

2017/18 Capital Budget Monitoring Report for the Period ending 30th June 2017

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
S151 Officer: Paul Fitzgerald
Service Manager: Catherine Hood, Finance Manager
Lead Officer: Nicola Hix, Management Accountant
Contact Details: nicola.hix@southsomerset.gov.uk or 01935 462612

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 April 2017 to 30th June 2017.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of August 2017.

Public Interest

3. This report updates progress on capital expenditure in 2017/18.

Recommendation(s)

4. That the District Executive: -
 - a) note the content of the report;
 - b) approve the revised capital programme spend as detailed in paragraph 6;
 - c) approve the virements of £25,000 outline in paragraph 11;
 - d) note the review of schemes as detailed in Appendix B and approve Leadership Board proposals.

Background

5. Full Council approved the Capital Programme in February 2017. 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 2017/18 has been revised from **£10.064 million** to **£10.145 million** for the following reasons: -

	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000
Capital Programme for 2017/18 onwards approved at DX in July	10,064	225	(823)	(835)	(341)
Plus confidential budget approvals	60	2,387	1,553		
Plus allocations from reserves:					
Transformation	678	98			
Affordable Housing to 4 x properties at Men's Working Club, Chard	216				
Less allocations to the reserve:					
Wyndham Park Community Facilities	(400)				
Reckleford Gyrotory (Eastern Gateway)	(70)				
Local Delivery Vehicle (linked to Yeovil Vision)	(34)				
Foundry House	(4)				
Less slippage from 2017/18 forecast to slip into 2018/19 and beyond (re-profiling)	(665)	665			
Plus RCCO's from revenue & external income	300				
Revised Capital Programme for 2017/18 at 30th June 2017.	10,145	3,375	730	(835)	(341)

(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 £17.349 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed in paragraph 6)	13,074
Contingent Liabilities and Reserve Scheme	4,275
Total Programme to be Financed	17,349

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. At this stage the total projected capital investment within the programme remains on budget for all schemes.
9. The actual net position as at 30th June 2017 is net income of £383,000. This is made up of actual expenditure being £763,000 less grants received in advance for various projects of £1,146,000.
10. The current forecast net spend by the year end is £10.145 million. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2018/19 include:

Project	Date Funding Originally Approved	Slippage to 2018/19 £'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.
Affordable Housing – Furnham Road Phase II, Chard (Knightstone)	Oct 15	60	Start on site delayed due to resolving land issues, the situation is being monitored.

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

Virements between Capital Projects

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

Amount £'000	From	To	Reason
25	Empty Property Grants	HMO Grants	Reallocation of funds to support increased demand.
25	Total Virement		

Projects agreed before 2012

12. There are number of schemes still in the capital programme where funding was agreed before 2015. 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. Funding has been moved to the reserve element of the capital programme where appropriate as detailed in the report.

Additional income

13. This section highlights any new funding or changes to external funding that have been received by the Council within the last quarter. It is recommended the capital programme budget is increased and funded by the amounts shown in the table below:

Project	Source of Funding	Additional funding received £'000
Westlands Complex	RCCO's, Ticket Levy	158
Westlands Sports & Pavilion	Sport England	92
Westlands Sports & Pavilion	England Cricket Board	50
Grant to West Coker Recreation Ground Play Area	S106	5
	Total	305

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

20. There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

21. There are no specific implications in these proposals.

Equality and Diversity Implications

22. There are no specific implications in these proposals.

Background Papers

Revenue Quarterly Monitoring File

Capital Monitoring File