

Capital Investment Programme Performance 2019/20 – July 2019

1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2019/20 financial year is £90.073million which includes all changes agreed at June Cabinet. Actual capital spend at 31st July is £11.460million representing approximately 13% of the revised budget. This is shown in Section 3. (Outstanding creditors totalling £0.225million have been removed from this figure).

The expenditure to date has been projected to year end and the outturn position is forecast to reflect the Project Manager's realistic expectation. This is broken down by type of investment area as follows:

Investment Area	Revised Budget 2018/19 £'000	Outturn to 31 st July 2019/20 £'000	Expected outturn 2019/20 £'000	Latest Expected Variance to Revised Budget 2019/20 £'000	Amended Budget 2020/21 to 2023/24 * £'000
General Fund Housing	2,123	206	2,123	-	1,952
Council Housing & New Build Programme	17,095	1,500	19,445	2,350	37,191
Social Care	10,679	170	6,340	(4,339)	8,100
Schools	12,137	1,155	9,438	(2,699)	3,812
Enterprise & Regeneration	13,906	1,317	13,421	(485)	27,505
Southend Pier	3,325	1,186	3,325	-	13,297
Culture & Tourism	3,659	1,146	4,594	935	19,377
Community Safety	1,786	15	880	(906)	1,906
Highways & Infrastructure	17,099	3,767	15,572	(1,527)	23,302
Works to Property	2,334	130	2,117	(217)	3,208
Energy Saving	1,368	-	663	(705)	1,548
ICT	2,992	820	2,864	(128)	172
S106/S38/CIL	1,570	48	1,570	-	339
Total	90,073	11,460	82,352	(7,721)	141,709

* This shows the amended budget for those years if the amendments set out in Section 2 are approved.

The capital investment for 2019/20 is proposed to be funded as follows:

	Council Budget £'000	Grant Budget £'000	Developer & Other Contributions £'000	Total Budget £'000
Total Budget	61,091	25,865	3,117	90,073
As a percentage of total budget	67.8%	28.7%	3.5%	
External Funding Received to date		12,791	1,638	14,429
External Funding Outstanding		13,074	1,479	14,553

Progress of Strategic schemes

Successful and timely delivery of the capital investment programme is a key part of achieving the Southend 2050 ambition and delivering the outcomes.

Although the revised capital investment programme is £90.073million, £50.329million of this relates to strategic schemes.

Following a full review of the capital investment programme, project managers are not reporting any expected variances against the revised budget for strategic schemes except for the Secondary School Expansion programme which will see a carry forward request of £2million, Delaware and Priory of £4.2million and Airport Business Park of £235k. Additional budget of £2.350million will also be added to the HRA Affordable Housing Acquisitions Programme (see commentary below).

Scheme	Revised Budget 2019/20 £000	Outturn to 30th July 2019/20 £000	% spent	Expected outturn 2019/20	Comments	Budget 2020/21 to 2023/24 £000
Strategic schemes						
Airport Business Park (including Local Growth Fund)	11,615	1,142	10%	11,380	All major utilities and infrastructure contracts have now been let and are on site. The planning application has been submitted for the Launchpad building.	13,520
Better Queensway - Regeneration	2,041	175	9%	2,041	Contract signing and JV partnership in April, business plan to be developed by early autumn, awaiting outcome from Homes England in regards to funding	13,500
Forum II – SBC Match Funding to LGF	1,030	58	6%	1,030	RIBA stage 3 signed off, planning permission submitted, on programme to commence on site early 2020	17,450
Delaware and Priory New Build	9,219	42	0%	5,000	Implementation plan is being prepared and a budget profile may be requested at November Cabinet	3,881
School Improvement and Provision of School Places	10,300	1,037	10%	8,300	Works at the Eastwood Academy, Southchurch High and Wentworth Road are complete and Shoeburyness High is in the final stages of building handover. St Thomas More is entering the fit out stage of their new building and Belfairs Academy and St Bernard High are progressing on time.	662
Southend Pier schemes	3,325	1,186	36%	3,325	Issues with structural engineering company causing delays to Timber Outer Pier Head and Prince George Extension works. Expected to be resolved and works to be carried out in the financial year subject to weather conditions	13,297
Civic Campus Redevelopment	94	-	-	-	A request is included in section 2 to move these budgets to the 'Schemes Subject to Viable Business Cases' section	10,648
Local Growth Fund - A127 Growth Corridor	4,737	889	19%	4,737	This relates primarily to the Bell junction and some is likely to be reprofiled back at November Cabinet	7,669
HRA Affordable Housing Acquisitions Programme	4,306	339	8%	6,656	Acquisition programme is now proceeding	-
Construction of New Housing on HRA Land	3,662	193	5%	3,662	Phases 3 and 4 are in the early stages of procuring an Employment Agent (EA). Once on board, the process of procuring an architect will commence. The MMC project is also in the early stages although the EA and architect have been procured and are working up plans for the two sites in Saxon Gardens.	10,791
Total Strategic	50,329	5,061	10%	46,131		91,418
Other schemes						
Other Capital Investment schemes	39,744	6,399	16%	36,221		
TOTAL SCHEMES	90,073	11,460	13%	82,352		

