

REPORT TO EXECUTIVE

Date of Meeting: 4 April 2022

REPORT TO COUNCIL

Date of Meeting: 19 April 2022

Report of: Director Finance

Title: 2021/22 General Fund Capital Monitoring Statement – Quarter 3

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

2. Recommendations:

It is recommended that Executive Committee supports and recommends to Council to approve:

- (1) The revision of the annual capital programme to reflect the reported variations detailed in 8.1 and Appendix 1; and
- (2) The additional budget detailed in 8.6

3. Reasons for the recommendation:

3.1. 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.

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.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

4. What are the resource implications including non financial resources?

4.1. The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

5.1 Members are reminded that the construction sector is under pressure from rising prices for materials and labour shortages. This will continue to impact the programme for some time, resulting in delays to the programme and likely requests for additional funding where the budget is now insufficient to deliver the planned scheme owing to rising prices. In the short term, this will be managed by seeking Council approval to vire funds from schemes which are delayed, particularly if the asset is under review.

6. What are the legal aspects?

None identified

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

2021/22 GENERAL FUND CAPITAL MONITORING STATEMENT – QUARTER 3

8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2021/22 Capital Programme was last reported to Executive on 30 November 2021. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Council 14 December 2021	106,985,890	
Budget Deferred to 2021/22 & Beyond at Quarter 3	(17,590,370)	Approved by Council 14 December 2021
Overspends/(Underspends) reported at Quarter 3	(109,420)	
Brownfield Land Release Projects	6,391,470	
Improved Recycling Containers	(1,804,990)	
Enhance the Materials Reclamations Facility	2,669,000	Approved by Council 21 July 2021
Depot Relocation	3,500,000	
Disabled Facilities Grants	162,640	Increased DFG Funding
Revised Capital Programme	100,204,220	

8.2. PERFORMANCE

The revised capital programme for the current financial year is £100.204 million. During the first nine months of the year the Council spent £12.924 million on the programme, which equates to 12.90% of the revised programme. This compares with £22.940 million (32.22%) that was spent in the first nine months of 2020/21.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2021/22 of £71.145 million with £29.060 million of the programme potentially being deferred to 2022/23 and beyond.

Appendix 2 shows the approved budgets for 2022/23 with the proposed 2021/22 budget to be carried forward to 2022/23 and beyond for Executive and Council to consider for approval.

Appendix 3 shows the overall position for those schemes which span more than one financial year.

8.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2021/22 are £11.565 million. An estimated spend of £71.145 million is required of which £63.927 million will be funded from borrowing with £2.833 million capital receipts carried forward to 2022/23.

Appendix 4 sets out the forecast use of the resources available for the General Fund and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

The value of actual capital receipts received in the quarter in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2021	3,580,539
New Receipts	441,970
Balance as at 31 December 2021	4,022,509

8.4. EXPENDITURE VARIANCES

There are no significant variances to report this quarter.

8.5. SCHEMES TO BE DEFERRED TO 2022/23 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2022/23 and beyond are:

Scheme	Budget to be Deferred £
IT Replacement Programme	37,040

Officer Responsible: Chief Executive & Growth Director

An audit of current IT equipment (including mobile phones) is currently underway but it is unlikely that it will be completed and replacement equipment purchased by year-end.

Scheme	Budget to be Deferred £
Leisure Complex Build Project	667,760
Bus Station Construction	208,470

Officer Responsible : Director

The budgets have been re-profiled in line with anticipated expenditure.

Scheme	Budget to be Deferred £
Columbarium	362,850
Cemeteries & churchyards infrastructure improvements	132,790
Cemetery Fields play area	10,000
Play areas	87,310

Officer Responsible: Service Manager – Public & Green Spaces

The columbarium is at the initial design stage currently, and the tender process is yet to take place so it is unlikely to break ground and incur significant costs until 2022/23. The cemeteries and church yards infrastructure scheme is on hold pending the assessment and business case for a second phase of the columbarium.

The work at the Cemetery Fields play area is now likely to take place between 2022 and 2024 when the s106 is received. Work on other play areas has begun and will continue in earnest in the spring of 2022.

