

Commentary on Service Capital Forecasts

The main reasons for the £27.519m delays in the quarter compared to the approved budget are set out below. These changes generally mean the expected benefits of the capital schemes may not be realised to the original time frame, however in some cases the change only relates to the timing of the expected cash flow without any impact on the deliverables of the scheme.

In addition to the £27.519m above there is an additional £2.388m of delays relating to projects funded by Section 278 developer contributions. The timing of these schemes is largely outside of the control of WCC therefore they are excluded from the analysis below, but details of these schemes can be found in Annexes A to N.

Environment, Planning and Transport – £4.642m:

- Nuneaton to Coventry Cycle Route CIF scheme (£0.534m) Project still within Engineering Feasibility, construction will not commence in 24/25, budget moved to 25/26.
- Hinckley to Nuneaton Cycle Route CIF scheme (£0.667m) Following feedback from Local Members, alternative design options are being considered and will be subject to public consultation within 24/25. Delivery budget has therefore been pushed to 25/26 financial year.
- Bermuda Connectivity Project (£0.480m). Anticipated in year spend has reduced but the funding shortfall issue from last year has now been resolved with S106 resources.
- A452 Kenilworth to Leamington (K2L) Cycle Route – CIF (£2.612m). The K2L scheme is being delivered in several phases starting with Section 1a at the Leamington Spa end of the route, through to Section 3 concluding in Kenilworth. Due to the engineering, strategic and financial complexities the exact delivery timescales/programme for each phase remain uncertain. For Section 1b it is hoped that the necessary land acquisition will soon be completed. The remaining phases will follow on in subsequent financial years.
- There are a number of other schemes with delays which are detailed in the annexes A to N.

Economy and Place - £0.242m:

- There are a number of scheme delays all of low value (none greater than £0.078m) which are detailed in the Annexes A to N.

Strategic Infrastructure and Climate Change - £0.689m:

- Development of Rural Broadband (£0.390m) - Reduced project expenditure is due to a delay in the continuation of the Voucher Scheme build. The voucher scheme programme will recommence once the Project Gigabit rollout begins.
- Library & Business Centre Nuneaton (£0.300m). Progress has slowed because of delays in obtaining planning permission. There has been necessary additional work required to value engineer the project to the available funding.

Children & Families - £0.113m:

- There are a number of scheme delays all of low value (none greater than £0.041m) which are detailed in the Annexes A to N.

Education Services - £21.278m:

- Oakley School primary phase temporary solutions (£0.428m) - Work has been delayed at St Margaret's due to costs increasing. The project is being value engineered and a requote from the contractor is anticipated. An overspend is now being forecast; member approval will be sought prior to incurring any expenditure over and above the currently approved capital funding for the project.
- Lighthorne Heath Primary School - Relocation (£4.631m) This project is School Led and therefore timescales for delivery are out of our control. Delays will be the result of procurement and planning issues - we will not contribute the S106 funding to the school until works are complete.
- Shottery St Andrews Primary – Relocation (£4.623m) – Construction has been completed apart from final snagging and the project is expected to come in under budget. Funding for final accounts has been moved to 2024-25.
- Stratford Upon Avon Secondary School (£3.873m) - works delayed due to budget / cost issues and project now expected to complete in September 2025.
- Myton Gardens Primary School (£7.523m) - Delays have resulted from the requirement to relocate a badger sett. This is subject to planning. Quotes for the overall scheme have come in higher than the original estimates, WCC property team are reviewing the construction programme to bring scheme back within budget.
- There are other schemes with delays of less than £0.250m which are detailed in the Annexes A to N.

Enabling Services - £0.555m:

- Rural Services capital maintenance (£0.323m) - Some of the budget has been reprofiled into the next financial year when works have been scheduled to take place.
- Smallholdings Capital maintenance (£0.232m) - Forecast budget reprofiled into 2025/26 to account for delivery levels of work for main contractor

Expected cost increases above currently approved capital funding

The following table shows unfunded forecasts on schemes. These have not been included in the forecast spend within the body of the report.

Service	Project	2024/25 Forecast above approved capital allocation (£m)	2025/26 Forecast above approved capital allocation (£m)	Total Forecast above approved capital allocation (£m)
Education Services	Myton Gardens-New 2FE (420 place) Primary School with Nursery and SRP		0.656	0.656
Enabling Services	Strategic Site Planning Applications	1.151		1.151
Environment, Planning & Transport	A46 Stoneleigh Junction Improvement	4.673		4.673
Fire	F&R Training Programme: Paynes Lane Minerva & Response Point	0.400		0.400
Total		6.224	0.656	6.880

- Further work is required for Enabling Services and Education to either mitigate the cost increases identified or identify funding for the projects with currently expected shortfalls.
- In relation to the shortfall on the fire scheme there are negotiations underway.
- The team working on the A46 Stoneleigh scheme are currently exploring various options. The overspend declared at Q1 will be materially impacted by the adjudication decision about a number of complex issues impacting the scheme. Corporate Board will consider the risks associated with the scheme in light of the adjudication decision and a further report will be brought to Members as soon as possible.
- Under enabling services, the project with an unfunded overspend relates to Strategic site planning applications. This overspend has arisen because of previously unanticipated required bovine remediation works. An estimate of £750k - £1.5m has currently been assumed and is in the process of being quantified through discussions with the Environment Agency for licencing. A report to Corporate Board including a CIF bid will be taken in September 24. Forecasting assumes worst case scenario for funding requirement.