The secondary school expansion programme is progressing into its third year. 120 permanent additional secondary school places were created for September 2018 and a further 80 for September 2019. This expansion is across eight of the twelve Southend secondary schools and will result in an additional 1,050 places for 11-16 year old pupils once completed. These expansions are to ensure that the local authority can meet its statutory duty of supplying a good school place to any local resident that requests one. Works at the Eastwood Academy, Southchurch High and Wentworth Road are complete and Shoeburyness High is in the final stages of building handover. St Thomas More is entering the fit out stage of their new building and Belfairs Academy and St Bernard High are progressing on time.

Following a full evaluation of spend profiles for this expansion programme, a delay on programme has been identified for two schools and a request to carry forward £2million of the 2019/20 budget into 2020/21 has been included in this report.

An evaluation of the Delaware and Priory and Airport Business Park spend profiles have also been carried out and budgets of £4.2million and £235k respectively have been included as carry forward requests as part of this report in line with the revised schedules.

The HRA Affordable Housing Acquisitions Programme is 30% financed by retained Right to Buy capital receipts. To ensure all these receipts can be used within the timeframes set by Central Government £4.65m needs to be spent during 2019/20 with targets in each quarter. The current budget for housing acquisitions is £4.3m and so a request for additional budget of £350k has been included in this report. If the Council exceeds any of the quarterly targets the excess will count towards the next quarter. As conveyancing time frames cannot be guaranteed it would be prudent to plan to exceed the targets rather than to just meet them, in case any of the planned property purchases do not proceed. An additional £2m has been included in this report for this purpose.

Progress of other schemes for 2019/20

General Fund Housing

Budgets totalling £1.095million for 2019/20 and £475k for 2020/21 are to be combined to support a scheme for the Private Sector Housing Strategy. More information will be available on the profile of this once initial works have taken place. A virement has been included in this report to action this.

A total of 36 major adaptations have taken place so far this financial year as part of the Disabled Facilities scheme. This enables residents of Southend to remain living independently in their homes. Families with young children who are coping with severe disabilities have also been assisted. A new Adaptations Surveyor has recently been employed which will enable further adaptations to be completed over the next few months.

Council Housing and New Build Programme

The capital works programme for 2019/20 is progressing mainly in accordance with our works programme. There have been some delays due to a change in the electronic procurement system from E-delta to Pro-contract however this new system is now embedded. One further delay occurred on the Kitchen and Bathroom contract however the issue has now been resolved and the programme will be recovered throughout the remainder of the financial year.

Social Care

The Learning Management System scheme is no longer going ahead as works are taking place to explore the use of Business World. A request to remove the budget of £120k from the capital investment programme has been included in this report.

Schools

The schools conditions programme is allocated to address larger condition items where the cost is over the schools capabilities to fund. Most of these works are being undertaken over the summer holidays to minimise disruption. Various schemes have been delayed to 2020/21 for logistical reasons and these budgets have been included as carry forward requests. The schemes include Chalkwell Infants Relocatables for £109k, Fairways Primary Curtain Walling for £100k and Chalkwell Infants Energy project for £300k. Two new schemes are also included relating to Fairways Primary Trees for £10k and Eastwood Primary Roof Replacement for £50k funded by grant. Underspends on schemes for Chalkwell Hall Juniors Roof and West Leigh Infants Boiler totalling £55k are being used for a new scheme at Fairways on pipeworks. A virement request has been included in this report.

The Devolved Formula Capital is an annual devolution of a dedicated capital grant to all schools and is distributed via the local authority for maintained schools. The notified grant for 2019/20 is £100k and has been distributed in full.

A grant has been awarded from the Department of Education to support the improvement and expansion of special needs places. £250k of the 2019/20 allocation has been included as a carry forward request in regards to special provision in a secondary school.

