

Appendix 2

Budget Monitoring & Reporting 2020/2021

Period 4 – July 2020 Capital Investment Programme Performance



Capital Investment Programme Performance Report

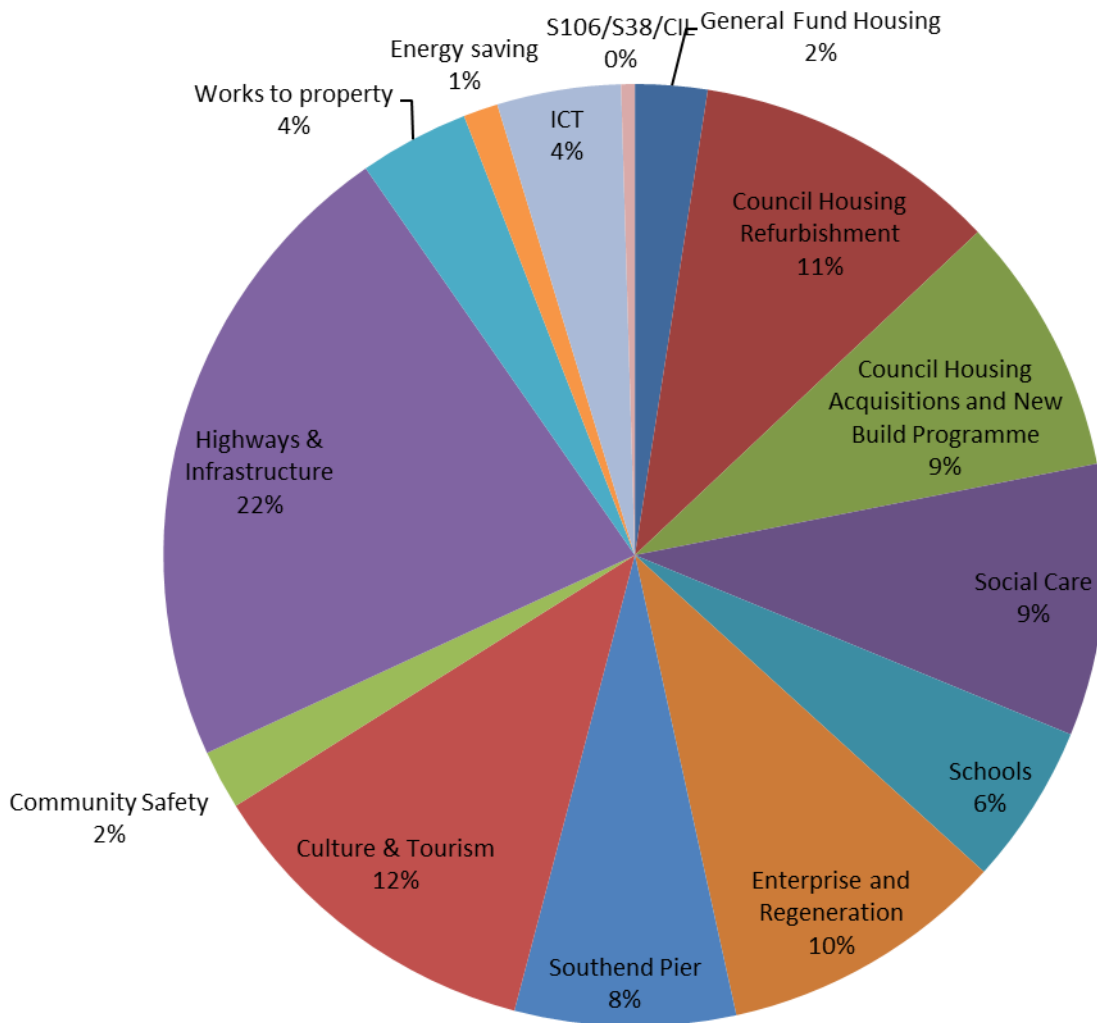
1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2020/21 financial year is £96.029million which includes all changes agreed at July Cabinet. Actual capital spend at 31st July is £10.411million representing approximately 11% of the revised budget. This is shown in Section 4. (Outstanding creditors totalling £0.599million 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:

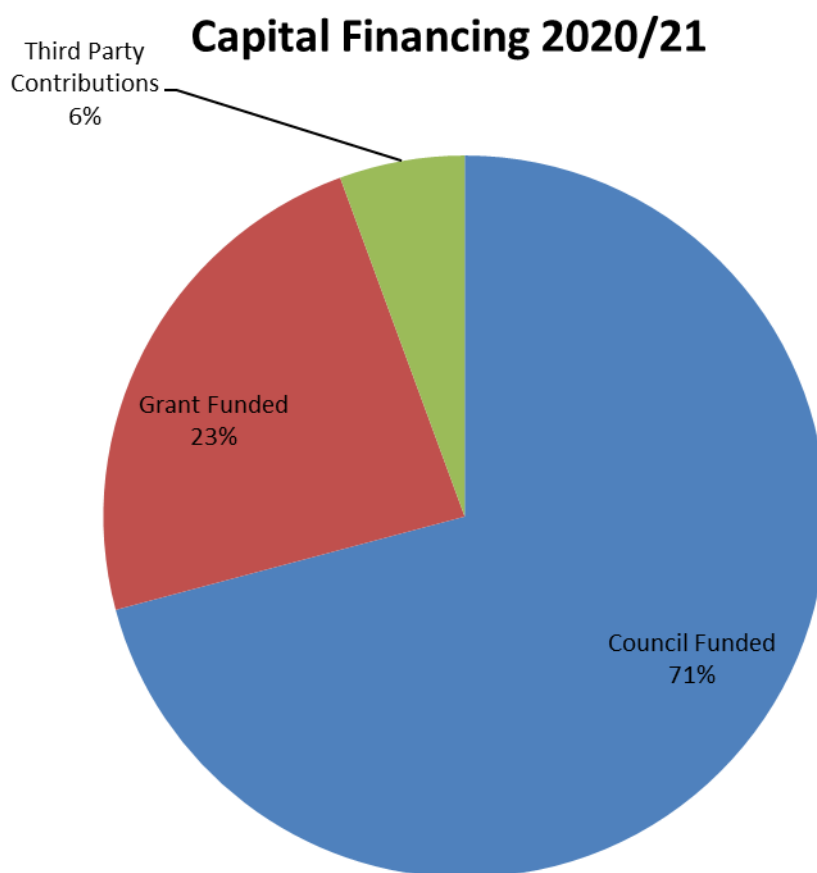
Investment Area	Revised Budget 2020/21 £'000	Outturn to 31 st July 2020/21 £'000	Current Variance to 31 st July 2020/21 £'000	Expected outturn 2020/21 £'000	Latest Expected Variance to Revised Budget 2020/21 £'000	Amended Budget 2021/22 to 2024/25 £'000
General Fund Housing	2,470	135	(2,335)	2,470	-	3,059
Council Housing Refurbishment	10,460	631	(9,829)	10,460	-	27,971
Council Housing Acquisitions & New Build Programme	8,885	137	(8,748)	8,885	-	18,158
Social Care	9,298	959	(8,339)	9,298	-	3,200
Schools	5,496	2,359	(3,137)	5,496	-	2,892
Enterprise & Regeneration	9,781	1,520	(8,261)	9,781	-	22,291
Southend Pier	7,550	603	(6,947)	7,550	-	10,900
Culture & Tourism	11,917	1,194	(10,723)	11,917	-	16,515
Community Safety	2,029	36	(1,993)	2,029	-	1,041
Highways & Infrastructure	18,902	1,822	(17,080)	22,150	3,248	15,942
Works to Property	3,358	215	(3,143)	3,703	345	2,800
Energy Saving	1,185	8	(1,177)	1,185	-	974
ICT	4,233	756	(3,477)	4,233	-	4,185
S106/S38/CIL	465	36	(429)	465	-	225
Total	96,029	10,411	(85,618)	99,622	3,593	130,153

Capital Investment Programme Budget 2020/21



*S160/S38/CIL percentage has been rounded from 0.47%

The capital investment for 2020/21 is proposed to be funded as follows:



* Third party contributions are non-grant funding from external sources such as S106 contributions.

Of the £29.070million of external funding expected, £10.261million had been received by 31st July. The outstanding amounts mainly relate to the Forum expansion, Local Growth Fund schemes and the Challenge Fund.

