

## **REPORT TO COUNCIL**

Date of Meeting: 9 December 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: 2025/26 General Fund Capital Monitoring Statement – Quarter 2

### **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.

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

### **2. Recommendations:**

- 2.1. It is recommended that Council approve:

- (1) The overall financial position for the 2025/26 annual capital programme.
- (2) The further funding requests to the Council's annual capital programme for 2025/26.

### **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.

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 Progress with delivering the General Fund capital programme remains weak. In order to address this SMB have set up a Capital and Projects Board, chaired by the Chief Executive to drive forward progress.
- 5.2 There are a number of requests for additional funding, which will address some long standing issues. They will be funded through a mix of external Grant and borrowing.

## 6. What are the legal aspects?

- 6.1. Monitoring of capital expenditure is required 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. Equality Act 2010 (The Act)

- 8.1. 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.

## 9. Carbon Footprint (Environmental) Implications:

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

## 10. REPORT DETAILS:

### 10.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2025/26 Capital Programme, including commitments brought forward from 2024/25, was last reported to Council on 10 June 2025. Since that meeting the following changes have been made that have increased the programme:

| Description   | £                 | Approval/Funding                     |
|---|-------------------|--------------------------------------|
| <b>Revised Capital Programme, as reported to Council 10 June 2025</b> | <b>50,402,170</b> |                                      |
| Replacing Payment Equipment (John Lewis and Guildhall car parks)      | £210,000          | Approved by Council 2 September 2025 |

|                                  |                   |  |
|----------------------------------|-------------------|--|
| <b>Revised Capital Programme</b> | <b>50,612,170</b> |  |
|----------------------------------|-------------------|--|

## 10.2. PERFORMANCE

The revised capital programme for the current financial year is £50.612 million. There are some schemes where the timing of the spend is uncertain, these schemes have a budget of £13.831 million, of the remaining £36.781 million budget the spend during the first six months of the year was £1.759 million, which equates to 4.78% of the revised programme. This compares with £2.899 (11.72%) that was spent in the first six months of 2024/25.

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 2025/26 of £20.988 million with £13.379 million of the programme potentially being deferred to 2026/27 and beyond and £2.414 million potential saving.

Appendix 2 shows the approved budgets for 2026/27 with the proposed 2025/26 budget to be carried forward to 2026/27 and beyond for Council to consider for approval.

## 10.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2025/26 are £16.765 million. An estimated spend of £25.864 million is required of which £16.036 million will be funded from borrowing with £6.937 million capital receipts carried forward to 2026/27.

Appendix 3 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:

|  | <b>General Fund<br/>£</b> |
|--|---------------------------|
| <b>Balance as at 30 June 2025</b>      | <b>155,000</b>            |
| New Receipts                           | 826,606                   |
| <b>Balance as at 30 September 2025</b> | <b>981,606</b>            |

## 10.4. EXPENDITURE VARIANCES

The main variances and issues concerning expenditure are as follows:

| <b>Scheme</b> | <b>Variance<br/>£</b> |
|---------------|-----------------------|
|---------------|-----------------------|

|  |                       |
|--|-----------------------|
| <b>Parks Anti-Intrusion Measures</b>   | <b>£40,000</b>        |
| <b>Bonhay Road/Andlaw House Footpath</b>   | <b>(£40,000)</b>      |
| <b>Officer Responsible: Head of Service – Operations</b><br><br>The Bonhay Road/Andlaw House Footpath scheme will underspend this year to compensate for an overspend on the Parks Anti-Intrusion Measures project.  |                       |
| <b>Farm Hill Retaining Walls (23 no.)</b>  | <b>(515,456)</b>      |
| <b>Officer Responsible: Head of Service – Operations</b><br><br>Budget estimates were derived from initial surveys of all retaining walls at Farm Hill which might require the Council's intervention, however a detailed review of land ownership in the area led to a significant reduction in scope.  |                       |
| <b>District Street Lighting</b>  | <b>(£346,140)</b>     |
| <b>Officer Responsible: Head of Service – Operations</b><br><br>The District Street Lighting scheme is dependent on Devon County Council's supplier's timescales for completing this work, and budget has been held for some time in anticipation. A reassessment of the cost to complete this project has determined that budget held by the Council was in excess of the now anticipated costs, so a saving of £346k is expected.                              |                       |
| <b>Scheme</b>  | <b>Variance<br/>£</b> |
| <b>BLRF - Exeter Canal Basin</b>   | <b>(£589,400)</b>     |
| <b>BLRF - Belle Isle</b>   | <b>(£661,870)</b>     |
| <b>BLRF – Lower Wear Road</b>  | <b>(£293,390)</b>     |
| <b>Officer Responsible: Head of Service – Commercial Assets</b><br><br>Despite feasibility work undertaken by the Council the developments at Belle Isle, Exeter Canal Basin and Lower Wear Road weren't feasible for residential development in the short term, as required by the grant conditions set out within the Brownfield Land Release Fund (BLRF). Therefore, these budgets which amount to £1.545 million will not be spent and grant money returned. |                       |

