

# **2016/2017 Capital Budget Monitoring Report for the quarter ending 30<sup>th</sup> June 2016**

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*Strategic Director:* Rina Singh, Interim Chief Executive  
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## **Purpose of the Report**

1. The purpose of this report is to update Members on the current financial position of the capital programme of the Council and to report the reasons for variations from approved budgets for the period 1<sup>st</sup> April 2016 to 30<sup>th</sup> June 2016.

## **Forward Plan**

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

## **Public Interest**

3. This report updates progress on capital expenditure in 2016/17.

## **Recommendation(s)**

4. That the District Executive: -
  - a) approve the revised capital programme spend as detailed in paragraph 6;
  - b) note the slippage over £50,000 in the capital programme as detailed in paragraph 8;
  - c) approve the virements of £63,000 outline in paragraph 9;
  - d) approve the allocation of any additional funding to be used within the capital programme as detailed in paragraph 11;
  - e) note the current position with regard to funds held by the Wessex Home Improvement Loans as detailed in paragraph 15;
  - f) note the progress of individual capital schemes as detailed in Appendix A;
  - g) note the total land disposals to registered social landlords as detailed in Appendix B;
  - h) note the balance of S106 deposits by developers held in a reserve as detailed in paragraph 13;
  - i) note the schemes that were approved prior to 2011, as detailed in Appendix C, and confirm approval for those projects that they wish to remain in the programme;
  - j) note the post completion report outstanding from 15/16 in Appendix D.

## Background

5. Full Council approved the Capital Programme in February 2016. Monitoring of the agreed programme has been delegated to District Executive.

## Capital Programmes

6. The revised capital programme for this financial year and beyond is attached at Appendix A. The estimated spend for 2016/17 has been revised from **£8.738 million** to **£8.937 million** for the following reasons: -

	16/17	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000	£'000
<b>Capital Programme for 2016/17 onwards approved at Full Council February 2016</b>	<b>8,738</b>	<b>2,173</b>	<b>(16)</b>	<b>(345)</b>	<b>0</b>
Plus projects added to Capital Programme:					
Grant to Huish Episcopi Swimming Pool	200				
Capital Salaries	50				
Transfer of Castle Cary Market House	45				
Bus Shelters in & around Yeovil	40				
Area East Reserve allocation to:					
Grant to South Barrow PCC	10				
Grant to Castle Cary Fair Field	8				
Grant to Horsington Parish Council	5				
Area West allocation to:					
Chard Business Hub Project	64				
Ashill Parish Council Outdoor Gym	5				
Plus RCCO from 15-16 to Goldenstones Locker Replacement	45				
Less project underspends returned to capital balances & reserves	(9)				
Add interest on loans added for future year					(345)
Less slippage from 2016/17 forecast to slip into 2017/18 and beyond (re-profiling)	(264)	212	52		
<b>Revised Capital Programme for 2016/17 at 30<sup>th</sup> June 2016.</b>	<b>8,937</b>	<b>2,385</b>	<b>36</b>	<b>(345)</b>	<b>(345)</b>

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

## Capital Programme & Reserves

7. The current capital programme allocates £16,744 million to various schemes over the next five years. Further details are shown in Appendix A.

	<b>£'000</b>
Capital Programme (as detailed in paragraph 6)	10,668
Contingent Liabilities and Reserve Scheme	6,076
<b>Total Programme to be Financed</b>	<b>16,744</b>

### Progress on various schemes

8. Progress on individual schemes is attached at Appendix A. Appendix A also incorporates responsible officer comments on slippage and performance against targets.

The actual net position as at 30<sup>th</sup> June 2016 is net income of £708,000. This is made up of actual expenditure being £396,000 less grants received in advance for various projects of £1,104,000.

The current forecast net spend by the year end is £8.897 million. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2017/18 include:

Project	Date Funding Originally Approved	Slippage to 2017/18 £'000	Reason for Delay
Affordable Housing - Rural exception, Misterton (Yarlington)	Oct 2015	198	Yarlington have not yet submitted planning permission so completion will not be until 2017/18.
New Car Parks	Feb 2008	100	Delay in progressing Millers Garage site.

*(the figures shown above are included in the slippage figure at the bottom of the table in paragraph 6),*

### Virements between Capital Projects

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

Amount £'000	From	To	Reason
40	Home Repairs Grants	HMO Grants	Funding moved to accommodate demand on HMO budget.
20	Car Park Enhancements	Intelligent Enforcement Car Park Adaptions	Delay in agreeing contract terms for project to proceed.
3	Community Play Schemes	Grant to Kingston View Play Area	Underspend used to assist completion of play area elsewhere.
<b>63</b>	<b>Total Virement</b>		

### Projects agreed before 2010

10. There are number of schemes still in the capital programme where funding was agreed before 2010. Appendix D provides a reason for the delay in their progression.

Members need to confirm their approval for the project to stay in the capital programme.

### **Additional income**

11. 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.

<b>Project</b>	<b>Additional funding received £'000</b>
Huish Episcopi Swimming Pool	153
Grant to Donald Pither Memorial Ground, Castle Cary	16
Grant to Ilminster Football Club Cricket Square	15
Grant to Winterhay Lane Play Area Equipment	7

### **Disposals to Housing Associations**

12. Since the last quarter there have been no further disposals of surplus/non strategic land at less than best consideration to Housing Associations as agreed under the delegated authority awarded to the appropriate portfolio holder in conjunction with the Assistant Director – Finance and Corporate Services. The total disposals/leases of this nature agreed, since the policy began, now stands at £1.573 million. Details of the land involved and the date of transfer, where completed, are shown in appendix B to this report.

### **Section 106 (S106) Deposits by Developers**

13. S106 agreements are legal agreements between Local Authorities and developers that are linked to a planning permission. The total balance held is £3,259,863. This is purely a South Somerset District Council financial summary, more detail on S106's is given to Area Committees on a quarterly basis.

### **Wessex Home Improvement Loans (WHIL)**

14. WHIL works in partnership with the Council to provide finance to homeowners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-circulate funds.
15. The Council has £672,988 of capital invested with WHIL. As at the end of June 2016 there was £324,753 on the loan book and £348,235 as available capital.

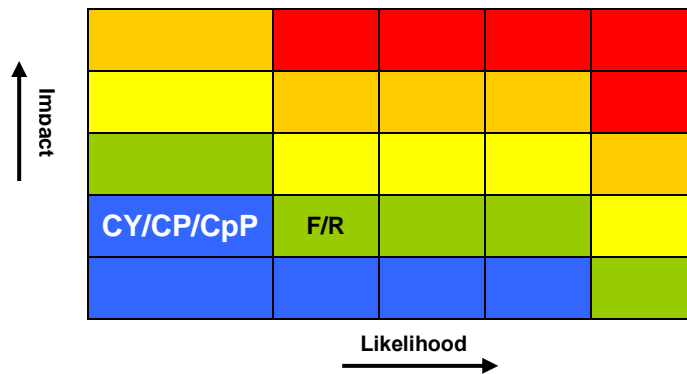
### **Financial Implications**

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

### **Risk Matrix**

17. 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		Key	
Categories		Colours (for further detail please refer to Risk management strategy)	
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

18. There are no specific implications in these proposals.

### Carbon Emissions and Climate Change Implications

19. There are no specific implications in these proposals.

### Equality and Diversity Implications

20. There are no specific implications in these proposals.

### Background Papers

Revenue Quarterly Monitoring File  
Capital Monitoring File