

2015/2016 Capital Budget Monitoring Report for the quarter ending 31st December 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 October 2015 to 31st December 2015.

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 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 £25,000 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 balance of S106 deposits by developers held in paragraph 13;
 - f) note the current position with regard to funds held by the Wessex Home Improvement Loans as detailed in paragraph 15;
 - g) note the progress of individual capital schemes as detailed in Appendix A;
 - h) note the total land disposals to registered social landlords as detailed in Appendix B;
 - i) note the schemes that were approved prior to 2010, as detailed in Appendix C, and confirm approval for those projects that they wish to remain in the programme.

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 **£4.450 million** to **£1.866 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 DX in November	4,450	1,753	587	(274)	(274)
Plus projects added to Capital Programme:					
Westlands Leisure Complex (DX 1.10.15)		1,803	(62)	(62)	(62)
Loan to Hinton St. George & Locality Rural Community Services (DX 1.10.15)	190	(9)	(9)	(9)	(9)
Plus Area Reserve allocations to:					
Area East – Wincanton TC Cale Play Area		10			
Area North – Kingsdon Village Shop	7				
Area East - Hadspen Village Hall	3				
Plus allocations from affordable housing reserve (DX 1.10.15)	484	487			
Less removal of loan repayment from Somerset Waste Partnership as loan not drawn yet (see table 8 below)	271				
Less allocations returned to reserves	(119)				
Less removal of underspends to balances	(5)	1			
Less slippage from 2015/16 forecast to slip into 2016/17 and beyond (re-profiling)	(3,415)	3,415			
Revised Capital Programme for 2015/16 at 30th December 2015.	1,866	7,460	516	(345)	(345)

(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 £11.689 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed in paragraph 6)	9,152
Contingent Liabilities and Reserve Scheme	2,537
Total Programme to be Financed	11,689

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 2015 is net expenditure of £986,000. This is made up of actual expenditure being £2,031,000 less grants received in advance for various projects of £1,045,000.

The current forecast net spend by the year end is £1.866 million. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2016/17 include:

Project	Date Funding Originally Approved	Slippage to 2016/17 £'000	Reason for Delay
Loan to Somerset Waste Partnership for Vehicles	Oct 14	1,900	Unlikely loan will be drawn down by SWP until April 2016. Therefore repayment profile for this year has been removed from programme and added to end of loan period.
Affordable Housing - West Hendford, Yeovil	April 15	374	Start on site date not as predicted originally therefore knock on effect on when final payment will be made
Affordable Housing - Rural exception, Misterton	Oct 15	198	No start on site made yet therefore any payment this year is unlikely.
Affordable Housing - 3 Bed Bungalows in Yeovil	Oct 15	157	No start on site made yet therefore any payment this year is unlikely.
Affordable Housing - Mortgage Rescue Contingency Fund	Sept 14	138	Dependant on requests received – none pending at present.
Grant to Ilminster Football Club	S106 Funded	126	Grant payable dependant on claims from Football club once certain stages met.
Affordable Housing - Bought not built Allocation	Sept 14	100	Contingency fund unlikely to be utilised this financial year.
Enhancements to SSDC Buildings	Feb 15	80	Funding for some small projects reallocated to large priority projects for 16/17.
New Car Parks	Feb 08	80	Awaiting decision on progressing Millers site, Crewkerne & purchase of Doctor's surgery Somerton.

(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
25	Loan Scheme for Somerset	Empty Property Grants	Reallocation of funds were most needed to cover current spend.
25	Total Virement		

Projects agreed before 2010

10. There are number of schemes still in the capital programme where funding was agreed before 2010. Appendix C 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
Eastfields, Cuckhoo Hill Play Area Equipment	55
Jarman Way, Chard - Play Area Equipment	42
Grant to Huish Episcopi Swimming Pool (Scoping works)	6

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. The total balance held is £3,126,657. 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)

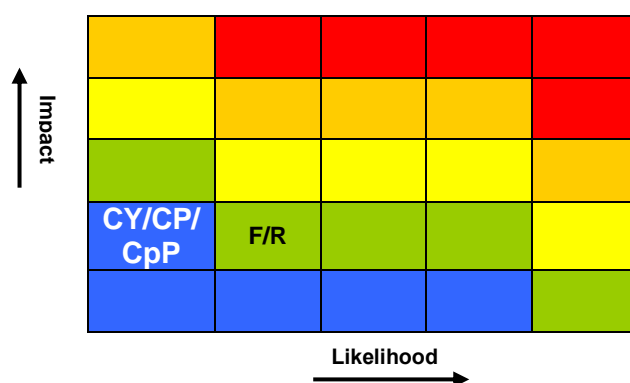
14. WHIL works in partnership with the Council to provide finance to homeowners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-circulate funds.
15. The Council has £672,989 of capital invested with WHIL. As at the end of December 2015 there was £333,944 on the loan book and £339,945 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