

# **2017/18 Capital Budget Monitoring Report for the quarter ending 31st December 2017**

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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 2017 to 31st December 2017.

## **Forward Plan**

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 2018.

## **Public Interest**

3. This report updates progress on capital expenditure in 2017/18.

## **Recommendations**

4. That the District Executive:
  - a. Note the content of the report;
  - b. Approve the revised capital programme spend as detailed in paragraph 6:

## **Background**

5. Full Council approved the Capital Programme in February 2017. 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 2017/18 has been revised from **£14.825 million** to **£18.497 million** for the following reasons: -

	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000
<b>Capital Programme for 2017/18 onwards approved at DX in November</b>	<b>14,825</b>	<b>5,178</b>	<b>1,684</b>	<b>(835)</b>	<b>(337)</b>
<b>Plus: Capital projects approved</b>					
Purchase Land at Boden St, Chard (DX Dec 17)	15	35			
Internal Loan for Leased Assets	54				
<b>Plus: Allocations from reserves</b>					
Yeovil Innovation Centre Photovoltaics		16			
Investment in Property	6,861	1,457			
Affordable Housing - West End Close, South Petherton (Stonewater)		199	199		
Grant for Refurb of Christopher House, Yeovil (Mendip YMCA)	15				
Luffton 2000 - All Phases	150				
Area South - Barwick and Stoford PC - New play equipment.	5				
Area North - Norton Sub Hamdon VH	5				
Area North - Stocklinch VH	3				
Area North - Refurbishment of William Blake Mem Hall, South Petherton	5				
Area East - Horsington PC - Installation of new play equipment	5				
Area East - Blackford & Compton Parish Mtg - Superfast Broadband Installation	8				
Area East - Hadspen Village Hall - Car Park Extension	3				
Area East - West Camel PC - Outdoor Gym Equipment	3				
Area East - Ansford & Castle Cary TC's - Phase 3 Outdoor Gym Equipment	8				
<b>Plus: Slippage from 2017/18 forecast to slip into 2018/19 and beyond (re-profiling)</b>	<b>(3,467)</b>	<b>767</b>	<b>422</b>	<b>3,494</b>	<b>(545)</b>
<b>Revised Capital Programme for 2017/18 at 30<sup>th</sup> September 2017.</b>	<b>18,496</b>	<b>7,652</b>	<b>2,305</b>	<b>2,659</b>	<b>(882)</b>

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

### Capital Programme & Reserves

- The current capital programme, contingent liabilities and reserves allocates £93.239 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)	30,224
Contingent Liabilities and Reserve Scheme	63,008
<b>Total Programme to be Financed</b>	<b>93,232</b>

### 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. At this stage the total projected capital investment within the programme remains on budget for all schemes.
9. The actual net position as at 31st December 2017 is net expense of £14,832,000. This is made up of actual expenditure being £16,966,000 less grants received in advance for various projects of £2,134,000.
10. The current forecast net spend by the year end is £18.139 million. Schemes which are expected to be delayed this year and are more than £50,000 and have slipped to 2018/19 include:

Project	Date Funding Approved	Slippage to 2018/19 £'000	Reason for Delay
Lyde Road Pedestrian & Cycle Way	Feb 17	250	It's anticipated that work on this project will now commence in 2018/19. However this will be dependent on SCC's Highway Improvement Schemes Programme Board (HISP) confirming when both the final design work and actual construction work can be scheduled in to their work programme. The various road works that have either recently taken place or are scheduled for the near future in both the Sherborne Road and Lyde Road areas and the resultant publicity over traffic delays have meant that the HISP are giving consideration to this project later than originally envisaged.
Capital Works to Councils Portfolio	Feb 16	257	Outcome of consultants property report and recommendations from DX in November will determine capital spend priorities.
Affordable Housing - 5 Bought not Built (BCHA)	Aug 17	54	Probability that some of the acquisitions will fall into 2018/19 and therefore some pro-rata slippage
Loan to Somerset Waste Partnership for Vehicles	Feb 17	3,231	Loan unlikely to be drawn down until April 2020, therefore budget and repayment profiled accordingly.

