

2015/2016 Capital Budget Monitoring Report for the quarter ending 30th June 2015

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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 April 2015 to 30th June 2015.

Forward Plan

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

Public Interest

3. This report updates progress on capital expenditure in 2015/16.

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 £5,000 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 Appendix C;
 - i) note the schemes that were approved prior to 2010, as detailed in Appendix D, and confirm approval for those projects that they wish to remain in the programme;
 - j) note the post completion reports outstanding from 14/15 in Appendix E.

Background

5. Full Council approved the Capital Programme in February 2015. 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 2015/16 has been revised from **£5.636 million** to **£5.960 million** for the following reasons: -

	15/16 £'000	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000
Capital Programme for 2015/16 onwards approved at Full Council February 2014	5,636	668	(36)	(28)	
Plus projects added to Capital Programme:					
Affordable Housing - West Hendford, Yeovil from Affordable Housing Reserve (PH Decision 17/4/15)	748				
Purchase of 45-50 Lavers Oak, Martock from Investment in Market Housing Reserve (PH Decision 10/4/15)	400				
Upgrade link of Civica, Indigo, ESG System from ICT Reserve (DX 4.6.15)	33				
Loan to Kingsdon Parish Council & Repayment (DX 2/4/15)	25	(3)	(3)	(3)	(3)
Ropewalk at 94 High Street West Coker (PH Decision)	5				
Area East Reserve allocation to:					
Barton St David Play Area Improvements	2				
Grant to Sparkford Cricket Club	2				
Grant to Ilchester Cycle Way	1				
Area North Reserve allocation to Ash for Planters & Benches	1				
Plus contribution towards works at Churchfields	(10)				
Less Affordable Housing – Rural Exception, Broadway Farm, Merriott moved to reserve	(240)				
Less adjustment to interest on SWP loan to include principal repayment	(220)	(227)	(235)	(243)	(271)
Less slippage from 2015/16 forecast to slip into 2016/17 and beyond (re-profiling)	(423)	41	382		
Revised Capital Programme for 2015/16 at 30th June 2015.	5,960	479	108	(274)	(274)

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

Capital Programme and Reserves

7. The current capital programme allocates £9,658 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed in paragraph 6)	5,999
Contingent Liabilities and Reserve Scheme	3,659
Total Programme to be Financed	9,658

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 June 2015 is net income of £364,000. This is made up of actual expenditure being £374,000 less grants received in advance for various projects of £738,000.

The current forecast net spend by the year end is £5.960 million. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2015/16 include:

Project	Date Funding Originally Approved	Slippage to 2016/17 £'000	Reason for Delay
Capital Works to the Councils Portfolio	Feb 2014	135	Slippage due to review of property portfolio, meaning some works withheld pending outcome of this.
Gas Control System – Birchfield	Feb 2013	94	Nominal delay due to other workload & weather.
Multi Use Games Area	Feb 2008	70	Castle Cary & Ilminster will not require allocation. Part of funds may be reallocated to Bruton if scheme acceptable and viable.

(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
4	Village Hall Grants	Area North – Kingsbury Episcopi Church Rooms	Grant to be part of Area North Capital Programme for monitoring and payment purposes.
1	Grant to	Community Play	Re-allocation of small underspend to

	Summerhouse View Play Area	Schemes	Packers Way, Misterton play scheme.
5	Total Virement		

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.

Project	Additional funding received £'000
Wyndham Park Play Area Equipment	67
Grant to Abbas & Templecombe PC for Play Equipment	22
Grant to Barton St David VH & Playing Fields	19

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. Details of income relating to S106 agreements are shown in appendix C categories by project type. The total balance held is £2,633,150. 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)

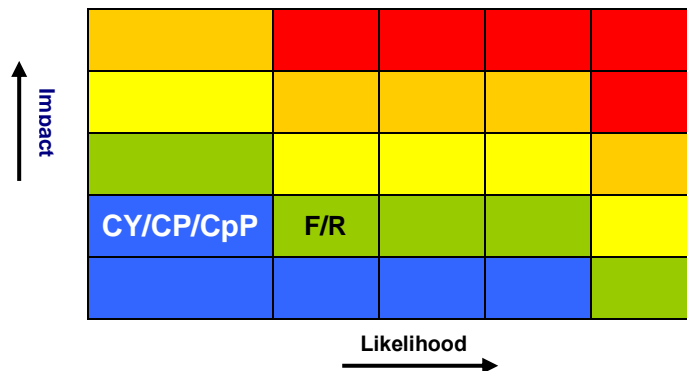
14. WHIL works in partnership with the Council to provide finance to homeowners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-circulate funds.
15. The Council has £672,989 of capital invested with WHIL. As at the end of June 2015 there was £338,264 on the loan book and £334,725 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

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