



To:
All members of the
Cabinet

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Date: 14 May 2021

Supplementary Agenda

Cabinet - Wednesday, 19 May 2021

Dear Councillor

I enclose the following items for the Cabinet meeting to be held on Wednesday, 19 May 2021:

7. Interim Capital Monitoring Report 2020/21 - 31 March 2021 **3 - 12**
Councillor S. Buttar

Cabinet is asked to note the current level of actual spend, committed spend and projected underspend capital expenditure in 2020/21 as at 31 March 2021.

Yours sincerely

Michelle Beaumont
Committee Services

To the members of the Cabinet

Councillors:

J.R. Boughtflower
J. McIlroy
M.M. Attewell

R.O. Barratt
S. Buttar
R. Chandler

A.J. Mitchell
R.J. Noble
S. Mooney

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Cabinet

19 May 2021



Please Enter Title	Capital Monitoring Report 2020/21 – 31 March 2021
Purpose of the report	To note the report
Report Author	Paul Taylor – Chief Accountant
Cabinet Member	Councillor Sati Buttar
Confidential	No
Corporate Priority	Financial Sustainability
Recommendations	Cabinet is asked to note the current level of actual spend, committed spend and projected underspend capital expenditure in 2020/21 as at 31 March 2021.
Reason for Recommendation	Not applicable

1. Capital Expenditure to 31 March 2021 and Outturn for 2020/21

- 1.1 Following discussions with several Councillors and reviewing reports submitted by other similar districts and boroughs, we present our streamlined report for the year to 31 March 2021 (Please see notes section below).
- 1.2 Attached as Appendix A & B is the agreed capital budgets, cumulative actual spend to date, projected outturn and variance between budget and outturn.
- 1.3 Appendix A provides a summary for capital schemes by portfolio and Appendix B provides a detailed summary of the progress against each capital scheme from inception.
- 1.4 For the period up to 31 March 2021, there is an under spend of (£25.5m) on the Council approved £304.4m Capital Programme for 2020/21. Actual capital expenditure to the end of March is £51.2m, with a projected outturn of £278.9m.
- 1.5 There have been some delays in the overall progress of capital schemes in 2020/21 which inevitably occurs as part of a development programme with contractors, this has been magnified by the impact of COVID-19, for example reducing the number of tradespeople who can safely work on site at any one time, which the Council have been actively monitoring. A number of projects scheduled to be completed by 31 March 2021, have been rolled over into 2021/22 in accordance with our constitution.
- 1.6 The decision to pause three Staines-upon-Thames development schemes made at the Extraordinary Cabinet meeting on 21 January will result in delays in obtaining approval for planning permission and this will make it

difficult for some schemes to progress in line with the budget. Once the planning outcomes are known, officers will revise the Outturn projections accordingly.

- 1.7 Any significant variances over £50k or over 20%, whichever is the higher between budget and the latest outturn projections are highlighted below.

1.8 **Councillor Attewell – Community Wellbeing and Housing**

No significant change since last quarter and nothing to report.

1.9 **Councillor Barratt – Compliance, Risk and Waste**

No significant change since last quarter and nothing to report.

1.10. **Councillor Chandler – Leisure Services, Leisure Centre Development**

No significant change since last quarter and nothing to report.

1.11 **Cllr McIlroy - Deputy Leader, Housing Regeneration**

A projected underspend of £2.7m against the original budget on Benwell House Phase I (the original design was changed from 39 to 55 units, to include more two-bedroom apartments in order to align with our housing policy).

An underspend of (£5.0m) on building improvements was not utilised and monies released.

Current expenditure on the White House Residential scheme is delayed until after approval of the Local Plan later in the year. In the event that the project is stopped, all costs to date will be written back to the revenue account.

An estimated overspend of £100k in respect of West Wing as a result of subsequent requests for SULO bins and arc fault detections.

An estimated overspend of £250k in respect of White House Hostel due to an increased specification including a fire sprinkler system.

An estimated overspend of £1.47m in respect of Ashford Victory Place Residential scheme due to delays caused by the pandemic and planning committee decisions for enhanced energy efficiency over and above planning policy requirements.

