

NOT FOR PUBLICATION

Appendix B 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: **Hub Committee**
Date: **28th February 2017**
Title: **Capital Budget Monitoring 2016/2017**
Portfolio Area: **Support Services – Cllr C Edmonds**
Wards Affected: **All**
Relevant Scrutiny Committee: **Internal**

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

Author: **Angela Endean** Role: **Capital Accountant**
Lisa Buckle **Finance Community of Practice Lead**

Contact: **Tel. 01803 861480**
E-mail: angela.endean@swdevon.gov.uk
Tel. 01803 861317
Email: lisa.buckle@swdevon.gov.uk

Recommendations:

1. That the Hub Committee notes the Report.

It is recommended to Council that:

2. The Indoor Sports and Recreation facilities capital budget of £296,728 is re-categorised towards the £1.5 million cost of the investment into the Leisure Centres as detailed in Appendix B.

1. Executive summary

The report advises Members of the financial position as at 31st December 2016 for the purposes of budget monitoring. ***All capital projects are within the individual capital budgets approved by Members. Therefore capital schemes are within budget.***

The total capital budget for 2016/17 is £1,153,542 of which £257,862 has been spent to date (Appendix A).

The capital programme is currently underspent in comparison to the budgets, due mainly to the affordable housing budget (£200,000) and the Indoor Sports and recreation facilities budget not being spent. The Indoor Sports and Recreation facilities budget is explained in Exempt Appendix B. In addition, expenditure on Improvement Grants (Disabled Facilities Grants) is £239,000 at Month 9, compared to the budget for 16/17 of £450,000.

2. Background

The capital programme for 2016/17 was approved by Council on 16 February 2016 (CM52 and HC47 refer). This report provides an update on the Capital Programme.

As part of the Transitional Resources report to the Hub Committee on 7 June 2016, the Budget for Improvement Grants (Disabled Facilities Grants) was revised from £400,000 to £450,000.

3. Outcomes/outputs

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

Community Project Grants (previously Village Hall & Community Project Grants)

The budget for 16/17 is £106,398 with £6,694 spent to date. The 16/17 budget is made up of an underspend of £70,398 brought forward from the 15/16 financial year plus a budget set for 16/17 of £36,000.

There are currently commitments of £48,700 against the budget and it is expected that another £10,000 of commitments will be made before the end of the year. Due to the predicted underspend in 2016/17 Council approved the proposal that there will be no budget allocation for Community Project Grants in the 2017/18 budget.

Indoor Sports and Recreation facilities

An update regarding this capital budget is set out in Exempt Appendix B.

Affordable Housing

Housing needs have been identified throughout the Borough and these will be addressed by utilisation of the affordable housing budget (£200,000 in 2016/17).

Historically 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 rely on cross subsidy from open market properties, evidence from a Registered Provider (RP) is provided to ensure the money is required. Money is normally required where there are abnormalities on the site or there is a shortfall in public subsidy. It is important to note that public subsidy for these schemes is not currently available.

Pipeline projects are as follows:

- South Tawton – 6 units of affordable housing currently in the planning process.
- Brentor – in early discussions with South Devon Rural for between 8 and 10 units.
- Horrabridge – 10 units (planning permission granted) on the parish council owned site.

In previous years the level of capital funding allocated to the delivery of affordable housing was an annual contribution of £200,000. After further consideration following the Hub Committee meeting of 24th January 2017, the capital bid for 2017/18 for Affordable Housing was reduced to £50,000. This is in light of the S106 monies available for affordable housing, the additional funding received for 16-17 of £247,620 (see below) and the current knowledge of the financial viability of the schemes set out above.

The Council has been notified that it has been allocated funds from the Government's new Community Housing Fund of £247,620. The Community Housing Fund supports Councils in tackling the problem of high levels of second homeownership in their communities.

Tenants Incentive Scheme

The Tenants incentive Scheme offers an incentive payment to tenants of Social Landlords who wish to downsize. This frees up larger accommodation for families on our housing register or in temporary accommodation.

It also prevents the spiral of debt tenants may find themselves in if they are affected by the spare room subsidy (sometimes referred to as the "bedroom tax") and cannot afford to pay increased rents or the cost of moving. A common use of the incentive payment is where older people move to a property where there are no carpets. Payments can be made to provide carpeting in the property, combating the risk of trips and falls and possible hospital admissions. A sum of £4,500 has been spent to date from a budget of £25,848.

Waste Containers

This budget (£19,254) is used for the replacement of recycling containers. A sum of £7,500 has been spent to date.

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

The capital budget allocation for private sector renewal grants, including DFG's, was revised at Hub Committee on 7th June 2016. Minute HC07 refers. Additional temporary resource for DFG's was approved, to ensure that the Council meets estimated demand, as set out in the report.

As at the end of December (Month 9), £239,168 has been spent compared to the budget for 16/17 of £450,000. Additional case managers have been in place since the beginning of September.

A further £92,000 has already been approved (committed) and there are Statements of Need being progressed which total another £164,000.

Old Mill Site, Okehampton

An agreement has been reached with the former owner to prepare the site for development and enable its disposal and bring the site back into use. The capital budget of £25,000 will be retained for this purpose.

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.</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>Since there is commercially sensitive information in Appendix B regarding contract procurement, there are grounds for the publication of this appendix to be restricted, and considered in exempt session. The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in Appendix B. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial		<p>The total capital budget for 2016/17 is £1,153,542 of which £257,862 has been spent as at 31 December 2016 (Appendix A).</p>

		All capital projects are within the individual capital budgets approved by Members. (Appendix A).
Risk		<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>
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:

Appendix A – Details of capital expenditure to 31st December 2016
Appendix B – EXEMPT – Indoor Sports and Recreation Facilities budget

Background Papers:

Revenue and Capital Budget proposals for 2016/17 - Council 16 February 2016

Revenue and Capital Budget proposals for 2016/17 – Hub 26 January 2015 (HC47 refers)

Transitional Resources report – Council 28 June 2016

Transitional Resources report – Hub 7 June 2016 (CM21 and HC07 refer)

Health and Wellbeing Procurement Outcome – Council 26 July 2016 (CM28 refers)

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted.	N/a