

REPORT TO EXECUTIVE

Date of Meeting: 3 December 2024

REPORT TO COUNCIL

Date of Meeting: 17 December 2024

Report of: Director Finance

Title: 2024/25 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:

- (1) The overall financial position for the 2024/25 annual capital programme.
- (2) The further funding requests to the Council's annual capital programme for 2024/25, as detailed in paragraph 8.6.

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:

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:

The Monitoring Officer has no additional comments.

8. Report details:

8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2024/25 Capital Programme, including commitments brought forward from 2023/24, was last reported to Executive on 1 October 2024. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Revised Capital Programme, as reported to Council 15 October 2024	31,816,260	
Disabled Facility Grants	441,420	Approved by Council 15 October 2024
Parks Infrastructure	62,560	
Revised Capital Programme	32,320,240	

8.2. PERFORMANCE

The revised capital programme for the current financial year is £32.32 million. There are some schemes where the timing of the spend is uncertain, these schemes have a budget of £7.588 million, of the remaining £24.732 million budget the spend during the first six months of the year the Council was £2.899 million, which equates to 11.72% of the revised programme. This compares with £2.199 (5.22%) that was spent in the first six months of 2023/24.

The current programme is detailed in Appendix 1. For the schemes where the timing of the spend is within the control of the Council the Appendix shows a total forecast spend for 2024/25 of £11.774 million with £8.083 million of the programme potentially being deferred to 2025/26 and beyond.

Appendix 2 shows the approved budgets for 2025/26 with the proposed 2024/25 budget to be carried forward to 2025/26 and beyond for Executive and Council to consider for approval.

8.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2024/25 are £5.240 million. An estimated spend of £11.791 million is required of which £7.200 million will be funded from borrowing with no capital receipts remaining to be carried forward to 2025/26.

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 three years.

The value of actual capital receipts received for 2024/25 to the end of quarter in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2024	851
New Receipts	94,000
Balance as at 30 September 2024	94,851

8.4. EXPENDITURE VARIANCES

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

Scheme	Variance £
Farm Hill Retaining Walls (23 no.)	(£35,000)
Countess Wear Retaining Wall Rebuild	£35,000
Officer Responsible: Head of Service – Operations The Farm Hill scheme will underspend this year to compensate for an overspend that will come through on the Countess Wear Retaining Wall project.	

Riverside & RAMM Decarbonisation Projects	(£4,860,850)
Officer Responsible: Head of Service – City Centre and Net Zero As per the report that was presented to Executive on 1 October on the Public Decarbonisation Scheme 3b Project which sets out the reasons for this scheme not going ahead. The budget was to be grant funded so this is not a saving of ECC funds.	

8.5. SCHEMES TO BE DEFERRED TO 2025/26 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2025/26 and beyond are:

Scheme	Budget to be Deferred £
Waste Infrastructure	250,000
Improved Recycling Containers	50,000
Depot Enhancement Works	5,500,000
Food Waste Collections	857,140
Officer Responsible: Head of Service – Environment & Waste The waste depot improvement works including the MRF has been re-profiled in-line with estimated project spend. The full introduction of food waste collections is dependent on the food waste bay being constructed as part of the depot improvement works, so this scheme has also been profiled accordingly as commissioning cannot take place until the majority of the work is completed. The reprofiling to both Waste Infrastructure and Recycling containers are also linked to the depot development work, as spending is linked to the works.	
Parks Infrastructure	132,580
Heavitree Paddling Pools	500,000
Officer Responsible: Head of Service - Operations Park Infrastructure works have not been required at the level assessed when the budget was set; the service extends life as far as is feasible, but ultimately repairs or replacements will become necessary over the coming years. Additional funds received last quarter will be allocated to projects that fall within the s106 remit, but schemes are unlikely to commence in the current financial year given planning lead-in times. The Heavitree Paddling Pools plans were unsuccessful at tender. The project will progress with a second consultation on site design given this outcome, but works are not now expected to progress significantly in the current year.	

Scheme	Budget to be Deferred £
Bowling Green Marshes Coastal Defence Scheme	50,000
Farm Hill Retaining Walls (23 no.)	115,000
Bonhay Rd/Andlaw House Footpath	69,810
St James' Weir & Ducks Marsh Meadow banks	75,000
Landfill Gas Extraction Systems	46,750
ECC Bridge Repair Programme	100,000
Oxford Road Car Park Retaining Wall	200,000
Canal Basin Bridge Refurbishment	50,000

Officer Responsible: Engineering & Assets Manager

Following an unsuccessful procurement exercise for the Bowling Green Marshes Coastal Defence Scheme an alternative approach has been selected that will increase the programme time into the net financial year.

The scope of the Farm Hill retaining walls project has significantly reduced since the budget was requested, we are currently awaiting tender process.

The Bonhay Road footpath project has been delayed due to uncertainty over land ownership / responsibilities. Investigations are ongoing.

The St James' Wier and Ducks Marsh budget is precautionary, there is no current need to spend but the asset is being monitored.

The landfill gas extraction system works are postponed due to need for wintertime monitoring of boreholes before the works scope can be finalised.

Resourcing issues have reduced capacity to deliver the bridge programme at the anticipated rate, fewer works planned in this financial year.

The budgets for both Oxford Road wall and the Canal Basin Bridge refurbishment are precautionary with no current need to spend at present, but the asset is being monitored.

Scheme	Budget to be Deferred £
Guildhall Shopping Centre Enhancements	4,982,350
St Nicholas Priory Roof	88,120
Officer Responsible: Interim Head of Service – Commercial Assets It is unlikely that there will be any spend on the above programmes this financial year. However, if there is any spend, the budgets can be accelerated from 25/26 to cover it.	
Green Space Depot Site	2,500,000
Cathedral Green Display Cases	35,000
Officer Responsible: Head of Service – Asset Maintenance It is unlikely that there will be any spend on the above programmes until the restructure and recruitment of the Assets team has been progressed.	
Fire Risk Assessment Works	(2,300)
Backlog Maintenance	(7,010)
Commercial Property Ancillary Accommodation	(57,820)
Officer Responsible: Head of Service – Asset Maintenance The budgets for these three programmes were reprofiled into 2025/26. However, this spend has been incurred this financial year so some of the budget needs to be accelerated into 2024/25. A review will be undertaken to forecast spend for the rest of the year so these figures may change.	

8.6 FURTHER FUNDING REQUESTS

Disabled Facilities Grant (£141,140)

The Council has ring-fenced reserves of £141,140 built up during previous years which need to be released this year to support the increase in levels of spend coming through.

Topsham Museum (£100,000)

Removal of the existing render has uncovered unforeseen structural issues that if left unrepaired will affect the structural stability of the asset. The Council has obligations to address these issues due to the asset being both listed and leased. Addressing these issues now whilst the contractor is already on site, will save time and resource and negate the need for a further road closure. It would be unsafe to leave the asset in this condition.

Harbour Workboat (Port Constructor) (£165,000)

The Port Authority has been renting this vessel to enable its functions to be carried out and believed it would have a 5 year contract signed shortly. The owner now wishes to sell and has offered it to the Authority. Providing, as it does, a vital support function for the Waterways service there is a need to, either acquire this vessel, or find another one to replace it of a similar specification.

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.

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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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