

**EXETER CITY COUNCIL**

**SCRUTINY COMMITTEE – RESOURCES  
25 MARCH 2009**

**EXECUTIVE  
7 APRIL 2009**

**CAPITAL MONITORING STATEMENT TO DECEMBER 2008**

**1. 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. BACKGROUND**

- 2.1 A Local authority is 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. REVISIONS TO THE CAPITAL PROGRAMME**

- 3.1 The 2008/09 Capital Programme, including commitments brought forward from 2007/08, was last reported to Scrutiny Committee - Resources on 26 November 2008. Since that meeting the following changes have been incorporated into the programme:

<b>Description</b>	<b>£</b>	<b>Approval/funding</b>
Capital Programme, as at 26 November 2008	29,746,975	
Temporarily Suspended Schemes	(1,983,690)	Approved by Executive 9 December 2008
Budget Deferred to 09/10	(6,916,525)	
Overspends/Underspends	(81,280)	
Heavitree Environmental Enhancement	650	Contribution by County Cllr Foggin
Digby Play Area	49,130	Section 106 monies
National Cycle Network	98,230	Contribution from DCC
Walking Strategy	3,460	Contribution from DCC

Private Sector Renewal Scheme	24,230	Grant clawback income
Disabled Facility Grants	62,000	Additional Funding from DCLG
Fast Track Extralet Grants	3,000	Grant clawback income
Upgrading Council Roads/Footpaths	540	Contribution from DCC
Social Housing Grants	(30,000)	Transferred to Revenue
<b>Revised Capital Programme</b>	<b>20,976,720</b>	

#### 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 £20,976,720. It is projected that £2 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 nine months of the current financial year the Council spent £10.16 million of the 2008/09 Capital Programme.

- 5.3 In overall terms this equates to 48.4% of the Capital Programme being spent in the first nine months of 2008/09, compared to £11.12 million (51.5%) being spent in the first nine months of 2007/08.

- 5.4 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	2008/09 Expenditure 3rd Quarter	2007/08 Expenditure 3rd Quarter	2008/09 Expenditure expressed as percentage of Capital Programme	2007/08 Expenditure expressed as percentage of Capital Programme
C1	4,764,515	5,230,966	52.67%	62.97%
C2	1,888,729	1,681,810	33.49%	28.66%
HRA	3,503,556	4,210,266	55.68%	56.82%
<b>Total</b>	<b>10,156,800</b>	<b>11,123,042</b>	<b>48.42%</b>	<b>51.53%</b>

5.6 The projected total capital expenditure for 2008/09 is £18,950,251 representing 90.3% of the annual capital programme.

## **6. VARIANCES**

6.1 The main variances are as follows:

### **6.2 Community & Environment**

#### ***Cultural City***

- **Play Area Refurbishments (Budget £403,440) & Skating Area Exhibition Fields (Budget £16,000)**

Delivery of the Play Area Refurbishment Programme is progressing well, with facilities in Pendragon Road MUGA, Summerway Park, King's Heath Park, Wyvern Park, Exhibition Fields Skate Park and Kinnerton Way MUGA undergoing improvements during this financial year.

The Pendragon play area is now open and in use and floodlights have been ordered for the site.

Work at Summerway Park has progressed well, with a series of boulders to mark the play area boundary and play equipment was installed in February 2009. The multi use games area opened in early 2008 and now has floodlights.

At King's Heath a substantial new play area has been installed, with the final phase due for completion in May. The floodlit MUGA has been in use for several months.

Work at Exhibition Fields Skate Park is complete and the replacement ramps are proving very successful.

- **Roof Improvements to Topsham Museum (Budget £45,000)**

It is proposed that work on Topsham Museum roof is deferred until 09/10 so the work can be timed for when the museum is closed to the general public.

#### ***Cared for Environment***

- **New Trade Waste Recycling Service Vehicles (Budget £70,000)**

This budget has been allocated for the purchase of two vehicles to be used on the new recycling rounds collecting cardboard and plastics. So far one vehicle has been purchased and it is proposed that the remainder of the budget be deferred to 09/10 when the success of the current round can be determined and the decision whether to buy a second vehicle made.

#### ***Excellence in Public Services***

- **Oakwood House (Budget £61,540)**

We are awaiting defects work to be carried out by the contractor before the final payment can be issued; therefore it is proposed that the remainder of this budget be deferred to 09/10.

### ***Everyone has a Home***

- **Social Housing Grants (Budget £1,885,000)**

There are several unsigned agreements where schemes are on site plus sums agreed for Exwick and Foxhayes that won't be paid this financial year, therefore it is proposed to defer £810,000 of this budget to 09/10.

## 6.2.2 **Economy & Development**

### ***Cared for Environment***

- **Custom House (Budget £34,250)**

Work at the site has been completed with the final cost coming in below budget.

### ***Prosperous City***

- **Canal Basin and Quayside (Budget £446,700)**

The programme of works has been revised to reflect uncertainty surrounding the timing of several capital receipts resulting in £300,000 budget being deferred to 09/10. Full details have been provided in the report presented to Executive (27 January 2009).

## 6.2.3 **Corporate Services**

### ***Accessible City***

- **Equal Opportunities Improvements (Budget £118,320)**

Individual schemes have progressed this year, including Mincinglake Valley Park Access Improvements, Verney House Staircase Improvements and Access Improvements at Summerway Park. Orders are now being placed on remaining projects and it is proposed that any money unspent this year be carried forward into 09/10 to ensure all essential work is completed.

## 6.2.4 **Housing Revenue Account**

### ***Everyone Has a Home***

- **Sheltered Accommodation (Budget £644,190)**

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 later this year. Once the appointed contractor starts on site it is hoped that works can be completed swiftly, but it is projected that £444,190 of the budget will need to be carried forward into 2009/10 as significant spend of the budget will not start until the later part of this financial year.

- **Asbestos Removal Works (Budget £75,000)**

It has been necessary to undertake extensive asbestos removal works and it is forecast that there will be an overspend in the region of £45,000 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.

## **7. 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