

NOT FOR PUBLICATION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: **11 March 2021**

Title: **Capital Programme Monitoring –
Cllr Bastone**

Portfolio Area: **Support Services**

Wards Affected: **ALL**

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

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RECOMMENDATION

That the Executive notes the content of the 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 10 (end of January 21) has not highlighted any significant areas of overspend to report to Members. All of the capital projects are within the existing capital budgets approved by Members (Appendix A).

2. Background

2.1 The capital programme for 2020/21 was approved by Council on 13 February 2020 (72/19 and E.75/19 refer). 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:

Capital Programme 2019/2020 and prior years

3.2 Langage Business Park

Planning for the land north of Holland Road is anticipated in the summer of 2021. This timeline has been driven by the ecology survey timelines and ground water monitoring. The planning application is anticipated to include a detailed application for the starter units and outline application for other units on that part of the site. The exact mix and size is yet to be determined as it will need to respond to the market post Covid-19.

3.3 Affordable Housing Update

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

Affordable Housing Proposals 2013/14

Scheme	Budget	Narrative
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Scheme	Budget	Narrative
Community Led Housing	£100,000	There is a balance of £50,000 remaining. This will be used as required for small top ups on schemes where viability is an issue. An application has been received and paid from Newton & Noss CLT for £500 to assist with legal fees. South Dartmoor Community Energy have applied for £25,000 towards pre-development costs for an application for up to 30 affordable homes in Ugborough parish. We have now paid them £9,000.
Rural Affordable Housing	£400,000	There is a remaining balance of £78,654.
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.

Affordable Housing Proposals 2014/15 – 2017/18

	Narrative	Budget for Scheme
BUDGET (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
Expenditure against the Affordable Housing Budget:		

	Narrative	Budget for Scheme
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
Community Housing Scheme	Council Minute 88/19 from 30 th April 2020 – that £100,000 be allocated from the Affordable Housing Capital Programme Budget towards delivering St Ann’s Chapel Community Housing Scheme	£100,000
Set up costs of the Community Benefit Society (CBS) – Wholly Owned Company	As per the report to the Executive and approved at Council on 13 February 2020	£40,000
Funding set aside for the Tenants Incentive Scheme	Amount set aside from the Affordable Housing Earmarked Reserve	£30,000
Remaining Uncommitted Balance		£495,500*
*(This is the uncommitted balance on the Affordable Housing Earmarked Reserve)		

There is currently an uncommitted balance on the Affordable Housing Budget of £495,500. ***The developing Housing Strategy will identify the best approach to utilise this funding.***

There are a number of potential schemes that the Council is seeking to bring forward in the future. Where these are new initiatives, the Affordable Housing Team will be able to present these to the relevant Committees for approval. However, the schemes that could be implemented in a short timescale, subject to funding are:

Rural Housing Schemes: The Council can continue to provide small top up funding to our Community Housing team Registered Provider partners to increase the supply of affordable housing within the District. There are also likely to be other projects in the early planning process that may need to also utilise this finance.

The Council is starting to build its own community housing schemes and confidence for housing providers is starting to improve with the adoption of the Joint Local Plan and 'Made' neighbourhood plans which may require top up funding for projects to progress.

Downsizing Initiative: This initiative has been approved by Members and allows the Council to make payments to tenants in our current housing stock, to downsize to a smaller property. This then enables the larger property that they were moving from to be let to someone in housing need, thus reducing the Council's housing register. This scheme will be promoted again with the help of our Registered Provider partners to ensure that their tenants are aware of this. There have been a number of areas discussed which could be targeted and discussions have taken place with our main stock holder LiveWest about how we can raise awareness of this scheme in line with some of their other projects.

The schemes below are new initiatives that could also utilise some of the uncommitted balance, subject to Member approval.

Regeneration/Best use of stock – The Council will continue to work with our partners to improve the stock that currently exists in the South Hams. There are instances where the Council may be seeking to achieve an outcome which may be over and above what is required. Ultimately this could cost over and above what a Housing Association needs to achieve in terms of making the property suitable for occupation. Very early discussions are taking place regarding this.

Members will be aware of work on the Housing Strategy, updates to capital monitoring may be required in 6-12 months when Members have approved the emerging Strategy.

3.4 Market Square, Totnes

SHDC have been working with Totnes Town Council to identify the priority elements, specifications and programming. In order to control quality and minimise disruption there is a need to delay the procurement programme by 12 months.

