

Executive – 8 Jan 2009

Capital Programme Monitoring

Report of Strategic Director (Community)

Statutory Powers: Local Government Act 1972, Section 151 and section 2 Local Government Act 2000

Financial Implications: None directly relating to this report.

Purpose

To advise Members of progress in relation to the approved capital programme for 2008/09 and 2009/10 agreed at Council on 24 July 2008, in line with Council resolution (minute 40/08).

Recommendations:

- 1. That the Executive RESOLVES to review progress made to date on the implementation of the approved Capital Programme.**

Background

1. At Council on 24 July 2008 approval was given to the capital programme for 2008/09 and 2009/10. Part of that approval was;
 - a) delegated authority be given to the Council's Strategic Management Team to deliver the Capital Programme, including the procurement of appropriately skilled resources, in consultation with the Leader and the appropriate Executive Member; and
 - b) the Strategic Management Team report progress of the Programme to Executive at least four times per annum.
2. Progress on the capital programme was last reported to Executive on 02 October 2008 (E.59/08) and this report provides an update of progress since that date.

The 2008/09 to 2009/10 Programme Monitoring

3. The membership and purpose of the Capital Programme Working Group was reported on 02 October 2008. This Group has remained in place and has met regularly to oversee the delivery of the programme.
4. In addition to the monitoring role of the Working Group, the Head of Property Services has provided a monthly update report to the Strategic Management Team.

Capital Investment in Existing Assets

5. This element of the programme identifies 22 projects. These are being delivered through a balance of internal and external resources as assessed by the Head of Property Services. Progress to date is set out in appendix A.
6. The major project to be delivered this financial year was the replacement pontoon for the passenger ferry at Kingswear. This project was completed and opened on 06 December 2008.
7. Although the capital programme is over a 2-year time frame, number of items originally programmed for this financial year have been slipped, in consultation with the Chief Accountant, into the first quarter of next financial year. This amendment to the programme has been undertaken where it was more appropriate to carry out works in the Spring weather conditions or to allow time for further consultation to take place. Otherwise, expenditure is on target, and there is no significant adverse financial implication arising from re-scheduling of the projects.

Public Space Projects

8. This area of the programme has been tendered through the EU procurement process enabling a framework contract to be established offering flexibility for the three distinct areas of work – Open Space, Play and Sport. Five companies have been selected and the contract is established.

Public Space Improvements

9. The lead-in required to establish the programme for Play Area Improvements has meant that the planning of the delivery of this element of the programme has been later starting than originally planned. In accordance with the Council resolution on 24 July 2008 (min 40/08 refers) this element of the Programme is now being delivered by the Council's in-house team of Trades Persons within Property Services. The programming of work on 60 key open space sites has begun and delivery will start in January 2009.

Play Areas and Skate Parks

10. The play aspect of the programme will be delivered by three specialist companies, procured in accordance with the EU regulations, and work is now commencing to allocate projects to them. Letters have been sent to engage the various Towns, Parishes and community groups with the design and delivery of new play facilities.

Sports Improvements

11. This element of the programme relates predominantly to replacement of tennis courts. A contractor has been appointed within the Framework Contract at a price above the initial estimates but within the financial parameters and will be able to deliver the essential replacement works identified in the programme at Totnes, Dartmouth and Kingsbridge. In the meantime, the Woolwell Multi-Use Games Area has been designed and delivered through the Council's in-house team. It opened on 30th November on time and budget.

Pool at Ivybridge Leisure Centre

12. The Council has identified £1m towards the cost of replacing the pool at Ivybridge. We outlined the proposal to stakeholder groups who have all indicated initial support. A feasibility study on the viability of building a replacement competition-standard pool at Ivybridge has been commissioned from experienced swimming pool design consultants whose report is expected in January 2009. If possible, a verbal update will be provided to Executive at this meeting.

Salcombe Fish Quay Regeneration

13. The European Fisheries Fund has issued guidance for bids. Officers are confident that the Council's needs at Salcombe will be eligible within the guidelines for a 50% grant. We are now starting the process of tendering for the services of appropriately experienced design consultants to prepare an outline scheme, which will form the basis of a bid. However the Fisheries Fund is limited and the submission of an application which meets the majority of the Fund's criteria does not guarantee that the bid will be successful, and therefore the feasibility work is being undertaken at risk.

District Council Investments in the Community

14. A separate paper (E81.08) was presented to The Executive on 4th December to establish a Member 'Task and Finish' group to recommend the criteria and process the Council will adopt when allocating grants from this fund.

Other Capital Programme Items

15. This paper focuses primarily on the proposed capital expenditure on property and assets. There are no specific issues to raise in relation to the Affordable Housing Development Programme which has 74 units currently under construction. An update to the Affordable Housing Capital Programme was reviewed at Community Policy Development Group on 27th November and its recommendations agreed at Executive on 4th December 2008 (E84/08).

16. An update on private sector renewal and disabled facilities grants was provided in the Draft Budget Proposals Report considered by Executive on 4th December 2008 (E79/08).
17. The five-year rolling Vehicle Capital Programme for the purchase of vehicles and plant was set out as Appendix F to the Draft Budget Proposals Report (E79.08), which was also considered by Executive on 4th December 2008.

Future Capital Programme

18. Work is commencing to consider items for inclusion in future capital programmes. The Head of Property Services is identifying which of the Council's assets require the next most urgent investment. The need for investment will have to be balanced with the impact on the medium term financial strategy. Consideration may need to be given to rescheduling existing elements of the programme to respond to new pressures and/or changing circumstances. It is proposed that a full report will be presented to the Executive meeting in Spring 2009.

Risk Assessment

19. These are the key risk issues.

Strategic opportunities	Issues/Obstacles	Benefits
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.	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. 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.	An effective programme will improve the well-being of residents and contribute to achieving Council priorities.

Conclusion

20. The capital programme for 2008/09 and 2009/10 is currently progressing at an appropriate pace, which indicates delivery within a two year time frame. The areas of most significant risk to slippage are those projects which rely on external grant, or are promoted by partners other than the Council.

Alan Robinson
Strategic Director (Community)

Executive
08 January 2009

Background papers

Report to and minute 40/08 of South Hams District Council on 24th July 2008

Report to and minute E.59/08 of Executive on 02 October 2008

Report to and minute E.79/08 of Executive on 04 December 2008

Report to and minute E.81/08 of Executive on 04 December 2008

Notes of the meetings of the Capital Programme Working Group *save for those relating to the tendering process for advice or works on the projects described which are exempt from disclosure to the public by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972*