

Background to movements in the capital programme

GF Approved programme

Expenditure is expected to be £72.32 million representing a £105.6 million variance to the revised estimate of £177.96 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 (or Council where appropriate). Whilst actual expenditure for the period of £42.58 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 (£19.3 million) – 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 (£43.99 million) – This project has been reprofiled based on current cashflow information. Work is progressing on the detailed design and infrastructure delivery. 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 – (£1.8 million)
- ED49 – Midleton Industrial Estate redevelopment (£2.15 million) – 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 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 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 (£11.1 million) – As outlined above, work is progressing on this scheme, with the current estimated spend in 2023/24 at £19.3 million from an original budget of £30.4 million. The remaining amount has been moved to 2024/25 to reflect a reprofiled cash flow linked to construction delivery.
- ED6 – WUV (£66.45 million) - Current estimated spend in 2023/24 is £43.9 million from an 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) – The scope of the scheme has been reviewed and decision made to remove from the Capital programme. A revenue allocation has been made within the 2024/5 Revenue budget instead.

GF Provisional programme

Expenditure on the provisional programme is expected to be £0 million, against the revised estimate of £48.75 million, representing a variance of £48.75 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 2023-24

Several projects, that were also anticipated to start in 2023/24 have been either reprofiled into 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 £34.361 million against a revised estimate of £60.955 million. Several projects are in progress. These include:

- Guildford Park – (£0.745 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 amber on the SPPB monitoring report due to uncertainty around the scheme cost to the Council in advance of the procurement process being completed. £464,000 has been 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.
- Foxburrows Redevelopment – (£9.59 million) reprofiled to 2026/27 in anticipation of a mandate coming forward to Executive for approval to progress feasibility work.

- Various small site projects – (£9.12 million) there is slippage on these projects but it is anticipated that a number of schemes will be in delivery in 2024/5. (£8.7 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.