

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE – RESOURCES
17 JUNE 2009**

**EXECUTIVE
29 JUNE 2009**

**CAPITAL MONITORING 2008-09 AND REVISED CAPITAL PROGRAMME FOR 2009-10
AND FUTURE YEARS**

1. PURPOSE OF THE REPORT

- 1.1 To advise members of the overall financial performance of the Council for the 2008-09 financial year, in respect of the annual capital programme.
- 1.2 To seek approval of the 2009-10 revised capital programme, including commitments carried forward from 2008-09.

2. REVISIONS TO THE CAPITAL PROGRAMME

- 2.1 The progress of the annual capital programme was last reported to Scrutiny Committee – Resources on 25 March 2009. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/funding
Capital Programme, as at 25 March 2009	20,976,720	
Various schemes	43,330	Capitalised staff costs
National Cycle Network	65,270	Contribution from DCC
Walking Strategy	10,600	Contribution from DCC
Essential MRF Capital Works	55,660	DEFRA Waste Grant
Parks Improvements	3,920	S106 monies
Gravedigger	5,000	Revenue contribution to capital outlay
King William Street Car Park Changing Facilities	20,000	Contribution from DCC
Fast Track Extralet Grants	28,760	Grant clawback income
Heavitree Enhancements	(182,300)	Removal of DCC contribution from budgets; DCC have paid the contractor directly
Energy Conservation	15,510	External funding secured from utility companies
Various HRA schemes	44,180	Contributions from tenants
Revised Capital Programme	21,086,650	

3. MONITORING PERFORMANCE

- 3.1 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.
- 3.2 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.

4. PERFORMANCE (Appendix 1)

- 4.1 Capital expenditure in the year amounted to £16,593,668, a reduction of £4,492,982 on the planned figure of £21,086,650. This planned figure takes into account an adjustment for the temporarily suspended capital schemes.
- 4.2 The actual expenditure during 2008-09 represents 78.7% of the total approved for the revised Capital Programme, which means £4.46 million will need to be carried forward to be spent in future years, as indicated in Appendix 1. Two capital projects where spend has been significantly less than anticipated are RAMM Redevelopment (£840,570) and Social Housing Grants (£1,249,920), and these alone account for almost 10% of the spending shortfall.
- 4.3 In comparison with the previous financial year, spending performance has decreased. During 2007/08 capital expenditure was £19,509,527, equivalent to 88.5% of the planned figure of £22,036,840.
- 4.4 The table below sets out how the Council has performed in terms of capital expenditure compared to the previous financial year, analysed by category:

Category	2008/09 Expenditure £	2007/08 Expenditure £	2008/09 Expenditure expressed as percentage of Capital Programme	2007/08 Expenditure expressed as percentage of Capital Programme
C1	7,569,227	7,819,568	83.90%	92.18%
C2	3,818,346	4,473,921	66.83%	73.00%
HRA	5,206,095	7,216,037	81.97%	97.18%
Total	16,593,668	19,509,526	78.69%	88.53%

Capitalisation of Staff Costs

- 4.5 In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice, any costs attributable to bringing a fixed asset into working condition for its intended use qualify as capital expenditure. Directly attributable costs include the labour costs of certain Council employees, which have been directly involved in the construction or acquisition of a specific asset.

4.6 During the financial year, the cost of the Council's IT developers, engineers, architects and surveyors have been treated as capital expenditure, based upon timesheet information.

4.7 Several large capital schemes have required a high commitment in staff time, including the:

- regeneration of the Canal Basin
- re-development of the Royal Albert Memorial Museum
- rebuild of the obsolete changing facilities at Hamlin Lane
- continuation of the electronic document management system implementation and development
- development of the corporate website and intranet
- delivery of the kitchen replacement, central heating and bathroom replacement programmes in council dwellings.

4.8 The total value of staff time charged to capital schemes for 2008-09 amounted to £1,120,076.

5.0 VARIANCES AND ACHIEVEMENTS

5.1 The main variances and achievements are as follows:

5.2.1 Community & Environment

Cultural City

- **Play Area Refurbishments & Skating Area Exhibition Fields**

Facilities in Pendragon Road Multi Use Games Area (MUGA), Summerway Park, King's Heath Park, Wyvern Park, Exhibition Fields Skate Park and Kinnerton Way MUGA all underwent 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 MUGA 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.

