

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Capital Strategy and Allocation Group held at Blackdown House, Honiton on 4 December 2019

Attendance list at end of document

The meeting started at 2.30 pm and ended at 5.00 pm

13 Notes of the previous meeting

The report of the previous meeting held on 12 September 2019 was noted.

14 Declarations of interest

15. Capital bids proposed for the 2020-21 Capital Programme.

Councillor Geoff Pook, Personal, He was a member of the Beer Community Land Trust.

15m. Brixington open space enhancements, Exmouth.

Councillor Geoff Jung, Personal, His grandchildren lived in Brixington and used the area.

15t. St Swithun's Churchyard wall, Woodbury.

Councillor Geoff Jung, Personal and Prejudicial, He was a parish councillor for Woodbury and his wife was on the diocese.

15 Capital bids proposed for the 2020-21 Capital Programme

The Strategic Lead for Finance reminded the group of the projects currently listed in the programme, and took them through the bids proposed. New bids were expected to come forward in 2021-22.

The capital programme financing showed a net expenditure to be financed of £16,016,842 for 2019-20. The proposed budget set for 2020-21 was £10,006,999 for expenditure. The Strategic Lead for Finance explained that the 2019-20 budget included £9,200,000 of capital receipts from the sale of the Knowle. He also explained to the group the latest understanding around the phasing out of new homes bonus, which was a big change in funding.

Members asked questions about Queen's Drive, salaries (budget for salaries for officers time invested in a capital programme) and the Beer Community Land Trust loan. It was noted that there was no budget in the current programme for gypsy and traveller sites, but £500,000 included in the 2020-21 budget. The Service Lead for Planning Strategy and Development Management explained that although EDDC had not yet managed to acquire a gypsy and traveller site, the funding was available for when it was required.

The Chairman reminded the Group that the focus should be on whole life cost and revenue potential of each bid. The statutory or non-statutory status should also be taken into account. He felt that most of the bids were financially heavily loaded in the first year period of the five year plan. The Strategic Lead for Finance explained that income and expenditure would be carried over.

The 21 bids proposed had been scored reflecting:

- Links to the Council Plan and carbon impact.

- Statutory requirements, including health and safety and improvements in customer service.
- Risk management of not doing the project.
- Risk management involved with the project.
- Partnership/joint working.
- Financial – spend to save and match funding.

(a) Axminster leisure centre - replacement sports hall flooring

The bid was to replace the existing covering in the main sports hall. The current flooring was a hazard to users of the sports hall and incurred ongoing maintenance repairs. It was noted that EDDC had a contractual obligation to LED.

The group questioned LED's future intentions with regard to Axminster leisure centre, which was a dual use facility with the school. The Strategic Lead for Finance confirmed that LED were operating with continued use at the site. It was agreed that more detailed discussions were required with LED on its future intentions and plans. The group requested that LED be invited to share its capital allocations plans. It was noted that there was an LED Monitoring Group, which included district councillors and both EDDC's and LED's Chief Executives, however it was unclear where this group reported.

RECOMMENDED:

1. that the bid for £56,000 be supported on a 40% contribution basis.
2. that delegated authority be given to the Strategic Lead for Finance to review the reporting of the LED Monitoring Group.

(b) Sports halls replacement doors

The bid was to replace existing timber sports hall store room doors at Ottery Leisure Centre, Sidmouth Leisure Centre and Broadclyst Leisure Centre with steel up and over replacement doors. There were six doors at each site. The doors needed replacing for health and safety reasons due to failing hinges, leading to potentially dangerous incidents. The doors were very heavy and alternative replacement hinges were not available for doors of that weight, therefore requiring complete replacement of the doors themselves.

RECOMMENDED: that the bid for £35,000 towards replacement sports hall doors be approved, with high priority due to the current health and safety risk.

(c) Sidmouth swimming pool gym extension

The proposal was to construct a two-story extension on the front elevation of Sidmouth swimming pool, with the first floor level being used as a gym/fitness studio. This would lead to the gym at Sidmouth Leisure Centre being relocated to Sidmouth swimming pool, achieving a purpose built facility with easier access to potentially more members of the public. The opportunity to upgrade the existing changing room would taken at the same time as these works. No parking spaces in the adjacent car park would be lost.

