

NOT FOR PUBLICATION

Appendices A and B of this report contain exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Hub Committee**
Date: **10 September 2019**
Title: **Capital Budget Monitoring 2019/2020**
Portfolio Area: **Performance & Resources – Cllr C Edmonds**
Wards Affected: **All**

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

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Recommendations:

It is recommended that the Hub Committee resolves:-

- i. To note the contents of the Report and make any necessary recommendations to Council

1. Executive summary

The report advises Members of the financial position as at 30th June 2019 for the purposes of budget monitoring. **All capital projects are within the individual capital budgets approved by Members.**

The total capital budget for 2019/20 is £7,238,137 of which £130,002 has been spent to date (Appendix A).

The capital programme is currently underspent in comparison to the budgets. This is mainly due to the capital schemes for the Tavistock Temporary Accommodation Development and the Community Housing Schemes at Brentor and Lamerton being in the early stages. Expenditure on Improvement Grants (Disabled Facilities Grants) is £98,461 at Month 3, compared to the budget for 19/20 of £881,942.

2. Background

The capital programme for 2019/20 was approved by Council on 12 February 2019 (CM53 and HC74 refer). This report provides an update on the Capital Programme.

3. Outcomes/outputs

Members are requested to note the following updates on Capital Projects:

Community Project Grants (previously Village Hall & Community Project Grants)

There is no additional budget allocation for Community Project Grants in 2019/20 however there is a budget of £41,195 from underspends in previous years.

Expenditure to date in 2019/20 is £3,850, any unspent funds in this financial year will be retained for projects in 2020/21.

Affordable Housing

The budget for Affordable Housing in 2019/20 is £50,000. The budget brought forward from previous years is £89,000 giving a total of £139,000 available in 2019/20.

In recent times the capital programme has facilitated affordable housing developments in rural areas by providing a sum of money, normally between £10,000 and £15,000 per plot, to enable the development to proceed. These schemes are typically on exception sites and therefore do not rely on cross subsidy from open market properties, evidence from a Registered Provider (RP) is provided to ensure additional money is required to make the scheme viable. Money is normally required where there are abnormalities on the site or there is a shortage of public subsidy.

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

As at the end of June (Month 3), £98,461 has been spent compared to the budget for 19/20 of £881,942.

A further £173,913 has already been approved (committed) and there are further Statements of Need being progressed which total another £167,300.

Waste Fleet

The Council is in discussions with the Waste Contractor, FCC, with regard to the timing of purchases in 2019. It is envisaged that the budget will be utilised in 2019/20. There is no expenditure to the end of June (month 3) however there are commitments of just under £140,000.

Brook Street Car Park, Tavistock

Tenders have been invited for the refurbishment contract and are due for return early in September. The Council will be liable for a 40% share of the cost which is being funded from the Car Park Maintenance Reserve.

Community Housing Schemes

In June Hub Committee considered a report seeking to approve community housing development expenditure of up to £4.3m to build out the first two community housing schemes at Brentor and Lamerton.

A planning application is to be submitted in September 2019 for 12 residential units in Brentor. It is anticipated that this should be determined by the end of 2019 with construction completion targeted for the end of 2020.

The proposal to build 17 residential units in Lamerton is dependent on support by Lamerton Parish Council. If the scheme is not taken forward the funding allocated will be deployed elsewhere.

Tavistock Viaduct

A recommendation was made to Council in July to approve a budget provision for remedial works to Tavistock Viaduct. This is to be funded from the usable capital receipts reserve. Tenders are being sought for the work.

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.</p> <p>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>The appendices to this report are exempt from publication because they contain information about the Council's financial affairs as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p> <p>The public interest test has been applied and it is considered that the public interest lies in not disclosing this report at this time because it contains financial and commercially sensitive information which could prejudice the Council if such information was disclosed at this time.</p>
Financial Implications to include reference to Value for Money		<p>The total capital budget for 2019/20 is £7,238,137 of which £130,002 has been spent as at 30 June 2019 (Appendix A).</p>

		<p>All the capital projects are within the individual capital budgets approved by Members.</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>There is a risk that the Capital Programme does not meet the Council's corporate priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities. The mitigation is that there is a project appraisal for each proposal. This is taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period.</p> <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		<p>The Capital Programme supports all six of the Corporate Themes of the Council, Homes, Enterprise, Communities, Environment and Wellbeing.</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		None

Supporting Information

Appendices:

Exempt Appendix A – Details of capital expenditure to 30th June 2019
Exempt Appendix B – Details of Exempt schemes approved as part of the 2019/20 Capital Budget and Purchase of Land at Okehampton

Background Papers:

Capital Budget proposals for 2019/20 - Council 12 February 2019 (CM53 refers)
Capital Budget proposals for 2019/20 – Hub 29 January 2019 (HC74 refers)

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted.	N/a