3.5 Cemetery Expansion, Ivybridge

A budget of £30,000 was approved for this project as part of the 2018/19 capital budget. An S106 contribution of £35,000 has recently been received by the Council in relation to a housing development in Ivybridge. Officers have commissioned ecological surveys and a preliminary contamination assessment to inform the layout of the cemetery expansion. A forthcoming planning application is anticipated in summer 2021. The bulk of works and spend are anticipated in 2021/22.

3.6 Ivybridge Depot

The Ivybridge Depot scheme is now complete, on time and within budget.

3.7 Car Parks – Resurfacing

Officers have identified a number of car parks across the District which are in need of resurfacing.

3.8 Investing in Kingsbridge

Following the public consultation officers have worked up a number of housing layouts and looked at viability for such a scheme, although the project has had to suffer a slight decrease in priority reflecting the need to focus on projects in the delivery phase. At the current time, options that best suit the draft Housing Strategy are being reviewed and it is intended to bring back a report on options in the Summer of 2021.

3.9 Dartmouth Health and Wellbeing Hub Development

The scheme received planning consent in early December 2020. The development team have undertaken a Tender exercise and appointed a contractor to undertake the detailed design work needed before construction can commence. The design work will take about 8 weeks and then those designs will be priced by the supply chain and mobilisation can start. Works on site are anticipated to start in May at the earliest.

3.10 Community Housing Schemes

At Council in September 2020, a report was presented on Community Housing Delivery (E.20/20).

It was resolved that approval be given to the Community Housing Development Expenditure of up to £5.9 million to build out the first two Community Housing Schemes (St Ann's Chapel (13 units) and South Brent (17 units)) and that approval be given to funding of up to £5.9 million to build the schemes from a combination of internal borrowing and external borrowing (from the Public Works Loan Board).

Appendix C attached shows expenditure against the Community Housing Earmarked Revenue Reserve for each individual scheme. Members receive a regular newsletter detailing each of the community housing schemes.

A separate report will be produced for an All Member Briefing on Community Housing Projects and a future report will be presented to the Executive.

Capital Programme 2020/21

3.11 Play Parks (owned by SHDC) – replacement of play equipment in SHDC owned play parks

2020/21 is the final year of a three year programme as shown below:

Capital budget for Play Parks (2017/2018, 2019/20 and 2020/21)

2017/18	2018/19	2019/20	2020/21	Total
£190,000	Nil	£190,000	£140,000	£520,000

New/enhanced play areas have now been completed at nine play areas across the South Hams owned by SHDC:

- Woodburn Close, Ivybridge
- Lower Brook Park, Ivybridge
- Barn Close, Ivybridge
- Weatherdon Drive, Ivybridge
- Duncombe Park, Kingsbridge
- Montagu Road, Kingsbridge
- Cann Wood View, Woolwell
- Courtenay Park, Salcombe
- Apple Tree Close, Frogmore

Consultation with the community has been undertaken for Collapark and Westonfields in Totnes and Ermington play area. The contract has been awarded for the Ermington play area with the project expected to be completed by mid April. Release of the tenders for Collapark and Westonfields is anticipated before the end of February with inclusion of a small scheme for Brixton (£106 funded). It is anticipated the Totnes projects will be delivered in late spring.

A Parish led scheme on the SHDC owned Yealmpton Stray Park has awarded the contract and is expected to be delivered in March 2021.

The final sites requiring consideration in 2021/22 are Icy Park (Aveton Gifford), Gidley's Meadow (Dartington), Crowder Meadow and St Michaels Close (South Brent) and Beesands (Stokenham).

It is anticipated that once all the work detailed above is complete there will be a potential underspend of approximately £93,500 against the original £520,000 allocation. In the most part this is due to success in securing match funding for projects undertaken to date and those which will be completed this financial year. Executive Committee (22nd October) resolved that this underspend be used to set up a Play Area Renewals Revenue Earmarked Reserve to be used for replacement play area equipment as required (Minute E.26/20 refers).

3.12 Coastal Assets

5 year programme 2015/16 – 2019/20

Approved budget and capital expenditure for Coastal Assets

	15/16 £000's	16/17 £000's	17/18 £000's	18/19 £000's	19/20 £000's	Total £000's
Budget	300	300	300	300	300	1,500
Expenditure (financed by SHDC)	64	161	80	507	230	1,042
Balance remaining in 2019/20						458

There is a balance of £458,000 brought forward from the previous 5 year programme as shown above.

