

NOT FOR PUBLICATION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)

AGENDA
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SOUTH HAMS DISTRICT COUNCIL

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NAME OF COMMITTEE	EXECUTIVE
DATE	23 October 2014
REPORT TITLE	CAPITAL PROGRAMME MONITORING REPORT
REPORT OF	Head of Finance and Audit
WARDS AFFECTED	ALL

Summary of report:

To advise Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.

Financial implications:

The anticipated level of expenditure is within the existing budget for the approved capital programme as a whole (Appendix A).

RECOMMENDATIONS:

That the Executive notes the report.

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1. BACKGROUND

1. The capital programme for 2014/15 was approved by Council on 13 February 2014 (50/13 and E41/13 refer). This report provides an update on this programme and also on those schemes that remain outstanding from previous programmes (Appendix A).

2. ISSUES FOR CONSIDERATION

Introduction

- 2.1 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.

Specific Issues

- 2.2 Members are requested to note the following:

Capital Programme 2013/2014 and prior

Salcombe Fish Quay

- Project completed 12th September 2014
- Defects certificate has been issued
- Overspend of £80k to be funded from contingencies (Minute E.05/13 refers)

Dartmouth & District Indoor Pool Trust (DDIPT)

- The DDIPT have started with site investigation works and have procured the services of a contractor to prepare work packages for tender.

Dartmouth Lower Ferry - Replacement of slipways and fendering systems

- Project completed on 20th May, 2013
- Cathodic protection to sheetpiles now installed
- Former final settlement offer issued and awaiting a response
- Aluminium sacrificial anodes to protect the sheetpiles from rust has been installed to ensure sheetpile potential life expectancy is achieved.

Island Street Workshop Re-cladding, Salcombe

- Island Street commercial unit is having new cladding and roof, new insulation and door/windows
- Contractor appointed to works phase
- Works scheduled to start early November and it is a 12 week programme

Follaton House - New Fire Detection Panel

- The scope of the T18 brief has been increased to include an updated fire detection system for the new house across all floors. This will be delivered through the 2nd floor fit out between now and the end of March. This shall be funded from the capital programme bid allocation.

Ivybridge Leisure Centre

- Snagging works identified relating to the changing rooms refurbishment which are being resolved within the defects period.

South Embankment Shelter, Dartmouth

- Work in progress
- Completion expected November 14

Capital Programme 2014/2015

Three schemes completed:

- Fore Street car park, Kingsbridge
- Warfleet dinghy storage area,
- Dartmouth Lower Ferry Ticket Machines.

T18 Follaton House Improvements

- Contractor appointed
- Work commenced in September for March finish

Disabled Facilities Grants

In the present financial year 79 Disabled Facilities Grants have been approved ranging from simple stair lifts and level access showers through to full extensions. All grants are mandatory, means tested and enable people to remain living independently within their own home. Payments of £319,000 have been made covering grants approved during this and previous financial years. This is the six month position. An additional £171,000 is committed bringing the total to £490,000 against a budget of £650,000. With the addition of applications pending, and yet to be received, it is predicted that the budget will be fully committed by year end.

The Environmental Health service has secured an average saving of approximately 24% (£1000) on each standard Level Access Shower, through the development, procurement and implementation of a framework agreement across Devon and Cornwall. Although it is impossible to predict demand for grants, it is proposed to reduce the budget from £650,000 to £600,000 for the next three years in view of the savings on unit cost.

