

REPORT TO COUNCIL

Date of Meeting: 16 June 2026

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: 2025/26 General Fund Capital Monitoring – Outturn report and Revised Capital Programme for 2026/27 and Future Years

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1. To advise members of the overall financial performance of the Council for the 2025/26 financial year in respect of the annual capital programme.

To seek approval of the 2026/27 revised capital programme, including commitments carried forward from 2025/26.

2. Recommendations:

2.1. It is recommended that Council approve:

- (1) The financing for the 2025/26 annual capital programme
- (2) The further funding requests detailed in 10.7 for 2026/27
- (3) The amendments to the Council's annual capital programme for 2026/27 and future years in 10.8

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.

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5. Section 151 Officer comments:

5.1 After another year of relatively low spend, the Strategic Asset Management Board has reviewed the Capital Programme for 2026/27 and removed schemes where there is no viable project and re-profiled the budgets to reflect expected spend in year. It is anticipated that expenditure as a percentage of the Programme will be substantially higher this year.

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.

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 3 March 2026. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Revised Capital Programme, as reported to Council 3 March 2026	50,923,426	
Spruce Close landscape buffer – S106 funded	16,848	Approved SMB – 25 February 2026
Outdoor Leisure facilities – Newcourt budget increase for indexation	4,042	

Revised Capital Programme	50,944,316	
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10.2. PERFORMANCE

The revised capital programme for the current financial year is £50.994 million. There are some schemes where the timing of the spend is uncertain - these schemes amount to £10.955 million.

Of the remaining £39.990 million budget, the spend during the year was £5.499 million, which equates to 13.75% of the revised programme. This compares with £8.434 million (33.24%) spent in 2024/25.

The 2025/26 programme is detailed in Appendix 1. This shows net savings identified for the year of £3.995 million and it is proposed to carry forward a total of £41.451 million budget into future years.

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. (See section 10.8 for further information.)

10.3. CAPITAL FINANCING

The 2025/26 capital expenditure was financed as follows:

	£
Capital Grants & Contributions	1,919,009
Capital Receipts	-
Community Infrastructure Levy	226,381
Revenue Contributions	92,466
Borrowing	3,260,760
TOTAL	5,498,616

10.4. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2025/26 are £3.874 million. Total General Fund capital expenditure is £5.499 million of which £3.261 million will be funded from borrowing.

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:

	General Fund £
Balance as at 31 December 2025	1,504,506
New Receipts	131,588
Balance as at 31 March 2026	1,636,094

10.5. EXPENDITURE VARIANCES

The main variances and issues concerning expenditure are as follows (brackets indicate budgets that have not been spent):

Scheme	Variance £
Capitalised Staff Costs	(£211,193)
<p>This budget is to allow for any staff costs incurred whilst working on capital projects which may be recharged from revenue. There have been no recharges of staff costs to capital projects in 2025/26.</p>	
Scheme	Variance £
District Street Lighting	(£346,140)
Farm Hill Retaining Walls (23 no.)	(515,456)
Mallison Bridge	(£35,630)
Northbrook Wild Arboretum	(£65,968)
<p>Officer Responsible: Head of Service – Operations</p> <p>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. It is proposed to reduce the budget by the anticipated saving amount.</p> <p>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. It is proposed to reduce the budget by the anticipated saving amount.</p> <p>Devon County Council have decided not to pursue a Mallison bridge solution at this time, so it is proposed that Exeter City Council's contribution, funded from a bequest, is removed from the capital programme. Devon County Council has reimbursed historic costs incurred and the bequest has been restored; so, it is available to use towards any future plans for Mallison Bridge.</p> <p>The budget approved for Northbrook Wild Arboretum originally included a grant-funded element. This grant funding goes direct to Devon Wildlife Trust and not via the council, so it is proposed that the budget is reduced to reflect this.</p>	
Scheme	Variance £
RAMM Roof Repair & Insulation	(£49,622)

Officer Responsible: Head of Service, Asset Maintenance

The RAMM roof project has now been completed and final grant payment settled by the Museum Estate and Development Fund (MEND).

It is proposed that the remaining budget is reduced to £5,000 to cover the small remaining retention payments due to contractors.

Scheme	Variance £
BLRF - Exeter Canal Basin	(£589,400)
BLRF - Belle Isle	(£661,870)
BLRF – Lower Wear Road	(£293,390)
Paris Street Car Park	(£75,000)

Officer Responsible: Head of Service – Commercial Assets

Despite feasibility work undertaken by the Council the developments at Belle Isle, Exeter Canal Basin and Lower Wear Road weren't financially viable for residential development in the short term, as required by the grant conditions set out within the Brownfield Land Release Fund (BLRF). Therefore, it is proposed that these budgets which amount to £1.545 million, will not be spent and the grant money returned.

