

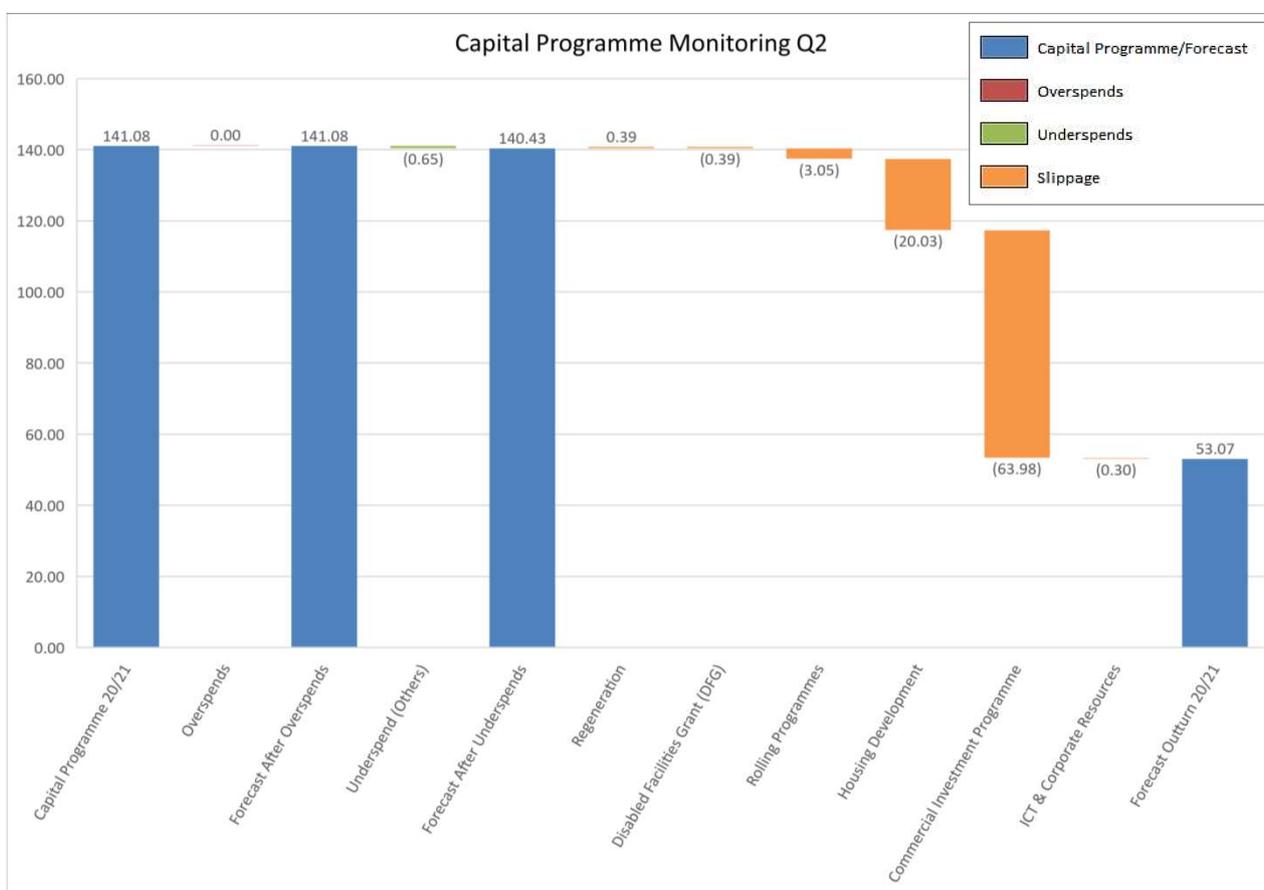
2021-22 Outturn Capital Programme Monitoring Q2

**Summary**

Forecast full year expenditure against the Capital Programme at the end of Quarter 2 is £53.07m which is £88.01m (62.4%) below the approved Programme for the year. The variance is predominantly a result of £20.00m slippage from Housing Development and £63.98m from the Commercial Investment Programme.

