

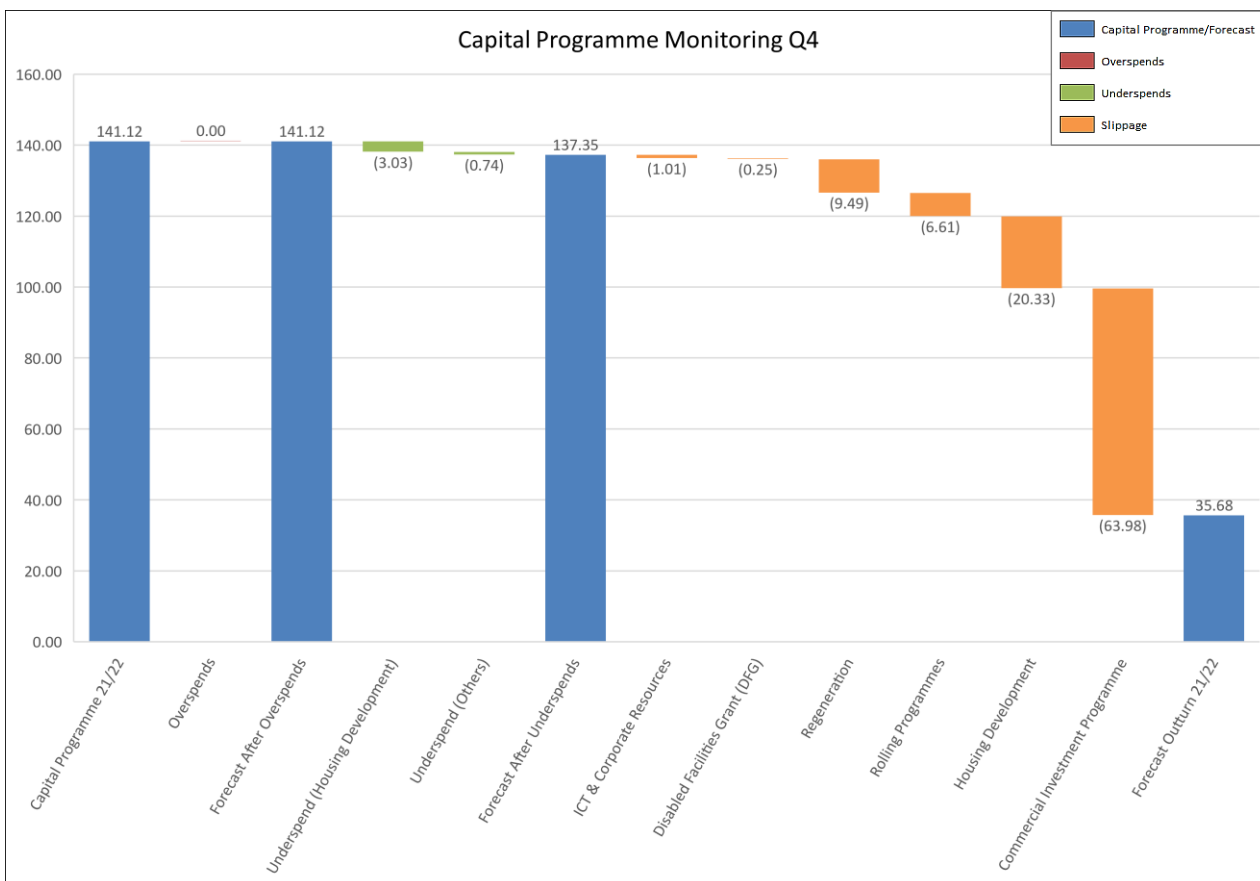
2021/22 Outturn Capital Programme Monitoring Q4

**Summary**

Full year expenditure against the Capital Programme at the end of Quarter 4 is £35.68m which is £105.44m (75%) below the approved Programme for the year. The variance is predominantly a result of £20.00m slippage from Housing Delivery Programme and £63.98m from the Commercial Investment Programme, as well as savings in delivery of the Cromwell Road and Pitwood Park housing schemes.

