. Each Area was allocated an additional £25,000 in February 2016 for schemes in 2016/17. The table shows that following these approvals Area unallocated capital balances have decreased by £6,000.

Financing of the Capital Programme

19. The gross spend of £3.322m is the total capital expenditure before funding sources are included and requires financing. Members are recommended to approve the final financing of the capital programme from the following sources: -

Resources Used	Actual Gross Spend £'000	Planned Gross Spend £'000
Useable Capital Receipts	1,779	5,604
External Contributions from funding partners	428	647
Capital Fund	427	0
Capital Grants from Central Government	598	0
Loan Repayments	90	61
Total Resources Used	3,322	6,312

Outstanding Loans

20. As part of the agreed loans policy the amount of any outstanding loans at the end of each financial year must be reported to this committee. As at 31st March 2016 the following loans were outstanding:

Borrower	Original Sum Lent £	Fixed Interest Rate	Amount Outstanding at 31 st March 2016 £	Period of Loan	Final Repayment Date
Hinton St George Shop	190,000	2.67%	189,406	20 years	February 2036
Total Outstanding			189,406		

21. There is also £21,944 outstanding in sale of council house mortgages, and £108,969 in car, bike and learning loans.
22. Wessex Home Improvement Loans (WHIL) works in partnership with the Council to provide finance to home owners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-circulate funds. The Council has £672,988 of capital invested with WHIL. As at 31st March 2016 there was £326,055 on the loan book and £346,933 as available capital.

Section 106 Agreements

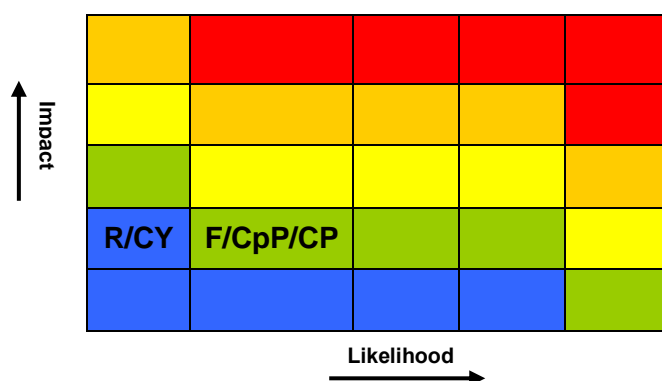
21. As at the 31st March 2016 SSDC held £3,221,693 in Section 106 Agreements as detailed in Appendix C.

Financial Implications

22. These are contained in the body of the report.

Risk Matrix

23. This matrix only identifies the risk associated with taking the decision as set out in the report as the recommendations. Should there be any proposal to amend the recommendations by either members or officers at the meeting then the impact on the matrix and the risks it identifies must be considered prior to the vote on the recommendations taking place.



Key

Categories	Colours <i>(for further detail please refer to Risk management strategy)</i>
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Corporate Priority Implications

There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

There are no specific implications in these proposals.

Equality and Diversity Implications

There are no specific implications in these proposals.

Background Papers

Capital Monitoring Quarter 1 to 3 Reports to District Executive