- **Hamlin Lane Changing Rooms**

Improvements made to the changing rooms include increased capacity, better access to wheelchair users and energy efficiency measures. The building now includes changing rooms for up to ten teams and a separate area for officials. Most significantly the refurbishment has resulted in an increase from three to 18 shower stations as well as the inclusion of a new disabled access toilet. New showers are heated by two energy efficient boilers and equipped with automatic water saving devices. Additional costs were incurred to improve

parking facilities at the site and provided spaces for an additional 50 cars.

- **RAMM Re-development**

The main contractor came to site slightly later than the original plan, and subsequent delays on site set the programme back further, so that invoices from the contractor have not amounted to those expected in the cost plan. Therefore it is proposed that £840,570 of the 08/09 budget be deferred to 09/10. Further details are provided in the separate report.

Cared for Environment

- **New Trade Waste Recycling Service Vehicles**

This budget was allocated for the purchase of two vehicles to be used on the new recycling rounds collecting cardboard and plastics. In 2008-09 one vehicle was purchased and it is proposed that the remainder of the budget be deferred to 2009-10 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**

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**

The Social Housing Grants paid during 2008-09 helped to facilitate the provision of 28 affordable homes all for social rent, built in partnership with housing associations, the Housing Corporation and developers. Commuted sums facilitated a further 65 private sector tenancies all to decent homes standards: 38 homes through the Extralet scheme and 27 through the LetStart scheme. The Shakespeare Rd site was acquired from the Primary Care Trust and should facilitate the construction of at least 20 homes for social rent. Capital transfers enabled the extension/conversion of 6 Council homes to 4 bedrooms and extra accommodation for one homeless family was secured through the conversion of the Council's guesthouse.

5.2.2 Economy & Development

Accessible City

- **Signage/Pedestrian Interpretation**

The new finger posting system has been fully implemented across the city centre and provides a high quality, comprehensive signing system for tourists and visitors. A series of maps are to be erected in car parks in the near future and a map and a planned additional finger post is to be erected in the bus station to assist people arriving by bus in Exeter.

Cared for Environment

- **Heavitree Environmental Enhancement**

The Heavitree Fore Street scheme was completed in January 2009. A number of significant additional costs were incurred mainly as a result of the additional costs of paving stones from a second supplier following default of the original supplier, additional DCC engineers fees and relocating the Virgin utility boxes.

- **Custom House**

The project is substantially complete with minor defects and works to stair panelling to be completed in 09/10.

- **City Centre Enhancements**

As Members are aware, this is a rolling programme of enhancements where the core city centre streets have now been significantly improved with new paving, street furniture, tree planting and public art. The most recent expenditure on this programme has been with regard to the Paris Street/Sidwell Street improvement where the footway on the east side of Paris Street was doubled in width, a total of 10 trees planted and a series of seats installed. It was intended to significantly reduce the impact of traffic in the heart of the retail core of the city centre which is a major issue in terms of the long term re-development of the bus station site. A smaller scheme which was completed in April of this year is the re-paving of Martin's Lane and the bottom end of Catherine Street in York stone which was a scheme which was 50:50 funded with Devon County Council. The next phase of work will focus on the section of Gandy Street between High Street and Little Queen Street, followed by consideration of the Fore Street area at its junction with North Street/South Street. As plans for this area are closely linked to the development of the High Quality Public Transport route it will be some months before any detailed proposals emerge for consideration by Planning Member Working Group.

Prosperous City

- **Canal Basin and Quayside**

This has been reported to Executive twice since last Autumn, advising that conditions in the economy are such that progress with this scheme has slowed down significantly. Sutton Harbour Company have been given an extended period in which to prepare their proposals to secure tenants for the sites under their control. Similarly, Homebrick who have the interest in the Old Electricity Building, need to re-negotiate their development agreement since their original scheme is undeliverable in the current economic climate. They are in discussions with a potential tenant to create a children's play centre. Despite the slowing down of the market there is also good progress to report. Bridger Marine have completed work on their new chandlery at the Haven Road Car Park and are now in occupation. The existing chandlery is to be demolished and the area used for storage in the interim until a permanent scheme is progressed. Signposts work at 60 Haven Road is progressing very well and 14 affordable housing units and a retail/restaurant unit will be completed for occupation by October 2009. A range of environmental enhancements has been undertaken in the Canal Basin area, particularly at the entrance to the Valley Park, with the Old Maritime Buoy restored and positioned on the Kings Arms Isthmus. The next key element of the project is the construction of the

access road (Michael Browning Way) to the Haven Road Car Park and the creation of a winter boat laying up area. Planning permission is to be sought imminently for this scheme and this work is due to go out to tender shortly, with implementation starting from the Summer.

