

NOT FOR PUBLICATION

Appendix A to this report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Executive**

Date: **13 October 2022**

Title: **Capital Programme Monitoring 2022/23**
Cllr Bastone

Portfolio Area: **Finance and Assets**

Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Clare Scotton** Role: **Principal Accountant**
Pauline Henstock **Head of Finance Practice**

Contact: clare.scotton@swdevon.gov.uk 01803 861559
pauline.henstock@swdevon.gov.uk 01803 861377

RECOMMENDATION

That the Executive NOTE the content of the Capital Programme Monitoring Report.

1. Executive summary

- 1.1 The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.
- 1.2 The monitoring of the capital programme at month 5 (end of August 22) has shown that all projects are within their existing budget approved by Members. £12,484,497 has been profiled into 2022/23 with the remaining budgets rolled forward into future years (Appendix A). ***The spend against this profiled budget is £2,332,014 (18.7% of the budget) as at the end of August 2022.***

2. Background

- 2.1 The capital programme for 2022/23 was approved by Council on 10 February 2022 (63/21). This report provides an update on the Capital Programme and also on those schemes that remain outstanding from previous programmes.
- 2.2 A summary of the Capital Programme is shown in exempt Appendix A. The award of contracts is subject to the Council's procurement rules on competitive tendering and therefore the allocated budget is commercially sensitive.

3. Outcomes/outputs

- 3.1 Members are requested to endorse the following updates on the Capital Projects:

3.2 Langage Business Park

LEPL have provided a plan of the land proposed to site the starter units, as they are required to under the S106 agreement. This is being reviewed by the Assets team and is an important step forward. Members will be aware that this site forms part of the Freeport.

3.3 Market Square, Totnes

SHDC & TTC continue to work together to identify priorities, specifications and programme of works.

It is likely works will be delivered over three phases. The first phase (delivered and funded by TTC) is to deliver improvements to the ramp and building adjoining the Civic Hall. TTC have submitted a recent planning application for these works which include modifications to the existing access ramp.

Further phases (staircase renovation, landscaping and re-surfacing) will follow thereafter and it is anticipated works to the Market Square itself will not begin before early 2024.

Before the bigger improvement project starts, TTC and SHDC have been undertaking some work to refresh the space including painting bollards, installing mosaics, putting up new lighting and repairing damaged seating and surfaces.

3.4 Cemetery Expansion, Ivybridge

A planning application has been submitted and is currently being validated for the extension. Geotech and ecology surveys were commissioned in support of the application. To meet seasonal windows, reptile relocation is currently underway to an area of retained habitat on site.

3.5 Dartmouth Health and Wellbeing Hub Development

The construction of the building can be seen in the image below. The Health Hub are due to invoice for the cost of the works to date, this will result in £2m of spend against the Capital Programme. Monthly invoicing will then commence until the full budget (£3.94m) is spent. The target completion date is anticipated to be November 2022.



Current view of the Dartmouth Health and Wellbeing Hub site

3.6 Batson Harbour Depot

This scheme involves the construction of new two storey Harbour Master depot facility, including workshop, office, welfare and storage. Construction work is continuing with the building being made watertight and commencement of internal mechanical and electrical fit out.

Completion has been delayed and that delay is being formally managed through the contract. Completion is formally stated as being end of October but the project team suggest that this is unrealistic.

3.7 Batson Employment Units

This scheme involves the construction of five new commercial units to deliver new commercial floor space to support local marine businesses. Construction work is continuing with completion of internal blockwork.



This view shows the Harbour Depot on the left and Employment Units on the right (photograph taken 13 July 2022)

The same contractor is undertaking this work as the Harbour Depot. Refer to above comments regarding completion.

3.8 Urban Tree Challenge Fund

278 trees were planted in early 2022. The remainder will be planted between Nov 2022 and Feb 2023.

The trees are being watered and maintained by an additional member of the Grounds Maintenance team (funded by the UTCF grant) whose main role will be planting and maintenance of the trees for a four year period. Despite this maintenance, it is expected that a minority of trees will fail. Any failed trees will be replanted in subsequent years.

