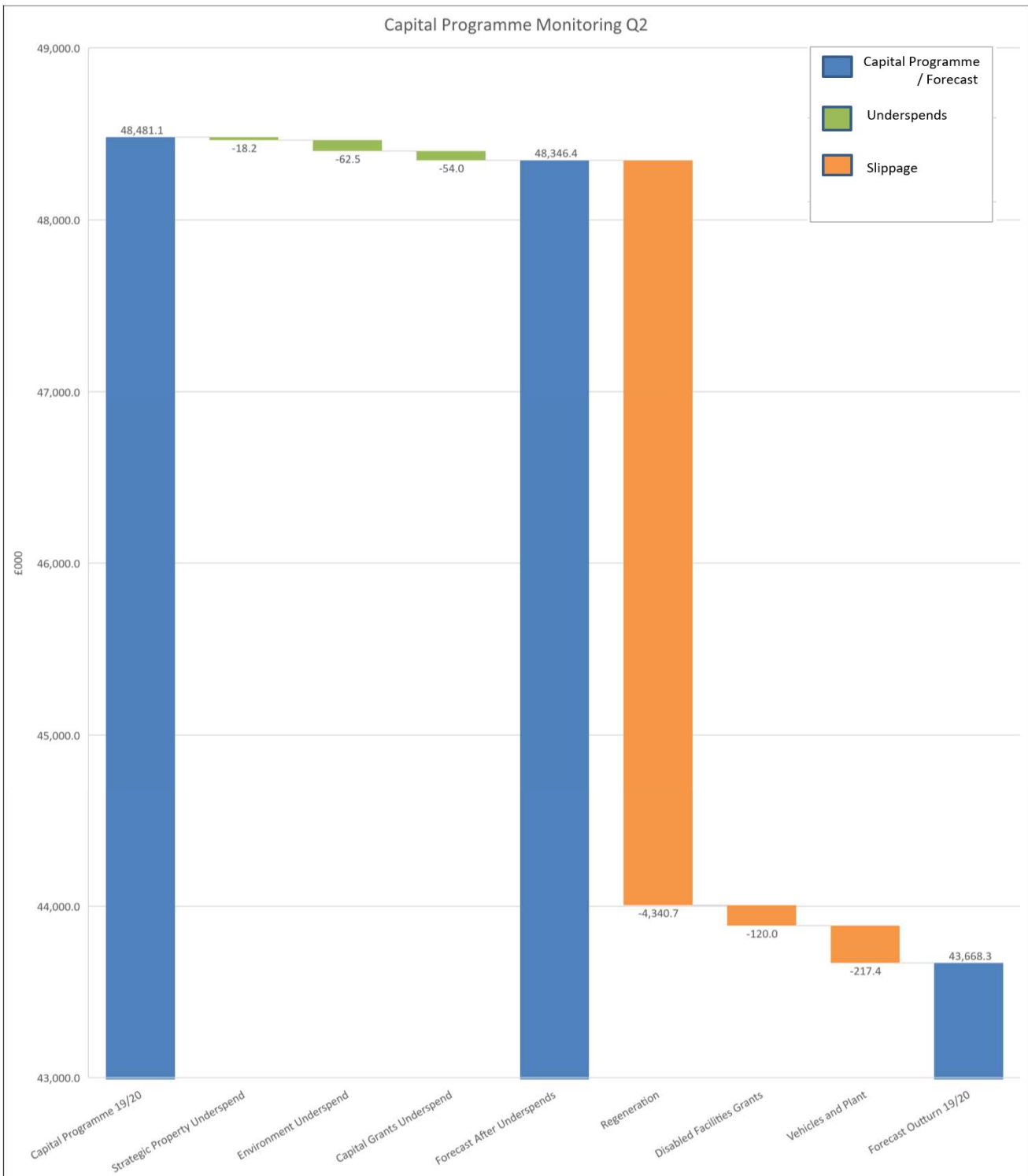


Summary

Forecast expenditure against the capital programme as at the end of Quarter 2 is £43.7m which is £4.8m or 9.9% below the approved programme for the year (there was no significant variance reported at Q1). The majority of the £4.8m relates to slippage as shown below).

