

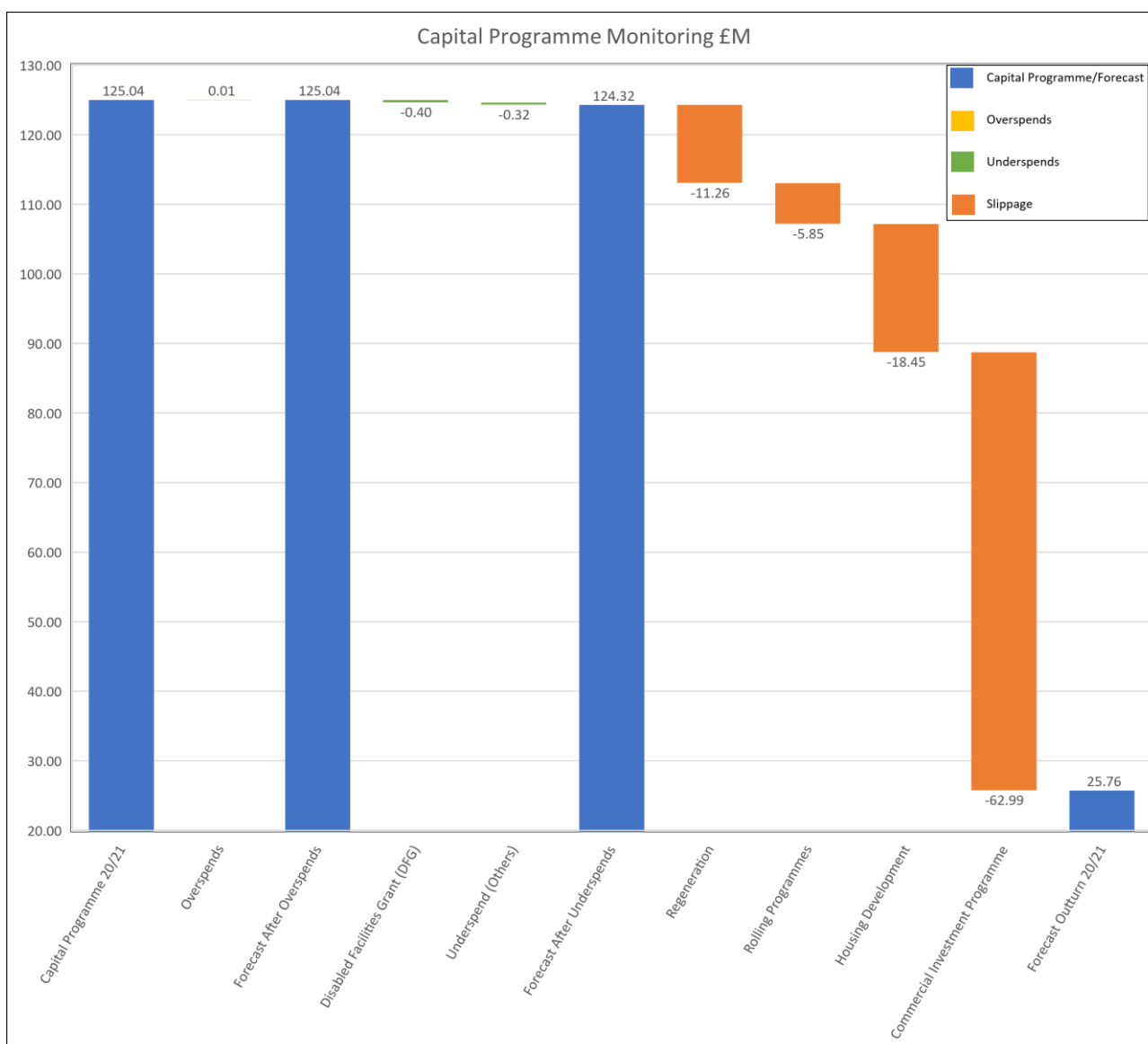
2020/21 Outturn Capital Programme Monitoring

Summary

Full year expenditure against the Capital Programme at the end of Quarter 4 is £25.76m which is £99.28m (80%) below the approved Programme for the year. The variance is predominantly a result of £99.55m slippage, a net underspend of £0.72m and small overspend of £0.01m as set out below.

