

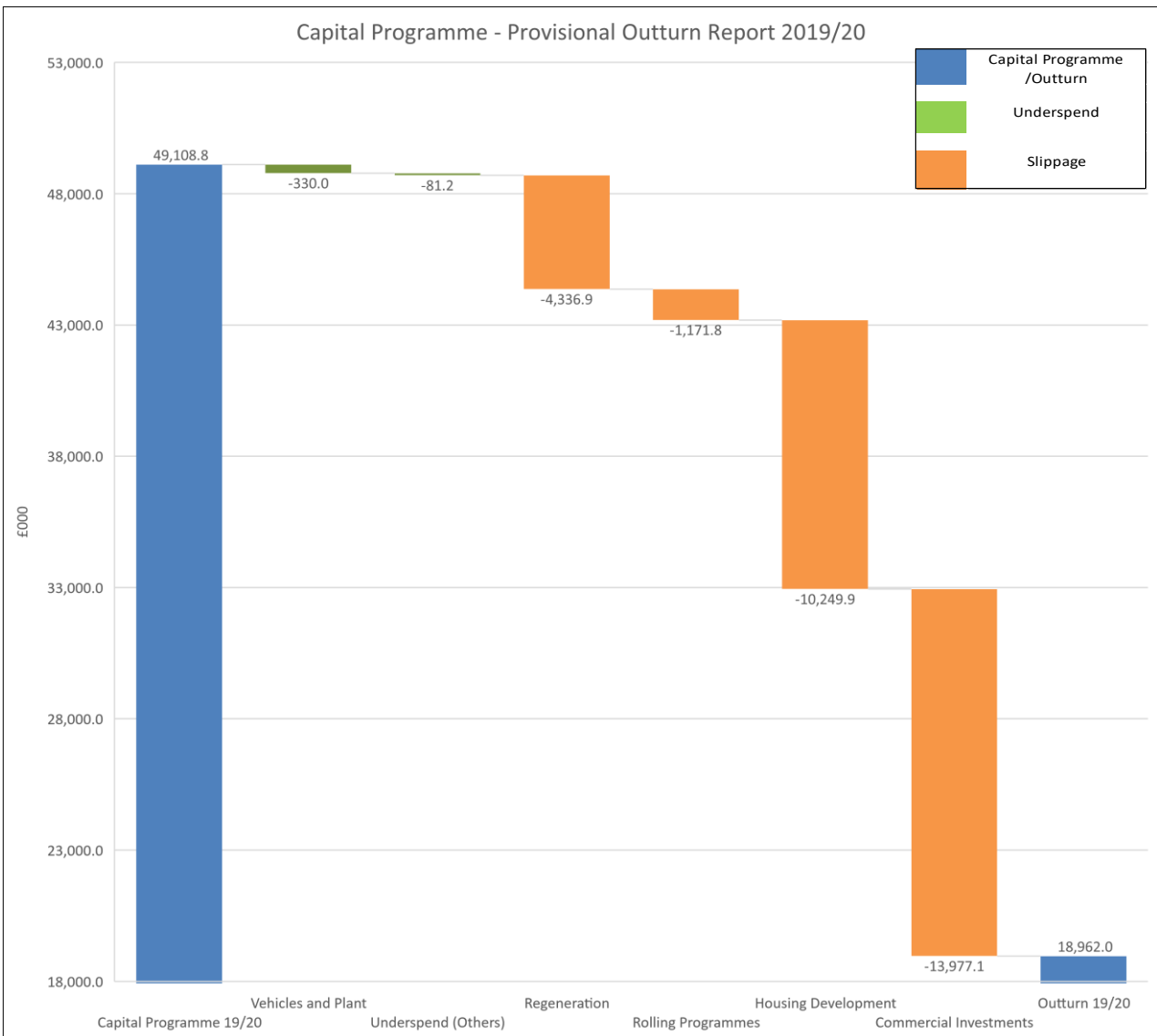
Capital Programme - Provisional Outturn 2019/20

Summary

The provisional outturn for the capital programme is £18.96m which is £30.15m (61%) below the approved programme for the year. The variance is as a result of £29.74m slippage and a £0.412m net underspend as set out below.

