

## **REPORT TO EXECUTIVE**

Date of Meeting: 3 October 2023

## **REPORT TO COUNCIL**

Date of Meeting: 17 October 2023

Report of: Director Finance

Title: 2023/24 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 overall financial position for the 2023/24 annual capital programme.
- (2) The amendments and further funding requests to the Council's annual capital programme for 2023/24.

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

3.1. 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:

Continuing the trend of recent years, only a small amount of the capital programme has been spent. Whilst progress has been made in addressing staff shortages, they will take time to bed in and therefore it is likely this trend will continue throughout the year.

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

Monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003.

The requirements imposed on the Council by the Act are set out in section 3 of the report.

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

This is a financial update report and as such the Monitoring officer has no comment to make.

#### 8. Report details:

##### 8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2023/24 Capital Programme, including commitments brought forward from 2022/23, was last reported to Executive on 27 June 2023. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Council 18 July 2023</b>	<b>62,483,270</b>	
Riverside & RAMM Decarbonisation Projects	6,391,660	Approved by Council 18 July 2023
DEFRA Air Quality Grant	49,000	
RAMM Roof & Insulation	498,000	
Fleet Lease Costs	750,000	
<b>Revised Capital Programme</b>	<b>70,171,930</b>	

##### 8.2. PERFORMANCE

The revised capital programme for the current financial year is £70.172 million. During the first three months of the year the Council spent £1.486 million on the programme,

which equates to 2.12% of the revised programme. This compares with £46.772 (35.06%) that was spent in the first three months of 2022/23.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2023/24 of £42.155 million with £28.025 million of the programme potentially being deferred to 2024/25 and beyond.

Appendix 2 shows the approved budgets for 2024/25 with the proposed 2023/24 budget to be carried forward to 2024/25 and beyond for Executive and Council to consider for approval.

### 8.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2023/24 are £17.020 million. An estimated spend of £42.155 million is required of which £26.628 million will be funded from borrowing with £1.493 million capital receipts carried forward to 2024/25.

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 2023</b>	<b>2,948,571</b>
New Receipts	0
<b>Balance as at 30 June 2023</b>	<b>2,948,571</b>

### 8.4. EXPENDITURE VARIANCES

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

Scheme	Variance £
<b>Heavitree Paddling Pools</b>	<b>60,000</b>
<b>St Thomas Splash Pad</b>	<b>(60,000)</b>
<p><b>Officer Responsible: Service Manager - Parks &amp; Green Spaces</b></p> <p>It is proposed that these schemes be considered as a single project, with a combined budget. Work at the St Thomas site has been completed and it is proposed that the remaining funds be allocated towards the completion of the Heavitree site project.</p>	

Scheme	Variance £
<b>Leisure Equipment Replacement Programme</b>	<b>561,660</b>
<b>Leisure Centre Essential Enhancements</b>	<b>(316,220)</b>
<b>Leisure Management</b>	<b>(245,440)</b>
<b>Riverside &amp; RAMM Decarbonisation Projects</b>	<b>900,160</b>
<p><b>Officer Responsible: Director - Communications, Culture &amp; Leisure</b></p> <p>It is proposed that the Leisure programmes are combined to reflect the on-going annual requirements of updating equipment across the leisure centres.</p> <p>As below, it is proposed that the saving from the Riverside Sports Hall Roof budget is transferred to the Riverside &amp; RAMM Decarbonisation Project as the Council's contribution to the programme.</p>	

Scheme	Variance £
<b>Riverside Sports Hall Roof</b>	<b>(900,160)</b>
<p><b>Officer Responsible: Director - Communications, Culture &amp; Leisure</b></p> <p>This underspend represents a transfer to the new Riverside &amp; RAMM Decarbonisation Project, managed by the Net Zero Team; this is the Council's contribution to this programme. £76,000 remains in the Riverside Roof programme to cover the final retention payment.</p>	