**Headline Capital Budget Information 2021-22**

	£m
<b>Current Budget (Section 1):</b>	<b>141.08</b>
Projected Net Overspends	0.00 (or 0 % of Programme)
Projected Net Underspends	(0.65) (or 0 % of Programme)
Projected Slippage	(87.36) (or 62 % of Programme)
<b>Total Capital Expenditure</b>	<b>53.07</b>



## Underspend

<b>Others</b>	<b>Disaster Recovery (£0.2m underspend)</b> - This spend will now be charged to the ICT Replacement Programme (CC61014) and hence, the budget is no longer required and will be given up as a saving from the Capital Programme in 2022/23.
	<b>Handy Person Scheme (£0.04m underspend)</b> - COVID-19 has resulted in fewer applications being received and progressed for Small Works Grants and Loans than might otherwise be expected.
	<b>Contaminated Land - Investigation work (£0.03m underspend)</b> - This is an emergency contingency budget to be used in exceptional circumstances. There are no plans to use the budget at this time.

## Slippage

<b>Housing</b>	<b>Housing Delivery Programme (£20.0m slippage)</b> - Capital funds allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.
<b>Commercial Investment</b>	<b>Commercial Investments Programme (£63.97m slippage)</b> - Capital funds allocated to fund investment in new developments and commercial assets & activities to deliver a sustainable net income stream. There are no specific developments or asset purchases planned at this time. Forecasts will be updated when new business cases or investment opportunities are developed.
<b>Disabled Facilities Grant (DFG)</b>	<b>DFG (£0.39m slippage)</b> - COVID-19 has had a big impact on the number of referrals for DFG works, with these stopping during the early part of lockdown. Works in properties were also temporarily suspended for several weeks, due to contractors suspending their entire operations and vulnerable clients unwilling to allow works in their homes. Work is now underway again, but a lower than budget spend over the year is expected. Grants may be repaid under certain conditions as per the agreement (for example, when a property is sold). This can occur randomly at any time and therefore cannot be forecast in advance.
<b>Other</b>	<b>Investments in Technology Projects (£0.30m slippage)</b> - No projects currently identified.

## Capital ANNEX 3: Section 1

### Reconciliation of Capital Programme to Approved Budgets 2021-22

	<b>£000</b>
<b>Current Capital Programme Budget</b>	41,624.4
Budget approved but not yet released <sup>1</sup>	0.0
	<hr/> 41,624.4
<b>Additions</b>	
Budget carry-forwards from previous year	99,455.6
Budgets released during the year <sup>1</sup>	0.0
Reprofiling of projects	0.0
Other changes	0.0
<b>Current Capital Programme Budget</b>	<hr/> <b>141,080.0</b> <hr/>

#### Notes

- 1 Some budgets are approved as part of the Capital Programme but are not released pending further approval. These are added once the project documentation has been approved.

