

## **2014/2015 Capital Budget Monitoring Report for the quarter ending 30<sup>th</sup> June 2014**

*Executive Portfolio Holder:* Cllr Tim Carroll, Finance and Corporate Services  
*Strategic Director:* Mark Williams, Chief Executive  
*Assistant Director:* Donna Parham, Finance and Corporate Services  
*Service Manager:* Amanda Card, Finance Manager  
*Lead Officer:* Nicola Brine, Corporate / Management Accountant  
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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 1<sup>st</sup> April 2014 to 30<sup>th</sup> June 2014.

### **Forward Plan**

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of August 2014.

### **Public Interest**

3. This report updates progress on capital expenditure in 2014/15.

### **Recommendation(s)**

4. That the District Executive: -
  - a) approve the revised capital programme spend as detailed in paragraph 6;
  - b) note the progress of individual capital schemes as detailed in Appendix A;
  - c) note the slippage over £50,000 in the capital programme as detailed in paragraph 8;
  - d) approve the allocation of any additional funding to be used within the capital programme as detailed in paragraph 10;
  - e) note the total land disposals to registered social landlords as detailed in Appendix B;
  - f) note the balance of S106 deposits by developers held in a reserve as detailed in Appendix C;
  - g) 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;
  - h) note the current position with regard to funds held by the Wessex Home Improvement Loans as detailed in paragraph 13;
  - i) Note the post completion report submitted as detailed in Appendix E.

### **Background**

5. Full Council approved the Capital Programme in February 2014. 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 2014/15 has been revised from **£5.078 million** to **£5.294 million** for the following reasons: -

	14/15 £'000	15/16 £'000	16/17 £'000	17/18 £'000	18/19 £'000
<b>Capital Programme for 2014/15 onwards approved at Full Council February 2014</b>	<b>5,078</b>	<b>821</b>	<b>91</b>		
Plus projects added to Capital Programme:					
Affordable Housing to bought not built properties in Crewkerne 4	169				
Affordable housing reserve to 80 South Street 1	100				
Purchase of land at Churchfields Drive, Castle Cary 2	70				
Affordable Housing to Larkspur Crescent, Yeovil 5	56				
Alterations to Petters House for lease to CAB 1	20				
Purchase of Caravan for Homeless Resident Affected by Flooding 2	15				
Area East reserve to North Cadbury VH Refurbishment 6	12				
Area East reserve to SCATT 6	10				
Save to Earn - Transfer of provision of Grove Toilets in Bruton 2	9				
Area North reserve to Ham Hill Recreation Ground - Youth Park 7	6				
Area East reserve to South Retail Support Initiative 6	1				
Less surplus funding for Sutton Montis returned to Area East reserve	(11)				
Less slippage from 2014/15 forecast to slip into 2015/16 and beyond (re-profiling)	(241)	130	111		
<b>Revised Capital Programme for 2014/15 at 30<sup>th</sup> June 2014.</b>	<b>5,294</b>	<b>951</b>	<b>202</b>		

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

1 Approved at District Executive 3<sup>rd</sup> April 2014

- 2 Approved at District Executive 1<sup>st</sup> May 2014
- 3 Approved at District Executive 5<sup>th</sup> June 2014
- 4 Approved as Portfolio Holder Decision 13<sup>th</sup> June 2014
- 5 Approved as Portfolio Holder Decision 20<sup>th</sup> June 2014
- 6 Agreed by Area East Committee
- 7 Agreed by Area North Committee

7. The current Capital Programme allocates £9.855 million to various schemes over the next five years. Further details are shown in Appendix A.

	<b>£'000</b>
Capital Programme (as detailed in paragraph 6)	6,447
Contingent Liabilities and Reserve Scheme	3,408
<b>Total Programme to be Financed</b>	<b>9,855</b>

8. **Progress on various schemes**

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 30<sup>th</sup> June 2014 is net income of £353,000. This is made up of actual expenditure being £291,000 less grants received in advance for various projects of £644,000.

The current forecast net spend by the year end is £5.294 million. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2015/16 include:

<b>Project</b>	<b>Date Funding Originally Approved</b>	<b>Slippage to 2015/16 £'000</b>	<b>Reason for Delay</b>
New Car Parks	Feb 2008	99	Potential sites being investigated, but small part of budget reprofiled as unlikely to spend all in 14/15.

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

9. **Projects agreed before 2010**

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.

10. **Additional income**

This section highlights any new funding or changes to external funding that have been received by the Council within the last quarter.

<b>Project</b>	<b>Additional funding received £</b>	<b>Use of Funding</b>
Westfield School AGP Additional Funding approval	84	Reported as DX report to separate report on 5 <sup>th</sup> June 2014.
Disabled Facilities Grants	11	Additional DFG funding from central government.
Corpse Play Area	6	Funding from Ilton Parish Council towards play area

#### 11. **Disposals to Housing Associations**

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.

#### 12. **Section 106 (S106) Deposits by Developers**

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 £2,699,307. This is purely a South Somerset District Council financial summary, more detail on S106's is given to Area Committees on a quarterly basis.

#### 13. **Wessex Home Improvement Loans (WHIL)**

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.

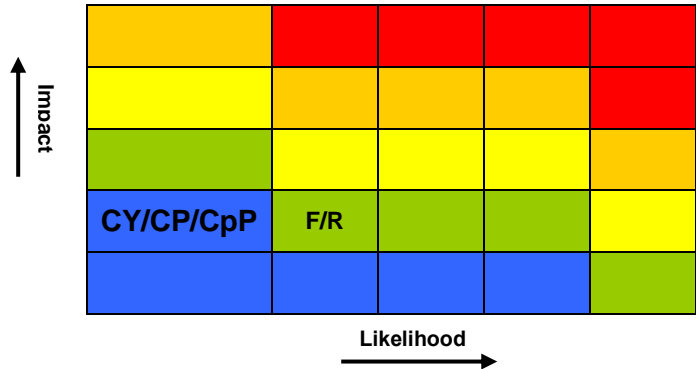
The Council has £622,948 of capital invested with WHIL. As at the end of June 2014 there was £283,857 on the loan book and £339,091 as available capital.

#### 14. **Financial Implications**

These are contained in the body of the report.

#### 15. **Risk Matrix**

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

**16. Corporate Priority Implications**

There are no specific implications in these proposals.

**17. Carbon Emissions and Climate Change Implications**

There are no specific implications in these proposals.

**18. Equality and Diversity Implications**

There are no specific implications in these proposals.

**19. Background Papers**

Revenue Quarterly Monitoring reports to District Executive.