It is proposed that Council remove the budget for conversion of the Paris Street land into a temporary car park. The Road Traffic Order requirements and the junction and crossing reconfiguration works required by DCC which were costly (more than doubling the anticipated cost and making payback more difficult) and therefore considered to be onerous and disproportionate to the scale and objectives of the initiative.

Scheme	Variance £
Financial Management	(125,000)
Datacentre Relocation	(35,940)
NCSC Zero Trust	(53,910)

Officer Responsible: Head of Service, Digital and Data

Following the approval of the Digital Customer Strategy and the Strata Business Plan officers have reviewed all existing capital budgets. From this review, £304,000 has been identified from previous projects that have either been completed or discontinued where the remaining capital funds not spent can be moved to support new digital projects.

The largest amounts being proposed to move are:

The “Financial management” project – this project is no longer required and is now dormant. No further work is planned because several parts of the system would have needed additional development from the supplier, and the council cannot continue without a fully tested and working solution.

The “Datacentre Relocation” and “NCSC (National Cyber Security Centre) Zero Trust” projects – both have been overtaken by other work. The Azure migration project already covers the datacentre element, and the Cyber Assessment Framework has now been completed, replacing the need for further Zero Trust work.

Scheme	Variance £
Riverside & RAMM Decarbonisation Projects phase 4 - grant	(841,290)
<p>Officer Responsible: Net Zero Project Manager</p> <p>The budget request on 10 June 2025 should have been for £3,554,000 as this was the total grant awarded. There is a separate approved budget of £990k for the Council's contribution to the decarbonisation project.</p> <p>It is proposed that the budget is reduced to align with the amount of grant funding secured.</p>	

10.6. 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:

Scheme	Budget to be Deferred £
Pinhoe Community Hub	1,276,470
<p>Officer Responsible: Place Partnership Manager (Sport England)</p> <p>The scheme is now progressing, with a revised planning application due to be submitted in Spring 2026. The budget has been reprofiled to reflect expected timing of spend on the project.</p>	
Scheme	Budget to be Deferred £
Waste Infrastructure	345,495
Depot Improvement Works	10,192,929
Green Space Depot Site (Belle Isle) relocation	375,970
Food Waste Collections	825,298
Fleet lease costs	611,382
<p>Officer Responsible: Head of Environment and Waste</p> <p>The waste depot improvement works budget is now being utilised towards the purchase and fit-out of a new MRF which was approved by Council on 10 February 2026. The purchase of the building is due to take place in May 2026 and the works and fit-out will take place late 2026 into 2027. The budget has been reprofiled to reflect the current project timeline.</p> <p>Waste infrastructure and food waste collections budgets will be utilised once the new MRF is in place.</p> <p>Green Space Depot Site (Belle Isle) relocation is now being incorporated in the new MRF project that was approved on 10 February 2026, the budget has been reprofiled to reflect the current project timeline.</p> <p>Fleet lease costs are incurred as leases come up for renewal. The budget has been reprofiled to reflect the expected timing of vehicle renewals.</p>	

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Scheme	Budget to be Deferred £
Bowling Green Marshes Coastal Defence Scheme	203,054
Cricklepit Bridge	84,000
District Street Lightning	378,183
Bonhay Rd/Andlaw House Footpath	104,815
St James' Weir & Ducks Marsh Meadow banks	75,000
Landfill Gas Extraction Systems	174,173
Mincinglake Valley Park Reed Beds & Pipe Inlet	70,525
ECC Bridge Repair Programme	335,382
Riverside Walls at Quay	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 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, budget requires deferral to future years to reflect.

Delivery of works for the District Street Lighting project remain in Devon County Council's control, budget requires deferral to future years to reflect.

Funding associated with the Bonhay rd/ Andlaw House project, which is being led by the University, is currently being retained within the capital programme. This reflects the evolving nature of the project, including considerations relating to party boundary status between stakeholders. Retaining the funding at this stage provides flexibility to respond to any potential future requirements should they arise, without presupposing any specific commitments.

The decline of the Ducks Marsh headland has not been as pronounced to date following the collapse at St James Weir as was originally anticipated. However, despite the slower rate of deterioration observed, it is still expected that intervention works will be required to reinforce the headland and prevent further erosion of Ducks Marsh over the longer term.