LED were urgently in need of expanding gym facilities in Sidmouth, but there was no scope for them doing this on the existing leisure centre site. It was noted that current capital funding already existed for major refurbishment at Sidmouth Leisure Centre, therefore the proposal was to utilise the existing refurbishment capital funds in conjunction with this capital bid in order to provide a much improved and bigger scheme.

Gyms were a major earner across the district for LED and members questioned what the benefit would be for EDDC. It was noted that LED had indicated that they may pay EDDC an additional rate if the gym extension was successful, but detailed financial arrangements were yet to be discussed. It was felt that greater intelligence was required to fully understand the bid. The group acknowledged that although improving health and leisure services was part of the council plan, it was a discretionary service, rather than an operational necessity. It was suggested that all non-essential LED bids be deferred until the group had received an LED business case review.

RECOMMENDED: that the bid be deferred subject to LED attending a Capital Strategy and Allocations Group meeting and explaining their investment programme and expenditure strategy.

(d) Manstone depot, Sidmouth, perimeter fencing

The bid was for replacement perimeter fencing at EDDC's Manstone Depot, Sidmouth. The current fencing was in a poor state and not fit for purpose. It presented safety and security risks, with a high risk of vandalism, arson and the potential for accidents to happen. The bid was an operational necessity.

RECOMMENDED: that the bid of £30,000 for replacement perimeter fencing at Manstone depot, Sidmouth be approved.

(e) Purchase of digital telecare equipment to replace non digital stock

The bid was for the purchase of 1037 pieces of digital telecare equipment to replace non-digital stock, to ensure that stock was compliant at the point of digital switchover by 2025. It was noted that the replacement of stock could be phased over a number of years, but the purchase price might be better if all the equipment was purchased at once.

RECOMMENDED: that the bid of £240,063 be approved and the purchase of replacement telecare equipment be phased over a five year period, if possible.

(f) Self build project

The bid was for a pilot study to assess what benefits could be derived from EDDC purchasing land and packaging it as serviced plots for local people to build their own homes. This would involve the purchase of a suitable site, ensuring services were available, obtaining an 'in principle' planning permission, marketing the plots for sale and providing assistance to self-builders as necessary. At its meeting on 22 October 2019 the Strategic Planning Committee resolved to make a bid for £1,000,000 to facilitate this study.

It was noted that at least 72 people had registered an interest in self build plots. The capital expenditure would be recouped through the sale of the plots, and there would be a return plus on income. There were statutory requirements on EDDC regarding self-build.

The Chairman felt that the Strategic Lead for Finance should amend the financial model to show the Council making a return on the capital investment.

RECOMMENDED: that the bid of £1,000,000 for a self-build pilot study be approved, subject to the Strategic Lead for Finance amending the financial model.

(g) Greenway Lane play area, Budleigh Salterton

The proposal was for the removal of aging play equipment and safety structuring that had reached the end of its useful and economic life and replacing it with new, exciting and challenging equipment. It was noted all play areas were subject to monthly and annual inspections. The bid supported the council plan and the green space plan. Although it was a discretionary service it supported the future well-being of children.

It was noted that many parish councils contributed to their own play areas and the group questioned why other play areas should benefit from EDDC's investment. The Service Lead for Streetscene advised that in the green space plan EDDC only funded land owned by itself. It was suggested that on a functional basis this discretionary service be transferred to local town and parish councils, who would be encouraged to take on the maintenance of play areas. On this basis the group felt each new play area bid be considered on a case by case basis and that the whole playground strategy should be looked at in the long term. The danger of not replacing play equipment at the end of its life was reputational damage to the Council and increased maintenance costs for aging equipment.

The Strategic Lead for Finance advised that all the play area bids were in line with the current strategy and plan and that they were part of keeping the Council's assets in good order.

RECOMMENDED: that the bid for £80,000 for the removal and replacement of play equipment and safety surfacing at Greenway Lane play area, Budleigh Salterton be approved, with a review of funding for play areas being undertaken in the future.

(h) The Crescent play area, Exmouth

The proposal was for the removal of aging play equipment and safety structuring that had reached the end of its useful and economic life and replacing it with new, exciting and challenging equipment to create a facility that would enhance children's development mentally, physically and socially for many years to come.

