

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 19 SEPTEMBER 2007

EXECUTIVE
2 OCTOBER 2007

CAPITAL MONITORING STATEMENT TO JUNE 2007

1. PURPOSE OF THE REPORT

- 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.

2. 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 and acceleration of projects.

3. REVISIONS TO THE CAPITAL PROGRAMME

- 3.1 The 2007/08 Capital Programme, including commitments brought forward from 2006/07, was last reported to Scrutiny Committee - Resources on 20 June 2007. Since that meeting the following changes have been incorporated into the programme:

Description	£	Approval/funding
Capital Programme, as at 20 June 2007	24,884,770	
Private Sector Landlord Scheme	100,000	Allocation from the Regional Housing Pot capital grant. Executive 19 June 2007
Warm Up Exeter	100,000	Allocation from the Regional Housing Pot capital grant. Executive 19 June 2007

Private Sector Renewal Scheme	120,000	Allocation from the Regional Housing Pot capital grant. Executive 19 June 2007
Fore St, Heavitree - Environmental Enhancements	50,000	Contribution from Devon County Council
RAMM Off Site Store	15,000	Contribution from earmarked reserve
Beacon Lane Shops	2,500	Contribution from leaseholders
Children's Play Areas	82,090	Section 106 monies
Energy Conservation	13,410	External funding secured from utility companies
Information Technology / E Government	53,000	Approved by Executive on 3 July 2007 for digital scanning in Housing and Human Resources
Public Toilet Refurbishment	20,000	Revenue Contribution to Capital Outlay
Public Toilet Refurbishment	70,000	Contribution from Devon County Council
Capital schemes brought forward from 2006/07, which fall below the de minimis level for capital expenditure	(23,110)	
Revised Capital Programme	25,487,660	

4. 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. PERFORMANCE

5.1 Projected Outturn

The capital programme for the current financial year is £25,487,660. It is projected that £1.9 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.

5.2 Progress

During the first three months of the current financial year the Council spent £2.5 million of the 2007/08 Capital Programme.

5.3 In overall terms this equates to 9.8% of the Capital Programme being spent in the first three months of 2007/08. The Council has spent 12.47% of budgets approved for capital schemes that it identified as being reasonably certain of being able to deliver within planned timescales (C1 Schemes).

6.0 VARIANCES

6.1 The main variances are as follows:

6.1.1 Housing Revenue Account

Housing in the City

- **Sheltered Accommodation (Budget £854,430)**

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.

Specifications for the works are currently being prepared so that the tender process can be undertaken during the Summer, with the successful contractor appointed in the Autumn. Significant spend of this budget is not expected to be made until the contractor starts work on site later this financial year and therefore it is projected that £354,430 of the budget will need to be carried forward into 2008/09.

6.1.2 Corporate Services

Achieving Excellence in Public Services

- **Civic Centre Additional Electrical Sockets (Budget £38,590)**

A saving of £32,000 has been achieved in the cost of providing additional electrical sockets throughout the Civic Centre, as the works were completed and paid for as part of the extensive internal office moves associated with the Customer First Project.

The remaining £6,590 will be used towards reducing the reliance on extension leads by providing new electrical sockets in council offices, in order to reduce the risks associated with trailing leads and improve health and safety.

- **Civic Centre Communal Area Refurbishment (Budget £496,620)**

This budget forms part of a rolling programme to replace the fire doors, refurbish staff toilets, upgrade lift lobbies, refurbish kitchen areas and replace floor coverings in communal areas throughout the Civic Centre. To date, the budget has provided for the communal area refurbishment of Phase I, 1st and 2nd floors and Phase II, 4th floor.

Preparatory work is currently being undertaken so that the tender process for the next phase of the programme can commence, including asbestos surveys, producing detailed specifications and health and safety plans. It is hoped that the successful contractor will be appointed in early January and start works on site in February 2008. It is therefore projected that £476,620 of the budget will need to be carried forward into the next financial year.

