

NOT FOR PUBLICATION

Appendix B of 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: **22 March 2016**
Title: **Capital Budget Monitoring 2015/2016**
Portfolio Area: **Support Services – Cllr Cann OBE**
Wards Affected: **All**
Relevant Scrutiny Committee: **Internal**

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

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Recommendations:

1. That the Hub Committee notes the Report.

1. Executive summary

The report advises Members of the financial position as at 31st January 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 2015/16 is £1,490,292 of which £184,067 has been spent to date (Appendix A).

The capital programme is currently underspent in comparison to the budgets, due to mainly the affordable housing budget (£550,000) and the Indoor Sports and recreation facilities budget (£296,728) not being spent.

Members discussed the affordable housing budget in early 2015 and the Council took a cautious approach to spending this budget due to the financial uncertainties with the T18 Transformation Programme (as Phase 1b went live in June 2015). However this uncertainty has now passed. There is a separate report on this Hub Committee agenda regarding Income Generation opportunities and a Business Development update. This report will discuss the opportunities of how the affordable housing budget could be utilised.

There is a separate report on this agenda regarding the 'T18 Budget Monitoring report' which shows the T18 Programme is within Budget.

The Indoor Sports and Recreation facilities budget is explained in Exempt Appendix B.

There has been a reduction in the speed of delivery on Disabled Facilities Grants (DFGs). It is predicted that there will be an underspend which will need to be carried forward to 2016/17 (£163,692 has been spent to date against a budget of £450,000).

2. Background

The capital programme for 2015/16 was approved by Council on 17 February 2015 (CM77 and RC26 refer). This report provides an update on the Capital Programme.

The budget in relation to Indoor Sports and Recreation facilities is shown at exempt Appendix B. 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 Capital Projects:

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

The budget for 15/16 is £59,859 with £8,245 spent to date. It is expected that the majority of the budget will be fully committed by the end of the financial year with a requirement to carry forward any underspend and committed funds to 2016/17.

Indoor Sports and Recreation facilities

The budget in relation to Indoor Sports and Recreation facilities is shown at exempt Appendix B.

Affordable Housing

The capital budget of £550,000 has yet to be spent. This budget is to support the development of affordable housing schemes.

National policies and funding strategies designed to deliver affordable housing have significantly changed in recent years with much greater reliance on the provision of affordable housing without public subsidy, primarily through the planning process. The Council is currently reviewing how housing will be delivered in the future. This will link to the work on 'Our Plan', the Council's strategic plan.

Members discussed the affordable housing budget in early 2015 and the Council took a cautious approach to spending this budget due to the financial uncertainties with the T18 Transformation Programme (as Phase 1b went live in June 2015). However this uncertainty has now passed. There is a separate report on this Hub Committee agenda regarding Income Generation opportunities and a Business Development update. This report will discuss the opportunities of how the affordable housing budget of £550,000 could be utilised.

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 £12,130 has been spent to date.

Waste Containers

This budget (£19,254) is used for the replacement of recycling containers.

Improvement Grants - Disabled Facilities Grants

The demand for Disabled Facilities Grants (DFG's) continues to increase. The total number of grants completed in 2014/15 was 71 and this expected to increase to at least 80 in 2015/16. All grants are mandatory, means tested and enable people to remain living independently within their own home. Grant approvals range from simple stair lifts and level access showers through to full extensions.

The speed of delivery of DFG's has reduced during the second and third quarters of 2015/16 and, whilst demand has not reduced, the overall spend by year end may be down on previous years. The effect of this will be an increased demand in 2016/17. It is predicted that there will be an underspend which will need to be carried forward to 2016/17.

To date £163,692 has been spent against a budget of £450,000. However there is always a time delay between when applications are approved and when the physical spend occurs.

Old Mill Site, Okehampton

Officers are actively considering the future of the site and have been liaising with third parties. It is envisaged that the timeframe for a decision on the future of the site will be made within the next twelve months. It is felt prudent to retain the capital budget of £25,000 until a decision on the site has been made.

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> |

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| Financial | | <p>The total capital budget for 2015/16 is £1,490,292 of which £184,067 has been spent to date (Appendix A).</p> <p>All capital projects are within the individual capital budgets approved by Members. (Appendix A).</p> |
| 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. |

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|--------------------------------------|--|---|
| 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 January 2016
EXEMPT - Appendix B – Indoor Sports and Recreational Facilities

Background Papers:

Revenue and Capital Budget proposals for 2015/16 - Council 17 February 2015

Revenue and Capital Budget proposals for 2015/16 – Resources 3 February 2015 (RC26 refers).

Capital Budget Monitoring 2015/2016 – Hub Committee 1 December 2015

| 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 |