RECOMMENDED: that the bid for £80,000 for the removal and replacement of play equipment and safety surfacing at the Crescent play area, Exmouth be approved, with a review of funding for play areas being undertaken in the future.

(i) Butts Close play area, Honiton

The proposal was for the removal of aging perimeter fencing that had reached the end of its useful and economic life, and to provide exciting and challenging equipment to create a facility that would enhance children's development mentally, physically and socially for many years to come.

RECOMMENDED: that the bid for £60,000 for the removal and replacement of play equipment and safety surfacing at Butts Close play area, Honiton be approved, with a review of funding for play areas being undertaken in the future.

(j) Axmouth harbour maintenance

The bid was for maintenance works at Axmouth Harbour, including:

- Repointing of the harbour wall.
- Raising level of a section of track between the harbour and the beach to facilitate drainage.

EDDC maintained and acted as harbour authority for Axmouth Harbour. The works were part of the Council's landlord responsibilities and would improve access and drainage facilities.

RECOMMENDED: that the bid for £20,000 for maintenance works at Axmouth Harbour be approved.

(k) Greenway Lane footbridge repainting, Budleigh Salterton

The proposal was to remove the failing paint and apply a protective metal paint system to prevent further corrosion on the Greenway Lane steel footbridge over the former railway cutting in Budleigh Salterton. This had been identified in a 2017 bridges inspection. Further corrosion would continue to present public safety hazards and reduce the lifespan of the historical bridge structure.

The group recalled that this bid had not been approved previously as it had been deemed to have no proven value and suggested that removal of the bridge be considered. However the Service Lead for Streetscene advised that this was likely to be very unpopular with local residents and could lead to reputational damage to the Council. It was agreed that the town council should be consulted over whether the bridge could be transferred to them, with the knowledge that if EDDC did not maintain the bridge then it would need to be removed at a cost.

RECOMMENDED: that the bid to repaint the Greenway Lane footbridge in Budleigh Salterton be deferred for a year to enable discussions with the town council over the longer term future of the bridge.

(l) Sidmouth seafront railings repainting

The proposal was for the repainting of the existing railings on Sidmouth seafront, between Millennium Walkway and Fisherman's area. Painting the railings would extend their life and improve the appearance of the seafront. It was suggested that once the railings (EDDC's asset) had been repainted and improved that it became an asset for potential transfer to Sidmouth town council.

RECOMMENDED: that the bid for £20,000 for the repainting of railings on Sidmouth seafront be approved, with the asset being considered for potential transfer to the town council.

(m) Brixington open space enhancements, Exmouth

The bid was for the enhancement of public open space in Brixington, Exmouth to include all weather perimeter footpath, ground graphics, multi-use games area, gym equipment and various benches and planters. It was noted that the Council were already investing in a play scheme on the site but that wider area needed some investment. The group agreed that the bid scored low on the scoring grid and was not a community priority overall in Exmouth.

RECOMMENDED: that the bid for £150,000 for Brixington open space enhancements, Exmouth not be approved.

(n) Exmouth plantation

The group agreed that there was a health and safety obligation to agree the proposal for inland cliff stabilisation measures at the Plantation, Exmouth.

RECOMMENDED: that the bid for £40,000 be approved for inland cliff stabilisation measures at the Plantation, Exmouth.

(o) Low carbon materials trial

The group considered a proposal for the trial of reduced carbon construction materials within EDDC assets. Materials would be used in live, low risk assets to determine suitability for use in further scenarios. This linked with the Council's climate change action plan and would be good PR for the Council.

The group questioned whether a test bed could be offered to a supplier to fund a trial, as well as timescales and practical benefits for EDDC. It was noted that EDDC were leaders in recycling and had acquired some profits for waste and recycling. EDDC should also be seen to be leaders in climate change and this could provide really good public relations material. The Service Lead – Street Scene advised that the Council was already using a low carbon material to resurface a car park and that the bid was intended to fast forward the trialling of materials.

Members agreed in principle with the proposal but felt that suppliers should be offering discounted prices to EDDC.

RECOMMENDED: that the proposal for £20,000 for a low carbon materials trial be approved subject to delegated authority being given to the Service Lead – Street Scene to negotiate and achieve discounted prices with suppliers.

