

## Thames Valley Capital Expenditure Programme 2022/23

Proposed Annual Capex Programme - 2022/23	
Item	£
Annual Profiled Capex	588,000
Contingency	88,000
Total	676,000

The pricing structure provided by Capita in their system report, was correct at as of December 2020. The actual cost is therefore now likely to be higher than the overall total (supply and fit) of circa £400k given in the report. A number of contingency factors have been built in to ensure adequate budget provision in 2022/23, against a Reasonable Worse Case Scenario (RWCS) to enable delivery. These are:

- Inflation - set at HM Government target of 2%, acknowledging that this does fluctuate but overtime presents a reasonable assumption.
- Market conditions - recent activity around other Capita products has seen an increase of 30% in prices, whilst this is for a different and a new service, it is prudent to use this information as a basis to assume a RWCS.
- Project resourcing - to support delivery of a hardware upgrade, which the headline project plans suggest is nine months, the expectation is that TVFCS provide and internal project manager. A figure of £60k is based on re-profiling existing capabilities and backfilling for an approximate 40 week period.

This presents a RWCS *within* the profiled Capital expenditure, providing flexibility to enable the upgrade to be delivered in 22/23.

The legal agreement also makes provision for a separate contingency allocation from the renewals account. It is recommended that a figure of 15% of the RWCS is used to allocate to this fund.