

Addendum to Finance Monitoring Report August 2024

Insert additional recommendation:

- 1.6 To note the forecast overspend and recommend to Council an increase in the capital budget for CDC Office Relocation to Castle Quay project by £0.646m.

Insert additional paragraph within the main body of the report:

- 4.2.5 The forecast provided for the CDC Office Relocation to Castle Quay as at the end of August shows nil variance as there was an expectation that value engineering of the contract would enable the project to come in in line with budget. However, as discussions carried on throughout September it became clear that value engineering to bring the project back in line with budget would result in the new offices not being fit for purpose to meet the council's needs for the future delivery of its services. As such it has been identified that the forecast cost of the project will increase by £0.646m. This is primarily due to the value engineered cost of the fit out works being higher than the original budgeted estimate provided by our independent cost consultants and the need to include a contingency element within the revised budget levels. An increase in the budget of this scale, initially by increasing the council's Capital Financing Requirement, would require council approval. However, it is expected that the anticipated proceeds from the sale of Bodicote House will be sufficient to more than cover the full cost of the project, so additional minimum revenue provision costs would only be expected to be temporary.