The landfill gas extraction project experienced delays due to the need for additional wintertime monitoring of boreholes, budget requires deferral to future years to reflect that works will now be carried out in 2026/27.

Procurement of a consultant for Mincinglake Valley Park was delayed due to the need for further monitoring visits required to collect sufficient data for the study. These visits are now complete, and work is underway to finalise the consultant contract to allow a commission to commence in 2026/27.

Devon Highways start dates for work 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.

Scheme	Budget to be Deferred £
Parks Infrastructure	166,284
Cemeteries & Churchyards Infrastructure Improvements	120,810
Northbrook Wild Arboretum	116,623
Heavitree Paddling Pools	100,010
Play Areas	273,460
Outdoor Leisure Facilities - Newcourt	125,312
Leisure Property Enhancements	1,957,479

Officer Responsible: Head of service - Operations

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.

With capital infrastructure works largely complete, current expenditure relates primarily to ongoing management and maintenance of the Arboretum, with costs tracked and profiled in line with plan. Integration into the Valley Parks lease remains anticipated in accordance with the approved programme, with a preference for transition in 2026/27 rather than 2027/28.

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 Q1 2026/27 and budgets have been deferred to reflect this delay.

A review of the stock conditioning survey previously undertaken in 2020 is required to identify the key priorities for asset management of the leisure centres, this will take place in 2026/27, and an update provided in a future report.

Scheme	Budget to be Deferred £
Leisure Complex - Build Project	422,489
Leisure Complex – Fit out	346,640
Fire Risk Assessment Works	1,584,810
Exmouth Buoy Store	212,720
Guildhall MSCP	883,400
John Lewis MSCP	357,760
Princesshay 2 MSCP	424,400
Leighton Terra & KW St MSCP	298,103
City Wall	110,212
Backlog Maintenance	181,892

Officer Responsible: Head of Service, Asset Maintenance

Leisure complex build project and fit out deferrals are required to cover final costs on the leisure centre, final retention payments to the main contractor and final costs in relation to reverting the traffic flows in Princesshay.

There is a tender process underway for the fire door repair project. The budget has been reprofiled to reflect the timing of spend.

The Exmouth Buoy store project is in design phase and works are not expected to start until the next financial year.

Guildhall MSCP is in consultation and design phase. The budget has been reprofiled to reflect the timing of spend.

A review of the stock conditioning survey previously undertaken in 2020 is required to identify the key priorities for asset management of the car parks. Budgets relating to car parks have been deferred to the next financial year and will be reprofiled once projects are finalised.

City Wall (Section 11 – Northgate) rebuild project was completed in January 2026. There is currently a 2.5% retention fee which will be charged in due course.

There are a number of key projects which will commence in the 2026/27 financial year.

Scheme	Budget to be Deferred £
RAMM Conference room	70,000

Officer Responsible: Democratic Services Manager

Works, furniture and equipment required to prepare the RAMM conference room to hold full Council is now expected to be ordered in Q1 2026/27.

Scheme	Budget to be Deferred £
Wat Tyler House – Water Ingress	269,170
Commercial Properties – Capital Improvements	120,000
BLRF – Mary Arches Car Park	1,285,420
BLRF - Clifton Hill	201,930
Matford Centre Solar PV	175,469
Senate Court relocation	(89,026)
Guildhall Shopping Centre Enhancements	10,866,630
St Nicholas Priory Roof	88,120

Officer Responsible: Head of Commercial Assets

A full procurement tender is required for Wat Tyler House - water ingress. The budget has been deferred to 2026/27 to reflect that works will now take place later in the next financial year.

Commercial properties – capital improvements programme is being reviewed to identify key priorities, works will be undertaken as required during 2026-27.

The planning for Mary Arches car park has now been approved; it is expected that the grant will be spent later in the 2026/27 financial year with a target demolition commencement date for the main car park of October 2026.

Clifton Hill is dependent on the planning process, with planning due to be submitted at the end of May and a possible start on site and grant draw down in early 2027.

A procurement exercise is underway for the Matford Centre Solar PV, with the contract due to be awarded in early March 2026. The budget has been reprofiled to reflect that the project will now be completed in the next financial year.

Costs have been incurred on the Senate Court relocation in 2025/26 so budget from 2026/27 has been brought forward to cover.

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, the budget was not required in 2025-26 and has been reprofiled to future years.

Historic England declined an application by the tenant of St Nicholas Priory for the funding of required roof repairs. A report to Council on 7 April 2026 requested an additional £75k budget in addition to the £88k already approved, this was agreed so works can now commence in 2026/27.

