

2016/17 Capital Budget Outturn Report

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Purpose of the Report

1. The purpose of this report is to inform Members of the outturn of the capital programme of the Council for 2016/17 i.e. the total spend for the year and how this compares with the agreed budget for the year, with explanations for the main differences. It also summarises what has been delivered through the capital invested and how this has been funded.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of July 2017.

Public Interest

3. This report sets out details of capital expenditure incurred in 2016/17 and the performance against the approved budgets for projects and the overall Capital Programme.

Recommendation(s)

4. That the District Executive: -
 - a) note the net spend of £6.187 million on capital schemes for the 2016/17 year and approve the financing of the capital programme (paragraph 7 and 18);
 - b) note the progress of individual capital schemes and the lead officers' comments as detailed in Appendix A;
 - c) approve the revisions, including profiling amendments to the Capital Programme for 2017/18 and future years as detailed in paragraph 10;
 - d) approve the virement of £67,000 outlined in paragraph 12;
 - e) approve the addition £1,220,000 to the Capital Programme budget, funded from additional income as set out in para 13
 - f) note the post completion reports on the completed schemes as detailed in Appendix B;
 - g) note the balance of S106 deposits by developers held in a reserve as outlined in paragraph 23.

Background

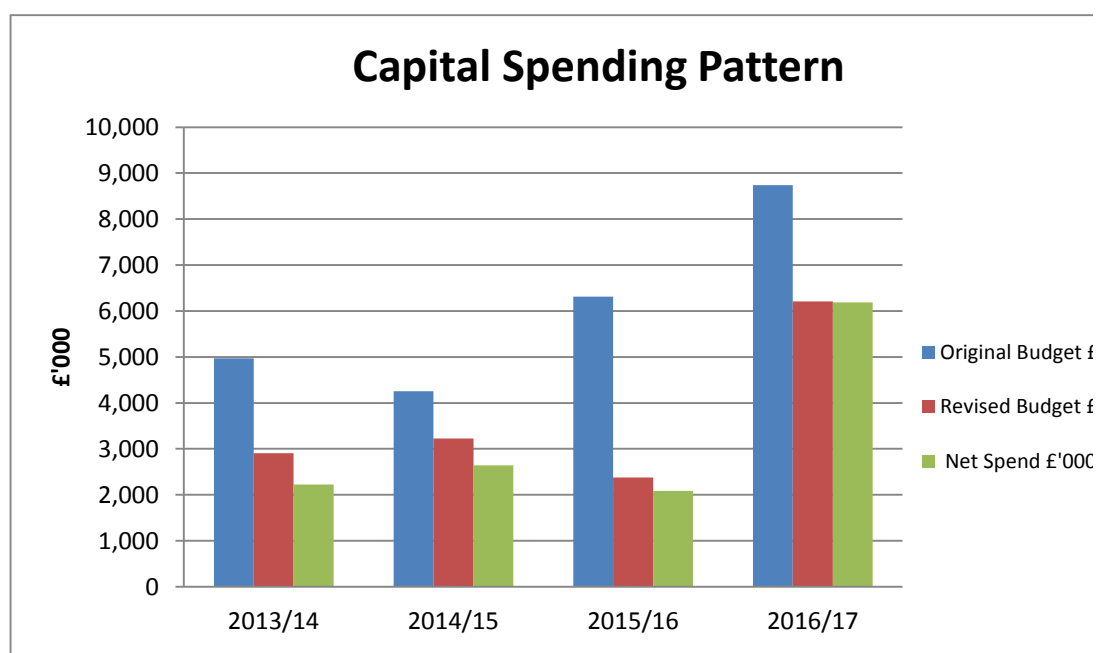
5. Full Council approve the Capital Programme in February each year. Monitoring of the agreed programme has been delegated to District Executive.