Enterprise and Regeneration

The Infrastructure Feasibility Studies scheme is closely aligned with ASELA work on the Joint Spatial Strategy and it is unlikely to be completed during 2019/10. The full budget of £250k has therefore been included as a carry forward request in this report.

Southend Pier

The works on Southend Pier are currently progressing well with no significant issues. A number of works are weather dependent which will be monitored closely over the coming months. Schemes currently underway include the Pier Entrance Enhancement, the Timber Outer Pier Head and the Prince George Extension.

There are a number of projects in the programme which will require additional phases and business cases will be brought forward as appropriate.

Culture and Tourism

The scheme for Joint Theatres and Leisure Centres Asbestos works is in place to undertake investigation and surveys to identify asbestos at sites prior to works taking place. No works have been identified for 2019/20 so far therefore it is recommended that the full budget of £115k is carried forward until a future need has been identified.

External refurbishment of the Cliffs Pavilion is currently profiled for 2020/21 but it is likely to be pushed back until 2021/22. A carry forward request for £215k has been included in this report.

The works to Southchurch Park Bowls Pavilion are still in discussion and the budget of £20k has been included as a carry forward request in this report until a way forward has been decided.

Two schemes are underway in advance of schedule and accelerated delivery requests have been included in this report. These schemes are the Cart and Wagon shed for £150k and Cliffs Pavilion Boiler Flues for £124k.

A forward programme was considered by Investment Board for the Fire Improvement Works scheme which is in place to ensure that operational buildings remain safe. An additional £250k was requested for 2019/20 primarily for the Cliffs Pavilion and Southend Leisure and Tennis Centre with a further £750k per annum requested for 2020/21 to 2023/24. The board agreed that the 2019/20 request could be included in this report as a request for additional budget. The request for future years budgets is the subject of a separate report on this agenda.

A five year programme for Property Refurbishment was also considered by Investment Board which included a wide range of works on Southchurch Hall, Central Museum and

Prittlewell Priory. Also included was Civic Campus toilets refurbishment and fixed wire testing. An additional £600k in 2019/20 and £750k per annum from 2020/21 to 2023/24 was requested. The board agreed that the 2019/20 request could be included in this report as a request for additional budget.

Schemes for Belfairs Swim Centre and the Palace Theatre Boilers are now complete and savings were made on the original budget allocations. Budgets of £42k and £12k respectively will therefore be removed from the capital investment programme as part of this report.

Community Safety

The CCTV Equipment Renewal scheme is currently experiencing issues with specification and procurement meaning that the project is slightly delayed. As a consequence, £606k has been included as a carry forward request in this report with £506k profiled to 2020/21 and the remaining £100k in 2021/22.

The Security Measures scheme is in place to implement security for vulnerable locations and automatic bollards. Work is currently on-going with the Counter Terrorism unit and there is unlikely to be clarity on the final scheme until December 2019. £300k of the current budget has therefore been included as a carry forward request in this report.

Highways and Infrastructure

The Local Growth Fund Southend Central Area Action Plan (SCAAP) Growth Point Transport scheme is being developed through the Sunrise project and voting is currently taking place on options. The project has subsequently been delayed and a revised spend profile of £500k has been agreed for 2019/20 and a carry forward request of £1.466million has been included as a carry forward request in this report.

Flood prevention works may now be completed as part of the Seaway development. The project has therefore been slipped back a year to allow space for consultation. Budget of £1.125million is therefore being requested as a carry forward request in this report from 2020/21 to 2022/23. An allocation of £1.125million is already in place for 2021/22.

The scheme at Cinder Path has come to a standstill and a way forward is currently unknown. The remaining budget of £61k will therefore be removed from the capital investment programme in this report and a future bid can be put forward should it be required.

Works to Property

Now that Southchurch High School is settled in to the former Procat buildings and the works to these are complete, the demolition of the former Futures School buildings can progress. As well as mitigating health and safety risks, this capital investment will secure ongoing revenue savings and prepare the site for future development. A request for budget of £40k for 2019/20 and £450k for 2020/21 to be added to the capital investment programme has been included in this report to support this scheme.

A contractor is to be commissioned to complete an options appraisal on the site at 62 Avenue Road. The full budget of £49k has been included as a carry forward request to support works which may be possible in 2020/21 subject to the results of the appraisal.

The planning preference for works at Belfairs Park Restaurant and Golf Club is for leaded windows therefore comparative quotes are in the process of being obtained to inform a way forward and enable planning and tender to proceed. £47k of the current budget has been included as a carry forward request as it is likely that part of these works will take place in 2020/21.