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

## Projects agreed before 2015

11. As agreed in the capital monitoring Qtr 2 report, funding has been moved to the reserve element of the capital programme where appropriate as detailed in the report. A further review will be bought back to District Executive as part of the outturn report on any further movements needed in July. Funding has been moved to the reserve element of the capital programme where appropriate as detailed in the report.

## Additional Income

12. This section highlights any new S106 funding that have been received by the Council and added to the capital programme within the last quarter. It is recommended the capital programme budget is increased and funded by the amounts shown in the table below:

<b>Project</b>	<b>Additional funding received £'000</b>
Canal Way, Ilminster Play Area Equipment	96
Grant to Bruton Comm Playing Pitches	14
Grant to West Coker Recreation Ground Play Area	5
Old Kelways Play Area, Langport	54
<b>Total</b>	<b>169</b>

## Flexible Use of Capital Receipts

13. Since the efficiency strategy was agreed, capital receipts that have been received so far from the sale of property that can be utilised for the revenue costs of the transformation programme, remains at £99,000. The strategy has identified a funding requirement of £500,000 to be delivered through new capital receipts between 2016/17 and 2018/19 financial years. Without the income from asset sales, additional revenue resources will be needed to provide the necessary funding of transformation costs.

## Disposals to Housing Associations

14. 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 S151 Officer. The total disposals/leases of this nature agreed, since the policy began, remains at £1.573 million.

## Section 106 (S106) Deposits by Developers

15. S106 agreements are legal agreements between local authorities and developers that are linked to a planning permission. The total balance held is £4,294,765. This is purely a South Somerset District Council financial summary, more detail on S106's is given to Area Committees on an annual basis.

## Wessex Home Improvement Loans (WHIL)

16. 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.

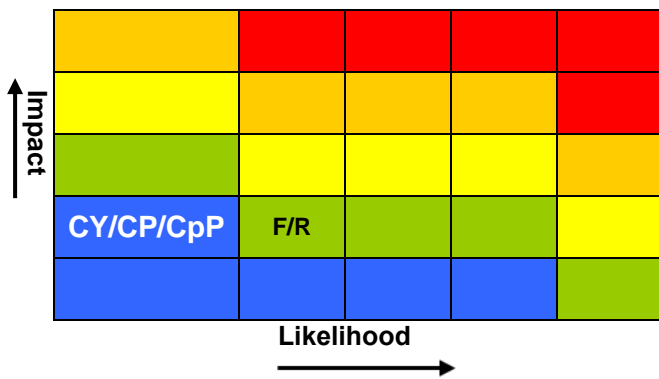
17. The Council has £672,989 of capital invested with WHIL. As at the end of December 2017 there was £328,349 on the loan book and £344,640 as available capital.

**Financial Implications**

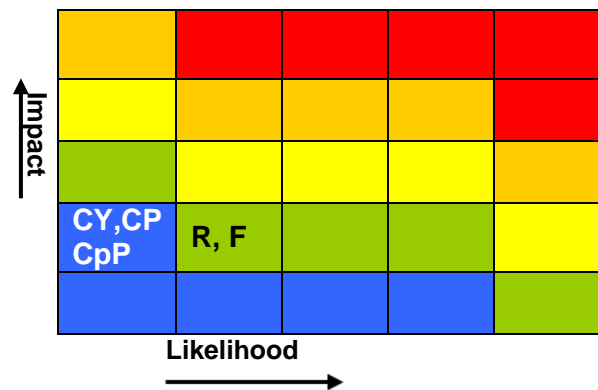
18. These are contained in the body of the report.

**Risk Matrix**

**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



**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

**Council Plan Implications**

19. The budget is closely linked to the Council Plan and any capital bids are scored accordingly.

**Carbon Emissions and Climate Change Implications**

20. There are no specific implications in these proposals.

**Equality and Diversity Implications**

21. There are no specific implications in these proposals.

**Privacy Impact Assessment**

22. There is no personal information included within this report.

**Background Papers**

23. Capital Monitoring File