Overall Outturn Position

6. The overall position for the Capital Budget for 2016/17 is that total net spending amounted to **£6.187m**; this was **£2.551m (29%)** less than the original planned net expenditure of **£8.738m**. Amendments have been reported to members each quarter and the revised Capital Programme approved.
7. The original budget is revised each quarter to reflect changes to the programme. The position on the Capital Budget for 2016/17 at Quarter 4, showed revised planned net expenditure of **£6.211m**. With the total spend amounted to **£6.187m**; this was **£24k (0.4%)** less than planned. This is mainly due to project delays. A final report on 2016/17 spend is attached at Appendix A.
8. The **£6.187m** actual spend referred to above is the net position which includes external contributions and grants. Excluding these external contributions and grants shows gross expenditure of **£8.675m** on the capital programme, £109k on vehicles to be leased, and £202K on internal funded borrowing for assets.

Capital Spending Pattern

9. The graph below shows the actual spend compared to revised budget for the last 5 years. The total 2016/17 spend represented 99% of the revised budgeted spend for the year, compared to 88% in 2015/16.



Revised Capital Programme

10. Some amendments have been requested since Quarter 3. A summary of those amendments are outlined below and members are requested to approve the revised Capital Programme shown in Appendix A. The net budget for 2016/17 was revised from **£5.721m to £6.211m** for the following reasons: -

	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Capital Programme for Quarter 3 approved by District Executive in February 2017	5,721	6,118	579	(312)	(312)
Profiling amendments to capital programme quarter 4 2016/17	255	(255)			
Plus budget for year-end capital salaries	81	100			
Plus allocations from affordable housing reserve	152	54			
Plus Area Reserve allocations	2	25			
Plus projects added to Capital Programme quarter 4:					
New projects approved by Council February 2017		571	145		
SWP Loan for Vehicles		3,231	(470)	(482)	(494)
Goldenstones 10 Yr Plan Changing Rm's Refurbishment		206	(29)	(29)	(29)
Revised Capital Programme for 2016/17	6,211	10,050	225	(823)	(835)

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

Delayed Projects

11. In accordance with the capital strategy any project that has been delayed by more than two years before starting is required to be reviewed so that Members can consider whether to continue to support the project. Relevant projects will be reviewed by the Leadership Board in July and recommendations included within the quarter 1 capital programme monitoring report.

Virements between Capital Projects

12. The table below shows the requested budget virements between projects within the capital programme:

Amount £'000	From	To	Reason
22	Yeovil Innovation Centre Car Park Facilities	Yeovil Innovation Centre Phase II	Underspend on car park add to contingency for phase II build.
45	Goldenstones 10yr Plan	Westlands Sport	Reallocation of budget where needed.
67	Total Virements		

Additional Income

13. This section highlights any new funding or changes to external funding that have been received by the Council within the last quarter. It is recommended the capital programme budget is increased and funded by the amounts shown in the table below:

Project	Source of Income	Additional funding received £'000
Disabled Facilities Grants	Better Care Fund	995
Westlands Leisure Complex	Ticket Levy, Tolchards Bar Fit Out, Zurich Roof Claim	225

Completed schemes (including feasibility)

14. The table below shows the projects/schemes completed in the period. Post completion reports, where indicated, are attached in Appendix B.

Scheme	Revised Net Budget £'000	Actual Spend £'000	Within acceptable limits?	Responsible Officer	Post Completion report Y/N
Purchase of 2 x 5 Bed House for Leasing	470	470	Y	Colin McDonald	N/A
Purchase of 45-50 Lavers Oak, Martock	423	423	Y	Colin McDonald	N/A
Affordable Housing - Westfield Academy 3 Bed Bung (Yarlington)	315	315	Y	Colin McDonald	N/A
Grant to Ilminster Football Club	163	163	Y	Lynda Pincombe	To follow
Yeovil Innovation Centre Car Park Facilities	120	98	Y	David Julian/ Garry Green	Y
Affordable Housing - Millfield, Chard	98	98	Y	Colin McDonald	N/A
Ham Hill Road Improvements	21	19	Y	Katy Menday / Garry Green	Y
5 Additional CCTV Cameras in Yeovil	29	32	Y	Steve Brewer	N/A

15. In order for an over/under spend to be within acceptable limits, the variation on budget should be within £10,000 or 5% (whichever is greater) of revised budget. On this basis, all of the 15 completed schemes are within an acceptable margin of the overall budget. Explanations for both under/over spends are outlined in the post completion.

