

Surrey Heath Borough Council
Performance and Finance Scrutiny Committee
15 March 2023

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

Executive Portfolio: Finance

Strategic Director: Bob Watson, Executive Director: Finance and Customer Services

Report Author: Adrian Flynn, Chief Accountant

Summary and purpose

To provide the Committee 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 Committee is advised to RESOLVE that they

- (i) note the spend against the approved capital programme for the period 1 April to 31st December 2022.
- (ii) Note the proposed reprofiling of budgets to later years that Executive will be asked to approve at their meeting on 30th May 2023.

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.
- 1.2 At the end of Quarter 3 the total spend and commitments amounted to £1.945m against a budget of £10.655m, which amounts to 18.3%.
- 1.3 Services have identified £7.853 million of capital budgets that need to be reprofiled to later years. Executive is asked to approve this, This will reduce the in year capital budget to £2.802 million.
- 1.4 The forecast outturn for the year is £2.431m 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

- 2.3 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

- 3.3 The Committee is asked to note the report on the 22/23 Capital Budget for the period 1 April to 31st December 2022 as the Executive discussed the report at their meeting on the 14th March 23.

4 Contribution to the Council's Five Year Strategy

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

5 Resource Implications

- 5.3 The original capital programme set at Council in February 2022.

6 Section 151 Officer Comments:

- 6.3 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 we expect a number of projects that have no spend at present, will be completed by end year.

7 Legal and Governance Issues

- 7.3 The Capital budget is monitored monthly and reported to CMT, Executive and Performance and Finance Scrutiny Committee quarterly.

8 Monitoring Officer Comments:

- 8.3 The Committee's 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

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

Equalities and Human Rights

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

Risk Management

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

- 9.6 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

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