Headline Capital Budget Information 2020/21

	£m
Current Budget (Section 1):	125.04
Projected Net Overspends	0.01 (or 0.01% of Programme)
Projected Net Underspends	(0.72) (or 0.57% of Programme)
Projected Slippage	(98.56) (or 79% of Programme)
Total Capital Expenditure	25.76



Overspends

Rolling Programmes	64 Massetts Road - minor overspend of £2k.
	Play Area Improvement Programme - minor overspend of £5k.

Underspends

Disabled Facilities Grant (DFG)	DFG (£397k underspend) - 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.
Others	Vibrant Towns & Villages (£100k underspend) - This allocation is intended to enhance the revenue allocation for the four town centres to ensure that they remain attractive and vibrant places. The stakeholders we would normally have worked with to identify suitable capital projects, were not accessible due to the COVID-19 lock down. From the return of non-essential retail, their attention has been very much on trying to rebuild trade. As a result, they have not had the capacity to engage with us in the process of identifying potential works for consideration. Therefore, with the exception of £0.02m, no further demands were made on this programme in 2020/21.
	CCTV Rolling Programme (£77k underspend) - Underspend reflects decision making delays relating to the future of CCTV.
	Handy Person Scheme (£44k underspend) - COVID-19 has resulted in fewer applications being received and progressed for Small Works Grants and Loans than might otherwise be expected.
	Contaminated Land - Investigation work (£30k underspend) - This is an emergency contingency budget to be used in exceptional circumstances. There are no plans to use the budget at this time.
	Capital Grants (£20k underspend) - RBBC withdrew the £20k grant awarded (but never paid) to South Park Football Club as they were unable to deliver their project within acceptable timeframes

Slippage

<p>Regeneration</p>	<p>Marketfield Way (£9.661m slippage) - Slippage occurred due to the extended period of time it took to conclude the building contract and to secure all necessary consents. The building contract has now been finalised, a programme and cashflow prepared to provide more accurate forecasts moving forward.</p> <p>Merstham Recreation Ground - (£740k slippage) - Slippage due to COVID-19 and capacity within the Service. COVID-19 has affected the ability to be able to commence early engagement with local residents and stakeholders and delayed the appointment of key initial surveys and studies. Team is now in place to deliver the project. Initial Concept Plan prepared with main design works commencing in 2021/22 (subject to approval of final scheme by Executive)</p> <p>Preston Regeneration (£718k slippage) - There was delay in securing all the necessary consents for the Chetwode Road highways scheme. Works have now progressed and are due to be substantially completed by the end of this year. The focus of the Preston programme has been on getting the Chetwode Road scheme underway. Now that this is priorities for the remaining programme are now being discussed with local ward members and the Portfolio Holder.</p>
