

EAST DEVON DISTRICT COUNCIL

Report of a meeting of the Capital Programme Task and Finish Forum held at Knowle, Sidmouth on 14 March 2008

Present: Councillors:
A T Moulding (Chairman)
R Bloxham
T A Cope
A R Giles
J P Halse

Also present: Officers:
Simon Davey, Head of Finance
Sulina Tallack, 106 Monitoring Officer
Diana Vernon – Democratic Services Manager

Apologies Councillor Mrs P Graham
Diccon Pearse, Corporate Director

The meeting started at 4.30 pm and ended at 5.45 pm

***5 Report of last meeting**

The report of the last meeting of the Task and Finish Forum held on 15 February 2008 was noted.

***6 Exclusion of the Public**

RESOLVED that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

7 106 Funding Officer – presentation and questions

At the last meeting of the Forum, Members had discussed funding/income streams and suggested that the 106 Funding Officer be invited to the next meeting of the Forum to advise on her role and potential funding opportunities.

Sulina gave an overview of the work she was currently undertaking. She was developing a draft planning obligations document. Currently developers were only obliged, as standard, to make a contribution towards play/recreation. Sulina was working to incorporate a contribution from developers towards other costs which the Council would have to meet as a result of any new development, for example, the cost of recycling bins.

Sulina was consulting with villages and encouraging them to complete their village statements/planning briefs which gave a clear indication of village needs and aspirations and which could be used as evidence to support Section 106 negotiations with developers.

Councillors were aware that Section 106 agreements were relevant to a range of issues, such as affordable housing and could include required contributions towards educational needs and traffic improvements if appropriate.

7 **106 Funding Officer – presentation and questions (cont)..**

Sulina confirmed that Council negotiations for 106 funding through agreement had to be evidence based. For example, if a local school already had capacity for growth, then a request for educational expansion funding would be difficult to justify.

The District Council had a mandatory duty to consult with the Highways Authority in respect of any new development. Highway issues would often take a significant proportion of 106 funding if road safety issues had been identified as a result of the new development.

Since the end of 2004, it was a standard requirement for a developer to make a contribution to play. The contribution was based on individual properties and any future development would result in a claim from the developer for equivalent funds.

In reply to a question about whether 106 monies could be built up over a period of time, Sulina advised that 106 agreements were usually very specific to an area and many also had time constraints. She hoped that in the future it would be possible to cluster 106 monies within local areas so that funds could be more accessible. Guidance was currently awaited before a more sub-regional approach could be adopted. Sulina reminded the Forum that 106 monies could not be claimed until the development had taken place. She advised that a real benefit was using the 106 monies to bid for match funding.

The Forum welcomed the work that Sulina was carrying out and acknowledged the importance of 106 funding contributions but felt that the Council could not rely on 106 agreements for funding stream contributions towards the capital programme on a regular and consistent basis. It was perhaps better to regard 106 funding as a means of achieving one-off opportunities. It was suggested that Councillors should be made more aware of how Section 106 agreements worked.

RECOMMENDED that the Section 106 Funding Officer seek ways of informing Members of 106 agreements, for example by including reference to their potential as a standard item in planning reports, by running a Councillor workshop on how the Council could use 106 agreements to maximum effect, and also emphasizing the importance of Village Statements/Development Briefs as invaluable evidence of community needs and aspirations.

Sulina was thanked for her informative and interesting input to the meeting.

*8 **Addressing the budget shortfall in the Capital Programme**

The Chairman advised that the recommendations of the Task and Finish Forum would be referred to the next meeting of the Executive Board on 26 March.

The Head of Finance presented the Capital Programme in categories – mandatory/commitment, rolling programme, funded schemes and other. Priority scoring was shown against the schemes which allowed comparison and ranking of schemes.

It was noted that a number of minor schemes related to revenue and maintenance costs and would best sit within the revenue budget.

The Task and Finish Forum examined the Capital Programme items in detail but recognised the need to look at an overall strategy for addressing the current under-funding and how future Programmes could be progressed within available funds. The prioritisation/scoring of schemes facilitated an objective approach. It would be useful to review the scoring over time to ensure the system continued to reflect best practice.

***8 Addressing the budget shortfall in the Capital Programme (cont)..**

It was recognised that the mandatory schemes, such as public protection items, and those to which the Council was already committed could not be cut from the Programme. It was suggested that the mandatory and committed schemes should be shown separately. The rolling programme items were of agreed planned works, such as housing schemes and improvement works. It was recognised that, for particular years in isolation, the funded schemes budget may not equate to zero. This was because of the timing of expenditure against when grants were received; over time the overall position would be zero cost.

Items scoring 18 and above within the ‘other’ category and within the ‘capital bids category could be met largely within budget. The limited shortfall was likely to be met through slippage during the year, savings and additional income. This shortfall could be justified and supported if necessary with the £12m capital reserve. It was also noted that the bid of £500,000 for more affordable housing was to be excluded from the Programme at this stage in line with previous debates by Members during the budget process and any specific scheme proposals should be the subject of a separate report to the Executive Board with any funding options being outlined.

The total Programme originally presented to the Panel totalled £4,993,000 (which included new item bids of £1,183,000) with the proposals of the Panel this reduced the Programme for 2008/09 to £3,960,000. The Panel also noted an increase in Disabled Facility Grant funding compared with that originally assumed by £166,000, reducing the net programme further to £3,794,000. Funds available to meet these costs were estimated at £3,309,000, leaving a shortfall of £485,000.

Any failed bids (those which did not achieve scores over the suggested minimum during the prioritisation process) could be resubmitted in future years if the relevant Heads of Services felt that there was sufficient justification.

It was also clear that although schemes had been included for future years in the Programme, these would have to be reviewed before the beginning of each financial year to rank their priority against any new schemes coming forward and matched against the resources available.

Members recognised the need for the Council to look at smarter procurement options to achieve savings within the Capital Programme for now and in the future and recognised the invaluable work being carried out by the Procurement and Efficiency Group and by the Procurement Champion. It was also important for the Asset Management Forum to acknowledge the deficit in the current capital programme and future programmes and for that Forum to consider this position when making decisions on the disposal and utilisation of the Council's assets.

- RECOMMENDED**
1. that a Capital Programme including items under the categories of mandatory, committed, rolling, funded, other and capital bids be agreed subject to items not scoring 18 and above in the “Other” and “Capital Bids” being deleted from the Programme and with revenue items being referred to the revenue budgets where appropriate. (Details are given in Schedule One.)
 2. that the Procurement and Efficiency Group be requested to look at smarter procurement options to achieve savings within the Capital Programme for now and the future,
 3. that the Asset Management Forum be requested to acknowledge the deficit in the current Capital Programme and future Programmes and to consider this position in making decisions on the disposal and utilization of the Council's assets.