#### 8.5. SCHEMES TO BE DEFERRED TO 2024/25 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2024/25 and beyond are:

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>Outdoor Leisure Facilities</b>	<b>121,270</b>
<b>Parks Infrastructure</b>	<b>105,210</b>
<b>Cemeteries &amp; Churchyards Infrastructures</b>	<b>134,790</b>
<b>Ash Die Back Tree Replacement</b>	<b>201,700</b>
<b>Northbrook Wild Arboretum</b>	<b>78,350</b>
<b>Heavitree Paddling Pools</b>	<b>350,000</b>
<p><b>Officer Responsible: Service Manager - Parks &amp; Green Spaces</b></p> <p>A site for proposed facilities within the Newcourt area is still to be determined. Rougemont footpath improvements are likely to start in the new year extending into 2024/25.</p> <p>The Garden of Remembrance scheme is not expected to start in the current year.</p> <p>Work is ongoing to assess and remove affected trees and replant with other varieties. It will continue through the medium term, dependent on disease impact and funding.</p> <p>Arboretum deferral relates to costs associated with years 3 to 5 of this scheme.</p> <p>Tendering for the Paddling Pools scheme should be issued next month with work due to start in the new year and with the majority of spend falling in 2024/25.</p>	
<b>Bowling Green Marshes</b>	<b>260,000</b>
<b>Cricklepit Bridge</b>	<b>113,750</b>
<b>Trews Weir Refurbishment</b>	<b>3,475,000</b>
<b>District Street Lighting</b>	<b>577,390</b>
<b>Exeter Quay Cellars Cliff Face</b>	<b>385,000</b>
<b>Farm Hill Retaining Walls</b>	<b>464,790</b>
<b>Riverside Walls at Quay</b>	<b>50,000</b>
<b>Bonhay Road / Andlaw House Footpath</b>	<b>130,000</b>
<b>St James' Weir &amp; Duckes Marsh Meadow Banks</b>	<b>75,000</b>
<b>Landfill Gas Extraction Systems</b>	<b>200,000</b>
<b>Mincinglake Valley Park Reed Beds &amp; Pipe Inlet</b>	<b>150,000</b>
<b>Bromham's Farm Playing Fields</b>	<b>223,530</b>
<b>ECC Bridge Repair Programme</b>	<b>600,000</b>
<b>Countess Wear Retaining Wall Rebuild</b>	<b>100,000</b>
<b>Canal Basin Bridge Refurbishment</b>	<b>50,000</b>

**Officer Responsible: Engineering and Assets Manager**

Bowling Green Marshes work is expected to commence in the autumn running across year end.

Cricklepit Bridge work expected to commence in the autumn and run over year end.

The Trews Weir Refurbishment has an incorrect spend profile – only £75k this year, £500k next and with the bulk due to be spent in 2025/26.

District Street Lighting – pace of work dependent on DCC and availability of supplies.

Exeter Quay Cellars – designs being finalised and Listed Buildings Consent to be submitted September/October 2023. Due to materials constraints, substantive works cannot start until March 2024 and will run through to 2024/25.

Farm Hill Retaining Walls – on-going review to determine what is ECC’s responsibility; work will not to start before the new year.

Riverside walls at Quay is linked to the Trews Weir Refurbishment and is likely to be spent when the majority of that work takes place (i.e. 2025/26).

Bonhay Road / Andlaw House timescales are dependent on a third party; and are unlikely to commence until the new year at the earliest.

Duckes Marsh and Canal Basin Bridge are contingency pots where it is hoped not to need to spend anything during the year.

Landfill gas extraction – further winter monitoring to occur before a decision is taken on the way forward for this scheme.

Mincinglake Valley timescales dependent on a third party, limited spend in year.

Bromham’s Farm fields - to commence April/May 2024 with tendering due shortly.  
Bridge Repair programme – little requirement anticipated this year.

Countess Wear Wall – forecast to start in the new year and continue into early 2024/25.

<b>Decarbonisation Projects</b>	<b>6,041,820</b>
---------------------------------	------------------

**Officer Responsible: Service Lead – Net Zero & Business**

Project has a 2 year time frame and strict rules on when expenditure can be incurred, the majority of the project is scheduled for year 2 – 2024/25.

Scheme	Budget to be Deferred £
Loan to Exeter City Living	14,141,560
<p><b>Officer Responsible: Chief Financial Officer</b></p> <p>It is unlikely that this loan will be utilised in 2023/24, therefore it is to be deferred into the next financial year.</p>	

## 8.6. ACHIEVEMENTS

### **Guildhall Roof Replacement**

The Jury Room, located within the historic Guildhall, suffered a collapsed ceiling due to water ingress. This project has replaced the slate roof covering, upgraded insulation, re-plastered the damaged interior elements and restored the original vaulted ceiling. With the scaffold already in place the Robing room roof was re-covered as well. Completing this project provides a robust venue for civic ceremonial and other events and protects an important heritage asset.

## **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)**

11.1 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.

11.2 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.

11.3 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.

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

Author: Nicola Morley, Mark Neville-Smith and Bridget Kendrick

## **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