

## **REPORT TO EXECUTIVE**

Date of Meeting: 1 December 2020

## **REPORT TO COUNCIL**

Date of Meeting: 15 December 2020

Report of: Director Finance

Title: 2020/21 General Fund Capital Monitoring Statement – Quarter 2

### **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:

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

#### **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:

There is nothing significant to draw to Members attention at this time.

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

The capital expenditure system is framed by the Local Government and Housing Act 1989.

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

This report raises no Vires issues for the Monitoring Officer.

#### 8. Report details:

##### 2020/21 GENERAL FUND CAPITAL MONITORING STATEMENT – QUARTER 2

##### 8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2020/21 Capital Programme was last reported to Executive on 6 October 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 20 October 2020</b>	<b>65,305,350</b>	
Budget Deferred to 2021/22 & Beyond at Quarter 1	(2,130,300)	Approved by Council 20 October 2020
Overspends/(Underspends) reported at Quarter 1	(139,830)	
Navigation Buoys	16,500	
Pinces Garden Gatehouse Roof	85,000	
Riverside Sports Hall Roof	2,000,000	Approved by delegated powers as approved by Council 21 July 2020
CCTV Improvements	250,000	
Corn Exchange Roof Replacement	250,000	
Exmouth Buoy Store	95,000	
<b>Revised Capital Programme</b>	<b>65,731,720</b>	

## 8.2 PERFORMANCE

The revised capital programme for the current financial year is £65.732 million. During the first six months of the year the Council spent £10.260 million on the programme, which equates to 15.61% of the revised programme. This compares with £19.138 million (30.98%) that was spent in the first six months of 2019/20.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2020/21 of £65.121 million with £0.550 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 £10.721 million. An estimated spend of £65.121 million is required of which £60.286 million will be funded from borrowing with £5.886 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:

	<b>General Fund £</b>
<b>Balance as at 1 April 2020</b>	<b>4,333,210</b>
New Receipts	1,500,000
<b>Balance as at 30 September 2020</b>	<b>5,833,210</b>

## 8.4 EXPENDITURE VARIANCES

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

Scheme	Estimated Overspend / (Underspend) £
Mary Arches Footbridge	(35,000)
<b>Officer Responsible: Commercial Operations Manager</b> The works are unlikely to cost as much as the original estimates.	
Northbrook Flood Alleviation	(25,000)
<b>Officer Responsible: Commercial Operations Manager</b> Devon County Council are responsible for the Northbrook Flood Alleviation scheme and they have indicated that the project will be complete during 2020/21 and the total contribution will be £75k.	

#### 8.5 SCHEMES TO BE DEFERRED TO 2021/22 AND BEYOND

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

Scheme	Budget to be Deferred £
Fire Risk Assessment Works	418,190
<b>Officer Responsible: City Surveyor</b> Tender documents are being prepared, but due to delays it is anticipated that a proportion of this work will roll into 2021/22.	
Mary Arches Footbridge	200,000
Exeter Flood Alleviation Scheme	29,250
<b>Officer Responsible: Commercial Operations Manager, Public Realm</b> The Mary Arches footbridge project and Exeter Flood Alleviation scheme have been delayed as a result of Covid 19 until 2021/22.	

## 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.

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

Background papers used in compiling this report:-

None

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