1.12 **Councillor Boughtflower – Leader**

As reported in Q3 after accounting for the miscoding, there was an underspend of (£19.3m), which is being released.

1.13 **Councillor Noble – Communications, Corporate Management & Environment**

No significant change since last quarter and nothing to report.

2. Financial implications

- 2.1 Once completed, any underspend on the approved Capital Programme enables the authority to invest the monies to gain additional treasury management investment income or can be used to fund additional schemes.

3. Notes

- 3.1 The cumulative period covers from 1 April 2017 through to 31 March 2021 (four financial years).
- 3.2 Revised Budget – represents the aggregate of the original and any supplementary budgets approved by Council for this capital project.
- 3.3 Actual expenditure – represents cumulative expenditure to date for the capital project.
- 3.4 Outturn Projections – represents officers best estimate of likely Outturn of the project and includes all known variations to the approved budget at the time of the report.
- 3.5 Variance – represents the difference between 3.2 and 3.4 above with explanations.

4. Timetable for implementation

- 4.1 Monthly monitoring reports are prepared for Management team which incorporate regular updates on the progress of capital schemes.

Background papers:

Appendix A – Summary Capital Monitoring Report at 31 March 2021

Appendix B - Detailed Capital Monitoring Report at 31 March 2021

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CAPITAL MONITORING REPORT AT 31 MARCH 2021

Portfolio Member	REVISED BUDGET	ACTUALS Cum/YTD	PROJECTED OUTTURN	BUDGET v OUTTURN VARIANCE
Cllr Attewell - Community Wellbeing & Housing	1,024,800	896,055	896,055	(128,745)
Cllr Barratt - Compliance, Waste & Risk	780,500	263,821	755,295	(25,205)
Cllr Chandler- Leisure Services, Leisure Centre Development	40,420,000	1,949,340	40,420,000	-
Cllr McIlroy- Deputy Leader, Housing Regeneration	241,337,900	47,149,383	235,234,388	(6,103,512)
Cllr Boughtflower - Leader	20,000,000	692,518	692,518	(19,307,482)
Cllr Noble - Corporate Management	808,600	296,873	907,312	98,712
GRAND TOTAL INCL. HOUSING IMPROVEMENT PROGRAMME	£304,371,800	£51,247,990	£278,905,568	-£25,466,232

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CAPITAL MONITORING REPORT AT 31 MARCH 2021

Portfolio Member / Service Head	Cost Centre	Description	Revised Cumulative Budget 2020/21	Actuals Cumulative	Projected Outturn Cumulative	Budget v Outturn variance	Comments
<u>Housing Investment Programme</u>							
<u>Cllr Attewell - Community Wellbeing & Housing</u>							
Deborah Ashman & K Sinclair	40203	Disabled Facilities Mandatory - annual	943,200	849,905	849,905	(93,295)	Residual capital grant to be used to cover adaptation costs incurred in White House, Harper House & West Wing development projects
Deborah Ashman & K Sinclair	40204	Disabled Facilities Discretion - annual	29,600	5,304	5,304	(24,296)	
Net Cost of Disabled Facilities Grants			£972,800	£855,209	£855,209	-£117,591	
Total For HIP			£972,800	£855,209	£855,209	-£117,591	972,800
<u>Other Capital Programme</u>							
<u>Cllr Attewell - Community Wellbeing & Housing</u>							
Sandy Muirhead	42015	Landlord Guarantee Scheme	-	-	-	-	Please refer to the 'Qtr 3 Dec.20'
Total			£0	£0	£0	£0	
Deborah Ashman & K Sinclair	41038	Upgrade treatment rooms	12,000	8,346	8,346	(3,654)	Please refer to the 'Qtr 3 Dec.20'
Deborah Ashman & K Sinclair	41039	Fordbridge Minibus	40,000	32,500	32,500	(7,500)	Please refer to the 'Qtr 3 Dec.20'
Total			£52,000	£40,846	£40,846	-£11,154	
<u>Cllr Barratt - Compliance, Waste & Risk</u>							
Jackie Taylor	41502	Refuse/Recycling Vehicles	129,000	37,525	129,000	-	The balance of budget has been requested to be carried forward into 21-22. The delivery is expected by end of May 2021 as delayed due to pandemic
Jackie Taylor	41504	EV Pool Vehicles/Bikes	-	851	851	851	Please refer to the 'Qtr 3 Dec.20'
Jackie Taylor	41508	Waste Vehicle	300,000	-	300,000	-	Please refer to the 'Qtr 3 Dec.20'. Budget has been requested to be carried forward into 21-22. Delivery of the Vehicles has been delayed due to worldwide pandemic. Expected delivery by May/June 2021
Jackie Taylor	41605	Solar PV of White House Depot	-	11,016	11,016	11,016	The project has been completed and funded through external source 'Enerprise M3'
Jackie Taylor	41609	Replacement Spelride Bus	100,000	-	100,000	-	Please refer to the 'Qtr 3 Dec.20'. Currently, all the options are being explored including an electric or hydrogen bus. An order is expected to be placed by end of December and delivery by early January 2022.
Jackie Taylor	41612	Recycling Bins	27,000	27,123	27,123	123	Project has been completed