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 £96.029million, £48.612million of this relates to strategic schemes and approximately 11% spend has been achieved to date for these strategic schemes.

Investment Area	Scheme	Revised Budget 2020/21 £000	Outturn to 31st July 2020/21 £000	Expected outturn 2020/21 £000	Latest Expected Variance to Revised Budget 2020/21 £000	Budget 2021/22 to 2024/25 £000
Strategic schemes						
Enterprise and Regeneration	Airport Business Park (including Local Growth Fund)	6,500	828	6,500	-	8,401
Enterprise and Regeneration	Airport Business Park - Acquisition	1,200	-	1,200	-	-
Enterprise and Regeneration	Better Queensway - Programme Management	681	193	681	-	790
Enterprise and Regeneration	Better Queensway - Loan to Joint Venture	1,150	500	1,150	-	13,100
Culture and Tourism	Forum II	7,634	37	7,634	-	10,178
Social Care	Delaware and Priory New Build	8,199	863	8,199	-	3,200
Schools	School Improvement and Provision of School Places	3,689	2,224	3,689	-	600
Southend Pier	Southend Pier schemes	7,550	603	7,550	-	10,900
Works to Property	Civic Campus - Efficient use of Space	197	77	197	-	150
Highways and Infrastructure	Local Growth Fund - A127 Growth Corridor	3,272	68	3,272	-	6,929
Council Housing Acquisitions	HRA Affordable Housing Acquisitions Programme	4,976	4	4,976	-	4,500
Council Housing New Build Programme	Construction of New Housing on HRA Land	2,481	27	2,481	-	8,129
Council Housing Acquisitions	Acquisition of Tower Block Leaseholds - Queensway	1,083	106	1,083	-	1,800
Total Strategic		48,612	5,530	48,612	-	68,677
Other schemes						
Other Capital Investment schemes		47,417	4,881	51,010	3,593	61,476
TOTAL SCHEMES		96,029	10,411	99,622	3,593	130,153

Enterprise and Regeneration

The main contractor on the Airport Business Park has now left the site following demobilisation works. Some pavement and road works are still to be completed by the phase 1 contractor and the gas supply is in the process of being connected but all other works for phases 1-3 are otherwise complete. Ipeco have now taken ownership of their building. The new Airport Business Park management company will be up and running from 1st September and procurement for the launchpad is scheduled to commence around the same time with an expected start date of December.

Final proposals for the Better Queensway scheme were agreed at full council on 16th July which allows the LLP to submit the hybrid planning application. This process is expected to complete at the end of October.

Culture and Tourism

The Forum II scheme is currently on hold to facilitate review of the delivery options and operational requirements as a result of the COVID-19 lockdown and likely changes to future delivery requirements.

Social Care

The foundation works and basement substructure for the new care home are now complete. Service ducts for the utility provider is almost complete and foundation works for the new substation are halfway there. These works will be completed in the next period and commence the delivery and installation of the steel frame.

Schools

The secondary school expansion programme is progressing well and the scheme at Belfairs has now completed and has been handed over to the school. St Thomas More and St Bernards are due to complete in the early Autumn. Chase High is now progressing forwards with no concerns being raised in relation to budget or timescales. The delays to projects taken on by some of the schools due to COVID-19 has not disrupted the admission of pupils and there are currently sufficient places across the borough. Southend has the capacity to meet all admission requirements and is in a strong position to further increase should future need arise.

Southend Pier

Phase 2 works of the bearing refurbishment scheme have commenced and will be completed within the financial year.

Procurement are working towards finalising tender documents for the engagement of a structural engineering consultant for the timber outer pier head works and the options appraisal has now been completed. A multibeam and laser sonar scan of the seabed under the pier head has been carried out and the survey data is currently being processed with full results due in August 2020.

The new pier trains are in the final design stage and construction of the bogies and frame have commenced. The project is at risk of some slippage due to availability of key components given the effect of COVID-19 on key supply chains.

Highways and Infrastructure

The contractor for the A127 essential bridge and highway maintenance works and The Bell junction improvements was appointed in March 2020. Due to COVID-19, the commencement of these works has now moved to September 2020 for completion in Summer 2021. The removal of The Bell footbridge is the first activity programmed for September.

