

NOT FOR PUBLICATION

Appendices A & B to 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 & B)

Report to: **Executive**
Date: **9 March 2017**
Title: **Capital Programme Monitoring**
Portfolio Area: **Support Services**

Wards Affected: **ALL**

Relevant Scrutiny Committee: Overview and Scrutiny Panel

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

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Recommendations:

1. That the Executive notes the Report.
2. To recommend to Council that:
 - (i) the capital budget for Burke Road, Totnes and Admiral Court, Dartmouth is increased by £200,500 as set out in exempt Appendix B
 - (ii) the £200,500 is financed by capital receipts of £160,000 and a contribution from the Land and Development Reserve of £40,500

1. Executive summary

The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.

The monitoring of the capital programme at month 9 (end of December 16) has not highlighted any significant areas of concern to report to Members. The anticipated level of expenditure is within the existing budget for the approved capital programme as a whole (Appendix A). For projects which have been completed since the last monitoring report there is a total underspend of £18,072.

The remaining contingency budget for the 2016/17 capital programme is nil as this has been allocated in the year.

2. Background

The capital programme for 2016/17 was approved by Council on 11 February 2016 (61/15 and E.59/15 refer). This report provides an update on the Capital Programme and also on those schemes that remain outstanding from previous programmes.

A summary of the 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

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

Capital Programme 2015/2016 and prior years

Leisure Centres

On the 28th July Council approved the successful awarding of the new leisure contract to its preferred bidder, Fusion Lifestyle. Council agreed to undertake prudential borrowing of £6.337 million for the new leisure contract, with a further £1.5 million of prudential borrowing for a loan facility being subject to a business case. These investment proposals will also utilise the remaining capital budget available for Ivybridge Leisure Centre as shown in Appendix A.

The new leisure contract commenced on 1st December 2016 for a period of 25 years.

Refurbishment of Island Street Workshops, Salcombe

The refurbishment of these units was completed during 2015/16. The scheme was delivered within budget with an underspend of £5,574.

Café, Cliff House Gardens, Salcombe

Following the discovery of a structural defect this project is currently on hold.

Re-roofing at Burke Road/Wills Road, Totnes

Works are now complete and new tenants found.

Redevelopment of five employment units, Burke Road, Totnes

An update on this scheme is included in exempt Appendix B.

Development of seven employment units, Batson Trailer Park, Salcombe

An update on this scheme is included in exempt Appendix B

Capital Programme 2016/17

Development of seven starter units at Admiral Court, Dartmouth

An update on this scheme is included in exempt Appendix B.

Purchase of Rope Walk (K2 development – Kingsbridge)

The project team have held several stakeholder meetings and are progressing the first phase of the design phase. The master planning work leading to the development of a site design and project cost / viability model is programmed for completion by end of March 2017.

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

The capital budget allocation for private sector renewal grants, including DFG's, was revised at Executive on 16th June 2016. Minute E.08/16 refers. Additional temporary resource for DFG's was approved, to ensure that the Council meets estimated demand, as set out in the report.

Expenditure to the end of December was £572,843, with a further £121,000 committed. There are Statements of Need being progressed which total another £287,000. Only a proportion of the £287,000 will be spent by the year end due to the timing of the applications and the work being carried out and paid for.

Affordable Housing Update

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

Scheme	Budget	Narrative
Community Led Housing	£100,000	Community led housing initiative was launched in April 2014. A change from a loan to a grant scheme was approved at Executive in December 2015. This was in response to concerns raised by community groups around being able to repay loans granted. £50,000 has been paid to two community groups.
Rural Affordable Housing	£400,000	£327,577 spent or committed to rural schemes. Schemes at Thurlestone, Avondale, Slapton, Moreleigh and Frogmore are complete and Newton Ferrers is due to complete in April 2017.
Older Persons Housing	£500,000	Paid to Riverside Extra Care in 2015/16. Contractors started on site in December 2015 with completion due in November 2017.
Existing Stock/Sustainability	£100,000	To reduce empty homes and make best use of the existing housing stock. £65,000 has already been spent.
Homeless/Specialist Housing	£50,000	To enable the provision of specialist accommodation as required. Funding will be allocated as need arises.

Vehicle Fleet Replacement

The current fleet replacement programme is almost at an end. In a report to the Executive on 20th October 2016 on Vehicle Fleet Replacement a budget of £594,000 was approved for 2017/18.

Capital Programme Contingency Budget

The original capital contingency budget for 2016/17 was approved as £300,000. Use of £250,000 of this contingency to fund the provision of starter units at Admiral Court, Dartmouth was approved at Executive on 16 June 2016 and Council on 30th June. The remaining £50,000 of the capital contingency budget for 2016/17 has been approved to be allocated to Burke Road, Totnes and Admiral Court, Dartmouth as set out in Appendix B. The contingency budget remaining for the 2016/17 capital programme is therefore zero.

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 Appendices A and B, regarding the budgets for individual projects, there are grounds for the publication of these appendices 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 the appendices. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial		<p>The monitoring of the capital programme at month 9 (end of December 16) has not highlighted any significant areas of concern to report to Members. The anticipated level of expenditure is within the existing budget for the approved capital programme as a whole (Appendix A). For projects which have been completed since the last monitoring report there is a total underspend of £18,072.</p> <p>The original capital contingency budget for 2016/17 was approved as £300,000. Use of £250,000 of this contingency to fund the provision of starter units at Admiral Court,</p>

		Dartmouth was approved at Executive on 16 June 2016 and Council on 30 th June. The remaining £50,000 of the capital contingency budget for 2016/17 has been approved to be allocated to Burke Road, Totnes and Admiral Court, Dartmouth as set out in Appendix B. The contingency budget remaining for the 2016/17 capital programme is therefore zero.
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> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</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		

Supporting Information

Appendices:

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

EXEMPT – Appendix B – Update on new Employment Units

Background Papers:

Capital programme for 2016/17 - Council 11 February 2016

Capital programme for 2016/17 – Executive 4 February 2016 (61/15 and E59/15 refer)

Bid to purchase land to assist with income generation – Council 7 April 2016

Bid to purchase land to assist with income generation – Overview and Scrutiny Panel 7 April 2016 (68/15 and O&S99/15 refer)

Admiral Court Phase 4 – Business Case report – Council 30 June 2016

Admiral Court Phase 4 – Business Case report – Executive 16 June 2016 (27/16 and E05/16 refer)

Transitional Resources report – Council 30 June 2016

Transitional Resources report – Executive 16 June 2016 (25/16 and E08/16 refer)

Revenue Budget report 2017/18 – Council 9 February 2017

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.	Yes