Capital Budget Monitoring: Summary by Programme and Project 2021-22

Programme/Project	Current Budget	Year End Outturn (Agreed)	Year End Variance (Agreed)	Quarter 1: Explanation of Significant Variances	Quarter 2: Explanation of Significant Variances
	£000	£000	£000		
	1,000.0	1,000.0	1,000.0		
Operational Buildings	277.0	77.0	-200.0		Project deferred due decisions on future hybrid working on the Town Hall site.
Day Centres Programme	101.0	101.0	0.0		
Existing Pavilions Programme	196.0	196.0	0.0		
Leisure Centre Maintenance	39.0	39.0	0.0		
Harlequin Property Maintenance	181.0	181.0	0.0		
Tenanted Properties	192.0	106.8	-85.3		Although this is the expected underspend at year end, some of this favourable variance might be spent when property conditions are assessed.
Crown House	210.0	210.0	0.0		
Units 1-5 Redhill Dist Centre Salfords	57.3	57.0	-0.2		
Linden House, 51B High Street Reigate	28.3	28.0	-0.3		
Unit 61E Albert Road North	66.5	167.0	100.5		Roofing works brought forward as they are needed before the tenant can move in.
Forum House, Brighton Road Redhill	170.0	170.0	0.0		
Beech House, London Road Reigate	3,000.0	200.0	-2,800.0		Project deferred until a new tenant can be found.
Regent House, 1-3 Queensway Redhill	75.0	75.0	0.0		
Commercial Investment Properties	76.0	76.0	0.0		
Infra-structure (walls)	54.0	54.0	0.0		
Car Parks Capital Works Programme	434.0	434.0	0.0		
Earlswood Depot/Park Farm Depot	88.0	88.0	0.0		
Public Conveniences	38.0	38.0	0.0		
Cemeteries & Chapel	60.0	0.0	-60.0		Project deferred until next year due to lack of staff resources.
Allotments	30.0	30.0	0.0		
Building Maintenance - Support Cost	50.0	50.0	0.0		
Pavilion Replacement - Woodmansterne	20.0	20.0	0.0		
Priory Park Maintenance	213.0	213.0	0.0		
<b>Strategic Property</b>	<b>5,656.0</b>	<b>2,610.8</b>	<b>-3,045.3</b>		
ICT Replacement Programme	750.0	750.0	0.0		
Investment in Technology Projects	300.0	0.0	-300.0	No development projects currently identified.	No development projects currently identified.
Disaster Recovery	200.0	0.0	-200.0		No Disaster Recovery projects currently identified
Environmental Strategy Delivery	250.0	0.0	-250.0		Budget allocated for future environmental projects, although no current expectation to spend against this budget.
<b>Corporate Resources</b>	<b>1,500.0</b>	<b>750.0</b>	<b>-750.0</b>		
Great Workplace Programme - Phase 2	472.0	472.0	0.0		
Workplace Facilities	10.0	10.0	0.0		
<b>Organisational Development</b>	<b>482.0</b>	<b>482.0</b>	<b>0.0</b>		
	0	0.0	0.0		
<b>Organisation Capital Budget</b>	<b>7,638.0</b>	<b>3,842.8</b>	<b>-3,795.3</b>		

Capital Budget Monitoring: Summary by Programme and Project 2021-22

Programme/Project	Current Budget	Year End Outturn (Agreed)	Year End Variance (Agreed)	Quarter 1: Explanation of Significant Variances	Quarter 2: Explanation of Significant Variances
	£000	£000	£000		
Handy Person Scheme	50.0	10.0	-40.0		
Home Improvement Agency SCC Grant	120.0	120.0	0.0		
Disabled Facilities Grant	1,134.0	748.0	-386.0		
Repossession Prevention Fund	30.0	0.0	-30.0		Total expenditure will be offset with grant funding at year end.
Lee Street Bungalows	793.3	793.3	0.0		Awaiting for plans and proposals to be finalised by developers.
64 Massetts Road	0.0	0.0	0.0		
58 Massetts Rd (YMCA East Surrey)	100.0	100.0	0.0		
Housing Delivery Programme	20,000.0	0.0	-20,000.0	No specific development opportunities currently identified in 2021/22	No specific development opportunities currently identified in 2021/22
Development of Court Lodge Residential Site	0.0	0.0	0.0		
Cromwell Road Development 2016	5,815.2	5,815.2	0.0		Work continues on the project. Potential underpend overall but to be reviewed quarterly.
Unit 1 Pitwood Park Tadworth	2,348.8	2,348.8	0.0		Project completed in August 2021, retentions due in August 2022
<b>Housing</b>	<b>30,391.3</b>	<b>9,935.3</b>	<b>-20,456.0</b>		
Harlequin - Service Development	200.0	200.0	0.0		Unused budget as visions/plans were being created and finalised. The team is now in a position to start spending on project identified i.e CCTV camera, café area and toilet renovations, room hire & kitchen upgrade etc...
Harlequin Maintenance	75.9	75.9	0.0		Spending has started and budget is expected to be used during the second half of the year.
<b>Leisure &amp; Intervention</b>	<b>275.9</b>	<b>275.9</b>	<b>0.0</b>		
CCTV Rolling Programme	90.0	90.0	0.0		
<b>Community Partnerships</b>	<b>90.0</b>	<b>90.0</b>	<b>0.0</b>		
<b>People Services Capital Budget</b>	<b>30,757.2</b>	<b>10,301.2</b>	<b>-20,456.0</b>		

