

2014/15 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 2014/15.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of June 2015.

Public Interest

3. This report advises the outturn of capital expenditure for 2014/15.

Recommendation(s)

4. That the District Executive: -
 - a) note the spend of £2.641 million on capital for the 2014/15 year and approve the financing of the capital programme (paragraph 7 and 18);
 - 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 2015/16 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 £156,000 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 detailed in Appendix C;

Background

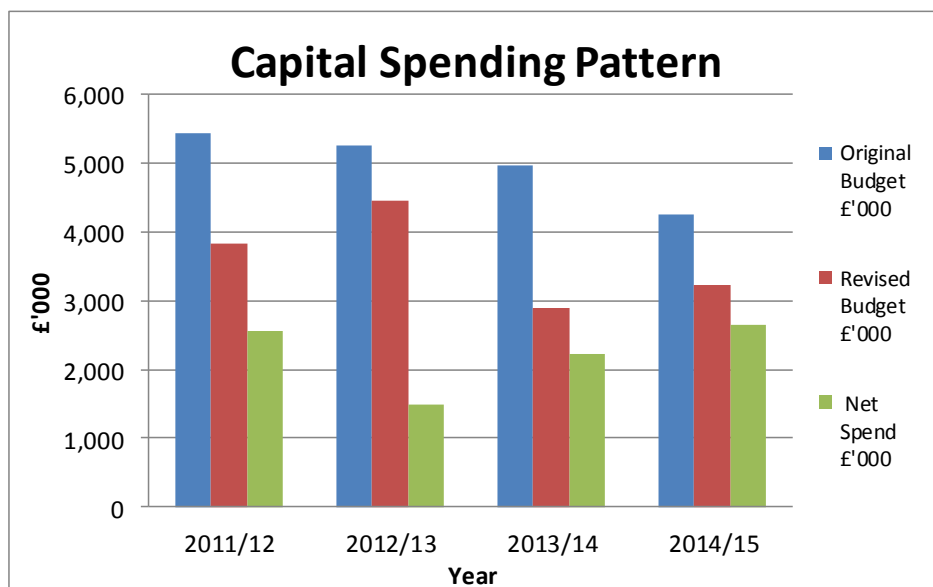
5. Full Council approve the Capital Programme in February each year. Monitoring of the agreed programme has been delegated to District Executive.

Overall Outturn Position

6. The overall position for the Capital Budget for 2014/15 is that total net spending amounted to **£2.641m**; this was **£1.613m (37%)** less than the original planned expenditure of **£4.254m**. 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 2014/15 at Quarter 4, showed revised planned net expenditure of **£3.227m**. With the total spend amounted to **£2.641m**; this was **£586K (18%)** less than planned. This is mainly due to project delays. A final report on 2014/15 spend is attached at Appendix A.
8. The **£2.641m** 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 **£3.772m**.

Capital Spending Pattern

9. The graph below shows the actual spend compared to revised budget for the last 6 years. The total 2014/15 spend represented 81% of the revised budgeted spend for the year, compared to 77% in 2013/14.



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 2014/15 was revised from **£2.898m to £3.227m** for the following reasons: -

	14/15 £'000	15/16 £'000	16/17 £'000	17/18 £'000	18/19 £'000
Capital Programme for Quarter 3 approved by District Executive in February 2015	2,898	5,890	212	(500)	(500)
Profiling amendments to capital programme quarter 4 2014/15 (slippage into 2015/16)	73	(73)			
Less underspends and projects removed from Capital Programme	(52)	(1,152)	456	464	472
Less projects moved to / (from) reserves	3	46			
Virements between capital projects (See paragraph 13)	156	(156)			
Revenue contributions to capital (RCCO) quarter 4 for accounting adjustments	81	77			
Plus projects added to Capital Programme quarter 4:					
New projects approved by Council February 2015		422			
Upgrade to ICT Helpdesk (DX 8.1.15)	37				
Ash Stables House, Wincanton Repayment (CEO Decision June 12)	23				
Plot 1, Chard Business Park (DX 7.2.13)	8				
Revised Capital Programme for 2014/15	3,227	5,054	668	(36)	(28)

(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 2015 are detailed below;