Headline Capital Budget Information - 2019/20

Approved Budget (Annex 1):	£49,108,800
Net Underspend	(£411,191) (0.8% of programme).
Slippage	(£29,735,562) (61% of programme)
Capital Expenditure Outturn	£18,962,047 Provisional



Underspends

Vehicles and Plant	Vehicles and Plant - £330k out of the variance of £417k was identified as no longer required for 2019/20 from the recently-completed review of programmed vehicles roll-out.
Underspend (other)	Contaminated Land Investigation Work (£30k) - Spend is contingent on the outcome of investigation works; no requirements were identified in 2019/20.
	Handy Person Scheme (£40k underspend) - The small works assistance scheme is being more widely publicised to promote uptake. Further increase in uptake is expected in future years due to changes in the availability of other sources of funding for home adaptations.
	Home Improvement Agency SCC Grant (£34k underspend) - The Home Improvement Agency service annual contract cost is now confirmed at £120k. The £34k brought forward from 2018/19 is no longer required as the budget provision was adequate for the year.
	Various Projects - £22k of other minor overspend

Slippage

Commercial	Commercial Investments - £13.977m of the £25.0m allocated for investment has been carried forward to 2020/21.
Regeneration	<p>Marketfield Way (£3.821m slippage) - The project is underway with enabling works largely undertaken in the fourth quarter of 2019/20. The main build is scheduled to commence in first quarter of 2020/21.</p> <p>Preston Regeneration (£421k slippage) - Work to Chetwode Road have been approved by the Local Committee and are now programmed to get underway in the first quarter 2020/21.</p> <p>Merstham Recreation Ground (£94k slippage) - Initial concept plan prepared with main design works commencing in 2020/21. The slippage will be carried forward into 2020/21.</p>
Rolling Programmes	<p>Disabled Facilities Grants - The £232k variance will be transferred to the Unapplied Capital Reserve. Current service demand has been below the Government grant allocation level for the last few years. Changes in grant spending policy made in September 2019 will take some time to feed through to completed works and correlated spending (as the revised Housing Assistance Policy allows for greater spending beyond just mandatory grants, there is a lag from approval through to completion of works and spend of funds).</p> <p>ICT Replacement Programme - £125k slippage is largely on the rolling replacement programme for laptops and Microsoft Office 365 licenses fees and other projects.</p> <p>Vehicles and Plant - £87k out of the reported variance of £417k outturn variance is a slippage to be utilised in 2020/21.</p> <p>Property Maintenance - Additional funds were due to be spent this financial year on Council Offices air conditioning plant and preparation works for boiler replacement. £142k slippage due to delays in progressing design and documentation. Outstanding works will be completed in 2020/21.</p> <p>Infra-structure (walls) - Costs for reinstatement of the road leading to the RNIBA housing development at Philanthropic Road. The developer has agreed to pay for half of the costs. £49k slippage due to continued negotiation with the developer on how this can be procured. This will be progressed in 2020/21.</p> <p>Car Parks - Car Parks Lift replacement at Bancroft Road multi storey was scheduled to be out to tender in 2019/20 with works reprogrammed for 2020/21. £180k Slippage due to delays in progressing the contract.</p> <p>Woodmansterne Sports Club - Drainage works. £20k slippage due to delays in specifying works. Work will be progressed in 2020/21.</p> <p>Air Quality Monitoring Equipment (£56k slippage) - is earmarked for the Electric Rapid Charger installation at Wray Lane Car Park in 2020/21.</p> <p>CCTV service (£48.6k slippage) -The CCTV service is currently being reviewed. The outcome of the review and any budget impact will be developed and reported in 2020/21.</p>

Housing Development	Lee Street Bungalows - A revised baseline budget has been approved by Executive in order to proceed with the build contract based on the updated financial position in February 2020. The £386k slippage will be carried forward into 2020/21
	Cromwell Road Redevelopment - A revised baseline budget has been approved by Executive in order to proceed with the build contract based on the updated financial position in February 2020. The £5.69m slippage will be carried forward into 2020/21
	Unit 1 Pitwood Park Tadworth - A revised baseline budget has been approved by Executive in order to proceed with the build contract based on the updated financial position in February 2020. The £4.16m slippage will be carried forward into 2020/21.
Investment Properties	Slippage on Regent House maintenance work and spend on other property maintenance works. Outstanding works will be progressed in 2020/21.

