
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	8th OCTOBER 2020	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@southderbyshire.gov.uk	DOC: u/KS/capital/evaluation 2020/report back from SFPWG Oct 2020
SUBJECT:	EVALUATION OF BIDS FOR NEW CAPITAL PROJECTS	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the proposed capital projects detailed in **Appendix 2** are approved.
- 1.2 That the demolition of Bretby View and Bank House in Midland Road Swadlincote (£255,000) together with the purchase of Unit 1 George Holmes Business Park (£80,000) is financed from the Economic Regeneration Fund.
- 1.3 That the remaining Overage payment of £484,000 received from the development of Midway Community Centre at Chestnut Avenue, is made available in the General Capital Receipts Reserve.
- 1.4 That the total budgeted cost and financing of all proposed schemes detailed in **Appendix 3** is approved.
- 1.5 That the proposed investment of up to £832,000 into Rosliston Forestry Centre is subject to a detailed schedule of works being approved by the Strategic Director (Corporate Resources).
- 1.6 That the phasing of proposed spending is kept under review pending the remaining capital receipts being received in 2020/21 as detailed in the report.

2.0 Purpose of the Report

- 2.1 To report recommendations from the Service and Financial Planning Working Group (SFPWG) regarding capital bids that were evaluated by the Group on 9 September. This follows the convening of the Group by the Committee in July to evaluate a round of capital spending bids.

3.0 Detail

The Process

- 3.1 Following the Committee on 9 July, the process for compiling and scoring bids for capital resources took place in accordance with the approved Capital Evaluation Framework. This culminated in the SFPWG meeting and evaluating proposals on 9 September.
- 3.2 In total, 20 bids were submitted, and these are summarised in **Appendix 1**. The detailed bids, which were considered by the SFPWG, were effectively business cases. The process requires each bid to demonstrate its contribution to the Corporate Plan and the degree to which it provides Value for Money in accordance with the Council's Value for Money Test.
- 3.3 Bids are also evaluated having regard to Community involvement, Partnership working and Risk. Bids are evaluated on a weighted scoring system, with a maximum score of 100 available.
- 3.4 The scoring system is designed to compare bids relative to each other and provide a priority list of schemes which are then matched against available resources.

Evaluation and Scoring

- 3.5 Of the original 20 bids submitted, 14 were evaluated by the SFPWG. Of the six not evaluated, two were economic regeneration schemes for which the SFPWG have recommended be financed from an earmarked reserve of £1 million previously set-aside for such purposes. These schemes relate to:
 - **Swadlincote Town Centre Regeneration:** The demolition of Bretby View and Bank House in Midland Road and the creation of car parking. This is to prepare the site for future development at a cost of approximately £300,000, of which £45,000 can be financed from other earmarked reserves as detailed in Appendix 3, leaving £255,000 to be financed from the £1 million reserve.
 - **Purchase of Unit 1, George Holmes Business Park:** The repurchase of the former East Midlands Chamber Offices at a cost of £80,000, which allows for some refurbishment. The Unit would be used to support businesses as the local economy emerges from Covid-19, with the potential to generate some commercial income in the future.
- 3.6 Three further bids were not scored because they contained revenue expenditure which cannot be capitalised under accounting regulations. These bids, which the SFPWG considered to be worthy of future evaluation should revenue resources become available, related to:
 - Biodiversity improvements to nature sites.
 - A million-bulb planting project.
 - Renovation of the multi-games area on Maurice Lea Park
- 3.7 A further bid proposing a Grove Project in Eureka Park was deferred for later consideration.

3.8 A summary of the recommended 14 bids for approval is set out in the following table.

Improvements to Play Areas	This will address key works identified in the Play Audit commissioned in 2019.
Revitalising Rosliston Forestry Centre	The final list of and cost of works needs to be finalised. Priority will be given to undertaking health, safety and environmental works, together with the replacement of a site vehicle, which the SFPWG asked to be electric. Further works will follow to the car park (including new payment machines) the play area, log cabins and other infrastructure. The total cost will be partly financed from earmarked funds previously set-aside for investment in the site as shown in Appendix 3.
Urban Park at William Nadin Way, Swadlincote	The capital sum requested, will top up the Section 106 funding (once received) of £468,00 secured from the surrounding development to create a country park on the edge of Swadlincote.
Melbourne Assembly Rooms	Proposed works will improve the condition of the building and enable the transfer on a long lease to the Community Group (MARS). The Heads of Terms will be subject to a separate report to the Committee. All works will need to be packaged to enable capitalisation. VAT treatment needs to be checked to ensure there is no liability to the Council.
Oversetts Road Football Facility	The capital sum requested will top up the Section 106 funding of £820,000 already received to enable a higher quality facility to be provided.
Miners Memorial Project at Eureka Park	The proposed works would complete the Council's commitment to the Heritage Lottery Plan to fully integrate the mining heritage and history in the District.
Carbon Reduction	Much of the proposal was Revenue expenditure. The remaining project is to install electric vehicle recharge infrastructure at Boardman's Depot at a cost of £50,000.
Fly Tipping and Environmental Surveillance	Purchase of mobile equipment to investigate fly tipping, together with air pollution and noise monitoring.
CCTV in Swadlincote Town Centre	Replacement of the current system to take advantage of the latest technology.
Improvements to Swadlincote Woodlands	Works include biodiversity and habitat restoration, together with infrastructure improvements to improve access and signage.
Eureka Park Bowling Green Improvements	To erect fencing to deter anti-social behaviour and an irrigation system to improve the state of the Green.
SuDS Improvements	The SFPWG recommended that the proposed feasibility study be conducted initially to establish detailed costs. If additional resources are required, this would need to be considered separately by the Committee.
Creation of a Paradise Garden in Swadlincote Town Centre	This bid scored relatively low. However, the SFPWG recommend that in the absence of other bids, the scheme should be approved due to its relatively low value. The Garden would be created to complement other regeneration work in the Town Centre.
Extension of Marston on Dove Cemetery	As above. The extension would provide additional burial space for the residents of Hilton, Hatton, Etwall and surrounding villages.

Financing

- 3.9 Several of the schemes will utilise Section 106 and other earmarked reserves to meet part of the cost. For clarity, **Appendix 3** details all schemes recommended by the SFPWG for approval and how they will be financed. This shows that a contribution from the General Capital Reserve of approximately **£2.3 million** will be required.

Balance of the General Capital Reserve

- 3.10 The table below show the potential capital resources available.

Capital Resources Available	£'000
General Capital Receipts Balance as at 1 April 20	473
Sale of former Depot Site (August)	800
Commitments in 2020/21	-165
Resources immediately available	1,108
Balance of Chestnut Avenue Overage	484
	1,592
Easement Due before April 2021	108
Capital Receipts due before April 2021	700
	2,400
Capital Receipts due in 2021/22	700
	3,100

- 3.11 The above table shows that up to **£3.1 million** is available to finance the proposed schemes. However, this depends on some receipts being received over the next year. Although these receipts are contracted to be paid to the Council, they cannot be absolutely guaranteed until received.
- 3.12 The above table also proposes that £484,000 is included from an overage payment. This is the amount remaining from the receipt received from the development of the Community Centre at Chestnut Avenue, Midway. A sum of £250,000 from the original payment had originally been set-aside for further works at this site.
- 3.13 By April 2021, the Council should have approximately £2.4 million available to fund the £2.3m required.
- 3.14 Given that there will be a lead in time for several schemes and that some schemes propose a phasing of spending that can be scaled back if necessary (for example Rosliston Forestry Centre) earmarking all resources now should not be an issue. However, this will be kept under review pending the receipt of the sums due before April 2021.

4.0 Financial Implications

- 4.1 As detailed above in Section 3.
- 4.2 For completion, **Appendix 4** details all Earmarked Reserves with their current balances and intended use, highlighting those specific reserves to fund the proposed capital projects.

5.0 Corporate Implications

Employment Implications

5.1 None associated with the evaluation process.

Legal Implications

5.2 As above.

Corporate Plan Implications

5.3 As detailed in the report and in bids submitted, the evaluation process ensures that finite capital resources are targeted towards the Council's approved priorities.

Risk Impact

5.4 None associated with the evaluation process.

6.0 Community Impact

Consultation

6.1 None required.

Equality and Diversity Impact

6.2 None associated with the evaluation process.

Social Value Impact

6.3 As above.

Environmental Sustainability

6.4 As above.

7.0 Background Papers

7.1 None.

APPENDIX 1

PROPOSED CAPITAL PROJECTS - SUMMARY

	Proposed Project / Scheme	Council Contribution Requested (£)					TOTAL
		Year 1	Year 2	Year 3	Year 4	Year 5	
1	Fly Tipping and Environmental Surveillance	28,500					28,500
2	Carbon Reduction	93,100	11,000	50,000			154,100
3	Town Centre Regeneration	244,796					244,796
4	Purchase of Unit 1 George Holmes BP	80,000					80,000
5	Melbourne Assembly Rooms	260,000					260,000
6	Oversetts Road Football Facility	368,159					368,159
7	SuDS Improvements	20,000	50,000	50,000			120,000
8	Paradise Garden, Swadlincote Town Centre	30,000					30,000
9	Revitalising Rosliston Forestry Centre	348,000	104,000	232,000	124,000		808,000
10	CCTV in Swadlincote Town Centre	10,000					10,000
11	Improvements to Play Areas	160,000	120,000				280,000
12	Extension to Marston on Dove Cemetery	48,000					48,000
13	Miners Memorial Project, Eureka Park	185,000					185,000
14	Biodiversity Improvements to Nature Sites	15,000	15,000	15,000	15,000	15,000	75,000
15	Covid-19 Memorial (Grove Project) Eureka Park	15,000	30,000				45,000
16	Urban Park at William Nadin Way	391,560					391,560
17	Improvements to Swadlincote Woodlands	20,000	10,000				30,000
18	Eureka Park Bowling Green Improvements	40,000					40,000
19	South Derbyshire Million Bulb Project	30,000	40,000	30,000			100,000
20	Renovation of Maurice Lea Park MUGA	40,000					40,000
TOTALS		2,427,115	380,000	377,000	139,000	15,000	3,338,115

APPENDIX 2

PROJECT BID: PANEL SCORES

(Note: Maximum Score is 100)

	Corporate Plan	VFM	Community	Partnership	Risk	Total
Improvements to Play Areas	50	20	6	6	6	88
Revitalising Rosliston Forestry Centre	50	10	10	10	6	86
Urban Park at William Nadin Way	50	15	6	6	6	83
Melbourne Assembly Rooms	30	20	10	10	6	76
Oversetts Road Football Facility	30	20	10	10	6	76
Miners Memorial Project, Eureka Park	30	20	6	10	2	68
Carbon Reduction	50	5	2	2	6	65
Fly Tipping and Environmental Surveillance	30	15	6	6	6	63
CCTV in Swadlincote Town Centre	30	15	6	6	6	63
Improvements to Swadlincote Woodlands	30	20	2	2	6	60
Eureka Park Bowling Green Improvements	30	15	6	2	6	59
SuDS Improvements	30	5	2	10	10	57
Paradise Garden, Swadlincote Town Centre	10	10	6	6	2	34
Extension to Marston on Dove Cemetery	10	10	6	2	2	30

APPENDIX 3

PROPOSED FUNDING OF CAPITAL BIDS SUBMITTED

PROPOSED PROJECT	FUNDING				
	Estimated Cost £	Capital Reserve £	Earmarked Reserve £	Revenue Funding in MTFP £	TOTAL FUNDING £
Fly Tipping and Environmental Surveillance	28,500	-28,500			-28,500
Carbon Reduction	50,000	-50,000			-50,000
Town Centre Regeneration	300,000		-255,665	-44,335	-300,000
Purchase of Unit 1 George Holmes BP	80,000		-80,000		-80,000
Melbourne Assembly Rooms	260,000	-260,000			-260,000
Oversetts Road Football Facility	1,188,159	-367,997	-820,162		-1,188,159
SuDS Improvements	120,000	-66,988	-53,012		-120,000
Paradise Garden, Swadlincote Town Centre	30,000	-30,000			-30,000
Revitalising Rosliston Forestry Centre	832,000	-656,710	-125,290	-50,000	-832,000
CCTV in Swadlincote Town Centre	13,000	-10,000		-3,000	-13,000
Improvements to Play Areas	280,000	-170,000	-110,000		-280,000
Extension to Marston on Dove Cemetery	48,000	-48,000			-48,000
Miners Memorial Project, Eureka Park	185,000	-185,000			-185,000
Urban Park at William Nadin Way	860,000	-391,560	-468,440		-860,000
Improvements to Swadlincote Woodlands	40,000	-30,000	-10,000		-40,000
Eureka Park Bowling Green Improvements	40,000	-40,000			-40,000
TOTAL	4,354,659	-2,334,755	-1,922,569	-97,335	-4,354,659

ANALYSIS OF EARMARKED RESERVES 2020/21

SPECIFIC / EARMARKED RESERVE HELD BY THE COUNCIL	Balance b/fwd April 2020 £	Proposed Adjustment £	Remaining Balance £	Purpose	Delegated Responsibility
Homelessness Prevention	267,794	0	267,794	To fund initiatives and projects to prevent homelessness in accordance with the Homelessness Reduction Act 2018	Head of Housing
Schools Sport Partnership Project	255,949	0	255,949	To fund staffing and project costs	Head of Culture and Community Services
Rosliston Forestry Centre - Capital Works	125,290	-125,290	0	Proposed to utilise to part fund capital bid	Head of Culture and Community Services
Rosliston Forestry Centre - Café Reserve	40,573	0	40,573	To fund repairs and maintenance specific to the Café under the lease agreement	Head of Culture and Community Services
IT and Digital Reserve	449,406	0	449,406	To finance capital developments and upgrades to the Council's ICT platform and infrastructure	Head of Business Change and ICT
Local Plan Reserve	145,233	0	145,233	To finance the additional revenue costs associated with the Local Plan	Head of Planning and Strategic Housing
Vehicle, Plant and Replacement Fund (incl HRA)	352,085	0	352,085	To finance the capital purchase of new vehicles and plant	Head of Operational Services
Environmental Education	16,414	0	16,414	To fund staffing and project costs	Head of Culture and Community Services
Dilapidation Works - Factory Site as per Lease Agreement	10,869	-10,869	0	Proposed to use towards the Town Centre Regeneration capital bid	Head of Corporate Property

ANALYSIS OF EARMARKED RESERVES 2020/21

SPECIFIC / EARMARKED RESERVE HELD BY THE COUNCIL	Balance b/fwd April 2020 £	Proposed Adjustment £	Remaining Balance £	Purpose	Delegated Responsibility
New Town Centre Project Fund	43,717	0	43,717	To fund works to shop fronts in Swadlincote Town Centre	Head of Economic Development and Growth
Planning - Staffing and Support Costs	138,775	0	138,775	To fund staffing and support costs to meet peaks in the volume of planning applications	Head of Planning and Strategic Housing
Planning - 20% Fee Increase	90,598	0	90,598	To reinvest into Planning Services as expected by the Government	Head of Planning and Strategic Housing
Software upgrades to GIS/LLPG	9,000	0	9,000	To finance developments to GIS and LLPG software	Head of Business Change and ICT
Pensions Reserve	130,288	0	130,288	To finance increases in the Council's contribution to the Derbyshire Pension Fund	Strategic Director (Corporate Resources)
Corporate Training	63,035	0	63,035	To fund the Leadership and Management Development programme	Head of Organisational Development and Performance
Welfare Reform, Fraud & Compliance	291,867	0	291,867	To fund system improvements and to streamline processes to prevent and detect fraud and support changes arising from Welfare Reform	Strategic Director (Corporate Resources)

ANALYSIS OF EARMARKED RESERVES 2020/21

SPECIFIC / EARMARKED RESERVE HELD BY THE COUNCIL	Balance b/fwd April 2020 £	Proposed Adjustment £	Remaining Balance £	Purpose	Delegated Responsibility
District Growth	1,121,759	0	1,121,759	To fund one-off future demand on services arising from District growth	Finance and Management
Garden Village Fund	77,854	0	77,854	To finance work to secure infrastructure improvements	Strategic Director (Service Delivery)
EU Exit Funding	52,452	0	52,452	Grant to help fund costs associated with the EU exit	Strategic Director (Corporate Resources)
Economic Regeneration Fund	1,000,000	-324,796	675,204	To contribute towards an Economic Regeneration programme in Swadlincote - proposed to part fund the Town Centre Regeneration and purchase of an industrial unit as part of the capital bids	Head of Economic Development and Growth / Chief Executive
Building Control Transition	13,709	0	13,709	To fund costs associated with the transfer of the Building Control service	Head of Planning and Strategic Housing
Public Buildings Maintenance	251,463	0	251,463	To fund additional maintenance identified across all Public Buildings	Head of Corporate Property
Asset Replacement and Renewal Fund	194,316	0	194,316	To fund one-off capital costs of Council owned land and buildings	Head of Corporate Property
Parks Improvement Fund	16,071	0	16,071	To fund clearing and improvement of parks in the District	Head of Culture and Community Services
Finance Staffing and Resource Costs	30,000	0	30,000	To fund costs associated with the transfer of the Payroll service and Financial Management system upgrade	Head of Finance

ANALYSIS OF EARMARKED RESERVES 2020/21

SPECIFIC / EARMARKED RESERVE HELD BY THE COUNCIL	Balance b/fwd April 2020 £	Proposed Adjustment £	Remaining Balance £	Purpose	Delegated Responsibility
District Conservation Works	10,000	0	10,000	To fund conservation works across the District	Head of Planning and Strategic Housing
HRA Software Upgrade	186,521	0	186,521	To fund software development and mobile working	Head of Housing / Head of Business Change and ICT
Business Change and Transformation	52,000	0	52,000	To fund one-off transformation projects	Head of Business Change and ICT
Swadlincote Woodlands	39,949	-10,000	29,949	To fund on-going costs associated with maintaining the site - proposed to utilise to part fund Woodlands capital bid	Head of Culture and Community Services
South Derbyshire Partnership Reserve	4,617	0	4,617	To fund staffing and project costs	Head of Culture and Community Services
Community Safety and Crime Reduction	362,460	0	362,460	To fund staffing and project costs	Head of Culture and Community Services
Young People's Cultural Partnership / Arts Development	7,306	0	7,306	To fund staffing and project costs	Head of Culture and Community Services
Cultural Services Public Open Spaces	412,775	0	412,775	To fund on-going costs associated with maintaining adopted open space and parks	Head of Culture and Community Services
Operational Services Public Open Spaces	146,906	0	146,906	To fund on-going costs associated with maintaining adopted open space and parks	Head of Operational Services
Public Open Space - Commuted Sums	486,695	0	486,695	Awaiting adoption of parks and open spaces land	Housing and Community Services / Environmental and Development Services

Youth Engagement Partnership	584,029	0	584,029	To fund staffing and project costs	Head of Culture and Community Services
Get Active in the Forest Partnership	73,423	0	73,423	To fund staffing and project costs	Head of Culture and Community Services
Maurice Lea Park NHLF Grant	23,012	0	23,012	To fund improvements at the park	Head of Culture and Community Services
Tetron Point Storm Water Basin - S106 UK Coal	53,012	-53,012	0	Tetron Point Development - proposed to utilise to part fund the SuDS capital bid	Ring-fenced S106 Planning agreement
Total	7,631,222	-523,967	7,107,255		
Section 106 - Earmarked Funds	10,319,539	-1,398,602	8,920,937	Proposed to utilise S106 for capital bids - some of the cash may not yet have been received	
TOTAL EARMARKED/SPECIFIC RESERVES	17,950,761	-1,922,569	16,028,192		