Headline Capital Budget Information, Quarter 2 2019/20

Current Budget (annex 1):	£48,481,100
Projected Underspend	(£134,700) (or 0.3% of programme).
Projected Slippage	(£4,678,100) (or 9.6% of programme)
Forecast Capital Expenditure	£43,668,300



Underspends

- Strategic Property
64 Massetts Road - £18.2k is an actual underspend as the final work is now completed and no further expenditure expected.
- Environment
Air Quality Monitoring Equipment - Service attracts both revenue and capital funding, this year has seen a higher revenue expenditure impact and less capitalisable spend/commitment.

Contaminated Land Investigation Work - Spend is contingent on the need for investigation works being identified, no scheme currently identified.
- Capital Grants
Handy Person Scheme - The small works assistance scheme is being more widely publicised to promote uptake. Further increase in uptake expected in future years due to changes in availability of other sources of funding for home adaptations.

Home Improvement Agency SCC Grant - The Home Improvement Agency service annual contract cost is £120,000. The £34,000 brought forward from 18/19 is no longer required as provision is adequate for all service related projected spend for the year.

Slippage

- Regeneration
Marketfield Way - Enabling works to bring forward the scheme is now scheduled to be undertaken in the fourth quarter 2019/20, with main build commencing in first quarter 2020/21.

Preston Regeneration - Works to Chetwode Road have been approved by Local Committee and are programmed to get underway in the fourth quarter 2019/20 with further spend in 2020/21 to complete the project.
- Capital Grants
Disabled Facilities Grants - Current budget and forecast outturn are both lower than the 19/20 allocation of £1.133m but reflects the current performance. Recently approved new housing assistance policy will likely improve the outturn, the service is continually assessing the pipeline of applicants.
- Vehicles and Plant
The reported underspend is a slippage identified from the recently completed review of programmed vehicles roll-out.

Waste and Recycling - £665k has been spent in 19/20 on three 26 tonne rcv's as part of the fleet replacement project. A fourth 26 tonne RCV was purchased for £222k as part of the ongoing fleet replacement program. These vehicles are set to be delivered by the 31st of March 2020. £198k spent on the purchase of one Dennis Elite dustcart and £18k was used to purchase a second hand Luton type vehicle with tail lift to replace an accident damaged vehicle.

Cleansing - Total spend of £66k to replace three 3.5 tonne cage vans with tail lifts.

Green Spaces - Current spend of £73k to replace existing equipment. An estimated £50k is still due to be used for the purchase of one arborist van and one Playground repair vehicle within this financial year.

Pool cars/Democratic Services - A total of £17.5k will be used from this capital budget for the lease costs of all pool cars and the Mayoral vehicle, a total of 5 vehicles.

Workshop/Transport - £25k has been allocated to replace the current workshop breakdown vehicle.

Other - £8k has been spent on the acquisition of three market trailers.

Notes - £120,000 was allocated for the refurbishment of two 26 tonne RCV's, this procurement exercise has yet to be awarded.

Capital Annex 1

Reconciliation of Capital Programme to Approved Budgets 2019-20

	£000
Original Capital Programme for 19/20	45,926.8
Additions (detailed at Annex 2)	
Carry Forwards from previous year	1,456.3
Additional Approvals In Year	450.0
Reprofiling of projects	0.0
CPDF - (in -year allocation)	435.0
Revenue Contribution to Capital	213.0
Current Capital Programme for 2019/20	48,481.1