<p>Rolling Programmes</p>	<p>Beech House, London Road. Reigate (£3.00m slippage) - Negotiations with AIG are still ongoing. Current status is a revised £2.1m Capital investment in 2021/22. Delays in negotiation with AIG due to COVID-19. The service is reviewing the overall deal and will recommend a course of action to the Commercial Ventures Board.</p> <p>Priory Park Maintenance (£203k slippage) - The tenant have been issued a 1-year extension to their concession during COVID-19 and remain in occupation. Works will now be completed as part of the concession contract negotiation, delaying the refurbishment until 2021/22. This allows the ability to review the overall contract and capital outlay.</p> <p>Car Parks Capital Works (£239k slippage) - Works were tendered prior to the COVID-19 lockdown measures were imposed and the tender process was unable to be completed, as contractors were unable to price works and submit programmes. Rescheduled for 2021/22.</p> <p>Earlswood Depot/Park Farm Depot- (£69k slippage) - Earlswood depot requires major boiler replacement however, works were unable to be completed during COVID-19 and therefore reassigned to 2021/22.</p> <p>Unit 61E, Albert Road North (£55k slippage) - Roadway maintenance. Currently on hold pending a review of the Council's position as a whole on Albert Road North .</p> <p>Infra-structure (walls) (£45k slippage) - Reinstatement of surveys and reprogramming surveying inspections that were on hold during the COVID-19 lockdown, will commence in 21/22.</p> <p>Units 1-5 Redhill Dist Centre Salfords - (£40k slippage) - COVID-19 delays caused by contractor availability. Non essential works were re-programmed during the level 4 lockdown enforcements. Access, travel, social distancing.</p> <p>Cemeteries & Chapel (£40k slippage) - Planned external decorations to chapel suspended during COVID-19. Contractors assigned to essential works only.</p>
<p>Housing Development</p>	<p>Housing Delivery Programme (£10.0m slippage) - Spend on a feasibility and options study of Horley High Street Car Park site that will enable the Council to review and approve a preferred design to progress through concept design to development and preparation of a planning application (the planning application to be submitted in early 2021/22). Expenditure will relate to the procurement of the design team to include professional services such as Quantity Surveyor, Project Manager, Architect, Civils and Structures and Building Services consultants together with a wide range of technical consultants, procurement of supporting surveys and documentation required for the planning application and future development of the site.</p> <p>Cromwell Road Development - (£5.81m slippage) Spend profile changed following contract signature - slightly behind original profiled schedule</p> <p>Unit 1 Pitwood Park Tadworth (£2.28m slippage) -Spend profile changed following contracts being signed slightly behind original profiled schedule, variances in contractor monthly valuation claims.</p> <p>Lee Street Bungalows - (£603k slippage). Project stalled due to build cost tenders coming in over budget. Budget for 21/22 now increased per Executive.</p>