**Headline Capital Budget Information 2021/22**

	£m
<b>Current Budget (Section 1):</b>	<b>141.12</b>
Net Overspends	0.00 (or 0 % of Programme)
Net Underspends	(3.77) (or 3 % of Programme)
Slippage	(101.67) (or 72 % of Programme)
<b>Total Capital Expenditure</b>	<b>35.68</b>



## Underspends

<b>Housing Development</b>	<b>Cromwell Road (£1.959m underspend)</b> - Construction phase now complete; internal works to commence in 22/23
	<b>Pitwood Park (£1.071m underspend)</b> - Project now complete; additional fees to be paid in 22/23 related to the sales of the last 2 remaining units.
<b>Others</b>	<b>Disaster Recovery (£0.200m underspend)</b> - This spend will now be charged to the ICT Replacement Programme (CC61014) following the IT Strategy Review and hence this budget is no longer required and will be given up as a saving from the Capital Programme in 2022/23.
	<b>CCTV Rolling Programme (£0.075m underspend)</b> - Underspend reflects procurement timing for replacement equipment.
	<b>Handy Person Scheme (£0.045m 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 (£30k underspend)</b> - This is a contingency sum to be used when required.

## Slippage

<b>ICT &amp; Corporate Resources</b>	<b>ICT Replacement Programme and Projects (£1.263m slippage)</b> - Equipment replacement and projects delayed due to COVID and reprioritisation.
<b>Disabled Facilities Grant (DFG)</b>	<b>DFG (£0.247m slippage)</b> - COVID-19 has had an impact on the number of referrals for DFG works. Work is now underway again, but a lower than budget spend over the year is expected. Grants may also 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>Regeneration</b>	<b>Merstham Recreation Ground (£1.419m slippage)</b> - £100k spend to date to cover the planning and designing phase of the project. Costs will increase in 22/23 as construction will start towards the latter part of the next financial year.
	<b>Horley Public Realm Improvements (£0.575m slippage)</b> - The High Street Public Realm Improvements design development will now pause whilst the Service undertake public engagement; spending will recommence in the latter part of Q4 or early Q1 2022/23.
<b>Rolling Programmes</b>	<b>Strategic Property (£5.247m slippage)</b> - £2.995m of this slippage relates to Beech House which will be deferred until a new tenant is identified. Expenditure on Town Hall will commence once further decisions have been made on the future of hybrid working.
	<b>Great Workplaces Programme (£0.452m slippage)</b> . This budget will be spent once further decisions have been made on the future of hybrid working.
	<b>Vehicle Wash Bay Replacement (£0.350m slippage)</b> . This project should now commence in 2022/23
<b>Housing Development</b>	<b>Housing Delivery Programme (£20.000m 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.