Repairs to walls at Farm Hill	20,000
CCTV improvements	228,000

Officer Responsible: Service Manager – Engineering, Waterways & Parking

The investigation on high risk walls at Farm Hill has been further delayed due to resourcing issues but it is anticipated these will be done in Quarter 4 and the work completed in 2022/23.

The CCTV tender is being prepared and the work is likely to be complete by September 2022. Up to £15,000 will be needed for consultancy fees in this financial year with the balance to be spent in 2022/23.

Trews Weir refurb	103,000
Piazza Terracina	10,000
Underground passages	30,900
St David's Church boundary wall	8,490
Double Locks	5,300
Heavitree paddling pools	45,000
Flowerpot skate park	3,770

Officer Responsible: Engineering & Assets Manager

Resourcing issues have delayed progress on the Trews Weir refurb scheme with up to £50k likely to be spent this year.

Work on Piazza Terracina is still on hold pending discussions with other parties.

A water leak in the underground passages has put this scheme on hold and this will probably now be completed in early 2022/23.

There have been difficulties sourcing appropriate materials and the availability of skills required to complete the stone work at St David's boundary wall.

It is anticipated that a survey will be undertaken at Double Locks but the main works will happen in 2022/23.

The Heavitree paddling pools project has not yet been tendered so the bulk of the works will happen next year.

There has been further slippage on the Flowerpot skate park project mainly due to difficulties in resourcing.

Scheme	Budget to be Deferred £
Council Signage Improvement	79,090

Officer Responsible: Director, Communications, Culture & Leisure Facilities

A supplier has been selected to provide the new information monoliths. However, this decision has been contested by another contractor who failed in their bid and the matter is now under legal review. Unfortunately, this means a delay to the start of this project and it is unlikely it will start this financial year.

Riverside Sports Hall Roof	400,000
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Officer Responsible: Director, Communications, Culture & Leisure Facilities

This project may soon be starting so £100,000 has been left to cover any cost incurred before the year end. However, the bulk of the work will be undertaken in 2022/23.

Leisure Management	245,440
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Officer Responsible: Director, Communications, Culture & Leisure Facilities

This budget will be used in 2022/23 as part of the continuing programme to update, improve and enhance the council's leisure facilities.

Scheme	Budget to be Deferred £
Exmouth Buoy Store	95,000

Officer Responsible: City Surveyor

This project has been put on hold therefore no work will be undertaken in 2021/22.

Mary Arches MSCP	169,620
Guildhall MSCP	101,130
Cathedral & Quay MSCP	369,330
John Lewis MSCP	124,330
Princesshay 2 MSCP	115,990
Princesshay 3 MSCP	56,590
Leighton Terra & KW St MSCP	80,110

Officer Responsible: City Surveyor

It is unlikely that any work will begin this year; however, a small amount of £20,000 has been left in case of any consultancy costs.

City Wall	25,000
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Officer Responsible: City Surveyor

The project is waiting for approval from Historic England. It is unlikely that work will start this year; however, £10,000 has been left to cover any early spend.

BLRF – Bonhay Meadows	1,009,870
BLRF – Exeter Canal Basin	600,000
BLRF – Mary Arches Car Park	1,310,000
BLRF – Belle Isle	673,000
BLRF – Cathedral & Quay Car Park	2,373,180
BLRF – Clifton Hill	425,000
Depot Relocation	£3,450,000

Officer Responsible: City Surveyor

Work will start on these projects in 2022/23 and will last for approximately two years

8.6 FURTHER FUNDING REQUESTS

Bromhams Farm Playing Fields (£250,000)

The Environment Agency have agreed to fund £150,000 as compensation for reinstating the pitches to a satisfactory standard. It would be opportune while this work is being completed to improve the drainage facilities of the pitches which is estimated at £100,000.

9. How does the decision contribute to the Council's Corporate Plan?

The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

10. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the impact of each scheme is considered prior to approval. Any significant deviation from this will be noted within the body of this report.

12. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

13. Are there any other options?

There are no other options.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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