Capital ANNEX 3: Section 1

Reconciliation of Capital Programme to Approved Budgets 2020-21

	£000
Original Capital Budget	95,546.2
Budget approved but not yet released ¹	0.0
	<hr/> 95,546.2
Additions	
Carry Forwards from previous year	29,491.2
Budgets released during the year ¹	0.0
Reprofiling of projects	0.0
Other Changes	0.0
Current Capital Budget	<hr/> 125,037.4 <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.
- 2 Delegated authority granted via Executive Report "Proposal to Reduce Bed and Breakfast Expenditure" September 2014.
- 3 Section 106 Funded
- 4 Executive Approvals

Capital Budget Monitoring: Summary by Programme and Project 2020-21

Programme/Project	Year End Outturn	Original Budget	Approved Budgets Not Released	Carry Forwards	Released In Year	Reprofiled	Other Changes	Current Budget	Year End Variance	Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Operational Buildings	122.9	115.0	0.0	140.0	0.0	0.0	0.0	255.0	-132.1	Boilers and plant completed. Air Conditioning Units, external decoration and roof works reassigned to 2021/22 due to limited resources and contractor/equipment availability during the COVID-19 pandemic.
Day Centres Programme	71.4	75.0	0.0	13.0	0.0	0.0	0.0	88.0	-16.6	Internal flooring and redecorations couldn't be completed in 20/21 due to Covid restrictions and will therefore commence in 21/22.
Existing Pavilions Programme	4.0	90.0	0.0	0.0	0.0	0.0	0.0	90.0	-86.0	Upgrades of facilities could not be carried out as planned due to covid restrictions, which prevented the sourcing of consultants and contractors as well as bringing about procurement issues.
Leisure Centre Maintenance	27.1	30.0	0.0	7.0	0.0	0.0	0.0	37.0	-9.9	Unable to gain sufficient access nor carry out minor works due to COVID-19, particularly as contractor safety and social distancing are an identified risk. Postponed minor works, such as the replacement of defective internal seating to pool area to 2021/22.
Harlequin Property Maintenance	11.2	40.0	0.0	13.0	0.0	0.0	0.0	53.0	-41.8	Change of use in order to accommodate the Response Centre during the pandemic. Only essential works had taken place to protect the welfare of staff working in the building. Postponed remaining works (e.g. refurbishment of toilets) until 2021/22.
Tenanted Properties	8.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	-92.0	Covid restrictions prevented access within tenanted buildings. Further restrictions on availability with consultant to conduct a site survey.
Crown House	0.0	75.0	0.0	0.0	0.0	0.0	0.0	75.0	-75.0	Covid restrictions prevented access within tenanted buildings. Further restrictions on availability with consultant to conduct a site survey.
Units 1-5 Redhill Dist Centre Salfords	0.0	40.3	0.0	0.0	0.0	0.0	0.1	40.3	-40.3	Contractor availability was scarce due to the COVID-19 social distancing restrictions. Non-essential works were reprofiled due to lockdown enforcements.
Linden House, 51B High Street Reigate	0.0	17.3	0.0	0.0	0.0	0.0	-0.1	17.2	-17.2	Contractor availability was scarce due to the COVID-19 social distancing restrictions. Non-essential works were reprofiled due to lockdown enforcements.
