

**Surrey Heath Borough Council**  
**Performance and Finance Scrutiny Committee**  
**9 November 2022**

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**Capital Budget 2022/23**  
**Monitoring Report – 2<sup>nd</sup> Quarter 2022**

**Portfolio Holder:** Councillor Robin Perry - Finance  
**Strategic Director:** Bob Watson, Strategic Director: Finance and Customer Service  
**Report Author:** Adrian Flynn, Chief Accountant  
**Key Decision:** No  
**Wards Affected:** All

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### **Summary and purpose**

To provide the Performance and Finance Scrutiny Committee with a summary of the progress against the 2022/23 capital programme and budget for the first half of the financial year (FY), the period 1 April 2022 to 30 September 2022.

### **Recommendation**

The Performance and Finance Scrutiny Committee is advised to RESOLVE that they

- (i) note the spend against the approved capital programme for the period 1 April to 30<sup>th</sup> September 2022.
- (ii) note the proposed reprofiling of budgets to later years that Executive will be asked to approve at their meeting on 15 November 2022.
- (iii) make as necessary any comments and recommendations from this Committee to the Council's Executive at their meeting on Tuesday 15 November 2022.

### **1. Background and Supporting Information**

- 1.1 This is the first monitoring report against the 2022/23 approved capital programme and budget as at the 30 September 2022.
- 1.2 At the end of Quarter 2 the total spend and commitments amounted to £1.383 million against a budget of £10.654 million, which amounts to 13.0%.
- 1.3 Services have identified £8.222 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 £2.432 million.
- 1.4 It should be noted that the majority of reprofiling is in the Investment and Development service. Currently expenditure plans for these budgets are under development and if the need arises, there may be some of the reprofiled budgets that

will be used in 2022/23. In this instance it will be reported in Q3 and Q4 is the spend profile changed.

- 1.5 A detailed breakdown of the 2022/23 capital programme and spend is included at Appendix 1

## **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 Committee is asked to note the report on the 22/23 Capital Budget for the period 1 April to 30 September 2022 and make any comments and recommendations to the Executive for consideration.
- 3.2 Alternatively, the Committee 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 and included budget for the new projects and the reprofiling of budgets from prior years to allow projects to complete.

## **6. Section 151 Officer Comments**

- 6.1 The Council continues to spend on its capital assets and infrastructure. The year end position is still fluid due to market conditions, however it is considered that no remedial action needs to be taken at this point in time as a number of projects that currently reporting minimal or no spend at present are still anticipated to complete by the end of the financial year.
- 6.2 There are some major projects in the Investment and Development service with significant budgets that are currently under development, for example the London Road site that will need to have budget profiled to match the expected expenditure; this piece of work will be completed in time for the third quarter report.

## **7. Legal and Governance Issues**

- 7.1 The Capital budget is monitored monthly and reported to CMT; it is also reported to Executive and Performance and Finance Scrutiny Committee quarterly.

**8. Monitoring Officer Comments:**

- 8.1 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**

- 9.1 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

Annexes

Annex A – Capital Monitoring

Background Papers:

None