#### 10.5. SCHEMES TO BE DEFERRED TO 2026/27 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2026/27 and beyond are:

|   |  |
|---|--|
| <b>Scheme</b>   | <b>Budget to be<br/>Deferred<br/>£</b> |
| <b>Depot Improvement Works</b>                            | <b>7,516,560</b>                       |
| <b>Officer Responsible: Head of Environment and Waste</b> |  |

The waste depot improvement works including the MRF budget has been re-profiled in-line with estimated project spend. Key contractors have not yet been procured, so it is anticipated that works will not start until the next financial year.

| <b>Scheme</b>                                       | <b>Budget to be Deferred<br/>£</b> |
|---|------------------------------------|
| <b>Bowling Green Marshes Coastal Defence Scheme</b> | <b>168,390</b>                     |
| <b>Cricklepit Bridge</b>                            | <b>84,000</b>                      |
| <b>District Street Lightning</b>                    | <b>200,000</b>                     |
| <b>Bromhams Farm Playing Fields</b>                 | <b>29,669</b>                      |
| <b>Mallison Bridge</b>                              | <b>35,630</b>                      |
| <b>Bonhay Rd/Andlaw House Footpath</b>              | <b>104,815</b>                     |
| <b>Landfill Gas Extraction Systems</b>              | <b>76,101</b>                      |
| <b>ECC Bridge Repair Programme</b>                  | <b>263,745</b>                     |
| <b>Riverside Walls at Quay</b>                      | <b>50,000</b>                      |

**Officer Responsible: Engineering & Assets Manager**

Following an unsuccessful procurement exercise for the Bowling Green Marshes Coastal Defence Scheme an alternative approach has been selected which has required re-scoping and redesigning the project before procurement can commence. The new project approach will have lower cost but will also have a longer duration, taking it into the next financial year.

The next inspection of Cricklepit bridge is due in 2026/27, no works are expected before the inspection takes place.

Delivery of works for the District Street Lighting project remain in Devon County Council's control with the project not expected to be completed this year.

Main phase of Bromhams Farm Playing Fields works are complete, the deferral reflecting the longer contract duration agreed at tender stage to cover an extended period of ongoing establishment maintenance.

Due to overall project budget increases, Devon County Council are still exploring options for delivery of Mallison Bridge. Works will not be carried out in 2025/26, so budget for Exeter City Council's contribution to this project is being deferred to next financial year.

Works are not expected to be carried out on Bonhay Rd/Andlaw House Footpath this financial year.

The landfill gas extraction project is expected to progress during the year but previous delays due to the need for additional wintertime monitoring of boreholes is likely to defer some of the works into the next financial year.

Devon Highways have dictated that some bridge works cannot start until after April 2026 due to other highways works on-going in the city, therefore budget has been reprofiled to next year in accordance with expected project dates.

It is not expected that Devon County Council will start works on the Riverside walls at the Quay in 2025/26, so budget for Exeter City Council's contribution to this project is being deferred to next financial year.

| <b>Scheme</b>   | <b>Budget to be Deferred<br/>£</b> |
|---|------------------------------------|
| <b>Parks Infrastructure</b>                                     | <b>135,083</b>                     |
| <b>Cemeteries &amp; Churchyards Infrastructure Improvements</b> | <b>90,608</b>                      |
| <b>Pinhoe Playing Field Upgrades</b>                            | <b>19,934</b>                      |
| <b>Heavitree Paddling Pools</b>                                 | <b>100,010</b>                     |
| <b>Play Areas</b>   | <b>136,730</b>                     |
| <b>Outdoor Leisure Facilities - Newcourt</b>                    | <b>121,270</b>                     |

**Officer Responsible: Parks & Green Spaces Parks**

Parks Infrastructure and Cemeteries and Churchyard infrastructure, timings of spend against the scheme are dependent on either deterioration of existing assets or the availability of suppliers to provide facilities required.