3.9 Housing capital projects – St Ann’s Chapel

Full Council approved the recommendations made on 25th November 2021 relating to the St Ann’s Chapel Housing Project. £4.2million was approved to deliver 8 affordable homes, 3 open market units and 2 serviced plots. The project is on programme and on budget. Completion is forecast for Summer 2023.

With the foundations complete, mains services will be laid through the site and scaffolding will go up in time for the timber frames. These are pre-fabricated in factory controlled conditions to allow a faster build on site with less manpower and waste. Once the houses are weather-tight, it then allows interior trades such as electrical and plastering to commence earlier in the build programme.

Weekly site meetings check progress and quality, whilst in the office work continues selecting kitchen and bathroom specifications, external finishes of stone and wood cladding and internally flooring and tiles.



St Ann’s Chapel progress showing the start of the timber frame build process (photograph taken 17 September 2022)



Drone view of the St Ann's Chapel site (Photograph taken 24 August 2022)



Design view of how the housing will look once complete

3.10 Affordable Housing Update

The table below gives an update on the various affordable housing capital budgets and schemes.

Scheme	Budget	Narrative
Community Led Housing	£100,000	There is a balance of £24,500 remaining. An application has been received by Salcombe Community Land Trust and this is expected to be spent in 2022/23. £18,000 spent to date on Salcombe CLT.
Rural Affordable Housing	£400,000	<p>There is a remaining balance of £78,654. Investigations into setting up a first time buyers deposit loan scheme are in progress and it is expected that it will be spent in 2022/23. This scheme requires member approval but potential take up is anticipated to be promising.</p> <p>In addition to this, some of this budget may be utilised for Gypsy and Traveller site provision. If an opportunity arises, a report will be taken to Members to consider, as other costs will also need to be considered.</p>
Existing Stock/Sustainability	£100,000	Available to reduce empty homes and make best use of the existing housing stock. £5,000 has been spent to date. Projects need to be worked up as part of the emerging housing strategy. Investigations into setting up a first time buyers deposit loan scheme are in progress and it is expected that it will be spent in 2022/23. Work is also expected to commence to bring in to the council's ownership long term empty properties. This is a lengthy process but will avoid the properties being sold on the open market, particularly in high value areas.

Affordable Housing Proposals

	Narrative	Budget for scheme
(4 years at £230,000 per annum)	An annual budget of £230,000 per annum was being made in the Capital Programme for Affordable Housing. This annual budget has now ceased due to the current uncommitted balance.	£920,000

Capital commitments against the Affordable Housing Budget:

6 Affordable Homes, Kingsbridge	This contribution has been made to Kingsbridge Feoffees to help with construction costs of these affordable homes.	£150,000
Harberton Community Led Trust	The contribution has now been made to the Trust.	£104,500
St Ann's Chapel housing project	Council Minute 88/19 from 30 th April 2020 – £100,000 to be allocated to delivering St Ann's Chapel Housing Scheme. Funding of up to a further additional £250,000 as approved by Full Council on 25 th November 2021	£350,000
Set up costs of the Community Benefit Society – Wholly Owned Company	As per the report to the Executive and approved at Council on 13 February 2020	£40,000
Tenants Incentive Scheme	Amount set aside from the Affordable Housing Earmarked Reserve. This scheme has recently been relaunched and we have enhanced the payments to encourage more take up.	£55,400
Remaining Uncommitted Balance		£220,100*

***(This is the uncommitted balance on the Affordable Housing Earmarked Reserve)**

There is currently an uncommitted balance on the Affordable Housing Budget of £220,100. The Council declared a housing crisis in 2021 and the Executive receive regular housing update reports.

3.11 Private Sector Renewals including Disabled Facilities Grants (DFG's)

The number of DFG applications has recovered from the COVID pandemic. There has also been further volatility in material costs so we have reviewed our schedule of rates again for bathroom adaptations this year and will need to do again by the end of the financial year.