Capital Programme - Provisional Outturn 2019/20 - Annex 1

Reconciliation of Capital Programme to Approved Budgets 2019-20

	£000	
Original Capital Budget	45,926.8	
Budget approved but not yet released	0.0	
	45,926.8	
Additions (detailed at Annex 2)		
Carry Forwards from previous year	1,456.3	
Additional Approvals In Year	470.0	£420k relates to rolling maintenance programme (including £80k for Regent House) and £50k relates to Handy Person Scheme.
Reprofiling of projects	0.0	
Other Changes	357.0	Funded from the CPDF Reserve - in-year allocations relating to IT and Digital Strategy Update
Other Changes	496.7	Funded from Capital Grants - in-year allocations relating to Disabled Facilities and Flexible Homelessness Support Grants
Revenue Contribution to Capital	402.0	Funded from Revenue Budget Contingency.
Revised Capital Budget	49,108.8	

Provisional Capital Outturn - 2019/20

Project	Original Capital Budget (Approved) 19/20	Carry Forwards	Additional Approvals In Year	Reprofiled	Revenue Contribution to Capital (RCC)	Other Changes	Revised Capital Budget (Approved) 19/20	Outturn	Variance	Explanation of Significant Variances
	£000	£000	£000	£000		£000	£000	£000	£000	
Horley Public Realm Improvements - Phase 2 and 3	390.0	0.0	0.0	0.0		0.0	390.0	388.6	(1.4)	Work is completed resulting in an underspend of £1.4k.
Marketfield Way Redevelopment	6,192.1	414.9	0.0	0.0		0.0	6,607.0	2,785.80	(3,821.2)	The project is underway with enabling works largely undertaken in the fourth quarter of 2019/20. The main build is scheduled to commence in first quarter of 2020/21. The slippage will be carried forward into 2020/21.
Redhill Public Realm Improvements	24.8	0.0	0.0	0.0		0.0	24.8	24.9	0.1	Work is completed and full spend achieved
Preston - Regeneration	418.5	15.2	0.0	0.0		0.0	433.7	13.0	(420.7)	Works to Chetwode Road have been approved by the Local Committee and are now programmed to get underway in the first quarter 2020/21. The slippage will be carried forward into 2020/21.
Merstham Recreation Ground	100.0	0.0	0.0	0.0		0.0	100.0	6.3	(93.7)	Initial concept plan prepared with main design works commencing in 2020/21. The slippage will be carried forward into 2020/21.
Regeneration	7,125.4	430.1	0.0	0.0	0.0	0.0	7,555.5	3,218.6	(4,336.9)	
Leisure Centre Maintenance	30.0	36.0	0.0	(15.0)		0.0	51.0	43.2	(7.8)	Planned work completed but additional works required to Donyngs. Additional works were identified at the end of the financial year and the slippage will be used for these works required in 2020/21.
Harlequin Property Maintenance	40.0	71.7	0.0	(82.0)		0.0	29.7	16.4	(13.3)	Slippage due to delays in progressing design and documentation. Work to be progressed in 2020 /21.
Play Area Improvement Programme	222.0	20.5	0.0	0.0		0.0	242.5	234.3	(8.2)	Work is completed resulting in an underspend of £8.2k
Parks & Countryside - Infrastructure & Fencing	45.0	0.0	0.0	0.0		0.0	45.0	42.5	(2.5)	Work is completed resulting in an underspend of £2.5k
Harlequin Maintenance	25.0	0.0	0.0	0.0	89.0	0.0	114.0	148.5	34.5	Spend includes projector and printer (£78k) and other facilities maintenance, £5k contribution to Wi-Fi installation project and £6k for Sound and Stage Support equipment. The £34k overspend was due to additional works necessary to complete refurbishment works.
Priory Park Maintenance	5.0	34.6	0.0	0.0		0.0	39.6	8.9	(30.8)	Slippage due to delays in progressing design and documentation. Work to be progressed in 2020 /21.
Leisure and Culture	367.0	162.8	0.0	(97.0)	89.0	0.0	521.8	493.7	(28.1)	
Lee Street Bungalows	380.1	45.6	0.0	0.0		0.0	425.7	38.9	(386.8)	A revised baseline budget has been approved by Executive in order to proceed with the build contract based on the updated financial position in February 2020. The £386k slippage will be carried forward into 2020/21
64 Massetts Road	0.0	18.2	0.0	0.0		0.0	18.2	4.6	(13.6)	Scheduled external work to the property was not completed; this will be completed during 2020/21.
Cromwell Road Development 2016	5,707.3	118.9	0.0	0.0		0.0	5,826.2	136.2	(5,690.0)	A revised baseline budget has been approved by Executive in order to proceed with the build contract based on the updated financial position in February 2020. The £5.69m slippage will be carried forward into 2020/21
Unit 1 Pitwood Park Tadworth	4,332.0	0.0	0.0	0.0		0.0	4,332.0	167.5	(4,164.5)	A revised baseline budget has been approved by Executive in order to proceed with the build contract based on the updated financial position in February 2020. The £4.16m slippage will be carried forward into 2020/21.
Development of Court Lodge Residential Site	0.0						0.0	0.55	0.5	Historically, no capital works budget was allocated for major works in council-owned housing properties. This shortfall in provision will be addressed through ongoing Capital Programme development.
3 Tulip House	0.0						0.0	9.13	9.1	
30 Thornton Place, Horley, RH6 8RZ	0.0						0.0	9.02	9.0	
Housing Development	10,419.4	182.7	0.0	0.0	0.0	0.0	10,602.1	365.8	(10,236.3)	

