

NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (applies to Appendices A and B)

Report to: **Hub Committee**
Date: **20th October 2020**
Title: **Capital Budget Monitoring 2020/2021**
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 endorse the contents of the Report.

1. Executive summary

The report advises Members of the financial position as at 31st August 2020 for the purposes of budget monitoring. **All capital projects are within the individual capital budgets approved by Members.**

The total capital budget for 2020/21 is £7,560,418 of which £326,288 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 £156,718 at Month 5, compared to the budget for 20/21 of £1,039,683.

2. Background

The capital programme for 2020/21 was approved by Council on 18 February 2020 (CM65 and HC69 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 2020/21 however there is a budget of £15,735 from underspends in previous years.

Expenditure to date in 2020/21 is £7,446, leaving a budget of £8,289 for 2020/21. A further allocation of £16,000 per annum has been modelled in 2021/22 for Community Project Grants.

Affordable Housing

The budget for Affordable Housing in 2020/21 is £50,000. The budget brought forward from previous years is £139,000 giving a total of £189,000 available in 2020/21.

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 August (Month 5), £156,718 has been spent compared to the budget for 20/21 of £1,039,683. A further £99,080 has been approved (committed) and Statements of Need are being progressed in the sum of £66,381. Due to the COVID-19 pandemic the number of DFG applications significantly reduced in the first part of the year. Following the relaxing of the lockdown measures the number of applications has started to increase.

Community Housing Schemes

The Community Housing Strategy was put in place to support the development of homes accessible to those with local connections for whom the cost of market housing (to purchase and rent) is beyond their reach.

A budget of £4.3m was approved within the 2019/20 capital programme. This budget will be used to build out two community housing schemes at Brentor and Lamerton.

A planning application is to be submitted for 12 residential units in Brentor after incorporating feedback from the DNPA. It is anticipated that this should be determined in the autumn of 2020 with construction commencing in 2021.

The proposal is to build 18 residential units in Lamerton. A planning application is to be submitted this autumn with construction commencing in 2021.

Waste Fleet

It is envisaged that the budget will be utilised in 2020/21. Expenditure to the end of August (month 5) is just over £148,000 leaving a balance of £297,871.

Hayedown Depot – upgrade and new drainage

The depot upgrade and drainage are being considered by Engineers as part of the Fire Prevention Plan, a legal requirement for the site. Following this review it is expected that works will be tendered and carried out this financial year. Initial indications are that the budget may be insufficient but further value engineering and design considerations need to be undertaken. Members will be kept updated when further information is available.

Parklands Leisure Centre – contribution to moveable floor

At Council on 22 September 2020, Members considered a report on a strategic options appraisal for Leisure. Council agreed to continue with the Fusion contract as being the most appropriate means of supporting health and wellbeing objectives within the Borough. Parklands (Okehampton) was opened in August 2020 and Meadowlands (Tavistock) will be opened in October 2020. This is following a financial support package from the Council to Fusion.

Further discussions with Sport England as the previous key funder of the facility are being progressed. This capital budget is a new budget for the 2020/21 Capital Programme, approved at Council in February 2020.

Tavistock Viaduct

As part of the Amended Budget proposals for 2020/21 Members approved reducing the budget from £100k to £20k. This was following a Condition Survey being undertaken on the Viaduct which advised that the initially proposed extensive repair works would not now be required during 2020/21 and the capital budget can be limited to further vegetation clearance and some drainage improvements.

A separate capital budget for Tavistock Viaduct Walk was approved at Council in February 2020. There is a requirement to undertake a five year assessment of the condition of the Viaduct Walk and carry out any necessary stabilisation and tree works.

Car Park Resurfacing

Officers have identified a number of car parks across the Borough which are in need of resurfacing. A budget of £30,000 per annum has been built into the capital programme budget to be funded by a £30,000 contribution annually from the Car Park Maintenance Reserve.

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 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 A and B. 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 total capital budget for 2020/21 is £7,560,418 of which £326,288 has been spent as at 31st August 2020 (Appendix A).</p> <p>All the capital projects are within the individual capital budgets approved by Members. 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>

<p>Risk</p>		<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>
<p>Supporting Corporate Strategy</p>		<p>The Capital Programme supports all six of the Corporate Themes of the Council, Homes, Enterprise, Communities, Environment and Wellbeing.</p>
<p>Climate Change - Carbon / Biodiversity Impact</p>		<p>A climate change action plan was presented to Members at the Council meeting on 17th December, 2019.</p> <p>Further future reports containing business cases will be presented to Members setting out a strategy as to how the Council could finance items within the action plan, whether that is from external grant sources or some funding from the Council's own resources</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 31st August 2020

Exempt Appendix B – Details of Exempt schemes approved as part of the 2020/21 Capital Budget

Background Papers:

Capital Budget proposals for 2020/21 - Council 18 February 2020 (CM65 refers)

Capital Budget proposals for 2020/21 – Hub 28 January 2020 (HC69 refers)

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes