

CABINET
21 July 2022
GENERAL ASSEMBLY OF THE COUNCIL
25 July 2022

CAPITAL PROGRAMME - MONITORING 2022/2023

1. Summary

- 1.1 To provide an update on the progress to date on the schemes in the approved Capital Programme, to report the latest position on capital resources and to recommend accordingly.

2. RECOMMENDATIONS

TO CABINET

- 2.1. That Cabinet notes the progress made to date on the 2022/23 Capital Programme, and the budget and resources detailed in Appendices A and B to the report.

TO GENERAL ASSEMBLY OF THE COUNCIL

- 2.2 That the General Assembly of the Council agree an additional £2.2m budget for the Westgate and former Co-op site, in accordance with Cabinet 's recommendation [26 May 2022 [Min.No.9]].

3. Background and Discussion

- 3.1. The original budget for 2022/23 was approved by the Council on 28 February 2022 at £28,030,000 [Min No 10]. In the outturn report, discussed elsewhere on the agenda, Cabinet is being asked to recommend to the GAC, £3,015,000 of carry-forward from the 2021/22 programme. A further £514,000 of changes have also been requested via another report on this agenda. In addition, Cabinet [26 May 2022 [Min.No.9]], agreed an additional £2.2m budget for the Westgate and former Co-op site, which was recommended to the GAC for approval. Further, increases of £674,000 have been agreed by the Head of Finance for grant-funded projects in accordance with delegations. If all the changes are agreed, the total capital budget will be increased to £34,433,000.
- 3.2. Attached as Appendices A and B to this report are details of the Capital Programme and budget for 2022/23. These detail the resources available for Housing and General Fund projects respectively, and the expenditure to the end of June 2022.

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3.3 Housing Revenue Account projects

The budget approved by GAC on 28 February 2022 was £11.978m. A total of £0.521m underspend from 2021/22 has been requested, resulting in a total budget of £12.499m for 2022/23.

Decent home works are progressing well with no major slow down issues reported. £449,000 of underspend on these projects has been rolled forward to enable works programmed in 2021/22 to be finished. This includes £256,000 for external wall rendering which is a part grant funded scheme where the deadline for completion of works has been extended to the end of August.

Disabled adaptations - Major disabled adaptations are underway, there is a significant ground floor extension that will be completed later this month as well as stair lifts, flush floor showers and other adaptations that tenants require, the programme is committed and the budget will be spent in full.

New Homes – New homes in Milton Road, comprised of three three-bedroom houses, two two-bedroom flats and two one-bedroom flats were completed in April. Sheri Court in Keary Road, Swanscombe, comprised of two one-bedroom homes and four two-bedroom homes were completed in May.

Works to create two three-bedroom houses, ten two-bedroom flats and two one-bedroom flats in Gilbert Close former garage site continue to be delayed due to archaeological investigations. Work must begin before September or else planning permission will need to be re-sought.

A feasibility study is complete for the building of new homes on the land acquired during 2021/22 in Westgate Road. An architect is to be procured to design the scheme, which will then need to go to planning. Following planning a tender will be issued for the building works. Work is unlikely to start on this scheme until spring/summer 2023.

Garage improvement works – this contract is now fully mobilised and reinvestment plans for 10 garage sites have been approved, these hold a value of approximately £300k. Further sites will be added to this programme and it is anticipated that the full budget will be utilised.

Supported housing – work is progressing well on the fire alarm installation works across the supported housing schemes. The original programme for this part of the works was £852k, with contingency sums for unforeseen works. £121k of work is complete (not all invoiced), with a current anticipated spend of £837k. The contract awarded was for a period of two years and whilst all efforts are being made to complete the full programme

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during this financial year, it is anticipated that 70% will be completed. The budget allows for decoration works once all work is complete but this is likely to be utilised next year.

Communal areas – There is some concern around being able to spend all of the budget set for this work during this financial year, however the Housing Manager is confident that the work being done, by the team, to identify the work streams to issue to the contractor; Breyer will ensure that where possible the work is complete within the year.

Housing IT Upgrade – This project continues to be impacted by delays due to the system not working as it should. The team continue to work towards an implementation by the end of this calendar year but this will be completely reliant on being provided with a fully functioning system. If the system is not live by January then it will not happen this financial year due to year-end processes.

3.4 General Fund projects:

The budget approved by GAC on 28 February 2022 was £16.052m. A total of £2.494m underspend from 2021/22 has been requested, together with a further £3.388m of changes noted in this report, resulting in a total budget of £21.934m for 2022/23.

Comments on the main ongoing schemes are as follows:

Acacia Hall – the budget is for repair works to Building D on the Acacia Hall site. There has been no progress made on this project due to the vacant Major Projects & Asset Management Officer post. This project will be taken forward once the new post holder is in post.

IT Equipment – part of this budget is for an upgrade to the older Ricoh printers and installing a new ‘follow me’ print solution. Work begins in July to swap over the printers. Other items to be purchased under this budget include thin clients, monitors, an upgrade to the circuit for guest wifi, replacement laptops and an upgrade of the wireless link to Fairfield. These projects are on-going.

The Orchard Theatre – the £30,000 budget is to allow for any small capital works that may be required during the year. There is nothing currently earmarked for this but there may be some works required to the roof that could require the use of this budget.

Other corporate properties – the £30,000 budget is to allow for any small capital works that may be required during the year. There is nothing currently earmarked for this.

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Leisure and open spaces – a report is being taken to the 22 July 2021 cabinet meeting to seek approval of the draft playground refurbishment programme and to ask Cabinet to recommend to the General Assembly of the Council an increase to the budget of £0.514m, thereby increasing the budget to £1.50m. The plan is to fund works across seven parks in the borough and work is to be programmed from October 2022 to March 2023. A contractor has been identified and will be appointed via the Eastern Shires Purchasing Organisation (ESPO) framework as soon as approval is received.

Cliff maintenance works – Work is progressing well to clear vegetation, insert fixing bolts and place netting. The cliff was split into sections and each section worked on methodically. In every section of the cliff was a nesting bird so work had to be done carefully so as not to disturb the birds. Only when the bird had left the nest could the final branches and remains of the tree be removed. The project will be completed within this financial year and is looking likely to come in around £750k less than budget.

Fairfield leisure centre energy efficiency works – Installation of pool covers and new LED lighting at Fairfield leisure centre has been recommended in order to save energy and therefore generate savings. The underspend on the Acacia budget has been requested to fund this work during 2022/23.

Stone Lodge – this project is for work required under planning permission associated with the sale of the land at Stone Lodge. Some discussions have been had with the developer that has purchased the land with regard to them taking on some of the work. The work required by the Council has not been progressed very far due to the vacant Major Projects & Asset Management Officer post. This project will be taken forward once the new post holder is in post.

Dartford Town Centre Transport and Public Realm Improvements – A new project manager for this project has been appointed and has started working. Work continues on this project with a few items from phase 1 needing to be finalised. Phase 1a works by the main contractor are complete with a few items being removed from the contract and being finished in-house or under separate contract. A final account bill is currently being negotiated on this phase. The phase 2 contract was terminated and is to be split into two smaller phases. One of these phases, incorporating Instone Road, is likely to be procured soon. Phase 3 is at design phase. Phase 3a is at outline design stage with detailed design to follow. This phase is estimated to start onsite in August 2023.

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High Street improvements – This is linked to the town centre works on the High Street and is for the shop facades and frontages. This is not likely to proceed until later in the year.

Fairfield improvement works – there has been no progress made on this project to create additional car parking at Fairfield due to the vacant Major Projects & Asset Management Officer post. This project will be taken forward once the new post holder is in post.

Columbaria – The specification has been prepared and costings produced. This has identified a significant increase in the material costs, specifically granite. As a result a further £100k has been requested to be carried forward from 2021/22 underspends on the Darenth Creek project (£39k) and the civic centre refurbishment project (£61k) to enable this project to be progressed. There are significant lead times with the materials and therefore it is not yet known whether the work will be completed within this financial year.

Civic Centre Refurbishment – this budget was initially for the installation of fire doors and refurbishment of the lifts in the Civic Centre. Following staff suggestions, a further budget of £20k has been requested as a carry forward from 2021/22 to fund creation of an outdoor space for staff use. Fire door work was able to be brought forward and was completed during 2021/22 and therefore this element of the budget will not be required. Works to the civic centre lifts is to be progressed as soon as the replacement for the Major Projects & Asset Management Officer post is in post. This is likely to be at the end of August and a meeting has already been pre-arranged between the new post holder and procurement to move forward with appointing a contractor. Lead times are believed to be significant for the parts for the lifts and there is therefore a risk that works will not be completed within this financial year. Works to create the outdoor space are progressing.

Community Infrastructure Levy Expenditure – at this stage, there has been no progress on the projects earmarked for this funding.

Vehicle replacement – The final Ford Ranger vehicle which, was ordered at the same time as the other vehicles purchased by enforcement, is due to be delivered mid-August.

Green homes local authority delivery scheme – this scheme for the installation of energy efficiency measures in low-income households was due to finish by the end of March 2022 but was extended to 31st August 2022. The unspent grant funded budget of £408k has therefore been requested as a roll forward from the 2021/22 budget into 2022/23 to allow for further properties to be completed.

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Green homes local authority delivery scheme 2 – The Council has been awarded grant funding under the green homes local authority delivery scheme phase 2 to the value of £238k. A further £400k is also due to be received. This scheme aims to improve the energy efficiency of homes of low-income households, help to reduce fuel poverty, phase out high carbon fossil fuel heating, and deliver progress towards the UK’s commitment to net zero by 2050. The work and use of the grant is being co-ordinated by Dartford Borough Council for private properties with the borough of Dartford and Dover. The works under the scheme have to be completed by 30th September 2022. A total of £638k, to match the grant, has therefore been added to the capital budget and approved by the Head of Finance in accordance with virement rules.

Outside school attended enforcement system – The system has been ordered but due to changes in the Traffic Management Act, which came into effect at the end of May 2022, the company responsible for the installation have had to put all their efforts into ensuring all their systems and those provided to organisations comply. Now they have completed that work they will be progressing the install and hope to have the work completed by the end of the school summer holidays, ready for the new school year to begin.

Parks & cemeteries vehicles – this budget includes the purchase of two 4x4s and a replacement mini digger & dumper truck. The specs have been identified for all vehicles and orders are soon to be placed. However, there is a 45-week lead-time so it is unlikely that the vehicles will be received during this financial year.

Business property – subject to confirmation of a successful exchange of contracts this transaction is due to complete shortly.

Air quality monitoring station improvements – this project involves making improvements to three air quality monitoring stations in the borough. No expenditure has yet been made on this project.

Manor Gatehouse works – discussions have been had with current tenant Kent County Council and possible new tenants the NHS regarding the works that are required. This project will be a priority for the new Major Projects & Asset Management Officer when he is in post.

Parks & open spaces equipment – this budget is for the purchase of a new wood chipper. The specification has been agreed and an order is due to be placed soon.

Fairfield defect works – costings for the works required have been gathered, with only a few remaining outstanding. Initial estimates are that

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this will come in under budget at around £70k. Work includes drain works, filter system and air conditioning unit relocation.

Decarbonisation works – the deadline for spending the grant funding for this work was 30th June 2022. Work is complete on the lighting at the Acacia Hall gym and almost complete on lighting at the Civic Centre and Orchard Theatre. The air source heat pumps have been installed at the Civic Centre. Works to install pv panels on the roof at the Orchard Theatre have been delayed due to possible works required to the roof prior to the installation going ahead. The value of the works completed to the end of June was greater than the grant received and so no repayment of grant will be due. The remaining works are on schedule to be completed by the end of August, which is permitted under the terms of the grant. The unspent budget requested to be rolled forward from 2021/22 is sufficient to complete the works.

Skate park repairs – It has become necessary, since the capital budget was agreed, to make a significant repair to the skate park in Central park. The Council holds a grant received from Kent County Council in respect of the skate park and therefore, under virement rules, the Head of Finance has approved that the budget for the works utilising that grant. The work is scheduled to start in September 2022.

Warm homes – the Council received grant funding during 2021/22 to install first time gas central heating in properties. The final grant claim under this scheme was made in May 2022 and a budget of £24k has been agreed by the Head of Finance under virement rules to match the claim made and to cover the works completed.

Westgate & former Co-op site – following the mutual termination of the Development agreement with Muse, Cabinet approved the purchase of a freehold interest in the Co-op site development from Homes England on 26 May 2022 [Min.No.9]. The General Assembly of the Council are requested to approve a maximum capital budget of £2.2m to allow for the purchase and associated costs. This will be funded from capital receipts.

3.5 **Resources**

Usable receipts brought forward into 2022/23 totalled £23.752m of which £18.762m are unrestricted receipts that can be used for any capital scheme. £4.990m is restricted to the provision of new social housing (141 receipts). The 141 receipts are required to be used on the provision of new social housing, within five years of the receipt, and match-funded in the ratio of 40:60 by other funding.

Grants and contributions brought forward from 2021/22 totalled £2.376m with a further £2.502m likely to be received this year to fund capital expenditure

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during 2022/23. In addition, Community Infrastructure Levy income bought forward from 2021/22 totalled £24.559m and it is assumed a further £1m will be received this year.

By the end of June 2022, capital receipts of £593,500 had been received arising from the Discounted Sales Scheme at The Bridge.

The Council has also received £111,262.50 in part settlement of the compulsory purchase of the horse sanctuary in Bean for highways improvement works.

£21,910 was received for sale of the Mayoral car.

To the end of June, six Right to Buy sales completed, giving rise to a capital receipt of £1.1m, before pooling.

The Council's sale of land at Stone Lodge is progressing. Contracts were exchanged on 30th June. Completion is hoped to be within this financial year but is subject to two contract conditions being met. A capital receipt of £14.7m will be received upon completion.

Total capital receipts this year are forecast to be around £16.6m, which includes further receipts expected from the sale of discounted sale properties and the land sale at Stone Lodge.

4 Relationship to the Corporate Plan

The capital programme covers many individual projects and will contribute to meeting many of the objectives in the Corporate Plan.

5 Financial, legal, staffing and other administrative implications and risk assessments

Financial Implications	<p>The total capital budget including carry forward from 2021/22 and changes as a result of this report is £34.433m.</p> <p>Appendix A shows the Housing Revenue Account budget for 2022/23, which stands at £12.499m, assuming the inclusion of carry-forward amounts from 2021/22. The programme is fully funded.</p> <p>Appendix B shows the General Fund capital programme for 2022/23, which stands at £21.934m, assuming the inclusion of carry-forward amounts from 2021/22 and changes</p>
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	as a result of this report. Anticipated capital receipts, grants and contributions are expected to be sufficient to fund the majority of the schemes in the current year with a small contribution from revenue/reserves.
Climate impact assessment	Climate impact assessments are completed by the project managers for individual projects.
Legal Implications	None
Staffing Implications	None
Administrative Implications	None
Risk Assessment	There is a small risk of committed schemes needing to be curtailed due to lack of capital finance; this risk is mitigated by regular and sound budget monitoring and reporting.

6 Appendices

Appendix A - Capital Programme, Budget and Resources– Housing Projects 2022/23

Appendix B - Capital Programme, Budget and Resources – General Fund Projects 2022/23

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date</u>	<u>File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
			Catherine Bailey 01322 343312	Financial Services/ Internal Services	N/A