

## Overview and Scrutiny Committee 14 March 2024 Advance Questions

### Agenda Item 4 – Quarter 3 2023/24 Performance Report

#### Question 1

Page 53 Capital Annex 3 – Capital Programme Management

- a) Please tie in the slippage by category with the schedule of slippage and significant variances.
- b) How are the variances in relation to The Rise reported? The variance was known in December 2023 (Q3), but is not reflected in this report?

#### Written Answer

- a) The Slippage & Significant Variances section (at page 53) is a summary of the main capital programme variances. Therefore, it will not reconcile fully with the bar chart above, which is a summary of all schemes.  
  
Annex 3, Section 2 (pages 56 to 65) provides a scheme by scheme breakdown of individual capital programme variances (slippage, overspends and underspends).
- b) Expenditure on developing The Rise asset as at December Q3 is reported within the Marketfield Way Redevelopment capital scheme at Annex 3 (page 64).

#### Question 2

Page 53 Capital Annex 3: Section 1

- a) Please explain further the categorisation “budget approved but not yet released” and “budgets released during the year”.
- b) Para 26 on page 29 mentions £7.427 of CIL allocations. Where are these in the analysis?

#### Written Answer

- a) The ‘*Budgets approved but not yet released*’ row is included in the summary to accommodate any capital schemes that require further approval, as explained in Note 1 (page 55). At December 2023 there were none.  
  
‘*Budgets released during the year*’ are capital scheme budgets that have been approved since the start of the financial year. For example, when a new business case and the associated funding have been approved, usually by Executive and Council, and the scheme has become operational mid-year.
- b) The Strategic CIL funding allocations to individual capital schemes are included in the ‘*Released in Year*’ column at Annex 3<sup>1</sup>, Section 2 (page 56 onwards),

listed against the individual capital schemes. This column also includes any other funding allocations released in-year (for example S106 allocations or new grants received).

The total of '*Released in Year*' sums at the end of Quarter 3 was £7.577m; this is reported in the final row of that column at Annex 2.

A summary of all Strategic CIL-funded schemes during 2023/24 will be included in the Quarter 4 budget outturn report to O&S and Executive in June.

Note 1: Report drafting error - the page header at pages 56 to 65 is incorrectly labelled 'ANNEX 2' - it should be labelled ANNEX 3.

### Question 3

Page 56-65 Capital Annex 2<sup>1</sup>: Section 2

Please explain how the columns in this schedule work.

### Written Answer

Note 1: Report drafting error - the page header at pages 56 to 65 is incorrectly labelled 'ANNEX 2' - it should be labelled ANNEX 3.

From left to right the columns at pages 56 to 65 report:

1. Year to Date - actual spend to date at Q3 (31 December).
2. Original Budget - scheme budgets that were approved by Council in February 2023.
3. Carry Forward - budget slippage that was approved to be carried forward at year-end in the previous financial year.
4. Released in Year – scheme budgets that have been added to the Capital Programme during the current year when new business cases are approved.
5. Current Budget - total of columns 2,3 and 4 above.
6. Year-End Outturn - the projected forecast outturn position as at Q3 (31 December).
7. Year-End Variance – total of column 6 less column 5 above.
8. Scheme Controller the officer responsible for managing the capital scheme budget.
9. Explanation of Variance – budget holder's explanation of forecast over/under spend.

### Question 4

Page 56, 60 Capital Annex 2<sup>1</sup>: Section 2

Do we need projects for both Town Hall "re-occupation" (surely covid was quite a while ago) and the "Great Workforce Programme"?

## Written Answer

Note 1: Report drafting error - the page header at pages 56 to 65 is incorrectly labelled 'ANNEX 2' - it should be labelled ANNEX 3.

There is potentially some cross over in these budget allocations. To date they have been kept separate because the planned investment in Operational Buildings, primarily related to Town Hall re-occupation, is focussed on the Town Hall site whereas the Great Workplace capital scheme relates to all sites, including the depot for example.

## Question 5

Page 64 Capital Annex 2<sup>1</sup>: Section 2

- a) Please provide further detail and analysis of the Merstham Recreation Ground Project which is shown as amber in the January Dashboard.
- b) Has lottery funding been received? Will this reduce the council's own budget allocation? Will the full scope of the project be delivered within the original budget allocation.

## Written Answer

Note 1: Report drafting error - the page header at pages 56 to 65 is incorrectly labelled 'ANNEX 2' - it should be labelled ANNEX 3.

- a) The Place Delivery team report that this project is showing a RAG status of amber with regard to both cost and time compared to the approved Project Initiation Document.

The amber RAG status given to time, reflects the fact that the project has been delayed principally because of the extended period of time it took to secure planning permission and to procure a contractor.

The amber RAG status reflects the fact that the Council needed to secure additional funding to deliver all of the planned improvements as set out in the Merstham Recreation Master Plan.

A contractor has now been appointed and all pre commencement planning conditions have been submitted with a proposed start on site in April.

The original Council budget allocation of £1.5m was insufficient to deliver the entire Masterplan.

As the report to Executive confirmed, the Master Plan would therefore be delivered in phases, with further works being undertaken if and when additional funding was secured.

To date the Place Delivery team have secured a further £443,530 from SCC, £100,000 from the UK Shared Prosperity Fund and £787,042 from the Strategic Infrastructure Programme.

- b) The Place Delivery team have submitted a bid to the Lottery and have been notified that the project has been awarded a further £500,000 grant.

This Lottery allocation comes with a number of grant conditions and work is currently in progress to confirm acceptance of them.

The Lottery funding will not reduce the Council's own funding contributions to the project.

## **Question 6**

Page 64 Capital Annex 2<sup>1</sup>: Section2

The subway refurbishment project in Horley is shown as within the cost budget, yet the January Dashboard shows the budget is red. Please explain.

## **Written Answer**

Note 1: Report drafting error - the page header at pages 56 to 65 is incorrectly labelled 'ANNEX 2' - it should be labelled ANNEX 3.

The Place Delivery team has confirmed that the project costs for the subway are forecast to be higher than the current budget.

However, Surrey County Council is now leading on this project and any shortfalls in budget will be their responsibility to address.

Under the terms of a Collaboration Agreement between this Borough and the County Council, RBBC is paying a fixed contribution to the works. The agreement states that *"RBBC shall not be obliged to increase the amount of the RBBC Funding in any circumstances, including in the event of overspend by SCC in the delivery of the SCC Works."* As such there is no risk of additional costs for this authority.