

NOT FOR PUBLICATION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, B & C)

AGENDA
ITEM
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SOUTH HAMS DISTRICT COUNCIL

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NAME OF COMMITTEE	EXECUTIVE
DATE	29 January 2015
REPORT TITLE	CAPITAL PROGRAMME MONITORING REPORT
REPORT OF	Capital Accountant
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).

If the use of the contingency budget (£216,000) is approved as recommended the remaining contingency for the 2014/15 programme will be £36,000.

RECOMMENDATIONS:

It is recommended that Executive resolve to approve the use of the contingency budget for Disabled Facilities Grants (£50,000) as set out in Section 2.2.

It is further recommended that the contingency budget be amended in line with exempt Appendix B (£130,000).

Officer contact:

Lisa Buckle, Finance Community of Practice Lead
Lisa.buckle@swdevon.gov.uk

Angela Endean, Capital Accountant
Angela.endean@swdevon.gov.uk

Kate Cassar, Head of Assets
kate.cassar@swdevon.gov.uk

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 years

Dartmouth & District Indoor Pool Trust (DDIPT) – Capital Grant £400,000

- The DDIPT have started with site investigation works and have procured the services of a contractor to prepare work packages for tender. To date £18,000 has been released to enable these investigation works.
- Negotiations are ongoing between SHDC and DDIPT regarding the conditions of the lease agreement and it is expected that the grant will be drawn down by DDIPT over the next 12 months.

Island Street Workshop Re-cladding, Salcombe

- Island Street commercial unit is having new cladding and roof, new insulation and door/windows
- Roof replacement works are now complete.
- Cladding works prepared for cedar installation commencing Jan 2015.
- Project on budget and 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.

Ivybridge Leisure Centre

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

Capital Programme 2014/2015

Four schemes completed:

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

T18 Follaton House Improvements

- Contractor appointed
- Work commenced in September for March finish

Ivybridge Leisure Centre – roof repairs

The sports hall roofing has suffered a long history of random leaks. Earlier this year we overlaid a small section of the roof to stop one of the more persistent leaks however water is now coming through alongside the new overlay.

The Tone Leisure contract expires in December 2016 and we are therefore proposing to overlay the entire roof. A contractor has been appointed and the cost of this work will be £32,000. £11,000 is available in the 2014/15 capital programme for roof repairs and it is proposed that the remaining £21,000 be met from the unspent 13/14 capital budget for the Leisure Centre. This had been earmarked for a replacement air handling unit which is now no longer required. This would allow the project to proceed with no additional demands on the existing 2014/15 Capital Programme budget. Works are scheduled for late January 2015.

Disabled Facilities Grants

In the first nine months of the present financial year 106 Disabled Facilities Grants (DFGs) have been approved ranging from simple stair lifts and level access showers through to full extensions; this compares with twelve month totals of 96 and 108 for the years 2012/13 and 2013/14, respectively. All grants are mandatory, means tested (except for children) and enable people to remain living independently within their own home. Payments of £515,000 have been made covering grants approved during this and previous financial years. This is the nine month position. An additional £133,000 is committed bringing the total to £648,000 against a budget of £650,000. With the addition of applications pending, and yet to be received, it is predicted that the budget would be overly committed should we continue to approve grants. In view of this, plans have been put in place to manage this demand through the final quarter. In the event that urgent, high risk applications are received it is requested that a contingency fund of £50,000 be approved to support the existing budget.

Members are advised that a wide range of measures have already been put in place to reduce both the revenue and capital costs of delivering DFGs. Most recently 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.

The increasing demand and associated costs of delivering mandatory DFGs, along with changing funding arrangements arising from the introduction of the new Better Care Fund, is being looked into by a Task and Finish Group which is due to have its initial meeting on 15th January and will report back in due course.

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/summer 2015. Completion spring/summer 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 spent or provisionally committed to rural schemes including Thurlestone(completed), Avondale(completed), Slapton(completed), Newton Ferrers and Moreleigh
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	Currently on site. Completion due late summer 2015.
Ivatt Road, Dartmouth	£60k	Scheme completed.

Capital Programme 2014/2015 – EXEMPT ITEM

Appendix B details an additional call on the contingency budget of £130,000 and has been placed in Part 2 of the Agenda due to commercial sensitivity.

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 with progress being made with seeking Pre-Application advice from Development Management and title checks from Legal. Progress on other sites is included in exempt Appendix C.

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, B and C 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, B and C. 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 capital programme as a whole (Appendix A).

5.2 Approval for the use of the contingency budget will result in a remaining contingency of £36,000.

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
Background papers:	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).

	<p>3. Reports to and minutes of Executive on 31 May 2012 ((E.13/12, (E.14/12)</p> <p>4. Report to and minutes of Executive on 6 September 2012 ((E.34/12).</p> <p>5. Report to and minutes of Executive on 6 December 2012 (E.63/12)</p> <p>6. Report to and minutes of Executive on 6 June 2013 (E.05/13)</p> <p>7. Report to and minutes of Executive on 12 December 2013 (E.41/13)</p> <p>8. Report to and minutes of Executive on 23 October 2014 (E.36/14)</p>
<p>Appendices attached:</p>	<p>EXEMPT - Appendix A – Summary of the approved programme plus allocated budget</p> <p>EXEMPT – Appendix B – Additional use of contingency budget</p> <p>EXEMPT – Appendix C – 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.	S151 Officer 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).	S151 Officer Head of Assets

Direction of travel symbols ↓ ↑ ↔