## Capital ANNEX 3: Section 1

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

	<b>£000</b>
<b>Original Capital Budget</b>	41,624.4
Budget approved but not yet released <sup>1</sup>	0.0
	<hr/> 41,624.4
<b>Additions</b>	
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	40.1
<b>Current Capital Budget</b>	<hr/> <b>141,120.1</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	Year End Outturn	Original Budget	Carry Forwards	Current Budget	Year End Variance	Scheme Controller	Quarter 4: Explanation of Significant Variances
	£000	£000	£000	£000	£000		
Operational Buildings	15.3	145.0	132.0	277.0	-261.7	Roger Thompson	
Day Centres Programme	76.7	85.0	16.0	111.1	-34.4	Roger Thompson	
Existing Pavilions Programme	57.5	110.0	86.0	226.0	-168.5	Roger Thompson	
Leisure Centre Maintenance	21.1	30.0	9.0	39.0	-17.9	Roger Thompson	
Harlequin Property Maintenance	50.9	140.0	41.0	181.0	-130.1	Roger Thompson	
Tenanted Properties	48.5	100.0	92.0	192.0	-143.5	Roger Thompson	
Crown House	0.0	135.0	75.0	210.0	-210.0	Roger Thompson	
Units 1-5 Redhill Dist Centre Salfords	0.0	17.3	40.0	57.3	-57.3	Roger Thompson	
Linden House, 51B High Street Reigate	0.0	11.3	17.0	28.3	-28.3	Roger Thompson	
Unit 61E Albert Road North	4.5	11.5	55.0	66.5	-62.1	Roger Thompson	
Forum House, Brighton Road Redhill	0.0	100.0	70.0	170.0	-170.0	Roger Thompson	
Beech House, London Road Reigate	0.0	0.0	3,000.0	3,000.0	-3,000.0	Roger Thompson	
Regent House, 1-3 Queensway Redhill	0.0	50.0	25.0	75.0	-75.0	Roger Thompson	
Commercial Investment Properties	14.8	76.0	0.0	76.0	-61.2	Roger Thompson	
Infra-structure (walls)	27.5	10.0	44.0	54.0	-26.5	Roger Thompson	
Car Parks Capital Works Programme	75.8	195.0	239.0	434.0	-358.2	Roger Thompson	
Earlswood Depot/Park Farm Depot	35.4	20.0	68.0	88.0	-52.6	Roger Thompson	
Public Conveniences	20.9	4.0	34.0	38.0	-17.1	Roger Thompson	
Cemeteries & Chapel	0.0	20.0	40.0	60.0	-60.0	Roger Thompson	
Allotments	0.0	12.0	18.0	30.0	-30.0	Roger Thompson	
Building Maintenance - Support Cost	0.0	50.0	0.0	50.0	-50.0	Roger Thompson	
Pavilion Replacement - Woodmansterne	0.0	0.0	20.0	20.0	-20.0	Roger Thompson	
Priority Park Maintenance	0.0	10.0	203.0	213.0	-213.0	Roger Thompson	
<b>Strategic Property</b>	<b>449.0</b>	<b>1,332.0</b>	<b>4,324.0</b>	<b>5,696.1</b>	<b>-5,247.1</b>		
							Projects delayed, mainly due to covid and re-prioritising IT work. A new IT Strategy is scheduled for approval in March 2022, with revised projects to start in Q1 2022/23.
ICT Replacement Programme	36.7	425.0	325.0	750.0	-713.3	Darren Wray	
Investment in Technology Projects	0.0	300.0	0.0	300.0	-300.0	Darren Wray	
Disaster Recovery	0.0	200.0	0.0	200.0	-200.0	Darren Wray	
Environmental Strategy Delivery	0.0	250.0	0.0	250.0	-250.0	Catherine Rose	
<b>Corporate Resources</b>	<b>36.7</b>	<b>1,175.0</b>	<b>325.0</b>	<b>1,500.0</b>	<b>-1,463.3</b>		