Scheme	Budget to be Deferred £
Customer Contact Platform	44,835
EUC model equipment (replacement laptops)	154,217
Software/system Upgrades	64,104
SharePoint- wider rollout	58,286
Azure Migration Prof Services	53,900

Officer Responsible: Head of Service, Digital and Data

Each of the projects listed are identified in the Strata Business Plan and will each be delivering digital transformation in the council.

The reason for the proposed rollover is that each of the projects is still required with large elements delivered but delivery will continue during 2026/27.

Customer Contact Platform is on-going with phase one delivered in July 2025 with a second phase due to be completed by December 2026.

EUC model equipment (replacement laptops) is a rolling project to replace laptops as they become obsolete.

Software/system upgrade projects will continue into 2026/27.

SharePoint wider rollout is on-going and is due to be completed by December 2026.

Azure Migration Prof Services implementation will aim to be completed by October 2026.	
Scheme	Budget to be Deferred £
Riverside Decarbonisation Project – Grant	3,204,000
Riverside Decarbonisation Project – ECC contribution	973,094
<p>Officer Responsible: City Centre and Net Zero</p> <p>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.</p>	
Scheme	Budget to be Deferred £
Leisure Equipment Replacement Programme	428,747
<p>Officer Responsible: Leisure – General Manager</p> <p>The leisure equipment replacement programme was under-utilised this financial year, however the full budget will be required in 2026/27 to replace equipment on a rolling basis.</p>	
Scheme	Budget to be Deferred £
Wonford Community Wellbeing Hub	(63,780)
<p>Officer Responsible: Place Partnership Manager (Sport England)</p> <p>Costs have been incurred on Wonford Community Wellbeing Hub RIBA stage 3 and stage 4 (planning and design) in 2025/26 so budget from 2026/27 has been brought forward to cover.</p>	

10.7. FURTHER FUNDING REQUESTS

BLRF Grant – Harlequins shopping centre – £1,176,970

Additional capital budget requested to reflect that Brownfield Land Release Funding (BLRF) has been secured to enable the Harlequins redevelopment. Contracts have been drafted (in the form of an Agreement for Lease and Headlease) to draw down the BLRF grant funding totalling £1.177 million in stages to demolish the main shopping centre. It is hoped that works will commence in June 2026 and complete in February 2027. Upon completion of the main demolition works a new 250-year headlease will be granted. In addition, a temporary car park would be laid out across part of the site for public use for a minimum term of 6 months.

Matford Centre Solar PV - £207,000

Additional budget requested in addition to £175,000 already approved on 9 December to bring the total budget to £382,000. The project to restore full performance of the solar PV system at the Exeter Livestock Centre and to enhance

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rooftop safety for ongoing maintenance activities has now been fully costed and is ready to go out to tender, if approved. Full project cost has been determined as £348,172 plus advisory contingency of £34,000.

Disabled Facilities Grant – £663,390

Additional grant funding of £663k has been allocated. Additional capital budget requested to reflect grant monies received to ensure these funds can be spent on disabled facilities.

Historic Guildhall new boiler - £36,600

Additional budget requested for replacement boiler at The Historic Guildhall. The current boiler is not working and is beyond economic repair.

Market Street Car Park - £100,000

Market Street Car Park was operated under lease from the Council by NCP. Earlier this year NCP went into administration and closed the car park, subsequently surrendering the lease. It is proposed that ECC operate the car park directly, in light of the impending closure of Mary Arches car park. However a small budget is required to bring the car park up to the Council's own compliance and Health & Safety standards. Unless detailed assessments find significant issues, it is anticipated the works can be completed for under £100,000. That detailed assessment work will not be undertaken until after the publication of this report and any additional request will be made in July.

10.8. CAPITAL PROGRAMME 2026/27 (Appendix 2)

The Strategic Asset Management Board have undertaken a significant review of the capital programme following another year of low expenditure against budget. A series of projects have been reprofiled, or removed where there is no feasible project to be delivered. If the project becomes viable in the future, a further report will come to Council for consideration. The review has also identified further schemes that are reliant on third parties and other external factors for delivery. These have been separated out to enable Council to identify schemes that they can expect to see delivered in year and also projects that are approved but rely on other factors for deliver. The proposed capital programme that Council can expect to see delivered in 2026/27 is £36,415,615. Additionally there is a further £4,295,329 approved, that relies on external factors for delivery. The total programme for delivery is £40,710,944.

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 4

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

Appendix 3: GENERAL FUND AVAILABLE RESOURCES