

NOT FOR PUBLICATION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: **2 February 2021**
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

1.1 The report advises Members of the financial position as at 30th November 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 £487,050 has been spent to date (Appendix A).

1.2 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 being in the early stages. Expenditure on Improvement Grants (Disabled Facilities Grants) is £271,413 at Month 8, compared to the budget for 20/21 of £1,039,683.

2. Background

2.1 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

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

3.2 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.

3.3 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. This budget is required to assist with the redevelopment or refurbishment of the hostel in Tavistock.

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 necessarily rely on cross subsidy from open market properties although the JLP allows for this now. 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.

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

As at the end of November (Month 8), £271,413 has been spent compared to the budget for 20/21 of £1,039,683. 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.

3.5 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.

Members receive a regular Members' Bulletin on the Community Housing Schemes. A future report on the Community Housing Programme will be presented to the Hub Committee in due course.

3.6 Waste Fleet

It is envisaged that the budget will be utilised in 2020/21. Expenditure to the end of November (month 8) is just over £148,000 leaving a balance of £297,871.

3.7 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.

3.8 Parklands (Okehampton) Leisure Centre – contribution to moveable floor

The moveable floor at Okehampton, Parklands Leisure Centre was a Sport England requirement of lottery funding that was levered in to finance a large part of the construction cost of the building.

Since Parklands was built, there have been difficulties with the operation of the moveable floor. This money has been set aside within the capital programme as a partnership contribution to the cost of an

engineering solution if the floor breaks down. At present, the moveable floor has been working satisfactorily for over a year.

3.9 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. An assessment has been commissioned for early 2021 and this will inform the necessary works.

3.10 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.

3.11 S106 Deposits

The list of S106 Deposits are shown in Appendix C totalling **£953,658.52**. 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.

For clarity, the figures shown in Appendix C are before any monitoring fee has been deducted by the Council.

In 2015 a case against Oxford County Council held that a monitoring fee was an administrative function of the Council and could not be sought by the County Council.

The Court accepted that there may be occasions where monitoring fees could be sought, for example, on large scale developments where obligations are phased. The Government is currently consulting on the Community Infrastructure Regulations reforming Developer Contributions.

This includes an intention to clarify that local planning authorities can seek a sum as part of a section 106 planning obligation for monitoring planning obligations.

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>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>

<p>Financial Implications to include reference to Value for Money</p>		<p>The total capital budget for 2020/21 is £7,560,418 of which £487,050 has been spent as at 30th November 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>

Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 23 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>Following this report, a strategy will be implemented as to how the Council could finance the items within the Action Plan, whether that is from external grant sources or some funding from the Council's own resources.</p> <p>On 8th December 2020, Council adopted the Climate Change and Biodiversity Strategy. The Council has committed to the following aims;</p> <ul style="list-style-type: none"> a) That the Council aim to reduce its organisational carbon emissions to net-zero by 2030; b) That the Council commit to working with partners through the Devon Climate Emergency Response Group to aim to reduce the Borough of West Devon's carbon emissions to net zero by 2050 at the latest; c) That the Council aim for a 10% Biodiversity Net Gain in the habitat value of its green and wooded public open space by 2025;
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 November 2020

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

Appendix C – Summary of S106 Deposits

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