

REPORT TO COUNCIL

Date of Meeting: 10 June 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: 2024/25 General Fund Capital Monitoring 2024/25 and Revised Capital Programme for 2025/26 and Future Years

Is this a Key Decision?

No.

Is this an Executive or Council Function?

Council.

1. What is the report about?

1.1 To advise members of the overall financial performance of the Council for the 2024/25 financial year in respect of the annual capital programme.

To seek approval of the 2025/26 revised capital programme, including commitments carried forward from 2024/25.

2. Recommendations:

2.1 It is recommended that Council approve:

- (1) The overall financial position for the 2024/25 annual capital programme.
- (2) The amendments and further funding requests to the Council's annual capital programme for 2025/26 and future years.

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

4.1 The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

5.1 The capital programme is showing further progress, and this is expected to improve once the full structure is completed within the General Fund Assets team. Work will continue with budget managers to better profile schemes over a number of years to reflect the likely timing of delivery.

6. What are the legal aspects?

6.1 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:

7.1 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 Council on 25 February 2025. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Revised Capital Programme, as reported to Council 25 February 2025	32,726,380	
Topsham Museum	182,000	Approved by Council 25 February 2025
Revised Capital Programme	32,908,380	

8.2. PERFORMANCE

Capital expenditure in the year amounted to £8.434 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 £25.320 million budget the spend during the year was £8.416 million, which equates to 33.24% of the revised programme. It is proposed to carry forward a total of £20.428 million budget into future years, as indicated in Appendix 1.

8.3. CAPITAL FINANCING

The 2024/25 capital expenditure was financed as follows:

	£
Capital Grants & Contributions	2,304,364

Capital Receipts	571,564
Community Infrastructure Levy	206,767
Revenue Contributions	114,619
Borrowing	5,236,278
TOTAL	8,433,592

8.4. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2024/25 are £3.197 million. Total General Fund capital expenditure is £8.434 million of which £5.236 million will be funded from borrowing.

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 in the year in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2024	851
New Receipts	570,713
Use of Capital Receipts	(571,564)
Balance as at 31 March 2025	0

8.5. EXPENDITURE VARIANCES

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

Scheme	Variance £
Farm Hill Retaining Walls (23 no.)	(£39,329)
Countess Wear Retaining Wall Rebuild	£39,329
Officer Responsible: Head of Service – Operations The Farm Hill scheme will underspend this year to compensate for an overspend 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.	
Scheme	Variance £
Leisure Complex Build project	£96,027
Leisure Complex – Fit Out	(£96,027)
Officer Responsible: Head of Service – Asset Management The Leisure complex scheme is in its final stages and the variance against the build project can be compensated by the underspend in the fit out budget.	
Scheme	Variance £
Fleet Lease	£666,580
Officer Responsible: Head of Service – Waste, Recycling and Fleet Manager Some of the leased items acquired in the first year of the contract have come to the end of their original agreements so have had to be replaced during the year, and the new lease agreements are significantly more expensive than the original costs. There have been fewer additions over the last year or two due to affordability so there has been an element of catch up during 2024/25 to replace fleet which was past its useful life.	
Scheme	Variance £
Right of Use - Rent for Waterways	98,000

A new lease accounting standard, IFRS 16, came in from 1 April 2024. Under the new standard it requires most leases to be accounted for as acquisitions, so that the authority recognises the rights acquired to use an asset. The overspend in respect of Waterways relates to the lease of the Port Constructor, which was previously budgeted as a service cost. In overall terms, there is no overall financial impact to the Council.

8.6. 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	376,343
Improved Recycling Containers	11,672
Depot Enhancement Works	6,141,564
Food Waste Collections	857,140
<p>Officer Responsible: Head of Service – Environment & Waste</p> <p>The waste depot improvement works including the MRF has been re-profiled in-line with estimated project spend.</p> <p>Interim works have been completed to allow for further food waste collection now to be conducted during the 2025/26 financial year.</p> <p>The reprofiling to both Waste Infrastructure and Recycling containers are also linked to the depot development work, as spending is linked to the works.</p>	
Parks Infrastructure	155,715
Cemeteries & Churchyards Infrastructure Improvements	35,973
Pinhoe Playing Field Upgrades	38,897
Cricklepit Bridge	38,220
Trews Weir refurb	37,584
District Street Lighting	150,000
Bromhams Farm Playing Fields	48,618
Northbrook Wild Arboretum	221,563
Heavitree Paddling Pools	526,680
Play Areas	73,456

Officer Responsible: Parks & Green Spaces Parks

Parks and Green Spaces Infrastructure, Cemeteries and Churchyard infrastructure, are allocations for schemes where timings of spend against the scheme are dependent on either deterioration of existing assets or the availability of suppliers to provide facilities required with works expected to slow down until the new year.

