

NOT FOR PUBLICATION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
(applies to Appendix A)

Report to: **Executive**

Date: **25 January 2024**

Title: **Capital Programme Monitoring as at 31 October 2023**

Portfolio Area: **Finance – Cllr Brazil**

Wards Affected: **ALL**

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

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RECOMMENDATION

That the Executive NOTES the:

- 1) content of the Capital Programme Monitoring Report;**
- 2) revised capital allocation for the UK Shared Prosperity Fund (UKSPF) scheme for 2023/24 and 2024/25 as set out in section 2.3;**
- 3) addition of a budget for Westville Flats as approved at Executive on 3 March 23;**
- 4) addition of a budget for LAHF 2 as approved at Executive on 21 September 23;**
- 5) addition of £80k budget for the design and build of a pump track at Woolwell as approved at Executive on 28 June 23;**
- 6) increased budget for Kingsbridge skatepark as detailed in section 2.7;**
- 7) inclusion of two reserve funded schemes below £30k for a cash carrying vehicle and grounds maintenance equipment as detailed in section 2.8;**
- 8) addition of a project at Hangar Marsh Nature reserve as detailed in 2.9;**

9) addition of the Woodland Creation scheme as agreed at Executive on 30 November 2023; and

That the Executive APPROVES the:

10) virement of £25,000 from the Coastal Assets budget to create a scheme for the Slapton Line Adaptation financed from capital receipts.

1. Executive summary

- 1.1 The report advises Members of the financial position as at 31st October 2023 for the purposes of budget monitoring.
- 1.2 The monitoring of the capital programme at month 7 (end of October 23) has shown that all projects are within their existing budget approved by Members. £12,534,508 has been profiled into 2023/24 with the remaining budgets rolled forward into future years (Appendix A). ***The capital expenditure for the first seven months of 2023/24 against the profiled capital budget is £3,554,316 (28.4% of the profiled budget) as at the end of October 2023 as shown in Appendix A.***

2. Background

- 2.1 The capital programme for 2023/24 was approved by Council on 16 February 2023 (59/22). This report provides an update on expenditure in the Capital Programme.
- 2.2 A new reporting process is in place and the narrative around capital schemes previously included in this budget monitoring report will now be part of the Integrated Performance Management Update reports. The capital budget monitoring report will purely focus on capital expenditure against budget.
- 2.3 Part of the capital budget for the UK Shared Prosperity Fund (UKSPF) has been reallocated to revenue following discussions with the Department for Levelling Up, Housing and Communities (DLUHC). The DLUHC has confirmed that if we meet their minimum thresholds for capital spend, the rest of the funding can be used for revenue. The funding has been reallocated as follows:

	2023/24 (plus 2022/23 carried forward)	2024/25	TOTAL
Original agreed allocation			
Capital	89,000	158,367	247,367
Revenue	297,784	517,216	815,000
Total	386,784	675,583	1,062,367
Revised allocation			
Capital	48,521	135,117	183,638
Revenue	338,263	540,466	878,729
Total	386,784	675,583	1,062,367

