

REPORT TO EXECUTIVE

Date of Meeting: 6 July 2021

REPORT TO COUNCIL

Date of Meeting: 21 July 2021

Report of: Director Finance

Title: General Fund Capital Monitoring 2020/21 and Revised Capital Programme for 2021/22 and Future Years

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise members of the overall financial performance of the Council for the 2020/21 financial year in respect of the annual capital programme.

To seek approval of the 2021/22 revised capital programme, including commitments carried forward from 2020/21.

2. Recommendations:

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

- (1) The overall financial position for the 2020/21 annual capital programme; and
- (2) The amendments and further funding requests to the Council's annual capital programme for 2021/22.

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:

The pandemic had a significant impact on the capital programme in 2020-21, meaning a significant amount is being carried forward. Members should note that the two additions being requested to be added to the capital programme both attract funding, which means that there is no impact on the Council's existing resources.

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 issues for the Monitoring Officer.

8. Report details:

GENERAL FUND CAPITAL MONITORING 2020/21 AND REVISED CAPITAL PROGRAMME FOR 2021/22 AND FUTURE YEARS

8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2020/21 Capital Programme was last reported to Council on 20 April 2021. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Council on 20 April 2021	71,190,010	
Budget Deferred to 2021/22 & Beyond at Quarter 3	(42,010,560)	Approved by Council 20 April 2021
Overspends/(Underspends) reported at Quarter 3	1,540	
Public Sector Decarbonisation Fund Scheme	661,500	
Fire Risk Assessment Works	250,000	
Cleansing Bins & Boxes	78,900	Approved by Council 21 July 2020
Disabled Facility Grants	115,600	Increased DFG Funding

Energy Saving Projects	121,370	Funding from ERDF
Revised Capital Programme	30,408,360	

8.2 PERFORMANCE

Capital expenditure in the year amounted to £20,613,128. The actual expenditure during 2020/21 represents 90.81% of the revised Capital Programme, it is proposed to carry forward a total of £3.628 million budget into future years, whereas £1.011 million budget has been brought forward from future years and spent in 2020/21 (giving a net budget carry forward of £2.617 million), as indicated in Appendix 1.

Appendix 2 shows the overall position for those schemes which span more than one financial year.

8.3 CAPITAL FINANCING

The capital expenditure in 2020/21 of £27,613,128 was financed as follows:

	£
Capital Grants & Contributions	2,525,126
Capital Receipts	698,098
Community Infrastructure Levy	837,831
Revenue Contributions	17,517
Borrowing	23,534,556
TOTAL	27,613,128

8.4 AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2020/21 are £9.413 million. Total General Fund capital expenditure is £27.613 million of which £23.535 million will be funded from borrowing, allowing £3.329 million of capital receipts to be carried forward.

Appendix 3 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 four years.

The value of actual capital receipts received in 2020/21 to date in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2020	4,333,210
New Receipts	1,699,060
Amount used to finance capital expenditure in 2020/21	(698,098)
Amount applied in respect of fleet lease	(2,005,163)
Balance as at 31 March 2021	3,329,009

8.5 EXPENDITURE VARIANCES

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

Scheme	Estimated Overspend / (Underspend) £
Leisure Centre Essential Enhancements	40,000
Riverside Leisure Centre	(40,000)
Officer Responsible: Director	
£40,000 was transferred from the Riverside Leisure Centre into the Leisure Centre Essential Enhancements to cover essential works in the other centres	
Capitalised Staff Costs	(50,000)
Officer Responsible : Director	
No directly attributable staff costs were incurred this year.	
Passenger Lift at RAMM	(38,767)
Livestock Market Drainage & Toilets	(51,077)
Officer Responsible: City Surveyor	
Both of these projects achieved savings through effective management of the project not requiring expenditure of all risk allowances	

8.6 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 £
Customer Contact Platform	62,840
<p>Officer Responsible: Chief Executive & Growth Director</p> <p>It was initially thought that a Business Analyst would be in post by the end of September 2020. However, internal recruitment was not successful and plans are being development for recruitment in the 21/22 financial year.</p>	
Leisure Complex Build Project	1,213,734
Bus Station Construction	244,007
Pinhoe Community Hub	53,760
Agile & Flexible Rollout	82,932
<p>Officer Responsible: Director</p> <p>Works from the approved Leisure Centre Essential Enhancements schemes continue to be delivered.</p> <p>The Leisure Complex and Bus Station Construction budgets have been re-profiled in-line with anticipated expenditure.</p> <p>Pinhoe Community Club have plans to spend the remaining budget in 2021/22.</p> <p>There are plans to spend remaining Agile & Flexible budget in 2021/22.</p>	
Parks Anti-incursion Measures	44,198
Ash Die Back Tree Replacement	34,920
<p>Officer Responsible: Service Manager – Public & Green Spaces</p> <p>Parks Anti-incursion Measures works have been delayed into 2021/22 due to an unsuccessful tender process. Works are being delivered by the Belle Isle team and are well underway with Lakeside Avenue protection works and hope to be finished off with a maintenance gate and tree planting. Heavitree PG has been protected at one of the side entrances to prevent unauthorised vehicular access. Honeylands Drive, Exhibition Fields and Eastern Fields work has started. Hamlyn Lane & King George V southern car park have had earth bunds and Security gate at Hamlyn Lane.</p> <p>Tree replacement works are underway and contractors are busy identifying and risk assessing Ash trees that have fallen victim to the disease. We have also undertaken a tree replanting scheme in Mincinglake planting around 300 trees and 2000 trees planted in Pinhoe. We will be increasing the surveying particularly in the hard to reach woodland boundary areas where diseased trees could pose a real logistical challenges if not dealt with promptly.</p>	
Trews Weir refurb	50,000

