

2014/2015 Capital Budget Monitoring Report for the quarter ending 31st December 2014

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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 to 31st December 2014.

Forward Plan

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

Public Interest

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

Recommendation(s)

4. That the District Executive: -
 - a) note the net spend of £1,306,000 so far on capital for 2014/15 and approve the revised capital programme for 2014/15 and beyond (paragraph 6 and 7);
 - 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 10;
 - d) approve the virement of £29,000 outline in paragraph 11;
 - e) approve the re-allocation of funding of £60,000 as detailed in paragraph 12 & 13;
 - f) 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
 - 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 current position with regard to funds held by the Wessex Home Improvement Loans as detailed in paragraph 17;

Background

5. Full Council approved the Capital Programme in February 2014. Monitoring of the agreed programme has been delegated to District Executive.

Qtr 3 Spend Position

6. The actual net position as at 31st December 2014 is net expenditure of £1,236,000. This is made up of actual expenditure being £2.205m less grants and receipts received in advance for various projects of £969,000.

Revised Capital Programme

7. The capital programme for this financial year and beyond has been revised to take account of amendments requested since Quarter 2. A summary of those amendments are outlined below and Members are requested to approve the revised Capital Programme shown in Appendix A. The estimated spend for 2014/15 has been revised from **£4.291 million** to **£2.898 million** for the following reasons: -

	14/15 £'000	15/16 £'000	16/17 £'000	17/18 £'000	17/18 £'000
Capital Programme for 2014/15 onwards approved at DX November 2014	4,291	1,516	325		
Plus projects added to Capital Programme:					
Loan to Somerset Waste Partnership 1		3,500			
Loan to Somerset Waste Partnership – Repayment 1		(500)	(500)	(500)	(500)
Wyndham Park Community Facilities 2		400			
Sale of Land at Castle Cary	(70)				
Plus projects funded from the reserve:					
Upgrade to CedAr Financial System 2	96				
Ropewalk at 94 High Street, East Coker	60				
Area East to parish infrastructure, Abbas & Templecombe PC & various Community & Health leisure grants	10				
Area West to Combe St Nicolas Village Hall Toilets	4				
Area North allocation to under / over on project	1				
Less surplus funding moved to the reserve:					
Affordable Housing - Bought not built for 2 Crewkerne Properties now HCA funded	(89)				
Windows 7 underspend to ICT Reserve	(59)				
Plus removal of income budget for adaptations to Petters as now funded by RCCO	30				
Less removal of surplus funding for car park works associated with car parking proposals	(15)				

Less slippage from 2014/15 forecast to slip into 2015/16 and beyond (re-profiling)	(1,361)	974	387		
Revised Capital Programme for 2014/15 at 31 st December 2014.	2,898	5,890	212	(500)	(500)

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

¹ Approved at District Executive 2nd October 2014

² Approved at District Executive 6th November 2014

Capital Programme & Reserves

8. The current Capital Programme allocates £14.154 million to various schemes over the next five years. Further details are shown in Appendix A.

	£'000
Capital Programme (as detailed at the bottom of table 7)	8,000
Contingent Liabilities and Reserve Scheme	4,085
Total programme to be financed	12,085

Available Capital Resources

9. The amount of capital resources the Council has remaining unallocated is shown in the table below.

	£'000
Useable Capital Receipts & Capital Fund as at 1 st April 2014	38,313
Add new capital receipts as at 31 st December 2014	189
Less capital programme & reserve schemes	(12,085)
Less other schemes in pipeline	(6,550)
Total remaining unallocated resources	19,867

Progress on various schemes

10. Progress on individual schemes is attached at Appendix A. Appendix A also incorporates responsible officer comments on slippage and performance against targets. Schemes which are expected to be delayed this year, are more than £50,000 and have slipped to 2015/16 include:

Project	Date Funding Originally Approved	Slippage to 2015/16 £'000	Reason for Delay
Affordable Housing - Mortgage Rescue	Sept 2014	277	No requests for funding have come forward this financial year.
Affordable Housing - Rural exception, Broadway Farm, Merriott	Sept 2014	240	Issues with land have delayed this scheme.
Affordable Housing – Bought not built	Mar 2012	201	No requests for funding have come forward this financial year.
Home Repairs Assistance	Feb 2014	90	Delays with builders will push back number of projects that will actually be completed & signed off.
Capital Works to the Councils Portfolio	Feb 2014	54	Some projects within programme will be better carried out during the summer.