Affordable Housing Update

Scheme	Budget	Narrative
Frogmore - Exception Site	£25k	Site under option with Hastoe Housing Association. Site investigations currently underway. Start on site estimated to be spring 2015. Completion spring 2016.
Community led housing	£100k	Community-led Housing Initiative launched in April 2014. Currently in discussion with 3 organisations to provide financial support for community led schemes.
Rural Affordable housing	£400k	£250,000 committed or provisionally committed to rural schemes including Thurlestone, Avondale, Slapton, Newton Ferrers and Morleigh
Older persons housing	£500k	Allocated to Riverside Extra Care. Start on site scheduled for Summer 2015. Completion Spring 2017
Existing stock/ Sustainability	£100k	To reduce empty homes and make best use of existing housing stock.
Homeless / Specialist Housing	£50k	To enable the provision of specialist accommodation as required. Funding will be allocated as need arises.
Follaton Oak, Totnes	£80k	Scheme due to start on site autumn 2014 completion summer 2015.
Ivatt Road, Dartmouth	£60k	Scheme completed.

3. STRATEGIC ASSET REVIEW - UPDATE

3.1 The procurement of Development Consultants has been undertaken and feasibility and pre-marketing advice has commenced on two of the major disposal sites in the District. Additional resource has now been secured within the Estates Team (commencing on 20th October) to progress the minor disposal and redevelopment sites. Progress on other sites is included in exempt Appendix B.

Specific progress to note on some of the previously reported sites is:

- Extension to Mayors Avenue Car Park, Dartmouth – conditional planning consent was granted on 1st October. Planned completion of this project by early March 2015.
- Fore street Car Park, Kingsbridge – preliminary feasibility plans have been prepared illustrating various residential layouts. A financial appraisal has been completed in preparation of consultation with Members for the preferred option to advance.
- Island Street, Salcombe – tender for the refurbishment of this asset has been let with works commencing 3rd November.

4. LEGAL IMPLICATIONS

- 4.1 Statutory powers are provided by the S1 Localism Act 2011 general power of competence.
- 4.2 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.
- 4.3 Since there is commercially sensitive information in the 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 Appendices A and B. Accordingly this report contains exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.

5. FINANCIAL IMPLICATIONS

- 5.1 The anticipated level of expenditure is within the existing approved budget for the approved programme as a whole (Appendix A).

6. RISK MANAGEMENT

The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

7. OTHER CONSIDERATIONS

Corporate priorities engaged:	Sound financial management underpins all of the Council's corporate priorities.
Statutory powers:	Local Government Act 1972, s148(5)
Considerations of equality and human rights:	This matter is assessed as part of each specific project.
Biodiversity considerations:	This matter is assessed as part of each specific project
Sustainability considerations:	This matter is assessed as part of each specific project
Crime and disorder implications:	This matter is assessed as part of each specific project

<p>Background papers:</p>	<ol style="list-style-type: none"> 1. Report to and minute 82/09 of South Hams District Council on 04 February 2010 2. Reports to and minute of Executive on 26 January 2012 (E.69/11, Council 74/11). 3. Reports to and minutes of Executive on 31 May 2012 ((E.13/12, (E.14/12) 4. Report to and minutes of Executive on 6 September 2012 ((E.34/12). 5. Report to and minutes of Executive on 6 December 2012 (E.63/12) 6. Report to and minutes of Executive on 6 June 2013 (E.05/13) 7. Report to and minutes of Executive on 12 December 2013 (E.41/13)
<p>Appendices attached:</p>	<p>EXEMPT - Appendix A – Summary of the approved programme plus allocated budget</p> <p>EXEMPT – Appendix B – Update on the Strategic Asset Review – Capital Disposal Programme</p>

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Council Priorities	Meeting existing Council priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities	4	2	8	↔	This requires a project appraisal for each proposal. This needs to be taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period.	Head of Service
2	Providing value for money	The Council must demonstrate that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment.	4	2	8	↔	Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.	Head of Finance and Audit Head of Assets
3	Cost overruns	Risk of cost overruns on the Capital Programme.	5	2	10	↔	There is regular quarterly monitoring of the Capital programme to Members where any cost overruns are identified at an early stage. There is a contingency budget within the Capital Programme (Appendix A).	Head of Finance and Audit Head of Assets

Direction of travel symbols ↓ ↑ ↔