Spend on DFG's is based on demand, over which the Council has no control, and at present the service is processing and approving applications in line with this demand. However the policy is being reviewed to allow more flexibility and will go before council in due course. The council has undertaken a rebranding exercise on DFG's to highlight the service/offer to residents who may not identify themselves as being eligible. Applications for grants have widened and we have approved grants for autism and looking to include dementia and hoarding.

The Council has a healthy budget as a result of good performance and astute negotiations. With a wider Private Sector Renewal (PSR) Policy, the Council is able to spend the Better Care Fund on other areas such as home assistance and Energy Efficiency top-ups.

The Council is using part of the funding to support wider fuel poverty interventions and supplement national grant programmes. This will also have a positive impact on climate change by supporting vulnerable lower income households to access lower carbon solutions.

3.12 Green Homes Grant

The Council continues to hold funding under the Government's Green Homes Grant (GHG) scheme and continues to work towards the delivery. The grant is used to deliver energy saving measures for eligible households and will finish Sept 22.

So far 74 Grants have been approved totalling £ 789,502. This delivery includes 14 air source heat pumps, 50 solar panel installations, 7 insulation upgrades and 3 storage heater upgrades.

We continue to work with partners in Community Energy to support the leads we have generated.

A report was presented at Executive on 21st Sept 2022 on Energy Efficiency in Homes.

3.13 Waste

A separate report on the waste service was presented to the Executive on 21st September 2022. Some of the one-off costs will be capital expenditure e.g. vehicle fleet. A further report on waste will be presented to the Executive meeting on 1 December 2022 where further details on this will be set out within the report.

3.14 Pay and Display Machines

Several pay and display machines have come to the end of their useful life at various coastal locations and replacements have been ordered to be delivered and installed in the next few months. The car park locations of these machines are at Bigbury, Strete Gate, Torcross Tank, Longmarsh and the Memorial car park.

3.15 S106 Deposits

The list of S106 Deposits are shown in Appendix B totalling **£6,849,461.70**.

Some of these S106 Agreements have a clause within the S106 Agreement which states that the Council shall be entitled to use up to a five per cent (5%) part of the total payments and contributions payable pursuant to the provisions of the Agreement, towards the costs to be reasonably and properly incurred by the Council in monitoring compliance with the S106 Agreement and in assessing the details submitted to the Council for approval pursuant to the S106 Agreement.

4. Options available and consideration of risk

This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

5. Proposed Way Forward

This is considered on a project by project basis.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence. The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>Since there is commercially sensitive information in Appendix A regarding the budgets for individual projects, there are grounds for the publication of this appendix to be restricted, and considered in exempt session.</p> <p>The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in the appendices.</p> <p>Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial Implications to include reference to Value for Money		<p>The monitoring of the capital programme at month 5 (end of Aug 22) has shown that all projects are within their budgets approved by Members (Appendix A).</p> <p>£12,484,497 has been profiled into 2022/23 with the remaining budgets rolled forward into future years. (Appendix A). <i>The spend against this profiled budget is £2,332,014 (18.7%) as at the end of August 2022.</i></p> <p>The regular monitoring of the Capital Programme ensures the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p>

Risk		<p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</p>
Supporting Corporate Strategy		The Capital Programme supports all of the thematic delivery plans within the 'Better Lives for All' strategy.
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 25 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>The Council has approved a budget of £600,000 in the Climate Change Earmarked Reserve.</p> <p>Further detail is set out in the Council's 'Better Lives for All' strategy.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This matter is assessed as part of each specific project.
Safeguarding		This matter is assessed as part of each specific project.
Community Safety, Crime and Disorder		This matter is assessed as part of each specific project.
Health, Safety and Wellbeing		This matter is assessed as part of each specific project.
Other implications		

Supporting Information

Appendices:

EXEMPT - Appendix A – Details of capital expenditure to 31st August 2022

Appendix B – S106 Summary as at 31st August 2022

Background Papers:

None