

NOT FOR PUBLICATION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 Appendix A only)

Report to: **Hub Committee**

Date: **30 January 2024**

Title: **Capital Programme Monitoring as at 31 October 2023**

Portfolio Area: **Resources – Cllr C Edmonds**

Wards Affected: **All**

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

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RECOMMENDATION

That the Hub Committee RESOLVES to:

- 1. endorse the contents of the Report;**
- 2. note the addition of a budget for LAHF 2 as approved at Hub Committee on 19 September 23;**
- 3. note the addition of 20 Plymouth Road as detailed in section 2.8; and**

RECOMMEND to Council:

- 4. to use £180,000 of the Vehicle Replacement Reserve in 2023/24 to finance replacement vehicles currently on order, in accordance with the waste vehicle forward plan.**

1. Executive summary

- 1.1 The report advises Members of the financial position as at 31st October 2023 for the purposes of budget monitoring.

The monitoring of the Capital Programme at month 7 (end of October 2023) has shown that all projects are within their existing budget approved by Members. A capital budget of £7,511,308 has been profiled for 2023/24 with the remaining capital budgets rolled

forward into future years. **The capital expenditure for the first seven months of 2023/24 against the profiled capital budget is £1,876,187 (25.0% of the profiled budget) as at the end of October 2023 as shown in Appendix A.**

2. Background

- 2.1 The capital programme for 2023/24 was approved by Council on 21 February 2023 (Min CM66). This report provides an update on expenditure in the Capital Programme.
- 2.2 A new reporting process is in place and the narrative around capital schemes previously included in this budget monitoring report will now be part of the Integrated Performance Management Update reports. The capital budget monitoring report will purely focus on capital expenditure against budget.
- 2.3 The largest part of the expenditure for the first seven months of the 2023/24 financial year is £1.275m which has been spent on purchasing five properties in Okehampton. These properties were purchased using funding from the Local Authority Housing Fund (LAHF), Homes for Ukraine funding and funding from Devon County Council (DCC). One of these properties is now occupied with a Ukrainian family residing here as temporary accommodation. Three of the other properties have been allocated to families from Afghanistan who are expected to arrive in the country by the end of January 2024. The remaining property is currently vacant and confirmation is being sort from the Department for Levelling Up Housing and Communities (DLUHC) for a change of use so that it can be used for standard homelessness pressures.
- 2.5 On 7th June the Government announced a further LAHF scheme, LAHF 2 with a further allocation of funding for a maximum number of three properties for West Devon. Under LAHF 2, two of the properties in the allocation were specifically for households on Afghan resettlement schemes currently in bridging hotels and the third property to ease wider temporary housing pressures. Through negotiation with DLUHC the Council has been able to swap the allocation to one property for Afghan resettlement and two for wider housing pressures. The Council will utilise £412,000 of identified Section 106 planning contributions along with £46,241 underspend from LAHF 1 and £301,759 from LAHF 2.
- 2.6 As shown in Appendix A, the total approved capital budget is £21,171,817. A large amount of the capital budget (£13.650m) is predicted to be spent in 2024/25, with £12.365m of this being for the Okehampton Railway Transport Hub as detailed below.
- 2.7 The Council has been successful in securing a £13.4million bid to develop a new railway station and integrated transport hub on the Eastern edge of Okehampton. The plans will see the construction of a brand new, purpose built station and car park, which will be easily accessible from the nearby A30, built at the bottom of Devon County Council's business park off Exeter Road. The

aim to create an area with facilities for bus connections, cycle links and electric vehicle charging. The Borough Council will be the accountable body for the capital project and the estimated capital expenditure (profiled over the next three financial years) has been included within the Council's capital expenditure estimates within the strategy. The funding will be provided by DLUHC and the project will be delivered in partnership with Devon County Council and Network Rail. We have now received our first payment from the Department for Transport.

- 2.8 A scheme was agreed at Full Council on 19th December 2023 to repurpose 20 Plymouth Road in Tavistock from office accommodation to three residential units. This will support the Council's temporary Housing needs. The scheme will be financed using £500k from internal borrowing and £150k from Housing Revenue Grants.
- 2.9 It is recommended to Council that £180k from the Vehicles Replacement Reserve is used to finance replacement vehicles which are currently on order, in accordance with the waste vehicle forward plan.

S106 Deposits

- 2.10 The list of S106 Deposits are shown in Appendix B totalling **£1,505,294** as at 31 October 2023. **£44,595** has been spent on various revenue projects as at this date and **£412,000** has been committed as match funding for the second round of the Local Authority Housing Fund (LAHF2). A breakdown of these projects can be seen on Appendix B.
- 2.11 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.

3. Options available and consideration of risk

- 3.1 This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

4. Proposed Way Forward

- 4.1 This is considered on a project by project basis.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		Statutory powers are provided by the S1

		<p>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>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 Appendix A. 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 7 (end of October 23) has shown that all projects are within their existing budget approved by Members. A capital budget of £7,511,308 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. The capital expenditure for the first seven months of 2023/24 against the profiled capital budget is £1,876,187 (25.0% of the profiled budget) as at the end of October 2023 as shown in Appendix A.</p> <p>It is recommended to Council that £180k from the Vehicles Replacement Reserve is used to finance replacement vehicles which are currently on order, in accordance with the waste vehicle forward plan.</p> <p>The largest part of the expenditure for the first seven months of the 2023/24 financial year is £1.275m which has been spent on purchasing five properties at Okement Park, Okehampton. These properties were purchased using funding from the Local Authority Housing Fund (LAHF), Homes for Ukraine funding and funding from DCC.</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 of the Thematic Delivery Plans within 'A Plan for West Devon'.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change - Carbon / Biodiversity Impact		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. Further detail is set out in the Council's 'A Plan for West Devon' 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		None

Supporting Information

Appendices:

EXEMPT Appendix A – Details of capital expenditure to 31st October 2023

(**Exempt**)

Appendix B – S106 Summary WDBC as at 31st October 2023

Background Papers:

None