Council Housing Acquisitions and New Build Programme

The pre-application meeting for phase 3 of the new build programme is now awaiting formal written feedback. The 'Your Say Southend' page has been set up for consultation and the public survey has been published to engage with local residents. Architectural works are on-going, and plans are to be revised to take on board planners and residents' feedback ahead of the planning submission.

Additional feasibility works are now complete for phase 4. The options appraisal will help to determine the route forward given site constraints and the sensitive nature of the project to both residents and councillors.

The topographical surveys are now complete for phase 5 and 6 and prospective sites have been reassessed in light of a recent parks cabinet report in which a presumption in favour of public amenity space has been agreed. Works are on-going to find alternative sites to include.

The Modern Methods of Construction (MMC) scheme is progressing well and planning permission has been secured for two dwellings in Saxon Gardens. An opportunity at Archer Avenue has been published on contracts finder for a contractor to secure planning permission to build a seven-bedroom temporary accommodation property.

The acquisition programme is progressing well and various valuations have taken place. No purchases have completed this financial year, but eight properties are now in the solicitor's hands at a value of £1.6million and it is expected that three of these transactions will complete during quarter two. A further 16 properties are under consideration pending further investigation.

2. Progress of other schemes for 2020/21

General Fund Housing

HSE guidelines on COVID-19 are currently being followed with regards to works commencing on site under the Disabled Facilities Grant. Appropriate PPE is on order for staff to enable works to continue.

A restructure has meant that the Private Sector Housing Strategy scheme is now managed by two teams to include empty homes. A request to split this budget to enable the appropriate management to take place has been included in this report.

Council Housing and New Build Programme

The progress of works on the Disabled Adaptations scheme is improving and jobs have been issued to contractors. COVID-19 risk assessments and method statements for impending internal adaptations are currently being obtained to mitigate risks for residents and staff. A request to merge the minor and major budgets for this scheme have been included in this report to enable better monitoring and consistency for works taking place.

Social Care

Plans have been made under the Short Breaks for Disabled Children scheme to fund a fun day at a local school which will be open to disabled children in the area.

Schools

Planning permission was granted in June enabling the Prince Avenue Extended Nursery Provision scheme to progress.

Enterprise and Regeneration

Public realm works for the Town Centre Intervention Programme are currently in the design stage and the footfall cameras are awaiting procurement. A specification has been developed for activities in an empty unit although the viewing of units has been delayed due to COVID-19 and resourcing constraints in the property team.

Culture and Tourism

Roofing works have commenced at Leigh Library as part of the Library Review scheme and these works are anticipated to complete by the beginning of September.

The closure of operational buildings during COVID-19 has enabled work packages in the Property Refurbishment Programme to be undertaken in normal working hours and therefore several schemes are now in progress.

Works are progressing well on the Cart and Wagon Shed and completion is on target for the end of September.

Community Safety

The specification for the CCTV Equipment Renewal scheme is complete and tender will be published imminently. There will be a two-stage procurement process and the new contract is anticipated to be let by December.

A vehicle dynamic assessment has been completed as part of the Security Measures scheme. This assessment has focused on the central seafront area to identify vulnerable locations and required product ratings. A project board has been set up to identify and progress the necessary highways works and to identify the products and measures that can be installed. This is likely to be a mixture of bollards to control delivery access, static measures such as planters and seating areas and artistic installations.

Highways and Infrastructure

A request has been included in this report for a budget of £3,240k for Belton Way Highways Protection to be funded by a grant received from the Department for Transport. Given the current circumstances DfT are happy for the grant to be carried over to the next financial year, however the works are required as soon as possible to prevent any damage to Network Rail assets which could result in substantial fines.

The Multi Modal Model (MMM) contract for the Southend Transport Model has been awarded and an inception meeting has been completed. A risk has been identified with regards to an issue with BT mobile phone data which the contractor is able to resolve however this will be at an additional cost.

A programme has been developed and 18 sites have been identified for the Zebra Crossing Surfacing Replacement scheme. The contractor is in the process of finalising costs before commencement of the scheme.

The contractor has commenced site surveys to identify suitable junctions for the Junction Protection scheme.

