

NOT FOR PUBLICATION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: **21 September 2021**
Title: **Capital Budget Monitoring 2021/2022**
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 to:-

- i. endorse the contents of the Report; and**
- ii. RECOMMEND to Council to increase the 2021/22 budget for Community Project Grants from £15,000 to £30,000, with the additional £15,000 being funded from the New Homes Bonus reserve.**

1. Executive summary

1.1 The report advises Members of the financial position as at 31st July 2021 for the purposes of budget monitoring. ***All capital projects are within the individual capital budgets approved by Members. The total capital budget for 2021/22 is £8,411,000 of which £465,446 has been spent to date (Appendix A).***

2. Background

2.1 The capital programme for 2021/22 was approved by Council on 16 February 2021 (CM36 and HC56 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)

The Council has a Community Grants programme that can support capital schemes across the Borough for things such as large sports equipment, repairs to village halls or large scale tree planting. The maximum typical grant available to any scheme is £5,000 or up to 50% of the project's costs, whichever is the lower.

The budget has been £15,000 for a number of years however this has always been fully spent and applications held over to the next financial year. By June 2021, the fund had already been fully committed with 5 schemes being awarded funds. Further applications have been received totalling £4,600 with 7 months of the year still to go. It is therefore recommended that the budget be increased to £30,000 in 2021/22 to support more schemes that enhance our community facilities. The Corporate Strategy Delivery Plan will also recommend that the £15,000 uplift is for each year of the Corporate Strategy.

3.3 Affordable Housing

The budget for Affordable Housing in 2021/22 is £50,000. The budget brought forward from previous years is £189,000 giving a total of £239,000 available in 2021/22.

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.

This budget is anticipated to be required to assist with the redevelopment of the hostel in Tavistock. The planning application has now been submitted and a future report will be provided to members.

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

As at the end of July (Month 4), £190,933 has been spent on DFGs compared to the allocation for 21/22 of £860,000. In addition there is an underspend from previous years of £392,000. 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.

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. Due to the current property market, smaller lower cost housing is being sold at unaffordable local prices.

The Brentor Community Housing scheme planning application pack is now complete in readiness for submission to Dartmoor National Park Authority for their consideration in the usual way. However, before submitting the application, we are finalising the last stages of land assembly. The application will be submitted thereafter at the earliest opportunity. Subject to a successful planning application, the Council has approved the expenditure of £85,000 from the Innovation Fund (Invest to Earn) Earmarked Reserve, to undertake detailed design, specification and tendering of the Brentor scheme.

3.6 Waste Fleet

It is envisaged that the budget will be utilised in 2021/22. Expenditure to the end of July (month 4) is £19,137 leaving a balance of £305,863.

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 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 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. There have been several repair works over the past few months but the floor is now working as it should. It is felt prudent to leave the budget in at this point.

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.

Further to the approval of a £40K capital budget for the Tavistock Viaduct Walk at Council in February 2020, a walkover geotechnical assessment of the cutting was undertaken by specialists in early 2021. Following clearance of strips of vegetation to expose the rock face, further rope-access inspections will be undertaken this autumn. It is anticipated there will be some cyclical felling of trees on rock faces in higher hazard sections and removing loose rock (scaling) where necessary. The budget will continue to be utilised this financial year to facilitate this work and should be carried forward into future financial years on the expectation that further works will be needed.

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 Green Homes Grant

In July 2020 the Government announced a £2 billion Green Homes Grant (GHG) scheme to save households money, cut carbon and create jobs. The Council, as part of a consortium with South Hams DC, submitted a bid and have been awarded a total sum of £683,500 (WDBC share).

The grant will be used to deliver external wall insulations and air source heat pumps for eligible households and will be delivered during 2021/22. Due to major supply chain difficulties, no installations have taken place to date.

The installations will reduce fuel poverty and reduce carbon emissions from the households benefitting from the grants. A range of metrics including lifetime financial and carbon savings will be calculated and reported back at the end of the project.

The full report was presented at Hub on 20th October 2020, minute ref HC 31.

3.12 New Payroll Solution

The procurement process has now taken place for a joint Payroll System with South Hams District Council. The high quality system will have the added benefit of recording individuals' objectives.

3.13 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.

3.14 S106 Deposits

A separate report on S106 contributions and expenditure is included on this Hub Committee agenda.

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>
Financial Implications to include reference to Value for Money		<p>The total capital budget for 2021/22 is £8,411,000 of which £465,446 has been spent as at 31st July 2021 (Appendix A).</p> <p>It is recommended to Council to increase the 2021/22 budget for Community Project Grants from £15,000 to £30,000, with the additional £15,000 being funded from the New Homes Bonus reserve.</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>

Risk		<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		<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>Further detail is set out in the Council's 'A Plan for West Devon' strategy.</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 July 2021

Exempt Appendix B – Details of Exempt schemes approved as part of the 2021/22 Capital Budget

Background Papers:

None