

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

Executive Portfolio Holder: Cllr Peter Seib, Finance and Corporate Services
Strategic Director: Vega Sturgess / Rina Singh, Interim Chief Executives
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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 2015 to 30th September 2015.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of November 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 paragraph 13;
 - 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 **£5.960 million** to **£4.450 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 August	5,960	479	108	(274)	(274)
Plus Area Reserve allocations to:					
Area North - Tintinhull Village Hall	34				
Area South - Westfield Academy	12				
Area West - Chaffcombe VH Alterations to internal layout	7				
Area North - Montacute VH Accessibility Project	5				
Area North - High Ham VH Dishwasher	1				
Area North – Chilthorne Domer Football Posts	1				
Plus Purchase of 3 Bed Bungalow from Investment Housing from Reserve	200				
Less Hardware Replacement Programme 2014/15 to 2016/17 back to ICT Reserve	(10)				
Less surplus budget on Sharing Brympton Way Offices with SCC	(7)				
Less slippage from 2015/16 forecast to slip into 2016/17 and beyond (re-profiling)	(1,753)	1,274	479		
Revised Capital Programme for 2015/16 at 30th September 2015.	4,450	1,753	587	(274)	(274)

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

Capital Programme & Reserves

7. The current capital programme allocates £9,651 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed in paragraph 6)	6,242
Contingent Liabilities and Reserve Scheme	3,409
Total Programme to be Financed	9,651

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 September 2015 is net expenditure of £265,000. This is made up of actual expenditure being £1,058,000 less grants received in advance for various projects of £793,000.

The current forecast net spend by the year end is £4.450 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
Wyndham Park Community Facilities	Nov 14	400	Negotiations ongoing with the developer and County Council.
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 - Mortgage Rescue Contingency Fund	Sept 14	139	Dependant on requests received – none pending at present.
Empty Property Grants	Feb 15	127	Demand lower than anticipated.
Affordable Housing - Bought not built Allocation	Sept 14	101	Contingency fund unlikely to be utilised this financial year.
Disabled Facilities Grants	Apr 15	100	Demand lower than anticipated.
Home Repairs Assistance	Feb 15	95	Demand lower than anticipated.
Grant to Huish Episcopi Academy AGP	Jul 15	89	Future grant dependant on S106 funding.
Reckleford Gyratory (Eastern Gateway)	Feb 07	88	Commissioned traffic assessment for Wyndham Street/Reckleford area - awaiting results from SCC.
Market Towns Visions	Feb 06	60	Lower than anticipated take up of the Econ Dev Programme

(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
6	Village Hall Grants	Area North - Tintinhull Village Hall	Approved as part funding towards £40K allocation to Tintinhull Village Hall.
5	Floodlighting of MUGA & Skate Park at Milford Adventure Park	Birchfield Park Bike Park	Funding moved to alternative youth facility project to enable project delivery.
10	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
Grant to Ilminster Football Club	109
Grant to Huish Episcopi Academy AGP	21
Grant to Huish Episcopi Academy Swimming Pool	10
Grant to Henstridge Half MUGA	9
Grant for Chard Town Council Jocelyn Park	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 £3,196,679. This is

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

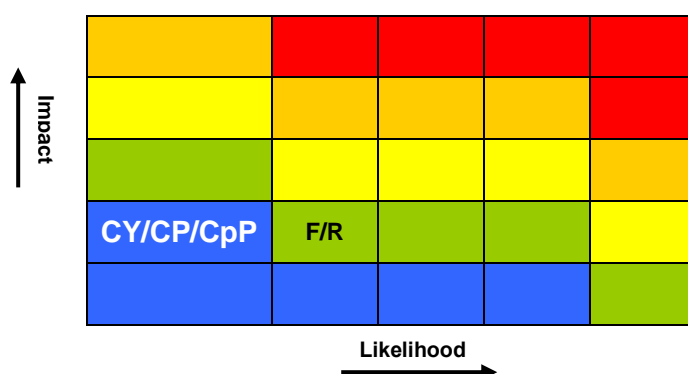
Wessex Home Improvement Loans (WHIL)

- 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 September 2015 there was £331,841 on the loan book and £341,148 as available capital.

Financial Implications

- 16. 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

- 17. There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

- 18. There are no specific implications in these proposals.

Equality and Diversity Implications

- 19. There are no specific implications in these proposals.

Background Papers

Revenue Quarterly Monitoring File
Capital Monitoring File