

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE – RESOURCES
21 MARCH 2012**

**EXECUTIVE
3 APRIL 2012**

**COUNCIL
24 APRIL 2012**

CAPITAL MONITORING STATEMENT TO DECEMBER 2011

1.0 PURPOSE OF THE REPORT

- 1.1 In accordance with the Prudential Code for Capital Finance in Local Authorities, it is necessary to monitor performance against the prudential indicator for capital expenditure and highlight significant deviations from expectations. This report therefore sets out the current position in respect of the Council's annual capital programme and advises Members of the anticipated variations.

2.0 BACKGROUND

- 2.1 Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.
- 2.2 Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.
- 2.3 This report is prepared on a quarterly basis in order to update Members with any known cost variations, slippage or acceleration of projects.

3.0 REVISIONS TO THE CAPITAL PROGRAMME

- 3.1 The 2011/12 Capital Programme, including commitments brought forward from 2010/11, was last reported to Scrutiny Committee - Resources on 23 November 2011. From that report schemes totaling £7.295 million within the 2011/12 capital programme have now been deferred and are included within the 2012/13 and 2013/14 budgets.

Since that meeting the following changes have been incorporated into the programme:

Description	£	Approval/funding
Capital Programme, as at 23 November 2011	23,167,730	
Budget Deferred to 12/13	(7,151,610)	Approved by Executive 6 December 2011
Budget Deferred to 13/14	(143,830)	
Overspends/Underspends	(18,820)	
Canal Basin	(280,580)	Reduction in expected external funding as reported to Executive 22 November 2011
Disabled Facility Grants	41,870	Additional funding from CLG
National Cycle Network	71,470	Contributions from DCC
Children's Play Areas	71,190	New S106 funding for Beacon Avenue
Revised Capital Programme	15,757,420	

4.0 PERFORMANCE

4.1 Projected Outturn

The capital programme for the current financial year is £15,757,420. It is projected that £1.466 million of the programme will need to be carried forward into future years. For details, please refer to Appendix 1 and to the explanations below.

4.2 Progress

During the first nine months of the current financial year the Council spent £7,909,890 of the 2011/12 Capital Programme.

4.3 This equates to 50.2% of the revised Capital Programme being spent in the first nine months of 2011/12, compared to £12.264 million (43.7%) being spent in the first nine months of 2010/11.

5.0 VARIANCES AND ACHIEVEMENTS

5.1 The main variances and achievements are as follows:

5.1.1 Community & Environment

Cultural City

- **Play Area Refurbishments (Budget £160,580)**

An extensive refurbishment of Harrington Lane Play Area was completed in early summer 2011, this included the installation of some exciting new play equipment and added to the Multi Use Games Area (MUGA) style goal ends which had been installed on the adjacent tarmac area earlier in the year. This scheme was funded via the Section 106 Agreement Contribution from the

Chancel Lane Development.

Money from the Chancel Lane development has also funded floodlights for the existing MUGA at Pinhoe Station Road.

A refurbishment of Dickens Drive Play Area has been completed and is open and in use. The funding remaining on this site will provide fencing works to make the current kick around area dog free.

Public consultation work is on-going working towards a community led design for the new play space which will be installed as soon as the land is adopted at Sylvan Heights (Crossmead).

A new project has commenced at Beacon Avenue as funding has recently been made available by the developer Persimmon. Play area fencing and gates will be provided during spring 2012, the play equipment will be decided upon later following a public consultation process. The play space is likely to be completed during Autumn 2012.

- **Bromhams Farm Changing Rooms (Budget £14,960)**

Budget spent for 2011/12.

- **Leisure Management Contract (Budget £59,680)**

This budget relates to the old DC Leisure Contract and is now complete.

- **Cowick Barton Changing Rooms – External Paving (£20,000)**

The majority of this budget relates to expenditure on Pinces Gatehouse and the work was carried out in 2010/11. There is therefore a saving on this project this year.

- **Cowick Barton Changing Rooms – External Walls etc (£8,000)**

Work was completed to the pathway at the Ferndale Road play area and this work was completed in 2010/11. There is therefore a saving on this project this year.

Cared for Environment

- **Home Recycling Scheme (Budget £60,000)**

This scheme is now complete for 2011/12.

- **Local Authority Carbon Management Programme (Budget £87,000)**

Heating controls have been fitted at the Corn Exchange and solar panels have been ordered for Belle Isle and are due to be installed.

Progress has slowed down on this project for two reasons. Firstly, the feed-in tariff has been halved by Central Government and the payback periods for the projects are now stated to be much longer than originally anticipated.

Secondly, projects haven't been signed off due to the new Assistant Director

post remaining vacant. It is proposed that £48,000 of the budget be carried forward to 2012/13.

- **Improvements to Cemetery Roads & Pathways (Budget £16,090)**

This scheme is now complete for 2011/12.

- **Green Waste Shredders (Budget £36,330)**

This project is now complete.

Excellence in Public Services

- **Vehicle Replacement Programme (Budget £418,110)**

The programme has been spent for 2011/12 and has produced a saving of £40,308 for this financial year.

- **Replacement of Home Call Equipment (Budget £930)**

This project is now complete.

5.1.2 Economy & Development

Cultural City

- **Corn Exchange – Haystack Lantern (Budget £20,860)**

The work on this project is now complete.

Cared For Environment

- **City Centre Enhancements (Budget £140,000)**

The works to Gandy Street are now complete. Northernhay Gate is programmed for completion mid February 2012.

- **Cowick Street Environmental Works (Budget £100,000)**

This project is now planned to start in the Autumn of 2012, therefore the budget is to be carried forward to 2012/13.

Prosperous City

- **Canal Basin and Quayside (Budget £368,410)**

The refurbishment scheme for the Old Electricity Building is substantially completed and a new lease is to be granted shortly. Sutton Harbour schemes have not come forward and both ECC and ECQT are considering alternative delivery possibilities. Devon County Council have confirmed their intention to deliver the new Outdoor Education Centre and work is well advanced to facilitate a start on site early in 2012. Tree planting and seating improvements will be carried out along Haven Banks during the year.

5.1.3 Corporate Services

- **FIMS Replacement Programme (Budget £5,130)**

The Financial Information Management System replacement project is now complete.

- **Environment Health System Upgrade (Budget £4,590)**

This project is now complete and has produced a saving of £4,590.

- **Franking Machine (Budget £16,020)**

The new franking machine has been purchased and this project is now complete.

5.1.4 Housing Revenue Account

Everyone Has a Home

- **Sheltered Accommodation (Budget £143,540)**

This project is now complete.

- **D/PS British Steel Properties (Budget £10,760)**

This project is now complete.

- **Kitchen and Bathroom Replacement Programme (Budget £500,000 and £176,690 respectively)**

The kitchen and bathroom replacements have been subject to various delays over recent months. Due to these delays, it is proposed to carry forward a further £70,000 for the Kitchen Replacement Programme and £30,000 for the Bathroom Replacement Programme to 2012/13.

- **Acquisition of 16 Chanter Court (Budget £0)**

An overspend of £75,000 is shown to reflect the estimated purchase price of buying this property as approved by Executive on 24 January 2012.

6.0 RECOMMENDED

- 6.1 It is recommended that Scrutiny Resources Committee notes and Executive recommend that the Council approve the current position in respect of the annual capital programme.

ASSISTANT DIRECTOR FINANCE

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report: None