

## **REPORT TO EXECUTIVE**

Date of Meeting: 6 October 2020

## **REPORT TO COUNCIL**

Date of Meeting: 20 October 2020

Report of: Director Finance

Title: 2020/21 General Fund Capital Monitoring Statement – Quarter 1

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

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 in order to reflect the reported variations.

#### **2. Recommendations:**

It is recommended that Executive Committee supports and recommends to Council to approve:

(1) The revision of the annual capital programme to reflect the reported variations detailed in 8.1 and Appendix 1.

(ii) The additional budget requests detailed in 8.7

#### **3. Reasons for the recommendation:**

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.

In order 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.**

The financial resources required are set out in the body of this report.

**5. Section 151 Officer comments:**

Members should note the impact on the progress of the capital programme delivery. As is to be expected a number of schemes have been delayed as a result of the Covid-19 pandemic and members should be prepared for this to increase further throughout the year. That being said the major schemes within the programme are continuing, albeit with potentially reduced workforces as a result of Covid safe working practices.

**6. What are the legal aspects?**

None identified

**7. Monitoring Officer's comments:**

Members are asked to note the Finance Directors comments regarding the delay of projects as a result of COVID. This is indeed the case with some contractors serving contractual delay notices on the council asking for an extension of time on the practical completion dates.

**8. Report details:**

**2020/21 GENERAL FUND CAPITAL MONITORING STATEMENT – QUARTER 1**

**8.1 REVISIONS TO THE CAPITAL PROGRAMME**

The 2020/21 Capital Programme, including commitments brought forward from 2019/20, was last reported to Executive on 7 July 2020. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Council 21 July 2020</b>	<b>62,275,315</b>	
Park Anti-Intrusion Measures	112,000	Approved by Council 21 July 2020
Pinhoe Station Road Playing Field Upgrades	250,000	
Leisure Management	330,000	
Leisure Complex Fit Out	1,500,000	

A379 Sandy Park Junction	837,830	Approved by Council 23 February 2016, funded by Community Infrastructure Levy. Original approval for £1.025m, but costs now lower than expected.
Miscellaneous	180	
<b>Revised Capital Programme</b>	<b>65,305,350</b>	

## 8.2 PERFORMANCE

The revised capital programme for the current financial year is £65.305 million. During the first three months of the year the Council spent £4.222 million on the programme, which equates to 6.47% of the revised programme. This compares with £5.492 million (12.9%) that was spent in the first three months of 2019/20.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2020/21 of £63.035 million with £2.130 million of the programme potentially being deferred to 2021/22 and beyond.

Appendix 2 shows the approved budgets for 2021/22 with the proposed 2020/21 budget to be carried forward to 2021/22 and beyond for Executive and Council to consider for approval.

Appendix 3 shows the overall position for those schemes which span more than one financial year.

## 8.3 AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2020/21 are £10.673 million. An estimated spend of £63.035 million is required of which £57.398 million will be funded from borrowing with £5.037 million capital receipts carried forward to 2021/22.

Appendix 4 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 £
<b>Balance as at 1 April 2020</b>	<b>4,333,210</b>
New Receipts	0
<b>Balance as at 30 June 2020</b>	<b>4,333,210</b>

#### 8.4 EXPENDITURE VARIANCES

The main (greater than +/- £30k) variances and issues concerning expenditure are as follows:

Scheme	Estimated Overspend / (Underspend) £
<b>Civic Centre Kitchens Replacement</b>	<b>(89,830)</b>
<p><b>Officer Responsible: City Surveyor</b></p> <p>These works are no longer required due to the majority of staff working from home.</p>	
<b>Pinhoe Playing Field Upgrades</b>	<b>(50,000)</b>
<p><b>Officer Responsible: Commercial Operations Manager, Public Realm</b></p> <p>The upgrades planned for the playing fields at Pinhoe have been delayed due to Covid-19, however, the contract has been tendered and awarded with the first phase of the works expected to complete this financial year.</p>	

