

**NOT FOR PUBLICATION**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: **16<sup>th</sup> September 2021**

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

Portfolio Area: **Finance and Assets**

Wards Affected: **ALL**

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

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**RECOMMENDATION**

**That the Executive:**

- a) note the content of the Monitoring Report; and**
- b) RECOMMEND to Council to fund the overspend of £31,816 on the Dartmouth Ferry Workshop from the Capital Programme Contingency Reserve.**

**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 4 (end of Jul 21) has shown that all projects are within their approved budget with the exception of Dartmouth Ferry Workshop which is currently overspent by £31,816. All other capital projects are within the existing capital budgets approved by Members (Appendix A).
- 1.3 It is recommended to fund the overspend of £31,816 on the Dartmouth Ferry Workshop from the capital programme contingency reserve (which has a current uncommitted balance of £300,000).

## **2. Background**

- 2.1 The capital programme for 2021/22 was approved by Council on 11 February 2021 (38/20 and E.60/20 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 2020/2021 and prior years**

#### **3.2 Langage Business Park**

Following the approval by the Executive to agree a long lease for the starter units at Langage, work has been ongoing with the land owner, LEPL, to conclude the masterplanning of the northern part of the site. This in turn will lead to a planning submission.

Habitat surveys of the land north of Holand Road have now been complete (this took a season to undertake) and it has been agreed that that should be the location of the units. More recently, any potential impacts of the Freezone are also having to be factored in to ensure complementarity for the wider site.

A detailed planning application can now be brought forward and the technical aspects of the build are being discussed by the Engineering team.

Once the planning application has been submitted and agreed a contract to design and build the units can commence, funded from the S106 money secured for that purpose. Construction is not anticipated to start until late 2022 or into 2023 at the earliest. This timetable will be impacted by both the planning phase and the procurement timeline.

### **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

<b>Scheme</b>	<b>Budget</b>	<b>Narrative</b>
Community Led Housing	£100,000	There is a balance of £24,500 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. There may be a further payment to the N&N CLT for additional legal costs subject to planning consent being granted in the village. South Dartmoor Community Energy have received £25,000 towards pre-development costs for an application for up to 30 affordable homes in Ugborough parish.
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

	<b>Narrative</b>	<b>Budget for Scheme</b>
<b>BUDGET</b> (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. There are a number of schemes in the very early stages and this will be reported on separately as part of the housing strategy.	<b>£920,000</b>
Expenditure against the Affordable Housing Budget:		
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 <sup>th</sup> April 2020 – £100,000 to be allocated to delivering St Ann’s Chapel Community Housing Scheme	£100,000
Set up costs of the Community Benefit Society – Wholly Owned Company	As per the report to the Executive and approved at Council on 13 February 2020	£40,000
Tenants Incentive Scheme	Amount set aside from the Affordable Housing Earmarked Reserve	£55,400
<b>Remaining Uncommitted Balance</b>		<b>£470,100*</b>
<b>*(This is the uncommitted balance on the Affordable Housing Earmarked Reserve)</b>		

There is currently an uncommitted balance on the Affordable Housing Budget of £470,100. ***The Housing Strategy will identify the best approach to utilise this funding.***

### **3.4 Market Square, Totnes**

SHDC have been working with Totnes Town Council (TTC) 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. TTC have submitted an application for Corporate Development funding which if successful would have a beneficial impact on the overall scope of the project, although this would inevitably delay it further. We are however continuing to develop a project programme with TTC.

### **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 received ecological surveys and a preliminary contamination assessment which will inform the layout of the cemetery expansion. Drawings and documents to support a forthcoming planning application are being compiled – with an anticipated submission later in 2021. The bulk of works and spend are anticipated in 2021/22 and 2022/23.

### **3.6 Car Parks – Resurfacing**

Officers have identified a number of car parks across the District which are in need of resurfacing (this is a rolling programme).

### **3.7 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 Housing Strategy are being reviewed and it is intended to bring back a report on options to Members later in the year.

### **3.8 Dartmouth Health and Wellbeing Hub Development**

The scheme received planning consent in early December 2020. The contracts for the lease agreement between SHDC and the Torbay, South Devon NHS Foundation Trust and SDH Innovations Partnership LLP was signed on the 18 June 2021. The main construction works contract was signed on the 22 July 2021. A Letter of Intent preceded the main contract signature allowing necessary design works and

material procurement to proceed leading to physical works commencing on the 21 June 2021. Works are currently at foundation level, with forecasted completion now anticipated in August 2022.