£126k of play areas improvements have been carried in the 2024/25 financial year. Spending and project progress has had to be paused temporarily, and funding deferred to 2025/26, to allow for contract procurement.

Pinhoe Playing fields were subject to substantive surface and drainage works. The deferment of current capital is a result of the remaining works being seasonal. Additional remedial maintenance programmes are expected to be carried out May – August 2025 and April – August 2026.

Phase one of the works at Cricklepit Bridge have been completed, and final works will be completed in the new financial year.

Delays in delivery for the Trews Wier refurbishment have been caused by complexity of project and need for input and approval of proposals and designs from external partners.

Delivery of works for the District Street Lighting project remain in Devon County Council's control. Minimal works were completed in 2024/25, meaning there remains more work to do in the next financial year.

Works progressing as expected for the Bromhams Farm Playing Fields project with the deferral reflecting the longer contract duration agreed at tender stage to cover ongoing establishment maintenance.

The Northbrook Wild Arboretum scheme deferral reflects a timing delay in respect of commencement of the scheme.

As previously reported the Heavitree Paddling Pools plans were unsuccessful at tender. As a result, the works did not progress in 2024/25. The project will progress pending an additional consultation.

Scheme	Budget to be Deferred £
Bowling Green Marshes Coastal Defence Scheme	68,389
Farm Hill Retaining Walls (23 no.)	128,497
Mallison Bridge	35,632
Bonhay Rd/Andlaw House Footpath	144,635
St James' Weir & Ducks Marsh Meadow banks	75,000
Landfill Gas Extraction Systems	95,999
Mincinglake Valley Park Reed Beds & Pipe Inlet	36,280
Exeter Canal Bank Repairs	43,304

ECC Bridge Repair Programme	230,461
Oxford Road Car Park Retaining Wall	200,000
Canal Basin Bridge Refurbishment	50,000
<p>Officer Responsible: Engineering & Assets Manager</p> <p>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 next financial year.</p> <p>The scope of the Farm Hill retaining walls project has significantly reduced since the budget was requested, we are currently awaiting tender process.</p> <p>The Mallison Bridge Project is being led by Devon County Council. The Council's financial contribution has not yet been requested by Devon, due to delays in approving the funding agreement with all funding partners.</p> <p>The Bonhay Road footpath project has been delayed due to uncertainty over land ownership / responsibilities. Investigations are ongoing.</p> <p>The St James' Wier and Ducks Marsh budget is precautionary, there is no current need to spend but the asset is being monitored.</p> <p>The landfill gas extraction system works are postponed due to need for wintertime monitoring of boreholes before the works scope can be finalised.</p> <p>There have been Delays to the Mincinglake Valley Park works which were caused by the complexity of surveying the culverts which are up to 10 metres below ground. Remote methods have been unsuccessful, and these are not suitable for person-entry. A new approach has now been selected, and works will continue in 2025/26. Resourcing issues have reduced capacity to deliver the bridge programme at the anticipated rate, fewer works planned in this financial year.</p> <p>Exeter Canal bank repairs have been deferred as an engineer has not been appointed in the previous financial year.</p> <p>Resourcing issues have reduced capacity to deliver the bridge programme at the anticipated rate, fewer works planned in this financial year.</p> <p>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.</p>	
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

Discussions with tenants for the development of the Guildhall Shopping Centre are continuing with spend expected in 2025/26.

In regard to St Nicholas Priory, Historic England have asked that the funding bid needs to be resubmitted for a patch and repair as opposed to a complete replacement. A new bid will be submitted by the end of June 2026.

Cathedral Green Display Cases	35,000
Green Space Depot Site	2,500,000

Officer Responsible: Head of Service – Asset Management

The restructure and recruitment of the Assets team has not yet taken place, so it is that there has been no spend on the above programmes. The restructure is likely to be progressed into 2025/26.

Leighton Terrace & King William Street MSCP	(311,897)
Backlog Maintenance	(97,183)
City Wall	76,454
BLRF – Clifton Hill	(23,070)
Commercial Property Ancillary Accommodation	(57,821)
Riverside Sports Hall Roof	60,870
Topsham Museum	221,074
Leisure Property enhancements	1,027,011
Leisure Equipment Replacement Programme	338,094
RAMM Roof Repair & Insulation	72,527
Corn Exchange Lift	50,000
Bus Station Construction	100,369

Officer Responsible: Head of Service – Asset Management

As reported at quarter three, the budgets for backlog maintenance, Clifton Hill and Commercial Property Ancillary Accommodation were reprofiled into 2025/26. Costs incurred since quarter two includes major concrete repairs at Leighton Terrace car park and the replacement of water mains at Clifton Hill.