Works to Property

A request has been included in this report for a budget of £400k for Aviation Way Car Park. The estimated car parking income would cover the financing and running costs with a small surplus towards future maintenance costs. This was the subject of a SO46 signed in December 2019 which included a proposal to use the site to provide additional parking, with the intention to put in place parking controls to enable some income generation to deal with the costs of financing the car park construction and ongoing maintenance.

Priority works agreed since June Cabinet include £6k for hoarding at 5 Brunel Road and £16k for security measures at 569 Prince Avenue.

The Belfairs Park Restaurant and Golf Club Preventative Works scheme is progressing on site and completion is expected by the end of August. The scheme has costs less than expected therefore a request to removed £42k from the capital programme has been included in this report.

Other schemes totalling £13k have completed under budget and a request to remove these from the capital programme has been included in this report.

Energy Saving

Ten sites have been identified for the ultra-low emission vehicle (ULEV) Taxi Infrastructure scheme and equipment will be installed once the procurement is complete.

ICT

Budgets for the four main areas of ICT capital are currently under review and any impact on requirements will be known and reported at the end of September.

Procurement documents have been issued to senior management for approval on the Business Enablement scheme as part of the device standardisation management review. Technical design and planning workshops are on-going and will assist with future budget planning.

The architecture function is pulling together the high-level design and associated low level design in support of building the foundational Azure platform as part of Connect and Smart.

The configuration work is continuing as part of the Business Services scheme and specifically the Avaya Telephony phase. Arrangements are being made with the supplier to make changes to the recorder type which will enable implementation of the Liquid voice call recording with transcript capability. Additional licences, equipment and resources will be required due to COVID-19 which is part of the main budget review.

Disaster recovery and recovery planning is interlocked with the Azure development work and will commence after completion of this phase as part of the Stabilise and Run scheme.

S106/S38/CIL

CIL funding of £8k has been allocated to purchase a community minibus for the Victoria Ward. A request to add this budget into the 2020/21 capital programme has been included in this report.

3. Requested Changes to the 2020/21 Capital Programme

New External Funding

Scheme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Belton Way Highways Protection	3,240				
CIL Ward NA - Victoria - Community Minibus	8				
Total New External Funding	3,248	-	-	-	-

Proposed New Schemes

Scheme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Aviation Way Car Park	400				
Total Proposed New Schemes	400	-	-	-	-

Virements

Scheme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Priority Works	(21)				
5 Brunel Road - Hoarding	6				
569 Prince Avenue	15				
HRA Disabled Adaptations - Minor	(200)	(50)	(50)	(50)	
HRA Disabled Adaptations - Major	200	50	50	50	
Private Sector Housing Strategy	(785)				
Private Sector Housing Strategy – Empty Homes	785				
Total Virements	-	-	-	-	-