Provisional Capital Outturn - 2019/20

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	£000	£000	£000	£000		£000	£000	£000	£000	
Earlswood Depot/Park Farm Depot	10.0	5.9	30.0	0.0		0.0	45.9	15.0	(30.9)	Slippage due to delays in progressing design and documentation. Work to be progressed in 2020 /21.
Waste Management and Recycling	10.0	5.9	30.0	0.0	0.0	0.0	45.9	15.0	(30.9)	
Land Flood Prevention Programme	6.0	5.0	0.0	0.0		0.0	11.0	0.0	(11.0)	The £11k budget slippage will be carried forward and applied to offset expenditure on Frenches Pond works in 2020/21.
Air Quality Monitoring Equipment	48.0	0.0	0.0	0.0	20.0	0.0	68.0	11.4	(56.6)	The £56k budget slippage has been earmarked for the Electric Rapid Charger installation at Wray Lane Car Park in 2020/21.
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 outcome of investigation works; no requirements were identified in 2019/20.
Environment	84.0	5.0	0.0	0.0	20.0	0.0	109.0	11.4	(97.6)	
Handy Person Scheme	0.0	0.0	50.0	0.0		0.0	50.0	9.1	(40.9)	The small works assistance scheme is being more widely publicised to promote uptake. Further increase in uptake is expected in future years due to changes in the 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 now confirmed at £120k. The £34k brought forward from 2018/19 is no longer required as the budget provision was adequate for the year.
Disabled Facilities Grant	965.0	0.0	0.0	0.0		169.0	1,134.0	902.3	(231.6)	The £232k variance will be transferred to the Unapplied Capital Reserve. Current service demand has been below the Government grant allocation level for the last few years. Changes in grant spending policy made in September 2019 will take some time to feed through to completed works and correlated spending (as the revised Housing Assistance Policy allows for greater spending beyond just mandatory grants, there is a lag from approval through to completion of works and spend of funds).
Repossession Prevention Fund	30.0	6.3	0.0	0.0		0.0	36.3	24.8	(11.5)	The £12k variance will be transferred to Reserves. This is a grant (part of the Flexible Homeless Support Fund) funded scheme used to prevent repossessions. Actual spend will be drawn down against the remaining grant income balance.
Flexible Homelessness Support Grant	0.0	0.0	0.0	0.0		327.8	327.8	327.8	0.0	Funds are used to prevent homelessness predominantly by providing interest free loans to applicants to cover rent in advance.
Capital Grants	20.0	0.0	0.0	0.0		0.0	20.0	0.0	(20.0)	This budget is used for paying capital grants to fund improvement programmes within the borough. The £20K slippage will be carried forward into 2020/21 and committed to South Park FC for pitch improvements which cannot be undertaken until Summer 2020 (Covid-19 depending).
Capital Grants	1,135.0	40.3	50.0	0.0	0.0	496.7	1,722.0	1,384.0	(338.0)	
Great Workplace Program - Earlswood Depot	0.0	0.0	0.0	0.0	150.0	0.0	150.0	132.6	(17.4)	Great Workplace Phase 1 (Depot refurbishment) - now completed with a £17.4k underspend
ICT - Disaster Recovery	0.0	41.0	0.0	0.0	0.0	0.0	41.0	23.0	(18.0)	Project start was delayed; funds are still required to deliver Disaster Recovery improvements. This will be completed in 2020/21.
Organisational Change	0.0	41.0	0.0	0.0	150.0	0.0	191.0	155.6	(35.4)	