5 year programme 2020/21 – 2024/25

2020/21 is the first year of a 5 year programme of planned Coastal Assets repairs. Capital budget and capital expenditure for Coastal Assets (2020/21 approved, 2021/22 – 2024/25 budgets to be confirmed)

	Balance b/f £000's	20/21 £000's	Total £000's
Budget	458	300	758
Expenditure (financed by SHDC)		-	-
Balance remaining in 2020/21			758

A re-survey of all coastal assets was completed in 2020. This information is now being evaluated and will assist with the development of the ongoing maintenance programme. Current coastal work focuses upon the delivery of 70 metres of urgent coastal remedial works at Beesands to address the accelerated erosion that has occurred at the northern extent of the village green.

3.13 Vehicle Fleet Replacement

As per the final accounts for 2019/20 the balance brought forward on the Vehicle and Plant Renewals Reserve is £1,183,148. The contribution into the Reserve in 2020/21 is £550,000 giving a total budget of £1,733,148.

Five vehicles have been delivered to date and the remaining five vehicles are expected in the next few weeks.

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

The budget for 2020/21 is £1.5m including budgets carried forward from the 19/20 programme. Expenditure to the end of December was £606,501. 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.

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.

The Council has a healthy budget as a result of good performance and astute negotiations. With a wider Private Sector Renewal (PSR) Policy which has been recently approved, the Council is able to spend the Better Care Fund on other areas such as home assistance and Energy Company Obligation top-ups. Some of these areas take a while to publicise and be put into action but progress is being made.

The Council is also looking at how the funding could be used to support wider fuel poverty interventions that would also have a positive impact on climate change by supporting lower income households to access Air Source Heat Pumps, Photovoltaic cells etc. in the future.

3.15 Ivybridge Regeneration

On 11 February 2021, Council approved the Ivybridge Regeneration project through to planning, tender, construction and lease (subject but not limited to the regulatory statutory planning process and the total scheme cost being within the £9 million financial envelope). The project team are now looking to run the tender exercise to appoint the design and build contractor. When appointed they will work towards a planning application.

3.16 Green Homes Grant

In July 2020, the Government announced a £2 billion Green Homes Grant (GHG) scheme to save households money, cut carbon emissions and create jobs. The Council, as part of a consortium with West Devon Borough Council, submitted a bid and have been awarded a sum of £336,750 for 2020/21 (this is SHDC's grant award).

The grant will be used to deliver the installation of 21 external wall insulations and 9 Air source heat pumps for eligible households and was originally due to be delivered by the end of March 2021, in line with the approved bid. However, in recognition of the difficulties in delivery the scheme during the current situation this has been extended until June 2021. A range of metrics including lifetime financial and carbon savings will be calculated and reported back to the Executive at the end of the project.

In addition, we have been notified that our bid under Part 1b of the scheme has also been successful resulting in a further £600,000 for 2021/22 for similar installations.

The full report was presented at Executive on 22nd October 2020, minute ref E.31/20.

3.17 S106 Deposits

The list of S106 Deposits are shown in Appendix B. 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 B 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

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>

<p>Financial Implications to include reference to Value for Money</p>		<p>The monitoring of the capital programme at month 9 (end of December 2020) has not highlighted any significant areas of overspend to report to Members. The majority of capital projects are within the existing 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>
<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>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>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>The Council has Earmarked £400,000 in a Climate Change Earmarked Reserve as part of the 2020-21 Budget.</p> <p>On 17th 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) to reduce its organisational carbon emissions (Scope 1, 2 and 3 emissions) to net-zero by 2030; b) to commit to working with partners through the Devon Climate Emergency Response Group to aim to reduce the District of South Hams' 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; <p>The report also set out the proposed initiatives for the £400,000 in the Climate Change Earmarked Reserve. (£20,000 has already been allocated to support the delivery of work to improve the energy efficiency of the existing housing stock in light of the successful Green Homes Grant bid – Minute E.31/20 refers).</p>
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		A further £200,000 funding for the Climate Change Action Plan was approved by Council on 11 th February 2021, as part of the 2021/22 Budget.
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 – Summary of the approved programme plus allocated budget

Appendix B – Summary of S106 Deposits

Appendix C – CHF expenditure 2017-18 to 2020-21

Background Papers:

Capital programme for 2020/21 – Council 13 February 2020

Capital programme for 2020/21 – Executive 6 February 2019 (72/19 and E75/19 refer)