Removed Budgets

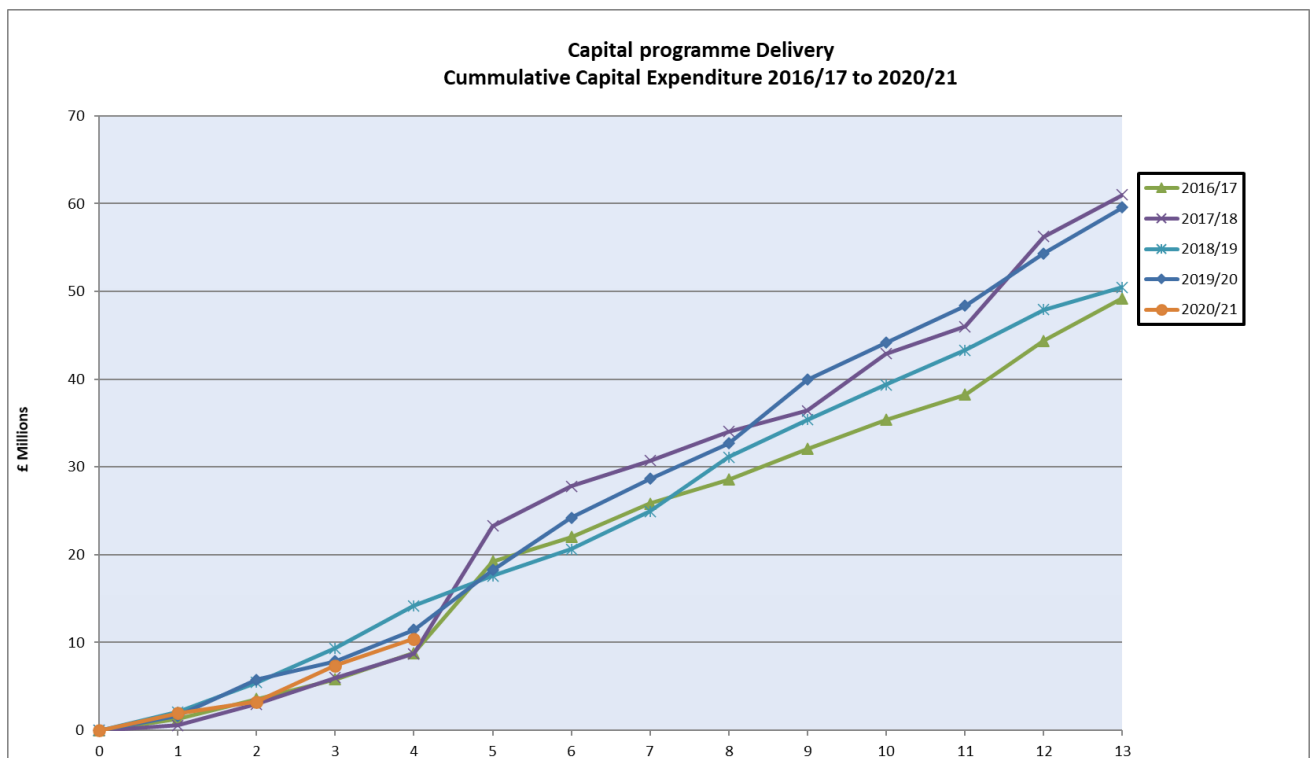
Scheme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Belfairs Park Restaurant/ Preventative Works	(42)				
Darlows Green former WCs demolition	(2)				
Demolition of Public WCs at Pitmans Close	(7)				
Relocation of START	(4)				
Total Budgets Removed	(55)	-	-	-	-

4. Summary of Capital Expenditure at 31st July

	Original Budget 2020/21 £000	Revisions £000	Revised Budget 2020/21 £000	Actual 2020/21 £000	Forecast outturn 2020/21 £000	Forecast Variance to Year End 2020/21 £000	% Variance £000
General Fund Housing	1,375	1,095	2,470	135	2,470	-	5%
Council Housing Refurbishment	7,365	3,095	10,460	631	10,460	-	6%
Council Housing Acquisitions and New Build Programme	13,240	(4,355)	8,885	137	8,885	-	2%
Social Care	11,672	(2,374)	9,298	959	9,298	-	10%
Schools	5,564	(68)	5,496	2,359	5,496	-	43%
Enterprise & Regeneration	11,601	(1,820)	9,781	1,521	9,781	-	16%
Southend Pier	7,859	(309)	7,550	603	7,550	-	8%
Culture & Tourism	17,559	(5,642)	11,917	1,194	11,917	-	10%
Community Safety	1,700	329	2,029	36	2,029	-	2%
Highways & Infrastructure	21,738	(2,836)	18,902	1,822	22,150	3,248	10%
Works to Property	3,434	(76)	3,358	215	3,758	400	6%
Energy Saving	1,568	(383)	1,185	8	1,185	-	1%
ICT	4,220	13	4,233	756	4,233	-	18%
S106/S38/CIL	101	364	465	36	465	-	8%
	108,996	(12,967)	96,029	10,411	99,677	3,648	11%
Council Approved Original Budget - February 2020	108,996						
Council Housing & New Build Programme amendments	100						
Enterprise & Regeneration amendments	110						
Community Safety amendments	220						
Highways & Infrastructure amendments	965						
Carry Forward requests from 2019/20	9,805						
Accelerated Delivery requests to 2019/20	(2,528)						
Budget re-profiles (June Cabinet)	(24,063)						
New external funding	2,424						
Council Approved Revised Budget - June 20	96,029						

**Actual compared to Revised Budget spent is
£10.411M or 11%**

5. Capital Programme Delivery



Year	Outturn £m	Outturn Against Budget %
2016/17	48.8	89.0
2017/18	61.0	95.0
2018/19	50.9	96.7
2019/20	59.5	83.8