

Corporate Policy & Resources Committee



9th September 2024

Title	Quarter 1 (30 June 2024) Capital Monitoring report
Purpose of the report	To note
Report Author	Mahmud Rogers, Joint Financial Services Manager
Ward(s) Affected	All Wards
Exempt	No, however, Appendix B is exempt for commercially sensitive information
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to: <i>Note the Capital Programme forecast overspend of £857k for schemes under way or scheduled to commence in 2024-25 or 2025-26 as at 30th June 2024</i>
Reason for Recommendation	<i>Not applicable</i>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> Spelthorne Borough Council is anticipated to overspend its Capital Programme provision for schemes underway or scheduled to commence in 2024-25 budget position by £857k 	<ul style="list-style-type: none"> Ensuring the financial stability of the Council To aid the cashflow and treasury management of the Council
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Note the report 	<ul style="list-style-type: none"> Note the report In December an updated report will confirm the required supplementary

	Capital Estimate for the expenditure on the two leisure centres.
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1.1 This report seeks to summarise the financial situation of Spelthorne Borough Council’s Capital Programme at the end of July 2024. Please see the detail in Appendix 1.

2. Key issues

2.1 The Capital Monitoring report covers the cumulative forecast expenditure to complete the projects currently in the 2024-25 Capital Programme as at 30 June 2024, against the cumulative Council approved Capital Programme budget.

2.2 Although the projects may have a budget allocation in the Capital Programme, any changes to the approved project or increases in forecast to complete the project, over and above the approved budget will require prior approval by Corporate Policy & Resources Committee before drawing down against that budget.

2.3 A summary of the main variances at 30th June is below:

Committee	Cumulative Spend to date £	Revised Budget £	Managers Projected Outturn £	Projected Variance £	COMMENTS
Community Wellbeing & Housing (Disabled Facilities Grant Programme)	319,909	21,060,000	21,060,000	0	DFG Grant income and associated expenditure will balance for the year
Regulatory Administrative Committee	569,212	1,484,000	1,639,496	155,496	Overspends on Software packages and Corporate Electronic Document Management System (EDMS) Project partially offset by SharePoint redesign & Relaunch underbudget
Corporate Policy and Resources	55,965,578	114,115,000	115,226,163	1,111,163	Estimated £2.1m Overspend on Spelthorne Leisure Centre Development, at project end July 2025 mainly due to the allocation of Project Management Recharges and part capitalisation of interest (which will produce ongoing revenue savings), partially offset by reconsideration of 31 Hanworth Road -£1.0m Please see the Confidential (Part 2) Appendix B for further details of the overspend on Leisure Centres Development programme.

Environment & Sustainability	514,160	3,678,000	3,268,348	-409,652	Additional funding for the Weekly Food Waste Collection Grant & Empty Property Reallocated funding grant. Replacement of Refuse Vehicle, Replacement Spelride Bus, & Wheelie Bins programme are under budget
Total	£57,368,858	£140,337,000	£141,194,008	£857,008	Overspend / (underspend)

3. Financial Implications

- 3.1 Once a project is completed, any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional treasury management investment income or to fund additional schemes. Overspends as currently forecast result in additional financing costs.

4. Risk Considerations

- 4.1 The significant risks for our Capital Programme relate to rising costs as the construction industry experiences significant inflationary increases in building and labour costs. Whilst interest rates have started to ease there remain challenges around the most cost-efficient way of funding the balance of the long-term funding of the Leisure Centre scheme.

5. Procurement considerations

- 5.1 Where necessary, actions will be implemented to effectively manage any procurements that are in progress.

6. Other considerations

- 6.1 There are no further considerations.

7. Equality and Diversity

- 7.1 Equality, diversity and inclusion are central to everything that Council does and are woven throughout Council's Corporate Plans. The Eclipse Leisure Centre has been designed to be accessible to all parts of the community.

8. Sustainability/Climate Change Implications

There are no significant implications arising from the report.

9. Timetable for implementation

- 9.1 The timetable for the Capital Programme budget is as set out in the Programme approved by Council 22nd February 2024

10. Contact

- 10.1 Mahmud Rogers m.rogers@spelthorne.gov.uk

Background papers: The Capital Programme approved by Council 22nd February 2024

Appendices:

Appendix A – Detailed Capital Monitoring Report by Committee as at 30 June 2024.

Appendix B – Spelthorne Leisure Centre Development update (PART 2)

Background Papers

Council 6 February 2024, Agenda item 11 – Transformation Business Cases

Cabinet 26 May 2021, Agenda item 3 – Principles of Collaboration with Other Local Authorities