CAPITAL MONITORING REPORT AT 31 MARCH 2021

Portfolio Member / Service Head	Cost Centre	Description	Revised Cumulative Budget 2020/21	Actuals Cumulative	Projected Outturn Cumulative	Budget v Outturn variance	Comments
Jackie Taylor	41620	Wheelee Bins	50,000	51,207	51,207	1,207	Project has been completed
Jackie Taylor	42027	Domestic Home Energy	30,000	2,285	2,285	(27,715)	Please refer to the 'Qtr 3 Dec.20'
Jackie Taylor	41621	CCTV Enhancement	120,000	133,813	133,813	13,813	Project has been completed. Overspends are funded through Section 106
		Total	£756,000	£263,821	£755,295	-£705	
Lee O'Neil	41314	Air Quality	24,500	-	-	(24,500)	Please refer to the 'Qtr 3 Dec.20'
		Total	£24,500	£0	£0	-£24,500	
<u>Cllr Chandler- Leisure Services, Leisure Centre Development</u>							
Heather Morgan	41024	SpelthorneLeisurCenDevelopment	40,420,000	1,949,340	40,420,000	-	Planning submitted early December 2020 and forecast to go to Planning Committee May 2021. Construction tender returns due 26 April. Works on site are currently anticipated to start towards the end of 2021.
		Total	£40,420,000	£1,949,340	£40,420,000	£0	
<u>Cllr McIlroy- Deputy Leader, Housing Regeneration</u>							
Heather Morgan	41015	Runnymede Estates	55,600	15,434	55,600	-	New air conditioning unit at the Whitehouse Depot acquired in year.
Heather Morgan	41026	Laleham Park Upgrade	248,300	28,021	248,300	-	Planning consent obtained and Natural England licences secured for re-roosting of bats. Tender returns for the main construction contract have come in ahead of budget and value engineering is currently taking place.
Heather Morgan	41622	Affordable Housing Opportunity	-	-	-	-	
Heather Morgan	42010	KG Car Park Improvements	44,000	4,315	44,000	-	Scope of works agreed with Leader, Deputy and MAT. Phase 1 works to the front of the Council Offices are now complete. Phase 2 (resurfacing of car park area) of works have been suspended by MAT due to budget pressures. Phase 3 (new barriers and Automatic Number Plate Recognition (ANPR)) will be going ahead and tender work to be complete in January. New barriers and ANPR system to be installed in April 2021, and partial reconfiguration of the front visitors to be undertaken in April 2021. Budget to be c.f. to 2021-22 for works to be completed.
Heather Morgan	42034	Community Centre Projects	130,000	82,086	130,000	-	Fordbridge refurbishment work started 4 January 2021 with an expected completion date of late April/May 2021. Overspend to be funded from Repairs & Maint budget. Capital budget to be c.f. to 2021-22.
Heather Morgan	41328	Ashford MSCP		40,005	40,005	40,005	Instruction to finalise procurement of team to for a cost effective non basement scheme. Budget requested to be revised in capital programme to 2021-22.
Heather Morgan	42039	Bugle	50,000	5,565	38,000	(12,000)	Project complete. Retention being held until final works completed. The contractor has ceased trading and Assets are in discussions with their Administrators over outstanding works and liquidated damages for delay.
Heather Morgan	42041	Churchill	-	-	-	-	Project complete.