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	£000	£000	£000	£000		£000	£000	£000	£000	
Vehicles & Plant Programme	1,302.0	400.0	0.0	0.0		0.0	1,702.0	1,284.7	(417.3)	£330k out of the variance of £417k was identified as no longer required for 2019/20 from the recently-completed review of programmed vehicles roll-out.
ICT Replacement Programme	275.0	0.0	0.0	0.0	93.0	357.0	725.0	599.3	(125.7)	£125k slippage is largely on the rolling replacement programme for laptops and Microsoft Office 365 licenses fees and other projects.
Capitalised Software - Licensing	0.0				50.0		50.0	49.60	(0.4)	The spend relates to software costs (Civica Icon upgrade and implementation) that are capitalisable.
Operational Buildings (Council Offices Programme)	30.0	48.8	100.0	0.0			178.8	36.9	(141.9)	Additional funds were due to be spent this financial year on Council Offices air conditioning plant and preparation works for boiler replacement. Slippage due to delays in progressing design and documentation, Outstanding works will be completed in 2020/21.
Day Centres Programme	25.0	8.9	0.0	(8.9)		0.0	25.0	11.0	(14.0)	The £14k slippage will be carried forward into 2020/21.
Existing Pavilions Programme	30.0	21.8	0.0	(21.8)		0.0	30.0	28.8	(1.2)	Programme completed - £1.2k underspend
Commercial Investment Properties	50.0	13.3	80.0	0.0		0.0	143.3	118.3	(25.0)	Regent House maintenance work and spend on other property maintenance works. Slippage due to delays in progressing design and documentation. Outstanding works will be progressed in 2020/21.
Infra-structure (walls)	5.0	15.0	35.0	0.0		0.0	55.0	5.7	(49.3)	Costs for reinstatement of the road leading to the RNIBA housing development at Philanthropic Road. The developer has agreed to pay for half of the costs . Slippage due to continued negotiation with the developer on how this can be procured. This will be progressed in 2020/21.
Car Parks Capital Works Programme	30.0	50.2	106.0	0.0		0.0	186.2	5.8	(180.4)	Car Parks Lift replacement at Bancroft Road multi storey was scheduled to be out to tender in 2019/20 with works reprogrammed for 2020/21. Slippage due to delays in progressing the contract.
Public Conveniences	5.0	0.0	49.0	136.0		0.0	190.0	149.8	(40.2)	Additional funds were allocated in 2019/20 for the refurbishment of Banstead High Street and Consort Way toilets. Banstead High Street toilet works completed and work scheduled to start on Consort Way toilets in 2020/21.
Cemeteries & Chapel	0.0	8.3	0.0	(8.3)		0.0	0.0	0.2	0.2	Project completed
Allotments	4.0	0.0	0.0	0.0		0.0	4.0	0.0	(4.0)	Slippage due to delays in progressing design and documentation on the Tattenham Way allotment supply upgrade.
Woodmansterne sports club	0.0	0.0	20.0	0.0		0.0	20.0	0.0	(20.0)	Drainage works. Slippage due to delays in specifying works. Work will be progressed in 2020/21.
CCTV Rolling Programme	30.0	22.2	0.0	0.0		0.0	52.2	3.6	(48.6)	The CCTV service is currently being reviewed. The outcome of the review and any budget impact will be developed and reported in 2020/21.
Rolling Programmes	1,786.0	588.5	390.0	97.0	143.0	357.0	3,361.5	2,293.6	(1,067.9)	
Commercial Investments	25,000.0	0.0	0.0	0.0		0.0	25,000.0	11,022.9	(13,977.1)	Capital funding allocated 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 was £11.022m of expenditure during 2019/20 to fund a loan to Greensand Holdings Limited for the purchase of land for Horley Business Park (£10.988m) and associated costs (£0.034m). The unspent balance will be carried forward.
Commercial Investments	25,000.0	0.0	0.0	0.0	0.0	0.0	25,000.0	11,022.9	(13,977.1)	
Acquisition of 3, 8 and 20 Reading Arch Road	0.0						0.0	1.25	1.3	Legal fees in connection with the proposed site acquisition
Other Schemes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.3	
Total Capital Budget	45,926.8	1,456.3	470.0	0.0	402.0	853.7	49,108.8	18,962.1	(30,146.8)	-61%