(the figures shown above are included in the slippage figure at the bottom of the table in paragraph 7),

Virements between Capital Projects

11. The table below shows the requested budget virement between projects within the capital programme.

Amount £'000	From	To	Reason
10	Enhancement to Councils Portfolio	Adaptions to Petters House for CAB	To cover spend on additional works carried out during the alterations.
10	ICT Hardware Replacement Programme	Upgrade CedAr Finance System	Hardware element of upgrade as detailed in report to DX in November.
9	Enhancement to Councils Portfolio	Ropewalk at 94 High Street	To aid works needed to complete siting of caravan on site above the original compensation budget of £60K.
29	Total Virement		

Reallocation of Funding

12. Octagon Theatre

Members agreed an allocation of funding to the Octagon over Front Porch in February 2013 at a cost of £30,000. After another assessment of the porch, it has been agreed that these works are no longer required. However, this funding is required at the Octagon to carry out a full refurbishment of the back stage toilet facilities and dressing rooms on site.

It is recommended that Members agree to the transfer of the £30,000 to this project which will be completed in the summer of 2015/16 when the premises are closed.

13. Youth Facilities Development

In February 2007 Members agreed an allocation of £55,000 towards Youth Facilities Development across the district, of which £25,000 has been spent in previous years and £30,000 remains unspent in the capital programme. The areas originally identified for the remaining budget, are ones not required at this stage, and approval is requested to reallocate these funds to:

- £10,000 to Stoke-sub-Hamdon Recreation Ground, Adventure Playspace Project
- Possible contribution of £10,000 towards Floodlighting the MUGA & Skate Park at Milford Adventure Park, Yeovil.
- £5,000 to Pump Track (bike track), Yeovil
- £5,000 as a 50% contribution towards Skate Park at Horton.

It is recommended that Members agree to the transfer of the £30,000 to these projects which will be completed within the next 18 months.

Projects agreed before 2010

14. 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.

Disposals to Housing Associations

15. 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

16. 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 £2,584,140. 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)

17. 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.

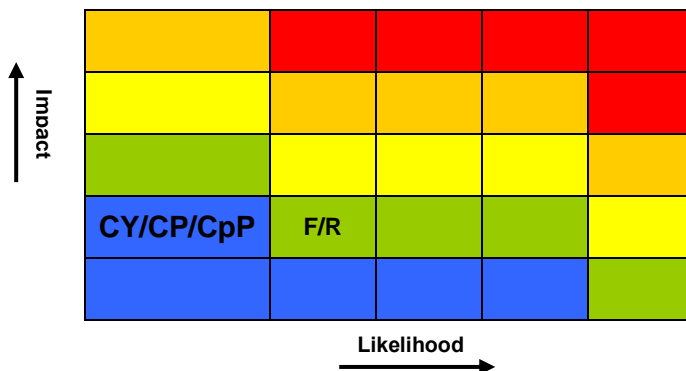
The Council has £672,948 of capital invested with WHIL. As at the end of December 2014 there was £282,578 on the loan book and £390,370 as available capital.

Financial Implications

18. These are contained in the body of the report.

Risk Matrix

19. 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

20. There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

21. There are no specific implications in these proposals.

Equality and Diversity Implications

22. There are no specific implications in these proposals.

Background Papers

Quarterly Capital Monitoring Reports to District Executive 2014/15