

2017/18 Capital Budget Monitoring Report for the quarter ending 30th September 2017

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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 July 2017 to 30th September 2017.

Forward Plan

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

Public Interest

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

Recommendations

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. Note the review of schemes as detailed in Appendix B and approve Leadership Board proposals.
 - d. Note the review of schemes as detailed in Appendix B.

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 **£10.145 million** to **£14.825 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	10,145	3,375	730	(835)	(341)
Plus movements in the reserves:					
Property Investment Acquisition (Jul DX)	7,649				
Affordable Housing allocations (Jul DX)	103				
Area West to Crewkerne TC Henhayes Play Park	8				
Area West to Merriott PC Rec Ground	5				
Area East to Bruton TC - New MUGA	5				
Area East to Loan to Wincanton Memorial Hall Trustees-New heating & air conditioning	5				
Area North to Compton Dundon PC Bus Shelter Improvements	4				
Area East to Milborne Port PC-Stair lift Market House	3				
Area East to Wincanton Memorial Hall Trustees-New heating & air conditioning	2				
Area East to Ilchester PC - Play equipment	2				
Less allocations to the reserve:					
Affordable Housing de-allocations (Jul DX)	(314)				
Yeovil Rec Pitch Reserve (Aug DX)	(5)	(7)			
Castle Cary-Fair Field Project - Returned to Area East Reserve	(7)				
Less underspends removed	(12)				
Less slippage from 2017/18 forecast to slip into 2018/19 and beyond (re-profiling)	(2,768)	1,810	954		4
Revised Capital Programme for 2017/18 at 30th September 2017.	14,825	5,178	1,684	(835)	(337)

(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 £31.945 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed in paragraph 6)	20,515
Contingent Liabilities and Reserve Scheme	11,430
Total Programme to be Financed	31,945

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 September 2017 is net income of £1,817,000. This is made up of actual expenditure being £3,273,000 less grants received in advance for various projects of £1,456,000.
10. The current forecast net spend by the year end is £14.825 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 Approved	Slippage to 2018/19 £'000	Reason for Delay
Yeovil Innovation Centre Phase II	Feb 16	669	Project Funding Agreement finalised with LEP in September. Anticipated start date for construction phase is November (Q3).
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. Total budget £1,040,000.
Affordable Housing - Mortgage Rescue Contingency Fund	Sep 14	277	Unlikely to be taken up this financial year, may slip into 2018/19. This is a contingency fund.
Huish Episcopi Swimming Pool	Aug 17	252	Full report taken to DX in July 17 explaining project issues.
Affordable Housing - Bought not built Allocation	Sep 14	201	May be used this financial year, but likely to slip into 2018/19. This is a contingency fund.
Affordable Housing - Rural exception, Misterton (Yarlington)	Oct 15	199	Yarlington are yet to submit a planning application, will slip into 18/19 so budget moved accordingly.
Gas Control System - Birchfield	Feb 13	148	Options being considered and full report to go to DX for re allocation of fees if necessary.
New Car Parks	Feb 08	116	Awaiting outcome of negotiations on Millers Garage site, potential stand alone scheme being progressed to facilitate adjacent development at a later stage.
Disabled Facilities Grant	Feb 17	100	Slower demand for budget than previously.

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

Projects agreed before 2015

11. 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

12. This section highlights any new S106 funding that have been received by the Council and added to the capital programme within the last quarter. It is recommended the capital programme budget is increased and funded by the amounts shown in the table below:

Project	Additional funding received £'000
Huish Episcopi Swimming Pool	126
Harbin Fields Play Area Equipment	61
Snowden Park Play Area Equipment, Chard	57
Grant to Huish Episcopi Academy AGP	27
Westfield Rec Ground Play & Youth Facility	21
Grant to Forton Community Association – Pavilion	15
Grant to Ilminster Cricket Club	11
Grant to Ilminster Football Club Pitch Improvements and Maintenance	8
Langport Memorial Ground New Changing Facilities	7
Grant to Bruton Community Playing Pitches	3
Total	336

Flexible Use of Capital Receipts

13. Since the efficiency strategy was agreed, capital receipts that have been received so far from the sale of property that can be utilised for the revenue costs of the transformation programme, remains at £99,000. The strategy has identified a funding requirement of £500,000 to be delivered through new capital receipts between 2016/17 and 2018/19 financial years. Without the income from asset sales, additional revenue resources will be needed to provide the necessary funding of transformation costs.

Disposals to Housing Associations

14. 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 S151 Officer. The total disposals/leases of this nature agreed, since the policy began, remains at £1.573 million.

Section 106 (S106) Deposits by Developers

15. S106 agreements are legal agreements between local authorities and developers that are linked to a planning permission. The total balance held is £3,640,645. This is purely a South Somerset District Council financial summary, more detail on S106's is given to Area Committees on an annual basis.

Wessex Home Improvement Loans (WHIL)

16. 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.

17. The Council has £672,989 of capital invested with WHIL. As at the end of September 2017 there was £349,569 on the loan book and £323,420 as available capital.

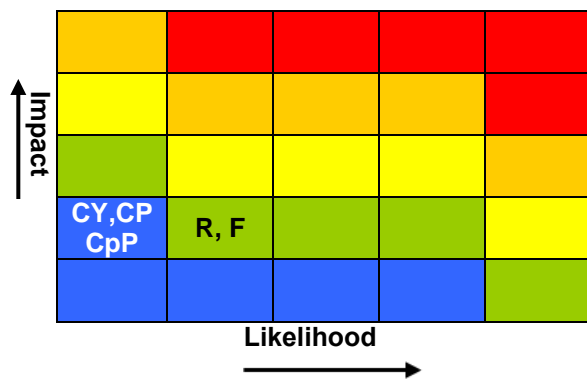
Financial Implications

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

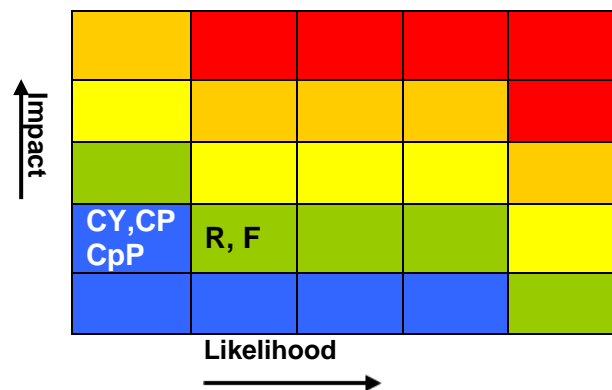
Risk Matrix

19. 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.

Risk Profile before officer recommendations



Risk Profile after officer recommendations



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

Council Plan Implications

20. The budget is closely linked to the Council Plan and any capital bids are scored accordingly.

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.

Privacy Impact Assessment

23. There is no personal information included within this report.

Background Papers

24. List of Background papers available:

- Capital Monitoring File
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