A request to have the £20k budget from the Working Environment scheme to the Civic Campus Efficient use of space scheme has been included as both schemes are working towards the same outcome. The CMT work area is now underway and planning work is due to commence on the former large members room. The agile workstream is underway with the roll-out of modern technology. Detailed pricing is currently being sought and £82k of the 2019/20 budget has been included as a carry forward request as works are likely to span two financial years.

Various schemes have now completed and the remaining budgets are not required. These include Commercial Property Investment for £4k, Pier Arches Toilets Waterproofing Solution for £4k and Porters House for £5k. A request to remove budgets has been included in this report.

There are a set of proposals for consideration to EB in October for the service's cremators, however the lining of cremator 1 has deteriorated quicker than anticipated so works need to be undertaken quickly to mitigate the risk of it not being able to operate. The lining is not expected to last more than 3 months. A request for additional budget of £60k has been included in this report.

Various schemes are currently on hold subject to viable business cases and will therefore be removed from the capital investment programme pending successful cases being put forward. These schemes are Civic East Car Park Redevelopment, Library Car Park Reconstruction, Land Acquisition and East Beach Café Project.

Energy Saving

The Energy Efficiency scheme is looking at a lighting proposal for Civic 1 and seeking prices to establish whether the project can be completed within the payback period required. £100k is expected to be utilised in 2019/20 and the remaining £117k has been included as a carry forward request in this report.

Stage one of the Real Time Air Quality Measurement feasibility is now complete and the results from the DEFRA trials are now awaited. £58k of the current 2019/20 allocation has been included as a carry forward request in this report as it is unlikely that the full scheme will progress until 2020/21.

The Solar PV scheme is now being re-procured through a framework for leisure centres, theatres and retail units owned by the council. A carry forward request of £500k has been

included in this report to take account of the size of the project and potential installation delays.

Two further energy schemes are unlikely to progress therefore it has been proposed that the budgets are removed from the capital investment programme. Budgets of £33k for the Civic 1 Lift Regeneration and £15k for the Old Beecroft Ground Source Heat Pump Feasibility have been removed as part of this report.

A grant of £18k has been awarded by NT Flag to carry out an independent study on electricity supply issues in Chalkwell and the surrounding areas. Match funding of £10k has been identified from the Energy Efficiency scheme and a virement is included as part of this report along with the addition of the grant funding.

ICT

The IoT Smart City Delivery scheme is currently under review for alignment to Southend 2050 therefore the full budget is not expected to be required in 2019/20. A carry forward request of £132k has been included as part of this report.

The scheme for N3 Connectivity has not currently progressed but initial investigations have suggested that a budget saving of £166k will be achieved. This budget will be removed from the capital investment programme in this report.

Central Government are bringing in new accessibility regulations from September 2020 and it will be a legal requirement for every public sector organisation to have a website that will adhere to this. The current council website would currently not pass these regulations, however there is an option to upgrade to new templates called Photon which will ensure all back-end technical elements adhere to these regulations instantly. In addition, the upgraded search functionality will ensure that the customer can find what they're looking for on the website with ease.

The new data centre scheme has been on-going over a number of years and will be the platform for a number of key improvements to be delivered to staff and beyond. This will be an enabler for new technologies such as Office 365 and Teams which will allow the Agile and Collaborative outcome to be achieved. There has been decision to put the implementation of the Southend Operations Centre on hold which has an approved capital allocation of £403k for 2019/20. A proposal to use this budget for the Data Centre was agreed by Investment Board on 5th August to be put forward as a virement request and has been included in this report.

Phase two of the Recruitment Contract Implementation project to allow integration with Business World has been proposed and a request to increase the capital investment programme by £170k funded from the Business World earmarked reserve has been included in this report.