Pinhoe Playing fields were subject to substantive surface and drainage works. The deferment of current capital is a result of the remaining works being seasonal.

Works on Heavitree Paddling Pools are expected to progress when the new contract starts in the next financial year.

Play areas improvements and outdoor leisure facilities works had to be paused temporarily to allow for contract procurement. Anticipated contract start date is now March 2026 and budgets have been deferred to reflect this delay.

| <b>Scheme</b>                                 | <b>Budget to be Deferred<br/>£</b> |
|---|------------------------------------|
| <b>BLRF - Clifton Hill</b>                    | <b>201,930</b>                     |
| <b>St Nicholas Priory Roof</b>                | <b>88,120</b>                      |
| <b>Guildhall Shopping Centre Enhancements</b> | <b>£8,866,630</b>                  |

**Officer Responsible: Head of Commercial Assets**

Clifton Hill is dependent on the planning process, but it is now expected that the grant will be spent in Autumn 2026.

The Council is awaiting a further progress update from the tenant at St Nicholas Priory to determine the scope and timeline of the project and what level of grant funding is being secured. This is not expected to be until the next financial year.

The Guildhall shopping centre enhancements budget is recognised as a scheme with external factors that impact on delivery time. Whilst the exact timeline of spend is uncertain due to external factors such as changing tenants and ad-hoc works required to maintain the building, it is recognised at the half-year stage that not all the budget will be required in 2025-26 and the budget has been reprofiled to reflect this.

| <b>Scheme</b>                            | <b>Budget to be Deferred<br/>£</b> |
|--|------------------------------------|
| <b>Riverside Decarbonisation Project</b> | <b>4,045,290</b>                   |

**Officer Responsible: City Centre and Net Zero**

The profile of the grant award for the Riverside & RAMM decarbonisation project has been confirmed and the budget allocated accordingly with a required completion date by 31 March 2028.

## 10.6. FURTHER FUNDING REQUESTS

### **Replacing CCTV Equipment (John Lewis Car Park) (£23,700)**

Funding is required for the replacement of 10 broken CCTV cameras at John Lewis car park.

### **Replace broken and analogue City Centre CCTV cameras (£42,556)**

The Council has received an allocation of UK Shared Prosperity Funding (UKSPF) for the city. This funding is being used to replace broken and analogue City Centre CCTV cameras.

### **Trews Weir remedial works (£2,778,272)**

Grant funding has been allocated by the Environment Agency, subject to business case assurance processes, to carry out the required remedial works on Trews Weir. Works are expected to take place Spring to Winter 2026.

The additional funding above has been allocated by the Environment Agency. Budget estimates are based on current assumptions of working methods which are still being refined, so provide a current best estimate but may be liable to change as the scheme design is finalised.

### **Matford Centre Solar PV (£175,000)**

Additional funding is required to complete phase 2 and 3 of the Matford Centre solar array PV maintenance and roof access safety works. These works involve updating the PV installation and associated equipment. In addition, a 'man safe' system is being installed to ensure safety of future maintenance works. Phase 1 has been successfully completed. It is envisaged that works will be completed by end of March 2026.

### **Ramm conference room equipment (£70,000)**

To prepare the RAMM conference room to hold full Council meetings. To procure appropriate furniture and undertake necessary AV work.

## **11. How does the decision contribute to the Council's Corporate Plan?**

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

## **12. What risks are there and how can they be reduced?**

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

## **13. Are there any other options?**

There are no other options.

**Strategic Director of Corporate Resources & s151 Officer, Dave Hodgson**

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

Background papers used in compiling this report:

None

List of appendices:

Appendix 1: 2025/26 CAPITAL MONITORING - QUARTER 2

Appendix 2: BUDGETS CARRIED FORWARD TO 2026/27 AND BEYOND

Appendix 3: GENERAL FUND AVAILABLE RESOURCES