

REPORT TO EXECUTIVE

Date of Meeting: 1 October 2024

REPORT TO COUNCIL

Date of Meeting: 15 October 2024

Report of: Strategic Director for Corporate Resources

Title: 2024/25 General Fund Capital Monitoring Statement – Quarter 1

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 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.

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

2. Recommendations:

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

(1) The overall financial position for the 2024/25 annual capital programme.

(2) The further funding requests to the Council's annual capital programme for 2024/25.

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.

3.2 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.

3.3 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 Project managers have worked to better align the capital programme with the resources available. A new section has been added to the report to reflect schemes that have been approved, the funding is available but delivery is dependent on elements outside of the Council's direct control.

6. What are the legal aspects?

6.1 Monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003.

6.2 The requirements imposed on the Council by the Act are set out in section 3 of the report.

7. Monitoring Officer's comments:

7.1 The Monitoring Officer has no additional comments.

8. Report details:

8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2024/25 Capital Programme, including commitments brought forward from 2023/24, was last reported to Executive on 25 June 2024. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Revised Capital Programme, as reported to Council 16 July 2024	27,966,310	
DEFRA Grant, new burdens funding for food waste collections	857,140	Approved by Council 16 July 2024
Mallinson	64,670	
Parks Infrastructure	70,020	
RAMM Roof Repair	185,000	
City Wall	85,000	
St Nicholas Priory Roof	88,120	

Green Space Depot Site	2,500,000	
Revised Capital Programme	31,816,260	

8.2. PERFORMANCE

The revised capital programme for the current financial year is £31.816 million. There are some schemes where the timing of the spend is uncertain, these schemes have a budget of £7.588 million, of the remaining £24.228 million budget the spend during the first three months of the year the Council was £1.541 million, which equates to 6.36% of the revised programme. This compares with £1.486 (2.12%) that was spent in the first three months of 2023/24.

The current programme is detailed in Appendix 1. For the schemes where the timing of the spend is within the control of the Council the Appendix shows a total forecast spend for 2024/25 of £18.536 million with £0.829 million of the programme potentially being deferred to 2025/26 and beyond.

Appendix 2 shows the approved budgets for 2025/26 with the proposed 2024/25 budget to be carried forward to 2025/26 and beyond for Executive and Council to consider for approval.

8.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2024/25 are £15.499 million. An estimated spend of £18.836 million is required of which £5.603 million will be funded from borrowing with £1.618 million capital receipts carried forward to 2025/26.

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

	General Fund £
Balance as at 1 April 2024	851
New Receipts	10,000
Balance as at 30 June 2024	10,851

8.4. EXPENDITURE VARIANCES

The main (greater than +/- £30k) variances and issues concerning expenditure are as follows:

Scheme	Variance £
Riverside & RAMM Decarbonisation Projects	(£4,860,850)
<p>Officer Responsible: Service Manager – Net Zero & Business Please see the separate report that is presented to this meeting on the Public Decarbonisation Scheme 3b Project which sets out the reasons for this scheme not going ahead. The budget was to be grant funded so this is not a saving of ECC funds.</p>	

8.5. SCHEMES TO BE DEFERRED TO 2025/26 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2025/26 and beyond are:

Scheme	Budget to be Deferred £
Bowling Green Marshes Coastal Defence Scheme	50,000
Farm Hill Retaining Walls (23 no.)	150,000
Bonhay Rd/Andlaw House Footpath	69,810
St James' Weir & Ducks Marsh Meadow banks	75,000
Landfill Gas Extraction Systems	46,750
ECC Bridge Repair Programme	100,000
Oxford Road Car Park Retaining Wall	200,000
Canal Basin Bridge Refurbishment	50,000

Officer Responsible: Engineering & Assets Manager

Following an unsuccessful procurement exercise for the Bowling Green Marshes Coastal Defence Scheme an alternative approach has been selected that will increase the programme time into the net financial year.

The scope of the Farm Hill retaining walls project has significantly reduced since the budget was requested, we are currently awaiting tender process.

The Bonhay Road footpath project has been delayed due to uncertainty over land ownership / responsibilities. Investigations are ongoing.

The St James' Wier and Ducks Marsh budget is precautionary, there is no current need to spend but the asset is being monitored.

The landfill gas extraction system works are postponed due to need for wintertime monitoring of boreholes before the works scope can be finalised.

Resourcing issues have reduced capacity to deliver the bridge programme at the anticipated rate, fewer works planned in this financial year.

The budgets for both Oxford Road wall and the Canal Basin Bridge refurbishment are precautionary with no current need to spend at present, but the asset is being monitored.

Scheme	Budget to be Deferred £
Guildhall Shopping Centre Enhancements	4,700,000
Green Space Depot Site	2,500,000
Cathedral Green Display Cases	35,000
St Nicholas Priory Roof	88,120

Officer Responsible: City Surveyor

It is unlikely that there will be any spend on the above programmes until the restructure and recruitment of the Assets team has been progressed.

Commercial Property Ancillary Accommodation	(34,100)
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Officer Responsible: City Surveyor

The budget for the commercial property ancillary accommodation was reprofiled into 2025/26. However, this spend has been incurred this financial year so some of the budget needs to be accelerated into 2024/25.

8.6 FURTHER FUNDING REQUESTS

Disabled Facilities Grant

The Council has been allocated more than had been expected when the current year budget was set. The additional funds total £441,420.

Parks Infrastructure

S106 funding received in respect of Gladstone Road Ambulance Station development. Funds received £62,560.

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

9.1 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?

10.1 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:

12.1 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?

13.1 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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