CAPITAL MONITORING REPORT AT 31 MARCH 2021

Portfolio Member / Service Head	Cost Centre	Description	Revised Cumulative Budget 2020/21	Actuals Cumulative	Projected Outturn Cumulative	Budget v Outturn variance	Comments
Heather Morgan	42042	Benwell House 1	13,800,000	11,221,650	11,100,000	(2,700,000)	Original design increased from 39 to 55 units, with more 2 bedroom apartments to align with housing strategy. Currently making a claim for liquidated damages from the builder.
Heather Morgan	42051	Building Improvements	5,000,000	-	-	(5,000,000)	This budget is for general projects and nothing has been identified as of March 2021. Budget to be released and not carried forward.
Heather Morgan	42052	Whitehouse	680,000	378,483	378,483	(301,517)	Expenditure in year relates to project manager time. Current expenditure on the White House is delayed until after approval of the Local Plan later in the year. In the event that the project is stopped, all costs to date will be written back to the revenue account.
Heather Morgan	42054	Thameside House	79,800,000	1,246,817	79,800,000	-	Planning application submitted in March 21. Planning decision in abeyance until moratorium lifted. Demo in delay until planning approval with construction budgets at risk due to ongoing delays.
Heather Morgan	42055	West Wing	5,800,000	5,016,899	5,900,000	100,000	Construction and project completion expected mid May '21. with a £100k over spend as a result of subsequent requests for SULO bins, arc fault detections and conversion of one three bedroom unit for disability adaptation.
Heather Morgan	42056	Whitehouse Hostel	4,500,000	3,902,594	4,750,000	250,000	Construction started Q1 2020 with project completion end May 2021. However, due to COVID-19 and the upgrade of spec to include sprinklers, the programme for PC has slipped to mid June 2021. Partial grant funding provided by Homes England (£2m).
Heather Morgan	42057	Victory Place Ashford Residential	25,930,000	1,288,709	27,400,000	1,470,000	Application withdrawn in March 20 and revised application for 127 units registered 4 August 2020. Planning Committee deferred planning decision from January to June 2021 meeting. Over spend due to delays caused by the pandemic and planning committee decisions for enhanced energy efficiency over and above planning policy requirements.
Heather Morgan	42058	Waterfront	-	-	-	-	As hotel is being developed by a third party, all 'pump prime' costs are now treated as revenue costs
Heather Morgan	42060	Oast House	85,750,000	21,225,015	85,750,000	-	Final payment for site made in October (£9.5m). Design/feasibility work underway. Current planning application submission target date delayed due to moratorium. Also, need to establish concept with the LPA.
Heather Morgan	42062	Harper House Redevelopment	3,450,000	2,301,858	3,500,000	50,000	Main contractor on site progressing works - Project ongoing with a target completion of June 2021. Partial grant funding provided by Homes England (£850k). Over spend due caused by the pandemic and additional costs of furnishings and internet services.
Heather Morgan	42063	Elmsleigh Centre	8,000,000	372,981	8,000,000	-	For the regeneration of the Elmsleigh Centre, including Tothill car park & William Hill. Current forecast includes fee spend for designs and feasibility. Progressing mixed use scheme for William Hill/Vodafone and circa 290 resi unit mixed use scheme for Tothill car park. Progression of development plans linked with car parking expansion within the town centre.
Heather Morgan	42064	Block E, London Road, Staines	8,100,000	18,951	8,100,000	-	Cabinet approved acquisition. Berkeley had put on hold due to viability/Covid-19 situation although groundworks have recently commenced. Awaiting confirmation when they will be ready to progress the transaction.
Keith McGroary	41619	Small Scale Area Regeneration	-	-	-	-	Project complete
Total			£241,337,900	£47,149,383	£235,234,388	-£6,103,512	
Cllr Boughtflower - Leader							
Heather Morgan	42038	Acquisition of Assets	20,000,000	692,518	692,518	(19,307,482)	Only one small acquisition for regeneration purposes made during year. Provision not being carried forward
Total			£20,000,000	£692,518	£692,518	-£19,307,482	
Cllr Noble - Corporate Management							

