

EXETER CITY COUNCIL
SCRUTINY COMMITTEE – RESOURCES
18 SEPTEMBER 2013

EXECUTIVE
1 OCTOBER 2013

COUNCIL
15 OCTOBER 2013

CAPITAL MONITORING STATEMENT TO 30 JUNE 2013

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 they plan 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 2013/14 Capital Programme, including commitments brought forward from 2012/13, was last reported to Scrutiny Committee – Resources on 19 June 2013. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as at 19 June 2013	21,511,060	
HRA Structural Repairs to four Council dwellings	120,000	Approved by the Executive 1 July 2013 (financed from Major Repairs Reserve)
HRA Acquisition of Social Housing - 1 Elaine Close	136,550	Delegated powers 14 February 2013 (financed from HRA Capital Receipts)
HRA Asbestos Surveys	(13,960)	Budget transferred to revenue

COB Wave 2 - Rennes House Car Park	(410,740)	Approved by Executive 5 February 2013
COB Wave 2 - Newport Road	(147,660)	Approved by Executive 5 February 2013
COB Wave 2 - Whipton Methodist Church	(202,600)	Approved by Executive 5 February 2013
COB Wave 2 - Bennett Square	(174,850)	Approved by Executive 5 February 2013
National Cycle Network	71,940	Contributions from DCC
Bury Meadow	4,500	Contribution from DCC
Childrens Play Areas	2,500	Contribution from DCC
Childrens Play Areas	96,790	Additional S106 funding and interest
Environmental Improvements to Cowick Street	20,000	Revenue contribution to capital outlay
Well Oak Footpath/Cycleway	5,650	S106 contribution
Other Amendments	900	
Revised Capital Programme	21,020,080	

4. PERFORMANCE

- 4.1 The revised capital programme for the current financial year is £21.020 million. During the first three months of the year the Council spent £2.748 million on the programme, which equates to 13.1% of the revised programme. This compares with £1.971 million (9.9%) being spent in the first three months of 2012/13.
- 4.2 The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2013/14 of £17.391 million with £3.344 million of the programme potentially deferred to 2014/15.
- 4.3 Appendix 2 shows the overall position for those schemes which span more than one financial year.

5. AVAILABLE CAPITAL RESOURCES

- 5.1 In previous years the annual capital programme has been financed from Government allocated grants together with money from the Council's own capital receipts and capital reserves. However the funding from these sources has now reduced and as a result the Council has to use borrowing instead to fund a significant part of its proposed capital programme.

5.2 The available capital resources for the General Fund for 2013/14 are £2.626 million. An estimated spend of £6.687 million is required of which £4.061 million will have to be funded from borrowing. The available capital resources for the HRA for 2013/14 are £12.579 million. An estimated spend of £10.704 million is required leaving £1.875 million to be carried forward into 2014/15. Appendix 3 sets out the forecast use of the resources available for the General Fund and the HRA and the likely amounts of borrowing that will be necessary to fund the capital programme over the next two years.

6. EXPENDITURE VARIANCES

6.1 The main variances and issues concerning expenditure in 2013/14 are as follows:

Scheme	Estimated Overspend / (Underspend)	Reason
Disabled Facilities Grants	£45,000	Current demand is high and ECC has a legal duty to approve grants
Renovation Grants	(£45,000)	Low interest loans given in place of grants
HCA Empty Properties	(£100,000)	Scheme withdrawn due to lack of interest from landlords
Science Park	(£116,420)	Final contribution paid giving rise to a saving
Acquisition of Social Housing	(£42,520)	Council purchasing 4 flats instead of 5 but will receive another in the form of a commuted sum

7. SCHEMES WHICH MAY BE DEFERRED TO 2014/15

7.1 Schemes which have been identified as being wholly or partly deferred to 2014/15 are:

Scheme	Original 13/14 Budget	Budget to be Deferred to 14/15	Reason
Replace Running Track at Exeter Arena	£750,000	£375,000	Work will be carried out from January to June 2014
RAMM Redevelopment	£404,170	£278,600	Some payments will not be required until next year
Countess Wear Community Centre	£70,000	£70,000	These community schemes are all grants awards from the New Homes Bonus. The organisations have to assemble other funding before commencing the project
Newcourt Community Association Centre	£69,750	£34,875	
Exe Water Sports Association	£50,000	£25,000	
Alphington Village Hall	£50,000	£50,000	

St Thomas Social Club	£25,000	£25,000	
Infill Sites	£350,000	£350,000	Budget set aside for land purchase but ECC are currently focusing on developing our own land
Canal Basin and Quayside	£426,150	£276,150	Further capital receipts need to be secured before works are carried out
Northbrook Flood Alleviation Scheme	£200,000	£200,000	Awaiting further information from the Environment Agency
PC & Mobile Devices Replacement Programme	£179,000	£179,000	Expenditure will be influenced by the outcome of the DELT business case
Smoke Detector Replacements	£400,000	£200,000	Contract currently being re-tendered so works will be delayed
Rennes House Structural Works	£1,000,000	£990,000	Works on hold pending outcome of an options appraisal exercise

8. ACHIEVEMENTS

8.1 The following schemes have been completed during the first quarter of 2013/14:

- **Play Area Refurbishments**
An outdoor table tennis table has been provided at Kings Heath Park.
- **Exeter Community Centre Garden Phase 1 and 2**
Exeter Community Centre's community garden is complete and has been fully planted and formed part of a combined Exeter entry to the Royal Horticultural Society's "It's your Neighbourhood" competition. The funding for this scheme has been provided from the New Homes Bonus.
- **Ride On**
Ride On are a cycle refurbishment charity, and the grant provided from the New Homes Bonus has enabled them to expand into Exeter by equipping an operating base at Marsh Barton. Their activities include working with local schools to provide bikes for children from less well off families.
- **Topsham Lock Leak**
Works at Topsham Lock to seal the flow of water passing under the canal into the river have been completed.
- **Science Park**
The Science Park Centre will provide over 30,000 square foot of space for businesses and programmes of support to help new businesses to start and grow and create new jobs.

9. RECOMMENDATION

- 9.1 That Scrutiny Committee – Resources and Executive notes and Council notes and approves the current position in respect of the annual capital programme.

ACTING ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling this report:

None