Unit 61E Albert Road North	0.0	55.0	0.0	0.0	0.0	0.0	0.0	55.0	-55.0	20/21 programme cancelled or delayed due to COVID restrictions.
Forum House, Brighton Road Redhill	0.0	70.0	0.0	0.0	0.0	0.0	0.0	70.0	-70.0	20/21 programme cancelled or delayed due to COVID restrictions.
Beech House, London Road Reigate	0.0	3,000.0	0.0	0.0	0.0	0.0	0.0	3,000.0	-3,000.0	£3m slippage in 2020/21, negotiations with AIG are still ongoing. Current status is a revised £2.1m Capital investment in 2021/22. Delays in negotiation with AIG due to COVID-19. The service is reviewing the overall deal and will recommend a course of action to the Commercial Ventures Board.
Regent House, 1-3 Queensway Redhill	0.0	25.0	0.0	0.0	0.0	0.0	0.0	25.0	-25.0	20/21 programme cancelled or delayed due to COVID restrictions.
Commercial Investment Properties	16.9	50.0	0.0	25.5	0.0	0.0	0.0	75.5	-58.6	20/21 programme cancelled or delayed due to COVID restrictions.
Infra-structure (walls)	59.3	55.0	0.0	49.0	0.0	0.0	0.0	104.0	-44.7	Reinstatement of surveys and reprogramming surveying inspections that were on hold during the COVID-19 lockdown, will commence in 21/22.
Car Parks Capital Works Programme	130.9	190.0	0.0	180.0	0.0	0.0	0.0	370.0	-239.1	Works were tendered prior to COVID-19 restrictions, however with the lockdown measures imposed the tender process was unable to be completed as contractors were unable to price works and submit programmes. Budget has been reprofiled for 2021/22.
Earlswood Depot/Park Farm Depot	11.3	50.0	0.0	30.0	0.0	0.0	0.0	80.0	-68.7	Earlswood depot requires major boiler replacement however, works were unable to be completed during COVID-19 and therefore reassigned to 2021/22.
Public Conveniences	10.8	5.0	0.0	40.0	0.0	0.0	0.0	45.0	-34.2	Work on the High Street (Banstead) PC has been completed; Consort Way & Wray Lane public toilet refurbishment had been rescheduled to 2021/22.
Cemeteries & Chapel	0.0	40.0	0.0	0.0	0.0	0.0	0.0	40.0	-40.0	Planned external decorations to chapel suspended during COVID-19. Contractors assigned to essential works only.
Allotments	0.0	14.0	0.0	4.0	0.0	0.0	0.0	18.0	-18.0	Covid restrictions on specialist contractor - unable to complete works on the replacement of defective water mains. Will commence in 21/22.
Building Maintenance - Support Cost	0.0	50.0	0.0	0.0	0.0	0.0	0.0	50.0	-50.0	
Pavilion Replacement - Woodmansterne	0.0	0.0	0.0	20.0	0.0	0.0	0.0	20.0	-20.0	Covid restrictions imposed closure of building. Plans to start work on drainage repairs/replacement will be carried forward to 21/22.
Priory Park Maintenance	24.9	198.0	0.0	30.0	0.0	0.0	0.0	228.0	-203.1	The tenant have been issued a 1 year extension to their concession during COVID-19 and remain in occupation. Works will be completed as part of the concession contract negotiation delaying the refurbishment until 2021/22. This allows the ability to review the overall contract and capital outlay.
Acquisition of 3, 8 and 20 Reading Arch Road	985.5	0.0	0.0	0.0	0.0	0.0	985.5	985.5	0.0	Acquisition of units 3, 6, 8 and 20 Reading Arch Road
Strategic Property	1,484.2	4,384.5	0.0	551.5	0.0	0.0	985.5	5,921.5	-4,437.3	

