

Background to movements in the capital programme

GF Approved programme

Expenditure is expected to be £92.27 million representing a which is the current estimate following the Approved estimates set in February. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive (or Council where appropriate). Several significant projects are in progress and delivery of the corporate projects and programmes is progressing including those slipped from 2023/24. These include:

- P21 – Ash Road Bridge (£1.5 million) – The total approved budget is £44m with funding of £35.96m. This project has been reprofiled based on current cashflow information. The contractor is making good progress, despite challenging site conditions caused by inclement weather. This project is part grant funded from Homes England Housing Infrastructure Fund (HIF) and as part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project, where any slippage in delivery of the programme to the milestones may result in the loss of grant funding. The overall status of the project is Green, which includes a green rating for the budget and comms. However, there is a Red rating against current risks and milestones.
- ED6 – Weyside Urban Village (£10.37 million) – The total approved budget is £184.32m with funding of £61.89m. This project has been reprofiled based on current cashflow information. Work is progressing on the detailed design and infrastructure delivery. It is expected that this project will exceed current agreed budget and work is ongoing to understand how this can be minimised and the extent of the overspend. This will be shown in future monitoring reports. The project status is currently rated-Red on the SPPB monitoring report, HIF milestones and funding is a current risk to the programme, with the deadline of March 2025 for closure of the grant window. Following the approval of the Remediation Plan and completion of the subsequent Deed of Variation, the Council must deliver against the milestones outlined in the document. The next critical milestone is the commencement of procurement for the housing delivery partner which has been extended to March 2024. Initial Planning Consent risk has been

mitigated and the project team are actively working through the planning conditions on the critical path. This extension to the milestone is an interim measure and conditional on The Council's consideration of the mitigation options relating to the potential deficit as reported in January 2023. An annual update on the financial forecast will be presented to Executive and Council in March/ April 2024, with a subsequent paper on these mitigation options to follow.

- FS1 – Capital Contingency Fund – (£2 million)
- ED49 – Midleton Industrial Estate redevelopment (£215 Thousand) – Phase 4 construction completed in December 2023, and final accounts scheduled for completion this financial year.

In addition to the schemes outlined above, the re-profiling of the following significant amounts that were due to be spent on schemes or projects in 2023/24 will now take place this year or future years.

- P12 – Strategic Property Acquisitions/redevelopment (£21.8 million). The majority of original budget (£23.8 million) has been removed due to the change in strategy on property acquisition for commercial purposes, and no immediate plans for redevelopment of our existing portfolio.
- P21 – Ash Road Bridge (£215 Thousand) – As outlined above, work is progressing on this scheme.
- ED6 – WUV (£10.3 million) - Current estimated spend in 2024/25 is £65m.

GF Provisional programme

Expenditure on the provisional programme is so far £0 million, against the estimate of £89.10 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin. Monitoring the progress of these projects is key to identifying project timescales.

Several projects, that were also anticipated to start in 2023/24 have been either reprofiled into this year and future years, removed from the programme or transferred to the Capital Vision due to change in strategy/priorities.

- Strategic Property Acquisitions/redevelopment (£28.3 million)

- Guildford West Station (£1 million)
- North Downs Housing (£5.5 million)
- Guildford Holding Ltd (£3.6 million)
- Vehicles, Plant and Equipment Replacement Programme (£2.9 million)
- Energy efficiency compliance (£2.7 million)
- Spectrum upgrades (£1.25 million)

Housing investment programme

The HRA approved capital programme is expected to outturn at £15.18 million in line with the February estimate. Several projects are in progress. These include:

- Guildford Park – (£30k so far) The main objective of the project is to redevelop this site to provide much-needed housing, including affordable. In accordance with the Executive Decision of March 2023, Officers are undertaking work to procure a Development Partner, who will finalise design proposals, submit a new planning application and build out the scheme on the Council's behalf. The Council's requirements will be set out in a Development Agreement including the required affordable housing to be delivered. The status of the project is currently amber on the SPPB monitoring report due to uncertainty around the scheme cost to the Council in advance of the procurement process being completed. £696,000 was reprofiled to 2024-25 but 24/25 budget requirements are yet to be fully determined as these will be informed by the outcome of the current procurement process.
- Acquisitions of Land and Buildings – spend is dependent on availability of sites, we are currently actively purchasing suitable properties to mitigate slippage on building projects.
- Major Repairs & Improvements – £1 million So far has been spent