

Surrey Heath Borough Council
Executive
15 November 2022

Capital Budget 2022/23
Monitoring Report – 2nd Quarter 2022

Portfolio Holder:	Councillor Robin Perry - Finance
Date Portfolio Holder signed off:	31 October 2022
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 the first half of the financial year (FY), the period 1 April 2022 to 30 September 2022.

Recommendation

The Executive is advised to RESOLVE that

- (i) That the spend against the approved capital programme for the period 1 April to 30th September 2022 be noted; and
- (ii) To note and approve of the proposed reprofiling of budgets.

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 £8.197 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 £2.457 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 Executive is asked to note the report on the 22/23 Capital Budget for the period 1 April to 30 September 2022.
- 3.2 The Executive is also asked to agree the reprofiling of budgets to later years, with the proviso that, if required in year, the reprofiled budgets can be adjusted back and reported to Executive in subsequent reports.

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.
- 6.3 The Council has had to carry out urgent repair works to the hoardings along the London Road site. The cost of these works are expected to amount to

£22,800, and are covered from the existing London Road capital budget, and are shown here for completeness.

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.