2. Requested Changes to the 2019/20 Capital Programme

Carry Forwards to Future Years

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Chalkwell Hall Infants replace relocatables	(109)	109			
Fairways Primary curtain walling	(100)	100			
Chalkwell Hall Infants Energy Project	(300)	300			
School Improvement and Provision of School Places	(2,000)	2,000			
Special Provision Capital Fund	(250)	250			
Delaware and Priory LATC	(4,219)	4,219			
62 Avenue Road	(49)	49			
Belfairs Park Restaurant/Golf Club Preventative Works	(47)	47			
Civic Campus - Efficient Use of Space	(82)	82			
Local Growth Fund - (SCAAP) Growth Point	(1,466)	1,466			
Infrastructure Feasibility Studies	(250)	250			
Airport Business Park	(235)	235			
Joint Theatres and Leisure Centres – Asbestos	(115)	115			
Cliffs Pavilion – External Refurbishment Works		(215)	215		
Southchurch Park Bowls Pavilion	(20)	20			
CCTV Equipment Renewal	(606)	506	100		
Security Measures	(300)	300			
Energy Efficiency Projects	(117)			117	
Real Time Air Quality Measurement – Feasibility	(58)	58			
Solar PV Projects	(500)	500			
IoT Smart City Delivery	(132)	132			
Flood Prevention Works		(1,125)		1,125	
Total Carry Forwards	(10,955)	9,398	315	1,242	-

Accelerated Deliveries from Future Years

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Cart and Wagon Shed	150	(150)			
Cliffs Pavilion – Boiler Flues	124	(124)			
Total Accelerated Deliveries	274	(274)	-	-	-

New External Funding

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Fairways Trees	10				
Eastwood Primary Roof	50				
Leigh Energy Appraisal	18				
Total New External Funding	78	-	-	-	-

Proposed New Schemes

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Phase 2 Recruitment Contract Implementation	170				
Cremator 1 - urgent lining works	60				
Futures Demolition	40	450			
HRA Affordable Housing Acquisitions Programme	2,350				
Fire Improvement Works	250				
Property Refurbishment Programme	600				
Total New External Funding	3,470	450	-	-	-

Virements

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Empty Dwelling Management	(357)				
PSH Works in Default - Enforcement Work	(138)				
Private Sector Renewal	(600)	(475)			
Private Sector Housing Strategy	1,095	475			
Chalkwell Hall Juniors roofs	(35)				
West Leigh Infant Boiler	(20)				
Fairways Pipeworks	55				
Working Environment	(20)				
Civic Campus - Efficient Use of Space	20				
ICT – Southend Operation Centre	(403)				
ICT – Data Centre	403				
Energy Efficiency Projects	(10)				
Leigh Energy Appraisal	10				
Total Virements	-	-	-	-	-

Removed Budgets

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Learning Management System	(120)				
Commercial Property Investment	(4)				
Pier Arches Toilets - Waterproofing solution	(4)				
Porters Civic House and Cottage	(5)				
Cinder Path	(61)				
Belfairs Swim Centre	(42)				
Palace Theatre Boilers Replacement	(12)				
Civic Centre Lifts Regeneration	(33)				
Old Beecroft Ground Source Heat Pump Feasibility	(15)				
N3 Connectivity in Civic Building	(166)				
Total Budgets Removed	(462)	-	-	-	-

Move to 'Subject to Viable Business Case' section

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Civic East Car Park Redevelopment *	(50)		(4,790)		
Library Car Park Reconstruction and Enhancement *	(44)	(4,083)	(1,775)		
Land Acquisition Works			(1,867)		
East Beach Café Project	(32)				
Total Budgets moved to 'Subject to'	(126)	(4,083)	(8,432)	-	-