Capital Programme Monitoring: Summary by Project 2019-20

Project	Original Capital Programme 19/20 £000	Carry Forwards £000	Additional Approvals In Year £000	Reprofiled £000	Revenue Contribution to Capital (RCC)	Other Changes £000	Current Capital Programme 19/20 £000	Forecast Year End Outturn £000	Forecast Year End Variance £000	
Horley Public Realm Improvements - Phase 2 and 3	390.0	0.0	0.0	0.0		0.0	390.0	390.0	0.0	Works completed and full spend to be achieved.
Marketfield Way Redevelopment	6,192.1	414.9	0.0	0.0		0.0	6,607.0	2,500.0	(4,107.0)	Enabling works to bring forward the scheme is now scheduled to be undertaken in the fourth quarter 2019/20, with main build commencing in first quarter 2020/21.
Redhill Public Realm Improvements	24.8	0.0	0.0	0.0		0.0	24.8	24.8	0.0	Works completed and full spend achieved
Preston - Regeneration	418.5	15.2	0.0	0.0		0.0	433.7	200.0	(233.7)	Works to Chetwode Road have been approved by Local Committee and are programmed to get underway in the fourth quarter 2019/20 with further spend in 2020/21 to complete the project.
Merstham Recreation Ground	100.0	0.0	0.0	0.0		0.0	100.0	100.0	0.0	
Regeneration	7,125.4	430.1	0.0	0.0		0.0	7,555.5	3,214.8	(4,340.7)	
Leisure Centre Maintenance	30.0	36.0	0.0	(15.0)		0.0	51.0	51.0	0.0	
Harlequin Property Maintenance	40.0	71.7	0.0	(82.0)		0.0	29.7	29.7	0.0	
Play Area Improvement Programme	222.0	20.5	0.0	0.0		0.0	242.5	242.5	0.0	Outstanding repairs to play areas were unable to be actioned within previous financial year.
Parks & Countryside - Infrastructure & Fencing	45.0	0.0	0.0	0.0		0.0	45.0	45.0	0.0	
Harlequin Maintenance	25.0	0.0	0.0	0.0		0.0	25.0	25.0	0.0	
Priory Park Maintenance	5.0	34.6	0.0	0.0		0.0	39.6	39.6	0.0	
Leisure and Culture	367.0	162.8	0.0	(97.0)		0.0	432.8	432.8	0.0	
Lee Street Bungalows	380.1	45.6	0.0	0.0		0.0	425.7	425.7	0.0	Planning Committee deferred the planning application. Project to be reworked to traditional brick build construction, revised planning application to be made and out to retender. New timetable not agreed yet.
64 Massetts Road	0.0	18.2	0.0	0.0		0.0	18.2	0.0	(18.2)	£18.2k is an actual underspend as the final work is now completed and no further expenditure expected.
Cromwell Road Development 2016	5,707.3	118.9	0.0	0.0		0.0	5,826.2	5,826.2	0.0	Tenders received October 2019 and are currently being assessed alongside the review of available approved budget for adequacy.
Unit 1 Pitwood Park Tadworth	4,332.0	0.0	0.0	0.0		0.0	4,332.0	4,332.0	0.0	Tenders received September 2019 and are currently being assessed alongside tenure options being explored and the review of available approved budget for adequacy.
Strategic Property	10,419.4	182.7	0.0	0.0		0.0	10,602.1	10,583.9	(18.2)	
Earlswood Depot/Park Farm Depot	10.0	5.9	0.0	0.0		0.0	15.9	15.9	0.0	
Waste Management and Recycling	10.0	5.9	0.0	0.0		0.0	15.9	15.9	0.0	
Land Flood Prevention Programme	6.0	5.0	0.0	0.0		0.0	11.0	11.0	0.0	The £11k budget will be applied to offset the expenditure on Frenches Pond works - (£20k in 2019/20, and £130k in 2020/21).
Air Quality Monitoring Equipment	48.0	0.0	0.0	0.0		0.0	48.0	15.5	(32.5)	Service attracts both revenue and capital funding, this year has seen a higher revenue expenditure impact and less capitalisable spend/commitment.
Contaminated Land - Investigation work	30.0	0.0	0.0	0.0		0.0	30.0	0.0	(30.0)	Spend is contingent on the need for investigation works being identified, no scheme currently identified.
Environment	84.0	5.0	0.0	0.0		0.0	89.0	26.5	(62.5)	