#### 8.5 SCHEMES TO BE DEFERRED TO 2020/21 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2021/22 and beyond are:

Scheme	Budget to be Deferred £
<b>Customer Contact Platform</b>	<b>100,000</b>
<p><b>Officer Responsible: Corporate Manager, Executive Support</b></p> <p>It is hoped that a Business Analyst will be appointed on a 2 year fixed term appointment in the forthcoming months.</p>	
<b>Parks Infrastructure</b>	<b>244,560</b>
<b>Cemeteries &amp; Churchyards Infrastructure</b>	<b>99,790</b>
<p><b>Officer Responsible: Service Manager Public &amp; Green Space</b></p> <p>The Parks Infrastructure works have been delayed due to Covid-19 and are now planned for Spring 2021.</p> <p>A columbarium project is being developed with works likely to commence in 2021.</p>	

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>Outdoor Leisure Facilities</b>	<b>121,270</b>
<b>Northbrook Flood Alleviation</b>	<b>40,000</b>
<b>Property Level Protection</b>	<b>46,660</b>
<b>Bowling Green Marshes Flood Defence</b>	<b>180,000</b>
<b>Mallison Bridge</b>	<b>307,630</b>
<b>Pinhoe Playing Field Upgrades</b>	<b>50,000</b>
<b>Topsham Flood Prevention Scheme</b>	<b>800,000</b>
<p><b>Officer Responsible: Commercial Operations Manager, Public Realm</b></p> <p>A multiple use games area is planned for the Omaha Drive site but we are still waiting for the agreement for Devon County Council to pass the site to Exeter City Council before work can commence.</p> <p>Devon County Council are responsible for the Northbrook Flood Alleviation scheme and they have indicated that the required contribution for this financial year will be £60,000.</p> <p>It is proposed to carry the property level protection budget forward into 2021/22 pending the result of changes required by Heritage England.</p> <p>The Bowling Green Marshes scheme has been delayed due to Covid-19, the business case will be reviewed.</p> <p>The proposed Mallison Bridge scheme has been delayed while further funding is identified.</p> <p>The upgrades planned for the playing fields at Pinhoe have been delayed due to Covid-19, however, the contract has been tendered and awarded with the first phase of the works expected to complete this financial year.</p> <p>The Topsham Flood Prevention scheme has been delayed by Covid-19.</p>	
<b>Repairs to Turf Locks Pier Head</b>	<b>73,500</b>
<b>Repairs to Walls at Farm Hill</b>	<b>40,000</b>
<p><b>Officer Responsible: Service Manager, Community Safety &amp; Enforcement</b></p> <p>The Turf Locks Pier Head works have been temporarily put on hold pending a structural assessment and review by the Harbourmaster.</p> <p>Covid-19 has delayed the wall inspections at Farm Hill.</p>	

## 8.6 ACHIEVEMENTS

A new harbour patrol boat has been purchased to ensure users of the Exe Estuary – including wildlife - are kept safe.

The fast motor launch has been revealed by Exeter City Council's Harbour Patrol Team and will be used to ensure other vessels keep to the speed limits of the Exe as well as other regulations. The Team will also use it to ensure the wildlife refuges for wading birds and other wildlife are respected and depths of the estuary are monitored by sonar equipment, so that navigational buoys can be moved if necessary. To find out about more about the wildlife refuges visit the South East Devon Habitat Regulations Partnership website.

The boat has been funded by Exeter City Council (£50,000), East Devon District Council (£15,000) and Exmouth Town Council (£10,000).

## **8.7 FURTHER FUNDING REQUEST**

### **Navigation Buoys**

The annual survey of the channel identified that the markings were not in the correct place. It is a statutory responsibility to mark the deepest part of the channel correctly for navigation to reduce the risk of running aground. A number of existing buoys were found to be in poor condition and would need replacing within 6 months, so it would be more economical to replace now than relocate and then replace later. The buoys have a useful life of between 6 and 8 years.

The budget required is £16,500.

### **Princes Garden Gatehouse**

Further to the previous report in June 2020, where a budget was approved to remove the existing roof, it is now proposed to repair the roof. The original budget approval of £16,500 (revenue) will be removed and replaced with a capital budget of £85,000.

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

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

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

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

## **11 Equality Act 2010 (The Act)**

Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: 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.

## **12 Carbon Footprint (Environmental) Implications:**

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

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

There are no other options.

Dave Hodgson, Director Finance

Author: Kayleigh Searle

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

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275