Great Workplace Programme - Phase 2	20.5	250.0	222.0	472.0	-451.5	Roger Thompson	
Workplace Facilities	0.0	10.0	0.0	10.0	-10.0	Darren Wray	
<b>Organisational Development</b>	<b>20.5</b>	<b>260.0</b>	<b>222.0</b>	<b>482.0</b>	<b>-461.5</b>		
<b>Organisation Capital Budget</b>	<b>506.1</b>	<b>2,767.0</b>	<b>4,871.0</b>	<b>7,678.1</b>	<b>-7,172.0</b>		
							Lower than expected take up of housing assistance services (Small Works Grants and Loans), most likely due to the continuing impact of Covid-19 during 2021-22, as many potential clients were still 'shielding' and were less inclined to undertake works to their property using housing assistance funding. Significant increases in construction materials and the cost of labour have also priced many people out of having small works done to their properties, even using grant funded assistance
Handy Person Scheme	5.5	50.0	0.0	50.0	-44.5	Katie Jackson	
Home Improvement Agency SCC Grant	120.0	120.0	0.0	120.0	0.0	Katie Jackson	
							The rate of expenditure has improved this year compared to 20/21 and the policy increased amendments to qualifying criteria for grant applications have contributed to this. Despite the underspend there is no guarantee that the DFG award from Central Government will remain at this level and therefore underspend will be held and carried forward into 2022/23.
Disabled Facilities Grant	887.1	1,134.0	0.0	1,134.0	-246.9	Katie Jackson	
Repossession Prevention Fund	0.0	30.0	0.0	30.0	-30.0	Richard Robinson	
Lee Street Bungalows	466.4	190.0	603.3	793.3	-326.9	Richard Robinson	
64 Massetts Road	0.0	0.0	0.0	0.0	0.0	Richard Robinson	
58 Massetts Rd (YMCA East Surrey)	100.0	100.0	0.0	100.0	0.0	Richard Robinson	
Housing Delivery Programme	0.0	10,000.0	10,000.0	20,000.0	-20,000.0	Richard Robinson	
Development of Court Lodge Residential Site	0.0	0.0	0.0	0.0	0.0	Peter Boarder	
							As explained in EM dated 20.05.22 - The P9 forecast is the expected total to spend on the project. The variance between outturn & P9 forecast relates to retention & other expenditures to come out in 22/23. Y.E variance is as a result of land purchase and interest payable which were included in the business plan but no land had to be purchased as we own it and there were no interest payable.
Cromwell Road Development 2016	3,856.1	0.0	5,815.2	5,815.2	-1,959.1	Richard Robinson	
							As explained in EM dated 20.05.22 - The P9 forecast is the expected total to spend on the project. The variance between outturn & P9 forecast relates to retention & other expenditures to come out in 22/23. Y.E variance is as a result of land purchase and interest payable which were included in the business plan but no land had to be purchased as we own it and there were no interest
Unit 1 Pitworth Park Tadworth	1,277.4	71.0	2,277.8	2,348.8	-1,071.4	Richard Robinson	
<b>Housing</b>	<b>6,712.5</b>	<b>11,695.0</b>	<b>18,696.3</b>	<b>30,391.3</b>	<b>-23,678.7</b>		