Capital Programme Monitoring: Summary by Project 2019-20

Project	Original Capital Programme 19/20 £000	Carry Forwards £000	Additional Approvals In Year £000	Reprofiled £000	Revenue Contribution to Capital (RCC)	Other Changes £000	Current Capital Programme 19/20 £000	Forecast Year End Outturn £000	Forecast Year End Variance £000	
Handy Person Scheme	0.0	0.0	50.0	0.0		0.0	50.0	30.0	(20.0)	The small works assistance scheme is being more widely publicised to promote uptake. Further increase in uptake expected in future years due to changes in availability of other sources of funding for home adaptations.
Home Improvement Agency SCC Grant	120.0	34.0	0.0	0.0		0.0	154.0	120.0	(34.0)	The Home Improvement Agency service annual contract cost is £120,000. The £34,000 brought forward from 18/19 is no longer required as provision is adequate for all service related projected spend for the year.
Disabled Facilities Grant	965.0	0.0	0.0	0.0		0.0	965.0	845.0	(120.0)	Current budget and forecast outturn are both lower than the 19/20 allocation of £1.133m but reflects the current performance. Recently approved new housing assistance policy will likely improve the outturn, the service is continually assessing the pipeline of applicants.
Repossession Prevention Fund	30.0	6.3	0.0	0.0		0.0	36.3	36.3	0.0	Funds are used to prevent homelessness predominantly by providing interest free loans to applicants to cover rent in advance, as such expenditure is not at a consistent value throughout the year.
Capital Grants	20.0	0.0	0.0	0.0		0.0	20.0	20.0	0.0	This budget is used for paying capital grants to fund improvement programmes within the borough.
Capital Grants	1,135.0	40.3	50.0	0.0		0.0	1,225.3	1,051.3	(174.0)	
ICT - Disaster Recovery	0.0	41.0	0.0	0.0		0.0	41.0	41.0	0.0	
Organisational Change	0.0	41.0	0.0	0.0		0.0	41.0	41.0	0.0	
Vehicles & Plant Programme	1,302.0	400.0	0.0	0.0		0.0	1,702.0	1,484.6	(217.4)	The reported underspend is a slippage identified from the recently completed review of programmed vehicles roll-out. Waste and Recycling - £665k has been spent in 19/20 on three 26 tonne rcv's as part of the fleet replacement project. A fourth 26 tonne RCV was purchased for £222k as part of the ongoing fleet replacement program. These vehicles are set to be delivered by the 31st of March 2020. £198k spent on the purchase of one Dennis Elite dustcart and £18k was used to purchase a second hand Luton type vehicle with tail lift to replace an accident damaged vehicle. Cleansing - Total spend of £66k to replace three 3.5 tonne cage vans with tail lifts. Green Spaces - Current spend of £73k to replace existing equipment. An estimated £50k is still due to be used for the purchase of one arborist van and one Playground repair vehicle within this financial year. Pool cars/Democratic Services - A total of £17.5k will be used from this capital budget for the lease costs of all pool cars and the Mayoral vehicle, a total of 5 vehicles. Workshop/Transport - £25k has been allocated to replace the current workshop breakdown vehicle. Other - £8k has been spent on the acquisition of three market trailers. Notes - £120,000 was allocated for the refurbishment of two 26 tonne RCV's, this procurement exercise has yet to be awarded.
ICT Replacement Programme	275.0	0.0	0.0	0.0		435.0	710.0	710.0	0.0	(1) Laptop rolling replacement programme (£275k) - will be delivered this financial year and on budget. (2) Microsoft Office 365 Licenses (£156k) - will be delivered this financial year and on budget. (3) Windows 10 resource (£40k) - will be delivered this financial year and on budget. (4) Netcall Upgrade and ATP integration (£105k) - funds committed but possibility of slippage this year with project completion in 2020/21. (5) Civica DMS Upgrade (£25k) - will be delivered this financial year and on budget. (6) Harlequin Theatre IT Improvements (£69k) - funds committed but possibility of slippage this year with project completion in 2020/21. (7) Northgate iWorld cloud migration (£40k) - funds committed but possibility of slippage this year with project completion in 2020/21. (8) Slippage (if any) will be ascertained and reported by Qtr. 3.