Area Capital Programmes

16. Each Area has balances that can be used during the year. The position of the Area balances at 31st March 2017 and any movement within the year are as follows:

	Area East £'000	Area North £'000	Area South £'000	Area West £'000	Totals £'000
Position at start of financial year	56	185	191	147	579
Additional resources approved by DX for 17/18	25	25	25	25	100
Allocations to/(from) reserve during year	(26)	(33)	-	(110)	(169)
Position at end of financial year	55	177	216	62	510

17. Each Area was allocated an additional £25,000 in February 2017 for schemes in 2017/18. The table shows that following these approvals Area unallocated capital balances have decreased by £69,000.

Financing of the Capital Programme

18. The gross spend of £8.986m is the total capital expenditure before funding sources are included and requires financing. Members are recommended to approve the final financing of the capital programme from the following sources: -

Resources Used	Actual Gross Spend £'000
Useable Capital Receipts	6,552
External Contributions from funding partners	1,245
Capital Fund	155
Capital Grants from Central Government	889
Loan Repayments	146
Total Resources Used	8,986

19. We contributed £6.853m towards the £8.986m we spent last year. This means, for every £1 of our capital resources we contributed, we received 24p from external organisations.

Outstanding Loans

20. As part of the agreed loans policy the amount of any outstanding loans at the end of each financial year must be reported to this committee. As at 31st March 2017 the following loans were outstanding:

Borrower	Original Sum Lent £	Fixed Interest Rate	Amount Outstanding at 31 st March 2017 £	Period of Loan	Final Repayment Date
Hinton St George Shop	190,000	2.67%	182,170	20 years	February 2036
Somerset Waste Partnership	1,567,216	2.22%	1,428,219	7 years	August 2023
Total Outstanding			1,610,389		

21. There is also £15,329 outstanding in sale of council house mortgages, and £81,056 in car and bike loans.
22. Wessex Home Improvement Loans (WHIL) works in partnership with the Council to provide finance to home owners for essential maintenance and improvement works to their property. Loans are increasingly replacing grants allowing the Council to re-

circulate funds. The Council has £672,988 of capital invested with WHIL. As at 31st March 2017 there was £365,389 on the loan book and £307,599 as available capital.

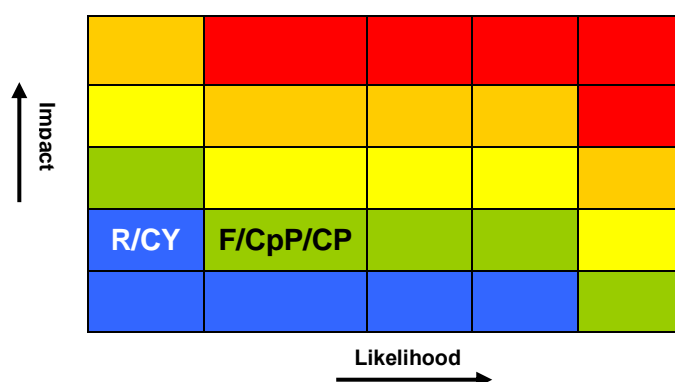
Section 106 Agreements

23. S106 agreements are legal agreements between Local Authorities and developers that are linked to a planning permission. The total balance held as at 31st March 2017 was **£3,335,546**. This is purely a South Somerset District Council financial summary, more detail on S106's is given to Area Committees on a quarterly basis.

Financial Implications

24. 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

There are no specific implications in these proposals.

Carbon Emissions and Climate Change Implications

There are no specific implications in these proposals.

Equality and Diversity Implications

There are no specific implications in these proposals.

Background Papers

Capital Monitoring Quarter 1 to 3 Reports to District Executive