CAPITAL MONITORING REPORT AT 31 MARCH 2021

Portfolio Member / Service Head	Cost Centre	Description	Revised Cumulative Budget 2020/21	Actuals Cumulative	Projected Outturn Cumulative	Budget v Outturn variance	Comments
Jodie Hawkes	43601	SCP Portal	1,500	1,811	1,811	311	Please refer to 'Qtr 3 Dec.20'. The budget should have been £15,000. The balance of the budget has been requested to be carried forward due to legislation changes.
Jodie Hawkes	43602	Centro Upgrade - Integra	30,000	-	30,000	-	The project is expected to start in November 21 and likely to be completed by end of January 2022.
Alistair Corkish	43603	Training Room	15,000	12,180	12,180	(2,820)	The project has been completed
Alistair Corkish	43604	Leisure Board	15,000	-	15,000	-	The budget has been requested to be carried forward into next financial year as this has been delayed due to Covid-19
Alistair Corkish	43605	Audiocodes	12,000	12,340	12,340	340	The project has been completed
Alistair Corkish	43625	Customer Portal	10,000	-	10,000	-	The budget has been requested to be carried forward into next financial year as this has been delayed due to Covid-19
Alistair Corkish	43626	Customer Services Contact Cent	40,000	-	40,000	-	The budget has been requested to be carried forward into next financial year as this has been delayed due to Covid-19
Alistair Corkish	43628	Reception Terminals	5,000	4,522	4,522	(478)	The project has been completed
Alistair Corkish	43629	Sharepoint Upgrade	35,000	-	35,000	-	The budget has been requested to be carried forward into next financial year as this has been delayed due to Covid-19
Alistair Corkish	43632	General ICT Equipment	90,000	91,236	91,236	1,236	The project has been completed
Alistair Corkish	43633	Covid-19 ICT Home Working	-	93,259	93,259	93,259	Please refer to the 'Qtr 3 Dec.20'
Alistair Corkish	43634	Webcasting Council Meetings	-	6,864	6,864	6,864	Please refer to the 'Qtr 3 Dec.20'
Total			£253,500	£222,213	£352,212	£98,712	
Sandy Muirhead	42008	Project Lima	27,600	2,728	27,600	-	Please refer to the 'Qtr 3 Dec.20'. A request has been made to carry forward £15,000 into next financial year.
Sandy Muirhead	43501	Forward Scanning	20,000	-	20,000	-	Please refer to the 'Qtr 3 Dec.20'. The project is expected to be completed by end of March 2022.
Sandy Muirhead	43502	Digital Spelthorne	50,000	-	50,000	-	Please refer to the 'Qtr 3 Dec.20'. The project is expected to be completed by end of March 2022.
Sandy Muirhead	43512	Sharepoint redesign & Relaunch	155,000	-	155,000	-	Please refer to the 'Qtr 3 Dec.20'. The project is expected to be completed by end of March 2022.
Sandy Muirhead	43515	Corporate EDMS Project	302,500	71,933	302,500	-	Please refer to the 'Qtr 3 Dec.20'. The project is expected to be completed by end of March 2022.
Total			£555,100	£74,661	£555,100	£0	
Total For Other			£303,399,000	£50,392,781	£278,050,359	-£25,348,641	#
GRAND TOTAL INCL. HOUSING IMPROVEMENT PROGRAMME			£304,371,800	£51,247,990	£278,905,568	-£25,466,232	