

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 24 MARCH 2010

EXECUTIVE  
13 APRIL 2010

#### CAPITAL MONITORING STATEMENT TO DECEMBER 2009

#### 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 2009/10 Capital Programme, including commitments brought forward from 2008/09, was last reported to Scrutiny Committee - Resources on 25 November 2009. Since that meeting the following changes have been incorporated into the programme:

Description	£	Approval/funding
Capital Programme, as at 25 November 2009	25,307,040	
Budget Deferred to 10/11	(1,421,010)	
Overspends/Underspends	(240,180)	Approved by Executive 8 December 2009
Replacement of Home Call Equipment	58,800	Additional budget approved by Executive 24 November 2009
RAMM Redevelopment	20,000	Additional budget approved by Executive 15 September 2009
RAMM Redevelopment	1,440,810	Additional budget approved by Executive 8 December 2009

Soil Erosion at Clifton Hill	100,000	Additional budget approved by Executive 8 December 2009
Social Housing Grants	(15,000)	Transferred to Revenue
Canal Basin	18,250	Additional external contributions and capital receipts
Energy Conservation	46,100	External funding secured from utility companies
National Cycle Network	61,740	Contribution from DCC
National Cycle Network	2,000	Contribution from RSPB
Old Paper Mill, Countess Wear	5,000	Revenue contribution to capital outlay
18 North Street Panelling	4,000	Contribution from Exeter Historic Buildings Trust
18 North Street Panelling	1,160	Additional contribution from the Conservation Reserve
<b>Revised Capital Programme</b>	<b>25,388,710</b>	

#### 4.0 MONITORING PERFORMANCE

4.1 In order to help improve overall delivery and monitoring of the capital programme schemes have been placed within two categories, C1 and C2. Category C1 is for those schemes that the Council is reasonably certain of being able to deliver within planned timescales. Conversely, Category C2 is for those schemes that the Council is less certain of being able to deliver primarily due to factors outside the control of the Council.

4.2 The categories do not extend to the HRA Capital Programme as it was hoped that the full programme would be deliverable within planned timescales due to the Council's commitment to achieving the Decent Homes Standard.

#### 5.0 PERFORMANCE

##### 5.1 Projected Outturn

The capital programme for the current financial year is £25,388,710. It is projected that £1.565 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.

##### 5.3 Progress

During the first nine months of the current financial year the Council spent £10,560,958 of the 2009/10 Capital Programme.

5.4 This equates to 41.6% of the revised Capital Programme being spent in the first nine months of 2009/10, compared to £10.16 million (48.4%) being spent in the first nine months of 2008/09.

5.5 The table below sets out how the Council is performing in terms of capital expenditure, compared to the same time last financial year, analysed by category:

Category	2009/10 Expenditure 3rd Quarter	2008/09 Expenditure 3rd Quarter	2009/10 Expenditure expressed as percentage of Capital Programme	2008/09 Expenditure expressed as percentage of Capital Programme
C1	5,950,100	4,764,515	40.7%	52.7%
C2	1,349,816	1,888,729	27.3%	33.5%
HRA	3,261,042	3,503,556	55.8%	55.7%
<b>Total</b>	<b>10,560,958</b>	<b>10,156,800</b>	<b>41.6%</b>	<b>48.4%</b>

## 6.0 VARIANCES AND ACHIEVEMENTS

6.1 The main variances and achievements are as follows:

### 6.1.1 Community & Environment

#### *Cultural City*

- **Old Paper Mill Countess Wear (Budget £30,130)**

The mill is a Grade II Listed Building. The works have brought the mill up to a standard where it is safe and is no longer deteriorating. The building can now be opened to the public for guided walks, the first of these will take place during 2010.

There was an overspend on the budget because repairs, that were more extensive than anticipated, were required on some items. This was due to the age of the building and the difficulty sometimes of knowing precisely what works would be required until work had actually started. In particular, extra works were required on the leat wall, roofing timbers, foundations and the southern gable end.

- **Play Area Refurbishments (Budget £280,230)**

Floodlight columns have been installed at the Multi Use Games Area at Pendragon Road and will be made operational during Spring 2010.

Play equipment at Summerway Park was installed in February 2009 and is proving a success. The remainder of the budget will fund a teen shelter, picnic table, handrail for the path and additional play equipment.

A range of outdoor fitness equipment for teenagers and adults and an outdoor table tennis table (both unique for parks in Exeter) have been installed at Belmont Park.