*Civic Campus Redevelopment

Remove from 'Subject to Viable Business Case' section

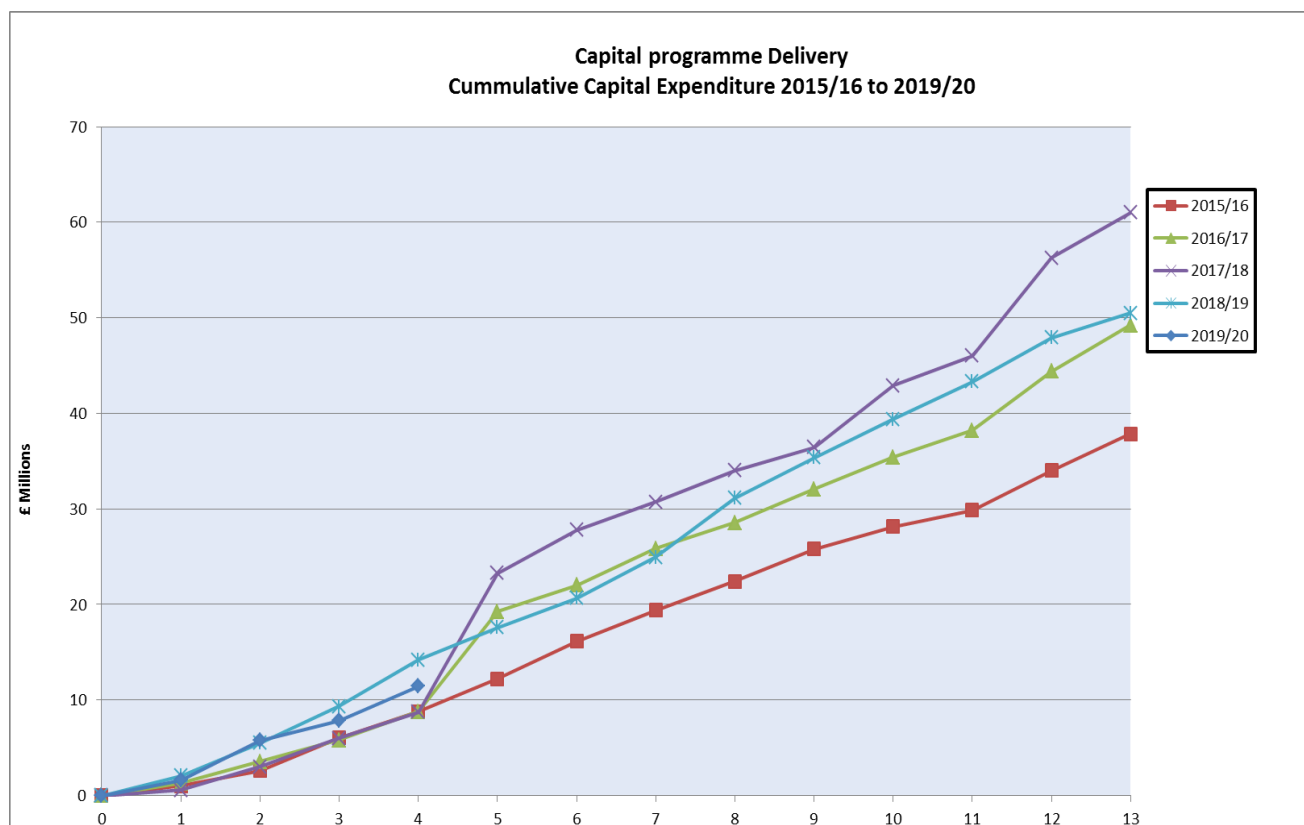
Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
ICT – Southend Operation Centre	(1,000)	(1,000)			
Total Budgets removed from 'Subject to'	(1,000)	(1,000)	-	-	-

3. Summary of Capital Expenditure at 31st July 2019

	Original Budget 2019/20 £000	Revisions £000	Revised Budget 2019/20 £000	Actual 2019/20 £000	Forecast outturn 2019/20 £000	Forecast Variance to Year End 2019/20 £000	% Variance
General Fund Housing	1,695	428	2,123	206	2,123	-	10%
Council Housing & New Build Programme	12,560	4,535	17,095	1,500	19,445	2,350	9%
Social Care	1,016	9,663	10,679	170	6,340	(4,339)	2%
Schools	14,218	(2,081)	12,137	1,155	9,438	(2,699)	10%
Enterprise & Regeneration	15,000	(1,094)	13,906	1,317	13,421	(485)	9%
Southend Pier	2,468	857	3,325	1,186	3,325	-	36%
Culture & Tourism	5,218	(1,559)	3,659	1,146	4,594	935	31%
Community Safety	1,741	45	1,786	15	880	(906)	1%
Highways & Infrastructure	13,548	3,551	17,099	3,767	15,572	(1,527)	22%
Works to Property	1,969	365	2,334	130	2,117	(217)	6%
Energy Saving	1,426	(58)	1,368	-	663	(705)	0%
ICT	2,559	433	2,992	820	2,864	(128)	27%
S106/S38/CIL	943	627	1,570	48	1,570	-	3%
	74,361	15,712	90,073	11,460	82,352	(7,721)	13%
Council Approved Original Budget - February 2019	74,361						
Council Housing & New Build Programme amendments	4,306						
Social Care amendments	9,219						
Schools amendments	(140)						
Culture & Tourism amendments	(605)						
Highways & Infrastructure amendments	1,447						
Carry Forward requests from 2018/19	7,445						
Accelerated Delivery requests to 2018/19	(4,386)						
Budget re-profiles (June Cabinet)	(2,701)						
New external funding	1,127						
Council Approved Revised Budget - June 2019	90,073						

**Actual compared to Revised Budget spent is £11.460M
or 13%**

4. Capital Programme Delivery



Year	Outturn £m	Outturn %
2015/16	37.9	97.0
2016/17	48.8	89.0
2017/18	61.0	95.0
2018/19	50.9	96.7