Scheme	Budget £'000	Date of Original Approval	Explanation	Request for Inclusion in 2015/16 Capital Programme (Y/N)
Land Acquisition & Enhancements at Waterside, Wincanton	35	February 2008	Waiting for land acquisition to be finalised. Unable to proceed with works until above.	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
156	Home Repairs Assistance	Disabled Facilities Grant	Additional budget required to cover spend above that allocated by DCLG.
156	Total Virements		

Completed schemes (including feasibility)

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

Scheme	Revised Budget £'000	Actual Spend £'000	Within acceptable limits?	Responsible Officer	Post Completion report Y/N
Affordable Housing	440	440	Y	Colin Mcdonald	N
Hardware Replacement Prog	382	368	Y	Roger Brown	N
Windows 7	377	366	Y	Roger Brown	N
Birchfield Sewer Pollution Easement Works	344	344	Y	Ian Case	N
Ropewalk at 94 High Street, West Coker	255	255	Y	Garry Green Martin Woods	N
South Western Terrace Grants	210	210	Y	Marie Ainsworth	Y
Purchase of Land on behalf of CCTC	70	70	Y	Donna Parham	N
Enterprise Wide Backup	63	63	Y	Roger Brown	N
Disaster Recovery & Business Continuity	60	60	Y	Roger Brown	N
Adaptions to Petters House	56	56	Y	Garry Green	N
Transfer to Castle Cary Toilets	42	42	Y	Garry Green	N
Northgate Business Rates Software	40	40	Y	Ian Potter	N
Car Park Enhancements	36	36	Y	Garry Green	N
Severalls Park Fencing	14	14	Y	Stephen Fox	N
Birchfield Trim Trail	11	10	Y	Natalie Ross	Y
Transfer of responsibility of Bruton Toilets	9	9	Y	Garry Green	N

15. 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

16. Each Area has balances that can be used during the year. The position of the Area balances at 31st March 2015 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	61	287	161	125	634
Additional resources approved by DX	25	25	25	25	100
Allocations to/(from) reserve during year	(16)	(101)	(7)	(5)	(129)
Position at end of financial year	70	211	179	145	605

17. Each Area was allocated an additional £25,000 in February 2015 for schemes in 2015/16. The table shows that following these approvals Area unallocated capital balances have decreased by £29,000.

Financing of the Capital Programme

18. The gross spend of £3.772m (referred to in paragraph 8) 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	1,849	4,254
External Contributions from funding partners	604	2,018
Capital Fund	803	0
Capital Grants from Central Government	455	455
Loan Repayments	61	61
Total Resources Used	3,772	6,788

Outstanding Loans

19. 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 2015 the following loans were outstanding:

Borrower	Original Sum Lent £	Fixed Interest Rate	Amount Outstanding at 31 st March 2014 £	Period of Loan	Final Repayment Date
Crewkerne Aqua Centre	600,000	4.65%	90,000	10 years	March 2016
Total Outstanding			90,000		

- 20. There is also £30,302 outstanding in sale of council house mortgages, and £106,273 in car, bike and learning loans.
- 21. Wessex Home Improvement Loans (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. The Council has £672,948 of capital invested with WHIL. As at 31st March 2015 there was £307,508 on the loan book and £365,440 as available capital.

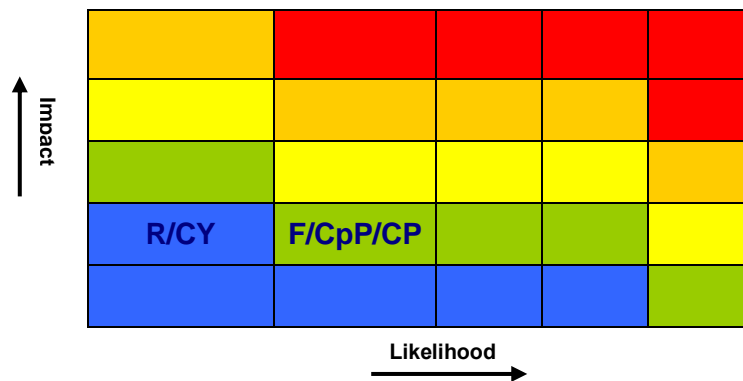
Section 106 Agreements

- 21. As at the 31st March 2015 SSDC held £2,284,628 in Section 106 Agreements as detailed in Appendix C.

Financial Implications

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

Risk Matrix



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

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.