The Countess Wear Multi Use Games Area initial public consultation phase has been completed, and a formal planning application has been submitted. It is anticipated that the facility will be installed in late Spring/early Summer 2010.

A Multi Use Games Area and an extensive range of play facilities have been provided at Kings Heath Park and this is now the best equipped play area in the city. It is planned to provide additional seating at the site this financial year.

Work has begun on installation of the children's play area and landscaping at Wyvern Park. Work should be completed by Spring 2010.

## 6.1.2 Economy & Development

### *Accessible City*

- **National Cycle Network (Budget £212,440)**

Sections completed this year include the Hamlin Lane Cycle Pad, Wonford Playing Fields Cycleway, Lighting at the Library Fields Cycleway, and Dix's Field Cycle Racks. The majority of these schemes are fully funded by Devon County Council who reimburse us for the costs of the work done and ECC officer time.

### *Cultural City*

- **Corn Exchange Enhancements (Budget £143,490)**

A revised scheme for the proposed toilet refurbishment is out to tender and work likely to commence in the new financial year. Once the cost of this work is known, the residual budget will be used to carry out further prioritised improvements covered by this allocation.

### *Prosperous City*

- **Canal Basin and Quayside (Budget £984,350)**

Work on the contract for the new road/car park/boat storage area commenced in November and is on schedule to complete in the Spring. The first phase of the optic fibre cable link to Exton Road has been completed, with the final phase to progress once the route has been finalised. The contract for the demolition of the old chandlery building has been completed with the cleared site now in use for boat storage. The Signpost development adjoining 60 Haven Road has been completed and the lease has been granted. The proposal to enter into a varied development agreement on the Old Electricity Building has not progressed as quickly as anticipated but we are working with the developer to find a solution that would permit them to build out a refurbishment scheme. Talks have also begun with Sutton Harbour to commence work on the second new build site at the head of the Basin. We are advised that negotiations are ongoing between ECQT and DCC on the site for the new Outdoor Education Centre.

- **Science Park (Budget £95,760)**

The Science Park is broadly on schedule despite slippage of a month in submission of the planning application. The aim is still for a start on site in 2010 with the first building occupied in 2011. The accompanying infrastructure, being delivered as part of the New Growth Point, is also progressing well to ensure that the necessary transport and utilities infrastructure is in place in time.

### 6.1.3 Corporate Services

#### *Excellence in Public Services*

- **Civic Centre Communal Area Refurbishment (Budget £159,070)**

Works to refurbish common areas at the Civic Centre were suspended following a review of budgets last year. However, some works are required for health and safety reasons, such as replacing fire doors and covering/replacing flooring/ceiling tiles which contain asbestos. A programme for these essential works has now been agreed together with the upgrading of water heaters which must meet current standards.

Works will commence in mid February and will last approximately 6 months.

### 6.1.4 Housing Revenue Account

#### *Everyone Has a Home*

- **Sheltered Accommodation (Budget £606,000)**

This budget provides for the cost of upgrading sheltered accommodation to meet the standards of the Supporting People Programme.

The Supporting People Programme is committed to providing a better quality of life for vulnerable people to live more independently and to develop and sustain an individual's capacity to live within their accommodation. Programmed works include the installation of lifts, provision of wheelchair access, walk-in showers and level access.

The design and tender works took longer than anticipated and work is now intended to start on site after April 2010.

- **Defective Properties – British Steel (Budget £337,120)**

The works involve externally cladding the building and then rendering. Due to the bad weather the contract has been delayed by two months and so the works will continue into the new year.

- **Asbestos Removal Works (Budget £100,000)**

It has been necessary to undertake extensive asbestos removal works and it is forecast that there will be an overspend in the region of £100,000 at the end of the financial year. Once asbestos has been identified as being in poor condition it must be removed to protect the health and safety of the occupiers of those properties and contractors.

- **Programmed Electrical Re-Wiring (Budget £410,260)**

The testing programme hasn't resulted in as many full re-wires as anticipated and the contractor hasn't been able to carry out as much work as expected.

- **Central Heating Programme (Budget £377,680)**

The bad weather resulted in old gas boilers breaking down. It has been necessary to replace these old boilers with full central heating systems.

## **7.0 RECOMMENDED**

7.1 It is recommended that the current position in respect of the annual capital programme be noted.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

#### **Background papers used in compiling this report:**

1. None