- 2.4 Executive on 3 March 2023 approved the use of S106 Affordable Housing contributions for the purchase of Westville Flats, Kingsbridge for use as temporary accommodation and the subsequent capital investment to refurbish the building and internal accommodation. This budget has been added to the capital programme in Appendix A.
- 2.5 The Government announced a second funding round from the Local Authority Housing Fund (LAHF 2). The South Hams total quota was for three properties. One of which can be used immediately for temporary accommodation whilst the other two must be offered to support Afghan families in the first instance. The LAHF 2 funding is for 40% of the purchase with the Council funding the remaining 60%. In LAHF 1 a significant amount of funding came from the Homes for Ukraine budget, this is not possible this time. Council funding has been identified from an earmarked Housing Reserve, which was created from the sale of 3 properties used for temporary accommodation in 2019- 2021. This will enable the Council to take up the quota of 3 properties acquired under LAHF 2. This was approved by Executive on 21 September 2023 (Minute E.19/23 refers).
- 2.6 Executive approved £80,000 of Section 106 planning contributions to fund the design and build of a pump track at Woolwell on 28 June 2023 (Minute E.11/23 refers). A pump track is a track for wheeled sports equipment which, when ridden properly, does not require pedalling or pushing, but rather a 'pumping' action to maintain momentum. The appeal of such tracks is that they can be enjoyed by all abilities, from small children up to experienced riders, and can be used by BMX, mountain bikes, skateboards, scooters and balance bikes. With an absence of such local facilities, residents miss out on the potential benefits from such a facility, while those that are already 'wheeled sports enthusiasts' need Page 74 to drive almost an hour to access such facilities. A new pump track would provide a valuable community recreation resource complementing the existing play and recreation facilities at the Woolwell Centre hub.
- 2.7 The Kingsbridge Skate Park scheme was approved by full Council on 16 February 2023 (Minute 59/22 refers). This approval was for £30,000 from the Capital Programme Reserve. The bid mentioned contributions from other sources and these have been detailed as £25,000 S106 contributions, £100,000 Sport England Grant, £50,000 from Kingsbridge Town Council, £5,000 from the Norman Family Trust, £5,000 from the Gibbons Trust and £35,000 from Crowdfunder. This totals £250,000 and the budget has been updated to reflect this.
- 2.8 The use of earmarked reserves was approved under delegated authority for the purchase of a cash carrying vehicle for £15,000 (Pay and Display Reserve) and grounds maintenance equipment for £19,000 (£8,000 to come from the Grounds Maintenance Reserve with the remaining £11,000 coming from proceeds from the sale of old equipment).

- 2.9 A grant totalling £20,068.78 has been awarded from the South Devon National Landscape Partnership to renew the infrastructure of the Hangar Marsh Nature Reserve near Salcombe. These works include dam creation, bird hide installation and reed bed restoration. This grant will be match funded by S106 contributions totalling £2,450.86 and £4,917.36 from the Community Parks Reserve.
- 2.10 Executive on 30 November 2023 approved the acquisition of 26.3 Hectares of arable land at South Brent and 17.1 Hectares of arable land near Kingsbridge for woodland creation through the Plymouth and South Devon Community Forest programme (Minute E.52/23 refers). This will be part funded by DEFRA with the remainder coming from South Hams reserves.
- 2.11 It is recommended that £25,000 of the Coastal Assets budget is vired over to create a project for the Slapton Line Adaptation. This budget will allow a recharge of staff time to progress the scheme.

3. S106 Deposits

- 3.1 The list of Section 106 planning contribution deposits are shown in Appendix B totalling **£7,362,041** as at 31 October 2023. **£95,337** has been spent on various revenue projects and **£1,786,033** is committed to capital schemes as at this date. A breakdown of these projects can be seen on Appendix B.
- 3.2 Some Section 106 Agreements have a clause within the agreement allowing the Council to use up to 5% of the total payments and contributions payable under the terms of the agreement, towards the costs of monitoring and assessing details.

4. Options available and consideration of risk

- 4.1 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

- 5.1 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>The capital programme relies on a variety of statutory powers which will vary from project-to-project.</p> <p>Appendix A to this report contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and is therefore exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p> <p>The public interest in whether the information should be made public has been assessed and it is considered that the public interest will be better served by not disclosing the information.</p>
Financial Implications to include reference to Value for Money		<p>The monitoring of the capital programme at month 7 (end of Oct 23) has shown that all projects are within their budgets approved by Members (Appendix A).</p> <p>£12,534,508 has been profiled into 2023/24 with the remaining budgets rolled forward into future years. (Appendix A). <i>The spend against this profiled budget is £3,554,316 (28.4%) as at the end of October 2023.</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		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. The Council has approved a budget of £600,000 in the Climate Change Earmarked Reserve. Further detail is set out in the Council's 'Better Lives for All' strategy.
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		None

Supporting Information

Appendices:

Appendix A – Details of capital expenditure to 31st October 2023

Appendix B – Section 106 planning contribution Summary as at 31st October 2023

Background Papers:

None