

NOT FOR PUBLICATION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)

Report to: **Hub Committee**

Date: **19 September 2023**

Title: **Capital Programme Monitoring as at 31 July 2023**

Portfolio Area: **Resources – Cllr C Edmonds**

Wards Affected: **All**

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

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RECOMMENDATION

It is recommended that the Hub Committee RESOLVES to endorse the contents of the Report.

1. Executive summary

- 1.1 The report advises Members of the financial position as at 31st July 2023 for the purposes of budget monitoring.
- 1.2 The monitoring of the Capital Programme at month 4 (end of July 2023) has shown that all projects are within their existing budget approved by Members. A capital budget of £8,290,299 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. **The capital expenditure for the first four months of 2023/24 against the profiled capital budget of £1,625,148 (19.6% of the profiled budget) as at the end of July 2023 as shown in Appendix A.**

- 1.3 The Council will carry out a fundamental review of all the capital schemes within the existing Capital Programme in late 2023 as part of the process of developing a new Corporate Strategy. This comprehensive review will identify schemes which have not yet proceeded and those capital projects which are not able to be proceeded with. This will dovetail with the revised arrangement for the development of the Capital Programme which will have a top down approach. The Capital Programme will be informed by the delivery of key priorities within the new Corporate Strategy and will also contain capital projects that are needed to meet statutory health and safety requirements or service delivery requirements.

2. Background

- 2.1 The capital programme for 2023/24 was approved by Council on 21 February 2023 (CM66). This report provides an update on expenditure the Capital Programme.
- 2.2 A new reporting process is in place and the narrative around capital schemes previously included in this budget monitoring report will now be part of the Integrated Performance Management Update reports. The capital budget monitoring report will purely focus on capital expenditure against budget.
- 2.3 The monitoring of the Capital Programme at month 4 (end of July 2023) has shown that all projects are within their existing budget approved by Members. A capital budget of £8,290,299 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. **The capital expenditure for the first four months of 2023/24 against the profiled capital budget of £1,625,148 (19.6% of the profiled budget) as at the end of July 2023 as shown in Appendix A.**
- 2.4 The largest part of the expenditure for the first four months of the 2023/24 financial year is £1.275m which has been spent on purchasing five properties in Okehampton. These properties were purchased using funding from the Local Authority Housing Fund (LAHF), Homes for Ukraine funding and funding from Devon County Council (DCC) and these properties will shortly welcome their first cohort of tenants.
- 2.5 There is a separate report on Springhill as part of the Housing update report on this Hub Committee agenda on 19th September. This recommends putting on hold further progression of the Springhill redevelopment project whilst other options are explored.
- 2.6 As shown in Appendix A, the total approved capital budget is £21,679,594. A large amount of the capital budget (£12.997m) is predicted to be spent in 2024/25, with £12.365m of this being for the Okehampton Railway Transport Hub as detailed below.

- 2.7 West Devon Borough Council has been successful in securing a £13.4million bid to develop a new railway station and integrated transport hub on the Eastern edge of Okehampton. The plans will see the construction of a brand new, purpose built station and car park, which will be easily accessible from the nearby A30, built at the bottom of Devon County Council's business park off Exeter Road. The aim to create an area with facilities for bus connections, cycle links and electric vehicle charging. The Borough Council will be the accountable body for the capital project and the estimated capital expenditure (profiled over the next three financial years) has been included within the Council's capital expenditure estimates within the strategy. The funding will be provided by the Department for Levelling Up Housing and Communities (DLUHC) and the project will be delivered in partnership with Devon County Council and NetworkRail.
- 2.8 The Council will carry out a fundamental review of all the capital schemes within the existing Capital Programme in late 2023 as part of the process of developing a new Corporate Strategy. This comprehensive review will identify schemes which have not yet proceeded and those capital projects which are not able to be proceeded with. This will dovetail with the revised arrangement for the development of the Capital Programme which will have a top down approach. The Capital Programme will be informed by the delivery of key priorities within the new Corporate Strategy and will also contain capital projects that are needed to meet statutory health and safety requirements or service delivery requirements.

S106 Deposits

- 2.9 The list of S106 Deposits are shown in Appendix B totalling **£1,409,196** as at 31 July 2023. **£6,102** has been spent on various revenue and capital projects as at this date and **£366,570** has been committed. A breakdown of these projects can be seen on Appendix B.
- 2.10 Some of these S106 Agreements have a clause within the S106 Agreement which states that the Council shall be entitled to use up to a five per cent (5%) part of the total payments and contributions payable pursuant to the provisions of the Agreement, towards the costs to be reasonably and properly incurred by the Council in monitoring compliance with the S106 Agreement and in assessing the details submitted to the Council for approval pursuant to the S106 Agreement.

3. Options available and consideration of risk

- 3.1 This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

4. Proposed Way Forward

4.1 This is considered on a project by project basis.

5. 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>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 Appendix A. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial Implications to include reference to Value for Money		<p>The monitoring of the capital programme at month 4 (end of July 23) has shown that all projects are within their existing budget approved by Members. A capital budget of £8,290,299 has been profiled for 2023/24 with the remaining capital budgets rolled forward into future years. The capital expenditure for the first four months of 2023/24 against the profiled capital budget is £1,625,148 (19.6% of the profiled budget) as at the end of July 2023 as shown in Appendix A.</p> <p>The largest part of the expenditure for the first four months of the 2023/24 financial year is £1.275m which has been spent on purchasing five properties at Okement Park, Okehampton. These properties were purchased using funding from the Local Authority Housing Fund (LAHF), Homes for Ukraine funding and funding from DCC.</p> <p>The regular monitoring of the Capital Programme ensures the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</p>

Risk		<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>
Supporting Corporate Strategy		The Capital Programme supports all of the Thematic Delivery Plans within 'A Plan for West Devon'.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Climate Change - Carbon / Biodiversity Impact		<p>The Council declared a Climate Change and Biodiversity Emergency on 23 July 2019 and a Climate Change Action Plan was presented to Council in December 2019.</p> <p>Further detail is set out in the Council's 'A Plan for West Devon' strategy.</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 July 2023 (**Exempt**)
Appendix B – S106 Summary WDBC as at 31st July 2023

Background Papers:

None