

2016/2017 Capital Budget Monitoring Report for the quarter ending 31st December 2016

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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 1st October 2016 to 31st December 2016.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 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 £30,000 outline in paragraph 9;
 - d) note the allocation of additional funding to be used within the capital programme as detailed in paragraph 11;
 - e) note the balance of capital receipts received for utilisation on the transformation programme in paragraph 12;
 - f) note the total land disposals to registered social landlords as detailed in paragraph 13;
 - g) note the balance of S106 deposits by developers held in paragraph 14;
 - h) note the current position with regard to funds held by the Wessex Home Improvement Loans as detailed in paragraph 15;
 - i) note the progress of individual capital schemes as detailed in Appendix A;
 - j) note the schemes that were approved prior to 2012, as detailed in Appendix B, and confirm approval for those projects that they wish to remain in the programme.

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 **£7.343 million** to **£5.721 million** for the following reasons: -

	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Capital Programme for 2016/17 onwards approved at DX in November	7,343	4,589	586	(312)	(312)
Plus Area Reserve allocations to:					
Area East – Sutton Montis Village Hall Refurbishment	7				
Area East – Castle Cary - Purchase of Moat Garden	6				
Area East - Carymoor Environment Centre - Going underground project	5				
Area North - Equipment at Edgar Hall, Somerton	3				
Area East – Henstridge Village Hall Furniture	2				
Plus repayment of affordable housing grant	(175)				
Plus allocations from affordable housing reserve (PH Reports Nov 16)	60				
Less allocations returned to reserves	(8)				
Less slippage from 2016/17 forecast to slip into 2017/18 and beyond (re-profiling)	(1,522)	1,529	(7)		
Revised Capital Programme for 2016/17 at 30th December 2016.	5,721	6,118	579	(312)	(312)

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

Capital Programme & Reserves

7. The current capital programme, contingent liabilities and reserves allocates £16.598 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed in paragraph 6)	11,793
Contingent Liabilities and Reserve Scheme	4,805
Total Programme to be Financed	16,598

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 30th December 2016 is net expenditure of £2,951,000. This is made up of actual expenditure being £5,084,000 less grants received in advance for various projects of £2,133,000.

The current forecast net spend by the year end is £5.721 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 - North Street, Crewkerne	Sep 16	520	Planning permission no yet obtained for site, and even if managed to be resolved and obtained they may not achieve enough to claim start on site tranche from us before financial year end.
Wyndham Park Community Facilities	Nov 14	400	Negotiations taking place with landowner adjacent to Wyndham Park.
Transformation	Mar 16	329	Initial spending projections have been revised during the development of the Transformation Programme Blueprint to allow for further market engagement.
Disabled Facilities Grants	Feb 15	100	Budget fully committed but progress on some jobs slow.

(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
30	Capital works to council portfolio	Car Park Enhancements	Reallocation of funds to support car parking enhancements needed.
30	Total Virement		

Projects agreed before 2012

10. There are number of schemes still in the capital programme where funding was agreed before 2012. Appendix B 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.

Project	Additional funding received £'000
Octagon Theatre Lighting & Hearing	64
Grant to Merriott PC - Play & Pitch Improvements	28
Grant to Kingston View Play Area	13

Flexible Use of Capital Receipts

12. Since the efficiency strategy was agreed, capital receipts of £99,000 have been received so far from the sale of property, that can be utilised for the revenue costs of the transformation programme.

Disposals to Housing Associations

13. 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.

Section 106 (S106) Deposits by Developers

14. S106 agreements are legal agreements between Local Authorities and developers that are linked to a planning permission. The total balance held is £2,831,330. 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)

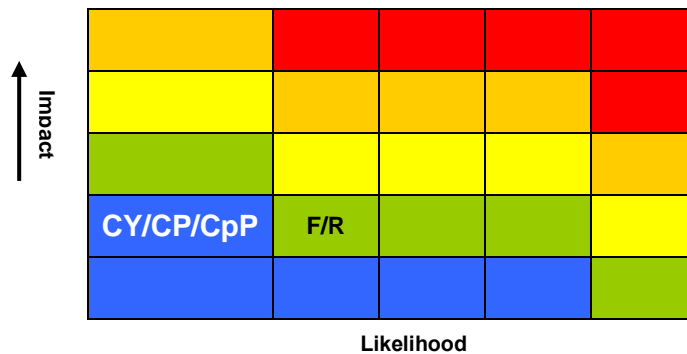
15. WHIL works in partnership with the Council to provide finance to homeowners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-circulate funds.
16. The Council has £672,989 of capital invested with WHIL. As at the end of December 2016 there was £374,784 on the loan book and £298,205 as available capital.

Financial Implications

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

Risk Matrix

18. 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 (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

19. There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

20. There are no specific implications in these proposals.

Equality and Diversity Implications

21. There are no specific implications in these proposals.

Background Papers

Revenue Quarterly Monitoring File
Capital Monitoring File