- **Science Park**

Spending on this has been moderate as the principal focus has been on the detailed design of the scheme and setting up the Science Park Company. Our major expenditure is not likely to take place until 2010/11. Progress is excellent with the Science Park Company now formed and a planning application expected in the next few weeks. The aim is for a start on site in early 2010 with the first building occupied by early 2011. The accompanying infrastructure, being delivered as part of the New Growth Point, is also progressing well to ensure that the necessary transport and utilities infrastructure is in place in time.

5.2.3 Corporate Services

Accessible City

- **Equal Opportunities Improvements**

Individual schemes progressed this year include the provision of disabled parking bays and automatic doors at the ISCA Bowls Centre, accessible allotments, Mincinglake Valley Park access improvements, Verney House staircase improvements and access improvements at Summerway Park. Orders have been placed on remaining projects to ensure all essential work is completed.

Electronic City

- **Information Technology/E Government**

New features on www.exeter.gov.uk include improved navigation, a complete A-Z of services, easy access to reporting and paying online, as well as clear options of how to contact the Council. On the homepage people can now get up-to-date travel information, and by using Living in Exeter, they can enter their postcode and find out when their household waste is due for collection, who their ward councillors are, nearby planning applications, subscribe to email alerts and much more.

Other achievements include:

- continued work on the corporate electronic document and records management system to improve the creation, storage, accessibility, control and disposal of their documents and records
- the continuation of the corporate server upgrade programme and improvements to the network infrastructure providing a high capacity storage system which will provide fast and reliable data recovery and to manage the increasing demand for high bandwidth applications
- the continuation of the FIMS Replacement project
- the implementation of additional data archiving and managed storage systems

- **Civic Centre Communal Area Refurbishment**

This budget forms part of a rolling programme to replace the fire doors, refurbish staff toilets, upgrade lift lobbies, refurbish kitchen areas and replace floor coverings in communal areas throughout the Civic Centre.

This financial year the refurbishment of the toilets and common areas in Phase 3 and on the ground floor and third floors of Phase I, including new laminate flooring has been completed.

5.2.4 **Housing Revenue Account**

Everyone Has a Home

- **Sheltered Accommodation**

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.

The design and pre tender works took longer than anticipated and work is now intended to start on site in the Autumn of 2009.

- **Defective Properties – British Steel**

Works started in October last year on the remaining 17 properties. The works involve externally cladding the building and then rendering. Due to the weather the contract was delayed and we were unable to complete all the works programmed by the end of the year and will continue in 2009-10.

- **Rendering Works – Flats**

Works started in October to re-render the properties with dash rendering and carry out general repairs. Due to additional repairs such as the asphalt walkway at Galahad Close and the weather the contract was delayed; the programme of works will continue in 2009-10.

- **Programmed Re-Roofing**

The re-roofing of Briar Crescent and Laburnum Road was completed along with a further five properties with a history of leaks requested by housing.

- **Energy Conservation**

Measures to improve the energy efficiency of council-owned homes are progressing and are on target to be completed by 2011. In 2008-09 wall cavity insulation was completed in 25 homes leaving 77 to complete, 256 lofts were completed leaving 626 to complete. Surveys are ongoing to ensure information we hold regarding the energy efficiency of council-owned homes is accurate and up-to-date.

- **Kitchen Replacements**

The full programme of 183 kitchen replacements was achieved; these properties were generally spread across city with the exception of Grandisson Court and Abbeville Close.

- **Communal TV Aerials**

All the communal TV aerials have been upgraded to receive digital signal. Costs were less than anticipated as only the aerials were upgraded rather than satellite being installed.

- **Programmed Electrical Re-Wiring**

Out of the 195 programmed rewires 140 were completed, the programme has now been changed to a test and rewire/repair programme.

- **Central Heating Programme**

125 Gas central heating installations were completed. The properties were a mix of completely new installs and breakdowns to existing gas / electrical heating systems.

6.0 CAPITAL AND PROJECT PROGRAMME 2009-10 (Appendix 2)

6.1 The revised Capital Programme for 2009-10, after taking into account the carried forward requirements from 2008-09 and amounts deferred into future financial years, now totals £24,528,020.

7.0 RECOMMENDED

7.1 It is recommended that the overall financial position for the 2008-09 annual capital programme be noted.

7.2 That the amendments to the Council's annual capital programme for 2009-10 be approved by Executive.

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