Capital Budget Monitoring: Summary by Programme and Project 2020-21

Programme/Project	Year End Outturn	Original Budget	Approved Budgets Not Released	Carry Forwards	Released In Year	Reprofiled	Other Changes	Current Budget	Year End Variance	Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
ICT Replacement Programme	23.8	225.0	0.0	125.7	0.0	0.0	0.0	350.7	-326.9	Covid-19 delayed the progress of some projects to allow for emergency upgrades of remote access infrastructure. A significant programme of improvement works is now underway that requires investment to deliver. This includes Cyber Security, Data Centre Improvements, Unified Communications
Disaster Recovery	6.2	0.0	0.0	18.0	0.0	0.0	0.0	18.0	-11.8	Covid-19 delayed the progress of some projects to allow for emergency upgrades of remote access infrastructure. A significant programme of improvement works is now underway that requires investment to deliver such as Disaster Recovery.
Corporate Resources	30.0	225.0	0.0	143.7	0.0	0.0	0.0	368.7	-338.7	
Great Workplace Programme - Phase 2	27.3	250.0	0.0	0.0	0.0	0.0	0.0	250.0	-222.7	Covid restrictions on consultants & procurement. Changing scope of works and agreement sign off with changing requirements.
Workplace Facilities	0.0	30.0	0.0	0.0	0.0	0.0	0.0	30.0	-30.0	Funding initially used for deployment of laptops for new members of staff, however the cost has now been transferred to the correct service budget.
Organisational Development	27.3	280.0	0.0	0.0	0.0	0.0	0.0	280.0	-252.7	
Organisation Capital Budget	1,541.5	4,889.5	0.0	695.2	0.0	0.0	985.5	6,570.2	-5,028.7	
Handy Person Scheme	6.3	50.0	0.0	0.0	0.0	0.0	0.0	50.0	-43.7	COVID-19 has resulted in fewer applications being received and progressed for Small Works Grants and Loans than might otherwise be expected.
Home Improvement Agency SCC Grant	120.0	120.0	0.0	0.0	0.0	0.0	0.0	120.0	0.0	
Disabled Facilities Grant	737.0	1,134.0	0.0	0.0	0.0	0.0	0.0	1,134.0	-397.0	
Repossession Prevention Fund	0.0	30.0	0.0	11.5	0.0	0.0	0.0	41.5	-41.5	The Repossession Prevention Fund is used to provide grants and loans to individuals to prevent homelessness. The spend is funded by the RPF grant, hence no expenditure against budget.
Lee Street Bungalows	17.4	234.0	0.0	386.8	0.0	0.0	0.0	620.8	-603.4	Build stalled due to over budget tender prices. However, there has been an increase in the budget envelope agreed at March 2021 Executive. Revised budget of £849,971 agreed, which equates to an uplift of £189,582 that will be processed as part of the 21/22 budget upload.
64 Massetts Road	15.5	0.0	0.0	13.6	0.0	0.0	0.0	13.6	1.9	Original budget based on estimates, final costs were more than expected.
58 Massetts Rd (YMCA East Surrey)	250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	250.0	£250k S106 affordable housing money agreed to be transferred to YMCA. Another £100k would be processed following a Strong Leader Decision, as part of the 21/22 capital programme upload.
Housing Delivery Programme	0.0	10,000.0	0.0	0.0	0.0	0.0	0.0	10,000.0	-10,000.0	Current housing delivery projects funded from different sources. Spend will start in 2021/22 as schemes may some take time to get past feasibility stage.
Development of Court Lodge Residential Site Cromwell Road Development 2016	-2.5 3,554.8	0.0 3,680.0	0.0 0.0	0.0 5,690.0	0.0 0.0	0.0 0.0	0.0 0.0	0.0 9,370.0	-2.5 -5,815.2	Spend profile changed following contracts being signed slightly behind original profiled schedule.
Unit 1 Pitwood Park Tadworth	3,629.2	1,745.0	0.0	4,164.5	0.0	0.0	0.0	5,909.5	-2,280.3	Spend profile changed following contracts being signed slightly behind original profiled schedule, variances in contractor monthly valuation claims.
Housing	8,327.8	16,993.0	0.0	10,266.4	0.0	0.0	0.0	27,259.4	-18,931.6	
Harlequin - Service Development	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	-100.0	
Harlequin Maintenance	4.1	40.0	0.0	0.0	0.0	0.0	0.0	40.0	-35.9	
Wellbeing & Intervention	4.1	140.0	0.0	0.0	0.0	0.0	0.0	140.0	-135.9	
Capital Grants	0.0	0.0	0.0	20.0	0.0	0.0	0.0	20.0	-20.0	RBBC withdrew the £20k grant awarded (but never paid) to South Park Football Club as they were unable to deliver their project within acceptable timeframes. We no longer operate a capital grants programme, so I am not seeking to retain this funding for alternative use.
CCTV Rolling Programme	1.3	30.0	0.0	48.6	0.0	0.0	0.0	78.6	-77.3	Underspend reflects decision making delays relating to the future of CCTV, caused by the Covid 19 emergency response. Decisions now taken by Executive and procurement processes being prepared. Underspend will need to be carried forward to 2021/22 to enable project delivery.
Community Partnerships	1.3	30.0	0.0	68.6	0.0	0.0	0.0	98.6	-97.3	
People Services Capital Budget	8,333.2	17,163.0	0.0	10,335.0	0.0	0.0	0.0	27,498.0	-19,164.8	

