Surrey Heath Borough Council
Executive
14 March 2023

Capital Budget 2022/23
Monitoring Report – 3rd Quarter 2022

Portfolio Holder: Councillor Robin Perry - Finance
Date Portfolio Holder signed off: 23 February 2023
Strategic Director: Bob Watson
Report Author: Adrian Flynn
Key Decision: no
Wards Affected: **All**

Summary and purpose

To provide the Executive with a summary of the progress against the 2022/23 capital programme and budget for nine months of the financial year (FY) (1 April 2022 to 31 December 2022).

Recommendation

The Executive is advised to RESOLVE that

(i)   the spend against the approved capital programme for the period 1 April to 31st December 2022 be noted; and

(ii)   the proposed reprofiling of budgets to later years that the Executive will be asked to approve at its meeting on 30th May 2023 be noted.

1.   Background and Supporting Information

1.1   This is the second monitoring report against the 2022/23 approved capital programme and budget as at the 31st December 2022. In the Quarter 2 report, services had identified £8.197 million of budget that needed to be reprofiled to later years in the programme. This left an in-year budget of £2.457 million.

1.2   At the end of Quarter 3 the total spend and commitments amounted to £1.945m against the revised budget of £2.802m, which amounts to 69.41%

1.3   In the third quarter of the year, services have identified a reduction of £0.344 million of capital budgets that need to be reprofiled to later years. Executive is

asked to approve this, This will increase the in year capital budget to **£2.802 million**.

1.4   The forecast outturn for the year is **£2.431millon** and against the revised capital budget of £2.802m amounts to 86.8%

1.5   A detailed breakdown of the 2022/23 capital programme and spend is included as appendix A

2.   Reasons for Recommendation

2.1   It is imperative for strong financial management that the capital budgets are reviewed regularly and reported on a quarterly basis to Performance and Finance Scrutiny Committee and the Executive.

3.   Proposal and Alternative Options

3.1   The Executive is asked to note the report on the 22/23 Capital Budget for the period 1 April to 31st December 2022 and make any comments and recommendations to the Executive for consideration.

3.2   Alternatively, the Executive may just note the report and make no further recommendations or comments.

4.   Contribution to the Council's Five Year Strategy

4.1   The budgets agreed at Council are aligned to and support the approved five-year strategy.

5.   Resource Implications

5.1   The original capital programme was set at Council in February 2022.

6.   Section 151 Officer Comments:

6.1   Whilst the Council is predicting an underspend at year end, it is considered that no remedial action needs to be taken at this point in time as services have indicated that a number of projects that have no spend at present, will be completed by end year.

7.   Legal and Governance Issues

7.1   The Capital budget is monitored monthly by the service managers and the finance team and reported to senior management, formal reports are presented to the Executive and Performance and Finance Scrutiny Committee quarterly.

8.   Monitoring Officer Comments:

8.1   The Executive terms of reference includes the function to monitor, review and to report to the Leader/ Executive in relation to the performance of the Council's services.

9.   Other Considerations and Impacts

Environment and Climate Change

9.1   Details of these are in the individual service areas that the budgets support

Equalities and Human Rights

9.2   Details of these are in the individual service areas that the budgets support

Risk Management

9.3   Inadequate budget monitoring represents a reputational and financial risk to the Council.

9.4   Regular financial monitoring enables risks and budgetary pressures to be highlighted and addressed at an early stage so that mitigating actions can be taken.

Community Engagement

9.5   Where necessary engagement will be taken through individual service areas the budgets support