### **3.9 Community Housing Schemes**

An update on Community Housing projects is on the Executive forward plan for the next meeting on 14 October 2021.

### **3.10 Play Parks (owned by SHDC) – replacement of play equipment in SHDC owned play parks**

A total of £327,998 has been spent on the Play Parks scheme to date. It is anticipated that once all the work has been completed, 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 (22<sup>nd</sup> 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).

### **3.11 Coastal Assets**

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.

Works have completed on the delivery of 70 metres of urgent coastal remedial works at Beesands and to address the accelerated erosion that has occurred at the northern extent of the village green.

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

The DFG allocation for 2021/22 is £769,608. Expenditure to the end of July was £212,979. Due to the COVID-19 pandemic, the number of DFG applications significantly reduced in the first part of last financial year. Following the relaxing of the lockdown measures, the number of applications has increased beyond levels expected in a "normal" year. This may result in a number of grant applications that have been approved but waiting for work to commence due to shortages in labour and materials.

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, the Council is able to spend the Better Care Fund on other areas such as home assistance and Energy Company Obligation top-ups.

The Council is using part of the funding to support wider fuel poverty interventions and supplement national grant programmes. Which will also have a positive impact on climate change by supporting vulnerable lower income households to access lower carbon solutions.

### **3.13 Ivybridge Regeneration**

On 11 February 2021, Council approved the progress of 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 running the necessary tender exercise to appoint a design and build contractor. When appointed, they will work on the full planning application pack for submission later in the year.

### **3.14 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 total sum of £1,025,250 (SHDC share).

The grant will be used to deliver the installation of 21 external wall insulations and 9 Air source heat pumps for eligible households and will be delivered during 2021/22. Due to major supply chain problems, no installations have taken place to date.

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

## **Capital Programme 2021/22**

### **3.15 Follaton House Refurbishment of Roof**

Options are in the process of being developed with our consultant surveyor and ecologist for the refurbishment of the roof at Follaton House. Works are not anticipated to commence until Summer 2022 and due to the presence of bats in the roof space, this will have to be carried out over a number of seasons.

### **3.16 Replacement of IT Hardware**

Following extensive analysis of performance requirements, a number of platforms and configurations were considered, including cloud. A replacement for the existing servers and storage has been purchased and the new hardware will be installed and configured throughout the autumn. This will provide an excellent foundation for delivering digital services over the coming years.

### **3.17 Electric Vehicle Charging**

In the next two years there is the opportunity to migrate up to ten vehicles to electric, which will require the installation of the necessary infrastructure within the council's Assets. These would be located in Totnes Depot, which requires both the power supply and network to be upgraded and the chargers installed. The network supply upgrade cost is £60k and the install of the chargers is estimated to be a further £20k. This would provide 30 fast chargers.

The initial engineering surveys and cost estimates for power upgrades at Follaton House have been concluded. These upgrades will result in the capacity for EV charging points to be increased to 50 rapid chargers. The power supply upgrade costs are estimated at £70k and the cost of the chargers would be in addition to that and allowance of £20k would deliver a limited first phase roll out, aligned to the fleet transition timeline. It is anticipated that further phases would be rolled out to match EV fleet transition as EV van technology evolves.

### **3.18 Dartmouth Ferry Workshop**

The Dartmouth Ferry Workshop had a budget of £140,000 and the final spend was £171,816. It is recommended to fund the overspend of £31,816 from the Capital Programme Contingency Reserve which has an uncommitted balance of £300,000 (Recommendation 2 of this report). There was further work required regarding health and safety concerns regarding the testing of equipment and access platforms to the equipment for six monthly inspections.

### **3.19 S106 Deposits**

A separate report on S106 contributions and expenditure is included on this Executive agenda. S106 contributions totalled £5.879m at 31 March 2021.

## **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 4 (end of Jul 21) has shown that all projects are within their approved budget with the exception of Dartmouth Ferry Workshop which is currently over spent by £31,816. All of the capital projects are within the existing capital budgets approved by Members (Appendix A).</p> <p>It is recommended to fund the over spend of £31,816 on the Dartmouth Ferry Workshop from the capital programme contingency reserve (which has a current uncommitted balance of £300,000)</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>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 six of the Corporate Themes of the Council, Homes, Enterprise, Communities, Environment and Wellbeing.
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		

### **Supporting Information**

#### **Appendices:**

EXEMPT - Appendix A – Summary of the approved programme plus allocated budget

#### **Background Papers:**

None