

Background to movements in the capital programme

General Fund Approved Programme

Expenditure is expected to be £119.6 million representing a £58.3 million variance to the revised estimate of £177.7 million. 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. Whilst actual expenditure for the period of £24.3 million may seem low, several significant projects are in progress and delivery of the corporate projects and programmes is progressing. These include:

- P21 – Ash Road Bridge (£22.5 million) – work is progressing on this scheme and a contractor has been appointed and started in site. This project is part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that have to be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding. Officers complete regular monitoring reports to Homes England (HE) and the Major Projects Portfolio Board (MPPB). The project status is currently rated as Amber on the MPPB monitoring report due to potential site access issues to the northern portion due to Bellways' construction site, pre commencement condition clearance and the issues in relation to third parties' land and required agreements to facilitate contractors and SSEN's works both on their land and boundary treatments.
- ED6 – Weyside Urban Village (£86.9 million) - work is progressing on the detailed design, pre-planning, and site investigation work for this scheme to inform the final business case. This project is also part grant funded from Homes England Housing Infrastructure Fund (HIF). As part of the grant funding agreement there are specific milestones that must be met in the delivery of the project and any slippage in delivery of the programme to the milestones may result in the loss of grant funding. Officers complete regular monitoring reports to Homes England, the WUV programme Board and the Major Projects Portfolio Board on the progress of the project. The project status is currently rated-Red on the MPPB monitoring report, HIF milestones and funding is a current risk to the programme, deadline of March 2024 for majority of funding claim. Now the Remediation Plan has been approved by Homes England, the Council must deliver against the milestones outlined in the document. Two of the milestones have recently

been resolved (TW agreement and payment to UKPN) but the next critical one is the commencement of procurement for the housing delivery in October.

Planning risk has been mitigated and the project team are actively working through the outstanding planning conditions.

- FS1 – Capital Contingency Fund – (£1.9 million)
- ED49 – Midleton Industrial Estate redevelopment (£1.9 million) – Phase 4 construction is underway, and project scheduled for completion this financial year.

In addition to the scheme outlines above, the re-profiling of the following significant amounts that were due to be spend on schemes or projects in 2023/24 will now be carried forward into 2024/25 or future years.

- P12 – Strategic Property Acquisitions/redevelopment (£21.8 million). The majority of original budget (£23.8 million) has been moved into later years 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 (£7.9 million) – Work is progressing on this scheme, current estimated spend in 2023/24 is £22.5 million from original budget £30.4 million the remaining amount has been moved to 2024/25 due to reprofiling of scheme.
- ED6 – WUV (£23.5 million) - Work is progressing on this scheme, current estimated spend in 2023/24 is £86.9 million from original budget £110.4 million the remaining amount has been moved to future years due to slippage and reprofiling of the programme.
- P22 – Shaping Guildford Future (SGF) (4.1 million) – Reprofiled to 2024/25 decision to be made on progression of scheme.

General Fund Provisional Programme

Expenditure on the provisional programme is expected to be £3.1 million, against the revised estimate of £49.1 million, representing a variance of £45.9 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.

The re-profiling of schemes has resulted in a lower level of expenditure than planned in 2022-23.

Several projects, that were also anticipated to start in 2023/24 have been re-profiled into future years including:

- 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)

Housing Investment Programme

The HRA approved capital programme is expected to outturn at £34.937 million against a revised estimate of £60.955 million. Several projects are in progress. These include:

- Guildford Park – (£1.209 million) 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 Green on the MPPB monitoring report due to budget risks. Spend for 2023/24 has been reprofiled to £745,000.
- Foxburrows Redevelopment – (£9.59 million) reprofiled to 2024/25 awaiting decision on progression of scheme.
- Various small site projects – (£9.12 million) there is slippage on these projects. (£8.53 million has been reprofiled to future years)
- Acquisitions of Land and Buildings – (£4.518 million) spend is dependent on availability of sites, we are currently actively purchasing suitable properties to mitigate slippage on building projects.
- Major Repairs & Improvements – (£27.336 million) outturn is expected to be on budget as works delayed due to COVID can now be progressed.