## Capital Budget Monitoring: Summary by Programme and Project 2021/22

Programme/Project	Year End Outturn	Original Budget	Carry Forwards	Current Budget	Year End Variance	Scheme Controller	Quarter 4: Explanation of Significant Variances
	£000	£000	£000	£000	£000		
							Budget have been allocated to projects such as CCTV, refurbishments which have all started but not yet completed. Budget is expected to be used in 22/23.
Harlequin - Service Development	28.3	100.0	100.0	200.0	-171.7	Duane Kirkland	
Harlequin Maintenance	-0.0	40.0	35.9	75.9	-75.9	Duane Kirkland	
<b>Leisure &amp; Intervention</b>	<b>28.3</b>	<b>140.0</b>	<b>135.9</b>	<b>275.9</b>	<b>-247.6</b>		
CCTV Rolling Programme	15.4	30.0	60.0	90.0	-74.6	Clare Mittelstadt	There have been delays to the timing of procurement of the replacement equipment, this budget is expected to be reprofiled into 2022/23.
<b>Community Partnerships</b>	<b>15.4</b>	<b>30.0</b>	<b>60.0</b>	<b>90.0</b>	<b>-74.6</b>		
<b>People Services Capital Budget</b>	<b>6,756.2</b>	<b>11,865.0</b>	<b>18,892.2</b>	<b>30,757.2</b>	<b>-24,001.0</b>		
Vehicles & Plant Programme	2,048.8	1,914.0	316.5	2,230.5	-181.7	Lee Wilcox	The Vehicles and plant underspend is due to extended procurement lead time and vehicles yet to be procured.
Fleet Vehicle Wash-Bay Replacement	0.0	0.0	350.0	350.0	-350.0	Morag Williams	
Land Flood Prevention Programme	23.1	10.5	11.8	22.3	0.8	Lee Wilcox	
Play Area Improvement Programme	221.3	230.0	0.0	230.0	-8.7	Morag Williams	The £100k for Merstham Rec is coming from this year's budget.
Parks & Countryside - Infrastructure & Fencing	59.8	45.0	23.8	68.8	-9.0	Morag Williams	
Air Quality Monitoring Equipment	-59.5	40.0	0.0	40.0	-99.5	Katie Jackson	
Contaminated Land - Investigation work	0.0	30.0	0.0	30.0	-30.0	Morag Williams	
Contribution to Surrey Transit Site	0.0	127.0	0.0	127.0	-127.0	Pat Main	
<b>Neighbourhood Operations</b>	<b>2,293.5</b>	<b>2,396.5</b>	<b>702.1</b>	<b>3,098.6</b>	<b>-805.1</b>		
Pay-on-Exit Car Parking at Central Car Park and Victoria Road	1.9	53.9	0.0	53.9	-52.0	Peter Boarder	The appointment of a contractor to install pay-on-exit car parking is paused whilst officers review alternative, tangible improvements to the car parks. The operation of pay-on-exit parking requires revenue growth and may no longer be the right choice post Covid. Improvements such as tree planting, demarcated pedestrian routes and installation of electric charge points are being explored with a view to installing in 2022/23.
Horley Public Realm Improvements - Phase 2 and 3	0.0	0.0	0.0	0.0	0.0	Peter Boarder	Costs/Budget moved to Phase 4.
Horley Public Realm Improvements - Phase 4	24.9	500.0	100.0	600.0	-575.1	Peter Boarder	There was a pause in design development of the public realm improvements to undertake public consultation on design principles in February and March 2022. After a really good response to the engagement, the design team are now working on the next stage of design.
Subway Refurbishment, Horley	28.0	0.0	0.0	0.0	28.0	Peter Boarder	Negotiations with Network Rail as asset owners have been protracted impacting on the delivery of flood mitigation works and the refurbishment of the subway. Works have been split into two phases; phase one being flood mitigation measures and drainage works which are anticipated to take place in 2022 followed, at a later date, by a comprehensive refurbishment of the subway. The costs will be fully
Marketfield Way Redevelopment	25,887.2	23,212.0	9,661.2	32,873.2	-6,986.0	Peter Boarder	Variation relates to contractor's build programme and works that have been authorised by the quantity surveyor. Overall the costs are currently in line with the approved project budget.
Redhill Public Realm Improvements	0.0	30.0	0.0	30.0	-30.0	Peter Boarder	
Merstham Recreation Ground	76.7	700.0	796.0	1,496.0	-1,419.3	Peter Boarder	A planning application was submitted in March 2022 for improvements to the recreation ground; it is anticipated that the application will be determined in summer 2022 ahead of works commencing in 2023.
Preston - Parking Improvements	108.2	0.0	456.0	456.0	-347.8	Peter Boarder	
Preston - Landscaping	0.0	0.0	0.0	0.0	0.0	Peter Boarder	
<b>Place Delivery</b>	<b>26,126.9</b>	<b>24,495.9</b>	<b>11,013.2</b>	<b>35,509.1</b>	<b>-9,382.2</b>		
Vibrant Towns & Villages	0.0	100.0	0.0	100.0	-100.0	Simon Bland	
<b>Economic Prosperity</b>	<b>0.0</b>	<b>100.0</b>	<b>0.0</b>	<b>100.0</b>	<b>-100.0</b>		
<b>Place Services Capital Budget</b>	<b>28,420.3</b>	<b>26,992.4</b>	<b>11,715.3</b>	<b>38,707.7</b>	<b>-10,287.4</b>		
Commercial Investments Programme	0.0	0.0	63,977.1	63,977.1	-63,977.1	Pat Main	
<b>Corporate</b>	<b>0.0</b>	<b>0.0</b>	<b>63,977.1</b>	<b>63,977.1</b>	<b>-63,977.1</b>		
<b>Corporate Capital Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>63,977.1</b>	<b>63,977.1</b>	<b>-63,977.1</b>		
<b>Total Capital Budget</b>	<b>35,682.6</b>	<b>41,624.4</b>	<b>99,455.6</b>	<b>141,120.1</b>	<b>-105,437.4</b>		