<p>Officer Responsible: Engineering & Assets Manager</p> <p>Trews Weir works have been delayed due to limited resourcing and ongoing discussions with EA regarding funding. Assessment and design works are expected to commence in early summer 2021.</p>	
<p>Next Steps Accommodation Programme Property Acquisition</p>	<p>(623,320)</p>
<p>Officer Responsible: Service Lead, Housing Needs & Homelessness</p> <p>Properties that were previously scheduled to be purchased in April completed in March.</p>	
<p>Leisure Centre Essential Enhancements</p>	<p>47,880</p>
<p>Riverside Leisure Centre</p>	<p>(332,229)</p>
<p>Leisure Complex - Fit Out</p>	<p>194,000</p>
<p>Officer Responsible (Fit Out only): Community, Health, Wellbeing, Sport & Leisure Manager</p> <p>Commencement of procurement for equipment for St Sidwell's Point was started late in the 20/21 financial year therefore no actual purchases were made before 31 March.</p>	
<p>Energy Saving Projects</p>	<p>810,965</p>
<p>Officer Responsible: City Surveyor</p> <p>An additional £661,500 was added to the project in March 2021 from the public sector decarbonisation fund – this is to update the building management system and to provide essential service to monitor consumption and emissions. These funds will be spent by end of September 2021.</p> <p>The contract for the solar farm is soon to be awarded and work on this is expected to be completed in the summer of 2022</p>	
<p>Fire Risk Assessment Works</p>	<p>351,350</p>
<p>Officer Responsible: City Surveyor</p> <p>Any additional £250,000 was added to this project at the end of the 2020/21 financial year after a shortfall for fire alarm replacements was identified. Delays were incurred resulting in funds being transferred into future years.</p>	

8.7 CAPITAL PROGRAMME 2021/22 (Appendix 4)

The revised Capital Programme for 2021/22, after taking into account the carried forward requirements from 2020/21 now totals £64,942,240

8.8 ACHIEVEMENTS

Next Steps Accommodation Programme Property Acquisition

The council completed on three one bedroom flats at Chestnut Avenue, Prescott Road and Darwin Court in March 2021 (with a further two purchased so far in the new financial year at Bartholomew Street West and Woodwater Lane).

Heavitree Road is a 6 bed HMO with ensuite bedrooms and a shared lounge and kitchen. The property was the second to be brought on under the Next Steps Accommodation project.

All the properties brought on under the Next Steps Accommodation Programme will be used to accommodate someone currently rough sleeping or with a recent history of rough sleeping, with priority to those in emergency housing and then to those in Tier 2 Supported Housing (Gabriel House, Howell Road and Morwenna Court). Any vacancy from emergency accommodation or Tier 2 supported housing must go to someone who is currently on the streets.

8.9 FURTHER FUNDING REQUESTS

Litter Bins (£20,000)

The Public and Green Spaces team have been successful in a bid for a 'Binrastructure' small scale grant awarded by Waste and Resources Action Programme (WRAP). The funding of £20,000 is for the provision of infrastructure and monitoring equipment to enable flexibility in responding to changing demands in terms of type of bins, capacity and placement. The total cost of the project is £22,690 including labour and fitment costs, and this will help ECC align with the "Right Bin Right Place" guidance principles.

St Sidwell's Point and Exeter Bus Station (£784,000)

Exeter City Council have been awarded £784k by the Local Enterprise Partnership. The £784k LEP funding will mainly be used to pay for unforeseen cost increases in the project values, including:

1. Extensive Ground Remediation to deal with previously unidentified contamination under the old bus apron.
2. Archaeological finds / discovery when excavating on site – which had previously not been identified in the pre-start investigations & surveys.
3. Interim bus station arrangements, traffic management and detailed scope of such being greater than originally forecast.

In addition to the above, the funding will also be used for Monitoring & Evaluation of performance against criteria identified in the LEP Funding Agreement.

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.

Director Finance, Dave Hodgson

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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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