Capital Budget Monitoring: Summary by Programme and Project 2021-22

Programme/Project	Current Budget	Year End Outturn (Agreed)	Year End Variance (Agreed)	Quarter 1: Explanation of Significant Variances	Quarter 2: Explanation of Significant Variances
	£000	£000	£000		
Vehicles & Plant Programme	2,230.5	2,230.5	0.0		
Fleet Vehicle Wash-Bay Replacement	350.0	350.0	0.0		
Land Flood Prevention Programme	22.3	22.3	0.0		
Play Area Improvement Programme	230.0	230.0	0.0		
Parks & Countryside - Infrastructure & Fencing	68.8	68.8	0.0		
Air Quality Monitoring Equipment	40.0	40.0	0.0		
Contaminated Land - Investigation work	30.0	0.0	-30.0		
Contribution to Surrey Transit Site	127.0	0.0	-127.0		No spend expected for 21/22, awaiting SCC confirmation of when they require payment of this contribution.
<b>Neighbourhood Operations</b>	<b>3,098.6</b>	<b>2,941.6</b>	<b>-157.0</b>		
Pay-on-Exit Car Parking at Central Car Park and Victoria Road Car Park,	53.9	158.2	104.3		The Pay-On-Exit project is progressing and the Service are hoping to enter contract with selected contractor with a view to delivering in the latter part of Q4/early in Q1 2022/23.
Horley Public Realm Improvements - Phase 2 and 3	600.0	60.2	-539.8		The High Street Public Realm Improvements design development will now pause whilst the Service undertake public engagement so we should start to spend again in Q4.
Horley Public Realm Improvements - Phase 4	0.0	0.0	0.0		
Subway Refurbishment, Horley	0.0	85.3	85.3		The forecast is based on the projects restarting after a quiet period during the pandemic, the planned spend in the latter part of the year is dependent on several factors such as negotiations with Network Rail, etc. To be reviewed by Qtr3.
Marketfield Way Redevelopment	32,873.2	35,112.0	2,238.8		Current forecast reflects a slight increase in the contractor's costs (Design and Building works) over the latter part of the year. Overall project still in line with the programme budget.
Redhill Public Realm Improvements	30.0	30.0	0.0		
Merstham Recreation Ground	1,496.0	0.0	-1,496.0		Currently reported against Commercial Feasibility. The costs will be transferred once approval has been given by the council to spend against Capital Programme budget.
Preston - Parking Improvements	456.0	456.0	0.0		
Preston - Landscaping	0.0	0.0	0.0		
<b>Place Delivery</b>	<b>35,509.1</b>	<b>35,901.7</b>	<b>392.6</b>		
Vibrant Towns & Villages	100.0	100.0	0.0		There are two potential projects for the year, whereby one would see expenditure of almost all of the £100k allocation (subject to availability of equipment and/or agreement from partners and other stakeholders).
<b>Economic Prosperity</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		
<b>Place Services Capital Budget</b>	<b>38,707.7</b>	<b>38,943.3</b>	<b>235.6</b>		
Commercial Investments Programme	63,977.1	0.0	-63,977.1	No specific development or investment opportunities currently identified.	
<b>Corporate</b>	<b>63,977.1</b>	<b>0.0</b>	<b>-63,977.1</b>		
<b>Corporate Capital Budget</b>	<b>63,977.1</b>	<b>0.0</b>	<b>-63,977.1</b>		
<b>Total Capital Budget</b>	<b>141,080.0</b>	<b>53,087.3</b>	<b>-87,992.7</b>		