Delays to the City Wall have arisen due to the need to negotiate with the landowner who's land we need to access to undertake the works. These works have now commenced & budget will be spent in 2025/26.

The inability to appoint project managers has resulted in delays to the Leisure Property enhancements project work. Restructure is underway to address this, and budget will be spent in 2025/26.

The Topsham Museum project was delayed due to the scope of works changing and waiting for listed building consent to be brought to the full planning committee for a decision.

Inability to appoint project managers has resulted in delays to the leisure property enhancement project. Restructure is underway to address this & budget will be spent in 2025/26.

The leisure equipment replacement programme was under-utilised this financial year, however the full budget will be required in 2025/26 to replace equipment on a rolling basis.

The inability to appoint project managers has resulted in delays to the RAMM Roof Repair & Insulation project work due to staffing pressures. Restructure is underway to address this & budget will be spent in 2025/26. The Riverside Sports Hall Roof project will be consolidated within this budget.

The inability to appoint project managers has resulted in delays in the Corn Exchange Lift project work due to staffing pressures. Restructure is underway to address this & budget will be spent in 2025/26.

The Bus Station scheme budget deferment is due to planned works to revert the traffic flows in Princesshay were awaiting formal Devon County Council Traffic Regulation Order approval. This approval is now in place and the works will be progressed during 2025/26.

Customer Contact Platform	155,539
Idox System for Planning	52,783
Financial Management	144,135
EUC model equipment (replacement laptops)	97,362
ECC Civic Centre HFX Door Access Replacement	35,098
Microsoft Power Apps	30,001

Officer Responsible: Head of Service, Digital and Data

Each of the projects listed are identified in the Strata Business Plan and will each be delivering digital transformation in the council.

The reason for the rollover is due to capacity issues each project is still required but its delivery is now scheduled for during 2025/26.

Customer Contact Platform – procurement of the new customer contact system has begun; implementation will now be during quarter 1 and quarter 2 of 2025/26.

Idox System for Planning – implementation will now take place during 2025/26.

Financial Management – whilst procurement of the system has been completed, the project has suffered significant delays as a result of problems in getting a working test system. The future of the project is currently under consideration based on whether the problems encountered can be resolved.

EUC model equipment (replacement laptops) – invoicing for the new laptops due to the way Strata rebill the council will come in during quarter 1 of 2025/26.

ECC Civic Centre HFX Door Access Replacement - invoicing for the new door access system due to the way Strata rebill the council will come in during quarter 1 of 2025/26.

Microsoft Power Apps – due to capacity issues, this project will be looked at during quarter 3 and quarter 4 of 2025/26.

Disabled Facilities Grant

270,789

Officer Responsible: Head of Service – Customer Relations Housing

Most of this relate to grants that have been started but require architects designs to be drawn up, planning approval or further occupational therapist input.

8.7 FURTHER FUNDING REQUESTS

Matford Centre (£58,000)

Additional funding is requested for maintenance and access works for the roof mounted solar array at the Matford Centre. As the PV panels are not functioning properly without this maintenance there will be a projected loss in income of £50,000 a year.

Strata Business Plan – Various IT Projects (£452,760)

The Strata business plan for 2025/26 was approved in February 2025. The purpose of this request is to formally add the approved schemes to the capital programme.

Financial Management System (£46,000)

The implementation date for this project has been revised and additional resources are required to fund this change and the extension of dedicated in house officer resources.

Decarbonisation – Riverside Leisure Centre (£4,395,286)

In March 2025 Exeter City Council secured PSDS Phase 4 funding for a much-needed decarbonisation project at the Riverside Leisure Centre. The grant, split over 3 years, has a total project value of £4,395,286.00, with a contribution of £841,286.00 from the City Council Roof replacement Budget. The project is split into three years, Year 1 - 2025/26 £350,000.00 for additional detailed surveys, project design and procurement, Year 2 - 2026/27 £1,750,000.00 and Year 3 - 2027/28 £1,454,000.00 for roof, heating and cooling replacement works. This will be added to the council's own contribution of £900k which has already been approved.

Disabled Facilities Grant (£146,200)

Additional funding has been received to support the expenditure against this activity.

8.8 CAPITAL PROGRAMME 2025/26 (Appendix 2)

The revised Capital Programme for 2025/26, after taking into account the carried forward requirements from 2024/25 now totals £45,228,932.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 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?

10.1 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:

12.1 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?

13.1 There are no other options.

Strategic Director of Corporate Resources & s151 Officer, 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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