Capital Budget Monitoring: Summary by Programme and Project 2020-21

Programme/Project	Year End Outturn	Original Budget	Approved Budgets Not Released	Carry Forwards	Released In Year	Reprofiled	Other Changes	Current Budget	Year End Variance	Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Vehicles & Plant Programme	2,378.8	2,608.0	0.0	87.3	0.0	0.0	0.0	2,695.3	-316.5	Fleet replacement programme was impacted by COVID-19 and resulting effects on suppliers of vehicles. As such, the planned replacements were unable to be ordered within the anticipated timeframes.
Fleet Vehicle Wash-Bay Replacement	0.0	350.0	0.0	0.0	0.0	0.0	0.0	350.0	-350.0	Works on the wash bay replacement are ongoing. Though works have been delayed due to COVID-19.
Land Flood Prevention Programme	5.2	6.0	0.0	11.0	0.0	0.0	0.0	17.0	-11.8	Planned, seasonal works were unable to be actioned within the financial year due to contractor-related implications as a result of COVID-19. Contractors have since confirmed capacity to be able to undertake works during 21/22.
Play Area Improvement Programme	231.3	226.0	0.0	0.0	0.0	0.0	0.0	226.0	5.3	Minor variance - complete.
Parks & Countryside - Infrastructure & Fencing	21.2	45.0	0.0	0.0	0.0	0.0	0.0	45.0	-23.8	Expenditure is demand led and there have been delays due to COVID as well.
Air Quality Monitoring Equipment	158.4	108.0	0.0	50.0	0.0	0.0	0.0	158.0	0.4	
Contaminated Land - Investigation work	0.0	30.0	0.0	0.0	0.0	0.0	0.0	30.0	-30.0	This is an emergency contingency budget to be used in exceptional circumstances. There are no plans to use the budget at this time.
Neighbourhood Operations	2,794.8	3,373.0	0.0	148.3	0.0	0.0	0.0	3,521.3	-726.5	
Horley Public Realm Improvements - Phase 2 and 3	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	-100.0	Authority was required from Executive for phase 4 of the public realm work before expenditure could be defrayed. The Delivering Change in Horley Programme has now been approved by Executive and the professional team are in the process of being appointed to enable the project to be brought forward.
Horley Public Realm Improvements - Phase 4	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.7	
Marketfield Way Redevelopment	13,018.5	18,858.6	0.0	3,821.2	0.0	0.0	0.0	22,679.8	-9,661.3	Slippage occurred due to the extended period of time it took to conclude the building contract and to secure all necessary consents. The building contract has now been finalised, a programme and cashflow prepared to provide more accurate forecasts moving forward.
Merstham Recreation Ground	-2.4	700.0	0.0	93.7	0.0	0.0	0.0	793.7	-796.1	Slippage due to COVID-19 and capacity within the team. COVID-19 has affected our ability to be able to commence early engagement with local residents and stakeholders and delayed the appointment of key initial surveys and studies. Team now in place to deliver project. Initial Concept Plan prepared with main design works commencing in 2021/22 (subject to approval of final scheme by Executive)
Preston - Parking Improvements	64.7	0.0	0.0	399.5	0.0	0.0	383.3	782.8	-718.1	There was delay in securing all the necessary consents for the Chetwode Road highways scheme. Works have now progressed and are due to be substantially completed by the end of this year. The focus of the Preston programme has been on getting the Chetwode Road scheme underway. Now, priorities for the remaining programme are now being discussed with local ward members and the portfolio holder.
Preston - Landscaping	0.0	362.1	0.0	21.2	0.0	0.0	-383.3	0.0	0.0	
Place Delivery	13,092.6	20,020.7	0.0	4,335.6	0.0	0.0	0.0	24,356.3	-11,263.7	
Vibrant Towns & Villages	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	-100.0	This allocation is intended to enhance the revenue allocation for the four town centres to ensure that they remain attractive and vibrant places. The stakeholders we would normally have worked with to identify suitable capital projects, were not accessible due to the COVID-19 lock down. From the return of non-essential retail, their attention has been very much on trying to rebuild trade. As a result, they have not had the capacity to engage with us in the process of identifying potential works for consideration. Therefore, with the exception of £0.02m, no further demands were made on this programme in 2020/21
Economic Prosperity	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	-100.0	
Place Services Capital Budget	15,887.4	23,493.7	0.0	4,483.9	0.0	0.0	0.0	27,977.6	-12,090.2	
Commercial Investments Programme	0.0	50,000.0	0.0	13,977.1	0.0	0.0	-985.5	62,991.6	-62,991.6	Allocated capital funding for investment in new developments and commercial assets and activities that, in addition to local regeneration and place-shaping benefits, deliver a sustainable net income stream to the revenue budget. There has been a drawdown of £1.029m of expenditure in Q1 to fund the acquisition of units 3, 6, 8 and 20 Reading Arch Road with additional spend on further acquisitions forecast for rest of the financial year.
Corporate	0.0	50,000.0	0.0	13,977.1	0.0	0.0	-985.5	62,991.6	-62,991.6	
Corporate Capital Budget	0.0	50,000.0	0.0	13,977.1	0.0	0.0	-985.5	62,991.6	-62,991.6	
Total Capital Budget	25,762.2	95,546.2	0.0	29,491.2	0.0	0.0	0.0	125,037.4	-99,275.2	