Capital Programme Monitoring: Summary by Project 2019-20

Project	Original Capital Programme 19/20 £000	Carry Forwards £000	Additional Approvals In Year £000	Reprofiled £000	Revenue Contribution to Capital (RCC)	Other Changes £000	Current Capital Programme 19/20 £000	Forecast Year End Outturn £000	Forecast Year End Variance £000	
Council Offices Programme	30.0	48.8	130.0	0.0		0.0	208.8	208.8	0.0	Council Offices additional funds are due to be spent this financial year on air conditioning plant and preparation works for boiler replacement. Delivery is on track.
Day Centres Programme	25.0	8.9	0.0	(8.9)		0.0	25.0	25.0	0.0	
Existing Pavilions Programme	30.0	21.8	0.0	(21.8)		0.0	30.0	30.0	0.0	
Commercial Investment Properties	50.0	13.3	80.0	0.0		0.0	143.3	143.3	0.0	Regent House , Redhill maintenance work - £80k and rest of the budget to cover forecast spend on other properties maintenance works.
Infra-structure (walls)	5.0	15.0	35.0	0.0		0.0	55.0	55.0	0.0	
Car Parks Capital Works Programme	30.0	50.2	106.0	0.0		0.0	186.2	186.2	0.0	Car Parks Lift replacement at Bancroft Rd multi storey will be out to tender shortly and programmed for completion this financial year.
Public Conveniences	5.0	0.0	49.0	136.0		0.0	190.0	190.0	0.0	Public conveniences additional funds will be spent on the refurbishment of Banstead High Street toilets which is well under way.
Cemeteries & Chapel	0.0	8.3	0.0	(8.3)		0.0	0.0	0.0	0.0	
Allotments	4.0	0.0	0.0	0.0		0.0	4.0	4.0	0.0	
CCTV Rolling Programme	30.0	22.2	0.0	0.0		0.0	52.2	52.2	0.0	The CCTV service is currently being reviewed. The outcome of the review and any budget impact will be developed and reported by Qtr. 3
Rolling Programmes	1,786.0	588.5	400.0	97.0		435.0	3,306.5	3,089.1	(217.4)	
Commercial Investments	25,000.0	0.0	0.0	0.0		0.0	25,000.0	25,000.0	0.0	Anticipated investment in new capital schemes in 2019/20 onwards to support delivery of the Corporate Plan, Housing Strategy and Investment Strategy. (There has been approximately £11m of expenditure in Q3 to fund the purchase of land for the Horley Business Park).
Commercial Investments	25,000.0	0.0	0.0	0.0		0.0	25,000.0	25,000.0	0.0	
Revenue Contribution to Capital	0.0	0.0	0.0	0.0	213.0	0.0	213.0	213.0	0.0	Harlequin - Projector and printer - £78k. Pittwood - £50k temporary funding allocation for 2019/20. Transaction team additional ICT spend items - £65k (for Civica Icon upgrade and implementation- £50k plus additional icon installation charge £15k). Fenches pond works - £20k forecast spend in 2019/20.
Revenue Contribution to Capital	0.0	0.0	0.0	0.0	213.0	0.0	213.0	213.0	0.0	
Total Capital Budget	45,926.8	1,456.3	450.0	0.0	213.0	435.0	48,481.1	43,668.3	(4,812.8)	(9.9%)