- **Civic Centre Conversion of Boiler to Dual Fuel (Budget £25,400)**
It is planned that the oil boiler at Belle Isle Nursery will be replaced with a wood pellet boiler during the financial year and its reliability and effectiveness will be assessed, prior to replacing the oil boiler at the Civic Centre.

If successful, the new pellet boilers will help the Council to reduce its carbon emissions and utilise sustainable energy, as the Council has committed to reducing its greenhouse gas emissions by signing the Nottingham Declaration on Climate Change and the Devon Wide Declaration on Climate Change and Fuel poverty.

Delivery of this capital scheme is pending the outcome of the trial being undertaken at Belle Isle Nursery and therefore the budget of £25,400 will be deferred into the next financial year.

6.1.3 Community & Environment

Environment Cared For

- **Exhibition Fields – New Storage Sheds (Budget £85,250)**
The £140,000 budget for the provision of new storage sheds at Exhibition Fields was previously profiled over more than one financial year, with £4,750 spent in 2006/07 followed by £85,250 and £50,000 budgeted in 2007/08 and 2008/09 respectively.

The planning application for the new storage sheds and workshop for the Athletics Arena has been submitted and it is expected that the tender process will be completed by the end of September, with the successful contractor starting works on site in the Autumn.

Due to the quick speed that the steel frame can be erected it is hoped that the new storage sheds will be completed during the current financial year and it is therefore anticipated that the full budget will be spent during 2007/08, which will require the £50,000 pre-approved for 2008/09 to be accelerated.

Cultural and Fun Place To Be

- **Skating Area Exhibition Fields (Budget £16,000)**
It was originally planned for floodlighting to be installed at Exhibition Fields skate park and Flowerpot Playing Field during this financial year. However, following consultation with the Play Area Project Group, it was decided that it would be prudent to install lights at one site first and then review the need to

floodlight the second site.

The installation of floodlighting at the Exhibition Fields skate park has therefore been deferred until after new floodlighting at Flowerpot Playing Field has been installed.

6.1.4 Economy & Development

Environment Cared For

- **Fore Street, Heavitree – Environmental Enhancement (Budget £150,000)**
A comprehensive environmental enhancement of Fore Street, Heavitree is planned, which includes; new traffic management and parking arrangements, enhanced pedestrian and cycling facilities, new paving, street furniture, planting and public art.

The local community of Heavitree has been consulted with the initial proposals and gave positive feedback, which has enabled the Engineering Department of Devon County Council to proceed with producing the detailed designs so that the tender process may commence.

It is hoped that works will start on site in the Spring and therefore £100,000 of the budget will need to be deferred until next financial year.

Accessible City

- **Signage/Pedestrian Interpretation (Budget £81,210)**
This project comprises two phases, Phase 1 has already been completed with 20 monoliths designed and installed within the City Centre. Work is now being undertaken to progress Phase 2, which includes additional monoliths and the replacement and updating of finger posts.

It is intended that the designs, specifications and a sample column will be produced during 2007/08, so that the new signs can be installed at optimum locations next financial year. It is therefore projected that £60,000 of the budget will need to be deferred into 2008/09.

Prosperous City

- **Basin/Quayside (Budget £636,920)**
As previously reported to Executive on 3 July 2007, the Exeter Canal Basin Regeneration Scheme is due to be delivered over four phases during the period up to 2012.

Works planned for the current financial year, which form part of Phase 1, include preparing detailed designs in conjunction with the Highway Authority for the new link road through Haven Road car park and a new junction on to Water Lane. The acquisition of the existing lease at the Bridger Marine premises on Haven Road is also planned for the current financial year and the cost will form part of the £225,000 expenditure projected for 2007/08.

As the site is contaminated it has been necessary to consult with the Environment Agency prior to finalising the design proposals and it is hoped that a planning application may be submitted in the Autumn.

Following a review of the stages of the scheme it is projected that £411,920 of the budget will need to be carried forward into future years, as the main works on site will commence next year.

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