(p) Gunfield Gardens fence refurbishment

There was a statutory health and safety obligation to replace approximately 117 metres of broken fence line in Gunfield Gardens.

RECOMMENDED: that the bid for £20,000 for fence refurbishment at Gunfield Gardens, Exmouth be approved.

(q) Jacobs Ladder, Sidmouth, repainting and structural works

The proposal was for refurbishment at Jacob's Ladder, including total repainting and replacement of corroded steel tie bars. The driver for the scheme was predominantly health and safety, however there was also an element of preserving a historical feature. The group felt that this was another asset which should be maintained, to be transferred to the town council in the future.

RECOMMENDED: that the bid for £30,000 for the repainting and structural works at Jacobs Ladder, Sidmouth be approved, with the asset being considered for potential transfer to the town council.

(r) Replacement of lighting stock and LED conversion

This proposal was for the replacement of lighting columns identified as being in poor structural condition with new columns with LED lamps. Any residual budget would be used to convert old SON heads to LED on existing lighting stock.

RECOMMENDED: that the bid for £40,000 for the replacement of unsafe lighting stock and LED conversion be approved.

(s) Capping wall construction, Jacobs Ladder, Sidmouth

The Service Lead – Streetscene outlined the proposal for the construction of a capping wall at Jacobs Ladder, Sidmouth, reducing maintenance costs of railing repairs and shingle clearance required from Jacobs Ladder platform. The removed railings would be utilised elsewhere in the district. It was noted that there was current sensitivity around the raised splash wall in Sidmouth, so any other works would need to be carefully managed. The group questioned whether replacing railings with a wall would require planning permission and it was agreed that a decision on the proposal should be deferred until planning investigations had been carried out and consultation with ward members due to the sensitivity of the area.

RECOMMENDED: that the proposal for £40,000 for capping wall construction at Jacobs Ladder, Sidmouth be deferred to allow for consultation with ward members and investigations into necessary planning requirements to be undertaken.

(t) St Swithun's Churchyard wall, Woodbury

The proposal was for the reconstruction of a retaining wall at (grade II listed) St Swithun's church, Woodbury, which failed in 2006. The wall was to be constructed to previous construction detail, using original bricks from the earlier failed wall as much as possible. The earth bund above the location of the failed retaining wall would also be removed.

The group were advised that there was a statutory duty on EDDC to provide a replacement wall at the closed churchyard, with the conservation officer stipulating that a replacement wall should be to the original specification. It was suggested that the replacement wall be constructed lower in order to reduce costs and the likelihood that it would fall again.

RECOMMENDED: that the bid for £40,000 for the churchyard wall reconstruction at St Swithun's Woodbury, be approved.

(u) Delivery of Clyst Valley regional park

The Principal Projects Manager, East of Exeter Project explained that Strategy 10 of the East Devon Local Plan allocated an area of 2,430 hectares to form the Clyst Valley Regional Park. It was proposed that approximately 14 hectares of land within the Valley Park was purchased to support the delivery of the Sustainable Natural Green Space (SANGS). The SANGS would provide mitigation for the Cranbrook development. There was an endowment to recover revenue costs in perpetuity.

The group supported the bid on the basis that it was fully funded by CIL (Community Infrastructure Levy) receipts and would be a nil cost to the Council. There was the need to establish the principle of spending money on the basis that it was recouped.

RECOMMENDED: that the bid of £2,249,000 for delivery of Clyst Valley Regional Park be approved on the basis that it was a nil cost to the Council's capital budget.

Attendance List

Councillors present:

I Thomas (Chairman)

M Armstrong

J Bailey
D Barrow
K Blakey
G Jung
G Pook
S Bond

Councillors also present (for some or all the meeting)

Officers in attendance:

Tim Child, Senior Manager Property and Estates
Richard Cohen, Deputy Chief Executive
Simon Davey, Strategic Lead Finance
Ed Freeman, Service Lead Strategic Planning and Development Management
John Golding, Strategic Lead Housing, Health and Environment
Andrew Hancock, Service Lead StreetScene
Naomi Harnett, Principal Projects Manager East Of Exeter
John Hudson, Accountant
John Symes, Finance Manager
Colin Whitehead, Principal Building Surveyor
Alethea Thompson, Democratic Services Officer

Councillor apologies:

B Ingham
F King

Chairman

Date: