



Board Meeting (Agenda Item 8)

Date: 19 March 2025

Title: Capital Programme Update

Director: Keri Denton, Director of Performance and Partnerships at Devon County Council

Please note that the following recommendations are subject to consideration and determination by the Devon and Torbay Combined County Authority (DTCCA) and confirmation under the provisions of the Constitution, before taking effect.

In order for this matter to be agreed, it requires:

- (a) The majority of members of the DTCCA (or their substitutes) present and voting at the meeting to be in favour.
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1. Recommendation

- 1.1 That the Devon and Torbay Combined County Authority (DTCCA) acknowledge the delivery update for the Ministry of Housing, Communities and Local Government (MHCLG) £16m Capital Programme.

2. Purpose

- 2.1 This report provides members with an update on the MHCLG £16m capital fund awarded to Devon and Torbay as part of the devolution deal, originally agreed by the previous government. The capital fund was awarded for one year, to be complete during 2024/2025.
 - 2.2 Devon and Torbay approved a pipeline of 16 schemes, funded by a £16m contribution from MHCLG with a combined value of c£48m. Any spend incurred beyond the £16m approved through MHCLG will be met through local resources.
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3. Background

- 3.1 Following the initial agreement of the Capital Programme in January 2024, the funding was recommitted by the new Minister of State on 19th September when he also agreed to devolution going ahead for Devon and Torbay. The Minister agreed to £16 million of new capital funding in this Spending Review period to support the delivery of local housing priorities, drive Net Zero ambitions and support green skills, and accelerate wider low carbon business transition across the Devon and Torbay area.
- 3.2 Scheme ideas were received from sponsors early in 2024, the majority of sponsors who submitted an expression of interest were invited to submit outline or full business cases for their schemes that fit the capital programme criteria and could deliver by 31st March 2025.
- 3.3 Business cases for 25 schemes were received across the four programme themes totalling £27.8 million. Of these 16 were selected to go forward to MHCLG for a final decision with a total capital investment of £16 million.
- 3.4 There was a reasonable geographic spread from the selected schemes and the spread of investment across the four programme themes is broadly within the original funding ranges set out in the Devon and Torbay devolution proposal.
- 3.5 In May 2024, Leaders approved the final 16 selected schemes which were submitted to MHCLG as a single business case for final agreement. Due to the Government Elections in May 2024, the Capital Programme was delayed. MHCLG approved the final business case with the Grant Determination Letter issued by MHCLG on 25th October 2024.
- 3.6 Set out below is a summary of the application and assessment process, details of the selected schemes and the outputs for the £16m investment.

Application and Assessment Process

- 3.7 Sponsors submitted 47 scheme ideas for consideration, the value of the funding requested was c£35m.
- 3.8 The initial expressions of interest were assessed; all Sponsors were then encouraged to complete and submit outline/full business cases.
- 3.9 Business cases were received for 25 schemes within the deadline, as follows:

	Housing	Infrastructure	Skills	Business Support / Feasibility	TOTAL
Number	11	3	6	5	25

Combined funding requested	£12,197,503	£4,573,614	£6,369,180	£4,680,742	£27,821 039
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3.10 Four themed Appraisal Teams were set up for Housing, Green Infrastructure, Skills, and Business Support and Feasibility, with representatives from across Devon County Council (DCC), Torbay Council and the Devon District Councils:

- All Appraisers undertook an individual assessment of the business case submissions for their designated theme
- One Appraiser undertook all Benefit Cost Ratio (BCR) assessments for all business case submissions
- Appraisers then held a joint moderation session to collate all findings and agree on a final recommendation. BCR assessment data was included within this process
- SRO team undertook a full review of all business case submissions and moderated appraisal forms to compile a final list of 16 schemes for consideration and approval by Leaders

3.11 The approved pipeline of schemes is set out in Appendix 1 and is accompanied by the geographic spread of the schemes and those covered by the Green Impact Fund.

Scheme Progress

3.12 Of the 16 schemes approved, one was for the Green Impact Fund, which includes 69 projects, all of which have been issued with grant funding agreements. Delivery is in progress, due to complete by 31st March 2025.

3.13 The remaining 15 schemes are at various stages of delivery. Grant funding agreements have been issued to 12 of the schemes, with the team currently working with the sponsors for the remaining 3 to finalise their grant funding agreements. The tight delivery timescales from MHCLG have meant some programme management flexibility has been required, with variation requests being utilised to ensure funds are spent but with some delays of original outputs into 25/26 with additional outputs collected for 24/25.

4. Options and alternatives

4.1 There are no other options and alternatives as the capital programme has been agreed and this is an update report.

5. Financial considerations

5.1 As at the start of March, total claims of £590,000 have been received from sponsors with the remaining £15.6m scheduled to be claimed by 31 March 2025.

6. Legal considerations

- 6.1 As the Accountable Body DCC hold responsibility for the MHCLG Capital Programme. A Grant Funding Agreement is in place between MHCLG and DCC, and individual Grant Funding Agreements between DCC and all scheme sponsors.

7. Environmental impact considerations

- 7.1 Several of the Devon and Torbay Projects are expected to have a positive impact on the environment, in line with the commitment in the published devolution deal to drive Net Zero ambitions, support green skills, and accelerate low carbon business transition.
- 7.2 Many of the projects will improve the energy efficiency of housing, plus supporting businesses across Devon to reduce carbon emissions through a flexible capital Green Impact Fund. Funding will also help colleges deliver skills critical for the Net Zero transition by establishing a Green Skills and Energy Centre at South Devon College and improving facilities at Exeter College. Investment will also provide additionality to Appledore Clean Maritime Innovation Centre.

8. Equality considerations

- 8.1 There are no equality impact considerations arising from this report.

9. Engagement and consultation

- 9.1 Engagement took place with Sponsors prior to the Senior Panel selecting the final 16 schemes which were approved by Leaders.
- 9.2 The project team will continue to engage with the scheme sponsors throughout the delivery phase and will collate all monitoring and evaluation returns into a final written report at the end of the delivery period. A final review will be undertaken after two years detailing the delivery successes, issues, impacts and lessons learnt which will be utilised by MHCLG to inform future programmes of this nature.

10. Associated risks

- 10.1 With the reduced timescale the key risk is that sponsors may not complete all schemes by the 31st March 2025 deadline. Programme management includes regular meetings with scheme sponsors to understand delivery and submission of claims. DCC also hold regular programme meetings with MHCLG.

11. Conclusion

- 11.1 The £16m capital programme will provide material support across the population of Devon and Torbay, benefitting a range of socioeconomic groups. As well as helping to stimulate economic activity it will improve green transport, improve access to employment and training opportunities, facilitate housing development, improve the public realm, supporting pride in place and facilitate regeneration.

11.2 Further reports will be provided to DTCCA to detail claim progress, outputs and to showcase the impact of the programme.

Local Government Act 1972: List of background papers

None

Contact for enquiries:

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Appendix 1 – Overview of Schemes

Sponsor and Title	Description	Outputs	Funding Requested
Torridge District Council Appledore Clean Maritime Innovation Centre	Green Infrastructure: Establish northern Devon’s first university research centre, creating a global-leading innovation centre.	Upgraded slipway access to enable industrial usage for R&D purposes Stimulate 93 direct, high-skilled FTE jobs	£1,080,200
Apricot Centre Training building at Huxhams Cross Farm	Skills: To undertake an extension and improvement of the existing training building at Huxhams Cross Farm, to provide enhanced training, design consultancy to support the business now and into the foreseeable future and continue to provide rural and agri-ecological skills for rural economy.	200 additional learners over 10 years Number of additional people gaining a qualification – 200 Number of additional people receiving support to sustain employment over 10 years (Total less retraining, less 10%) – 181 Number of additional people retraining over 10 years - 100	£279,180
Exeter College Towards Net Zero	Skills: A programme to boost practical skills, fuel economic activity and reduce carbon emissions in Devon. To increase provision in retrofit insulation, air-source heat pumps, solar power generation, electric and hydrogen zero emission vehicles, and high integrity welding skills required in the installation of District Heating Networks.	650 learners assisted 325 jobs created 530m2 of new or improved learning / training floorspace	£757,500 +£40,000
South Devon College Green Skills and Energy centre	Skills: To develop a Green Skills and Energy centre by extending an existing building to create an additional 230m2 of teaching and associated space, giving the site the capacity to install a range of green energy training equipment. Supports the construction and building services sectors effectively transition from the current carbon-based energy systems to renewable and low carbon energy systems, generating learner and job outputs.	3,600 number of learners assisted over 10 years 450 new jobs over 10 years 230m2 of new or improved learning / training floorspace	£1,500,000 +£40,000
East Devon District Council	Business Support / Feasibility: The development of a modular community and commercial hub in Cranbrook, East Devon. The project responds to the need to create more employment opportunities in the town.	13FTE direct jobs 39FTE indirect jobs	£1,950,742

Cranbox, Cranbrook Town Centre			
South Hams Dartmouth Solar canopy, EV charger and Battery feasibility study	Business Support / Feasibility: Feasibility study for the following developments in Dartmouth: 1) Solar PV canopy above the car park on the site - 570KWp 2) A live wire connection to the Health Hub to reduce their carbon footprint 3) EV rapid chargers for Park and Ride visitors 4) Battery storage to provide grid stabilisation and commercial betterment	1 feasibility study	£50,000
Mid Devon District Council Investment in MMC Care Leaver Accommodation	Housing: Delivery of MMC modular, net-zero carbon and neuro-diverse design specification units into MDDC housing stock (HRA/registered provider) as dedicated self-contained 1-bed care leaver provision managed by our Housing Options Team. 4 Units to be delivered in 24/25.	4 Modular Accommodation Units	£671,000
Mid Devon District Council Investment in Community Land Trusts (CLTs)	Housing: To support two well-advanced community land trust projects within Mid Devon to continue to successful delivery where progress may otherwise stall or fail without direct intervention and grant funding support: Chawleigh and Thorverton.	29 Affordable Homes	£350,000
North Devon Council Community Led Housing (CLTs)	Housing: NDC's funding proposal is £810,000 to gap fund the remaining balance of capital required to complete the build of 27 units of Community Land Trust (CLT) low carbon affordable housing for social rent in isolated villages (Woolacombe and Parracombe). Through the expenditure, will also be able to use released funds to fast-track a further 57 units across the North Devon area.	84 Affordable Homes (27 immediately, 57 later)	£810,000
North Devon Council Ilfracombe Healthy Homes	Housing: The proposal is to create a pilot project highlighting how intervening in the local housing market in Ilfracombe in order to improve existing low quality housing to create decent low cost, more energy efficient housing has an impact on living conditions and the wider determinants of health. The full project will encompass the local authority taking control of 11 existing low quality, poorly converted properties, improving them and re-letting them as an ethical landlord.	11 Affordable Homes	£1,980,000
Exeter City Council	Housing: This project aims to use £2M to retrofit ~50 properties of Exeter City Council's existing social housing stock with energy	Decarbonisation / Refurbishment of 50 properties	£2,000,000

Decarbonisation of ECC Council-Owned Homes	efficiency measures and low carbon technology. Each property will cost circa £40,000. The council will prioritise the worst performing properties (EPC Band D-G), with a fabric-first whole house carbon retrofit upgrade. This project will contribute to the overall aim of retrofitting the entire stock of 4,800 properties and supporting vulnerable or low-income tenants in social housing.		
South Hams Westville Flats – Housing Intervention	Housing: To redevelop a recently acquired property in Kingsbridge that can provide nine units of supported accommodation. These will primarily be for single homeless people who have complex needs including homeless care leavers. The development will also include an office base from which the Council’s temporary accommodation support worker and other agencies will deliver support.	9 supported accommodation housing units unlocked/delivered 1 laundry room 1 office with crash pad	£300,000
West Devon 20 Plymouth Road – Housing Intervention	Housing: The purpose of this project is for West Devon Borough Council (WDBC) to redevelop a property that is already in its ownership to provide three units of supported accommodation. These will primarily be for single homeless people or wider family groups who have complex needs including homeless care leavers.	3 Supported Accommodation Units	£325,000
Torbay Council Accommodation Repurposing	Housing: The project is intended to repurpose holiday/visitor accommodation into affordable homes and thereby address the acute housing supply needs of Torbay. Outputs will include the development of an accommodation audit, the detailed business plan to allow for the project to be delivered, acquisition of circa 3 properties delivering 18-36 new housing units, an agreed work specification for future sites and repurposed projects	Up to 36 Affordable Units	£2,000,000
Green business grants	Green Impact Fund: provides capital funding support for business and community organisations. Approved on the basis this is extended across the whole of the area.	69 projects	£1,866,378 <i>This is the balance from £16m</i>
Teignbridge District Council * Heathfield Geothermal Feasibility Study	Business Support / Feasibility: This proposal is for £80,000 of funding to enable a feasibility study for a deep geothermal well within the area of Newton Abbot and its surroundings.	1 feasibility study	£80,000
	TOTAL		£16,000,000

* To Note Teignbridge District Council withdrew their Geothermal Feasibility Study at Heathfield. The £80,000 is being re-distributed to Exeter and South Devon Colleges, who have confirmed they can achieve additional outputs and spend by 31st March 2025.



