

Budget Monitoring & Reporting 2021/22

Period 4 – July 2021 Capital Investment Programme Performance



Capital Investment Programme Performance Report

1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2021/22 financial year which includes all changes agreed at June 2021 cabinet is as follows:

Schemes	Revised Budget 2021/22 £'000
Total Schemes Delivered by General Fund	67,693
Total Schemes Delivered by Housing Revenue Account	10,867
Total Schemes Delivered by Subsidiary Companies and Joint Ventures	16,122

Actual capital spend as at 31st July 2021 is £16.871 million representing approximately 18% of the revised budget. This is shown in section 4. (Outstanding creditors totalling £0.624 million 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 on the following pages.

Total Schemes Delivered by General Fund

Investment Area	Revised Budget 2021/22 £'000	Outturn to 31 st July 2021 £'000	Current Variance to 31 st July 2021 £'000	Expected outturn 2021/22 £'000	Latest Expected Variance to Revised Budget 2021/22 £'000	Amended Budget 2022/23 to 2025/26 £'000
General Fund Housing	709	118	(591)	709	-	5,404
Social Care	6,487	1,479	(5,008)	6,487	-	203
Schools	3,231	324	(2,907)	3,231	-	1,462
Enterprise & Regeneration	8,326	1,620	(6,706)	8,773	447	10,150
Southend Pier	5,835	831	(5,004)	5,835	-	10,000
Culture & Tourism	1,634	237	(1,397)	1,634	-	-
Community Safety	3,427	25	(3,402)	3,427	-	-
Highways & Infrastructure	29,385	4,521	(24,864)	24,440	(4,945)	22,853
Works to Property	3,029	510	(2,519)	2,791	(238)	10,919
Energy Saving	433	40	(393)	433	-	1,706
ICT	4,741	2,182	(2,559)	4,741	-	1,726
S106/S38/CIL	456	22	(434)	546	90	236
Total	67,693	11,909	(55,784)	63,047	(4,646)	64,659

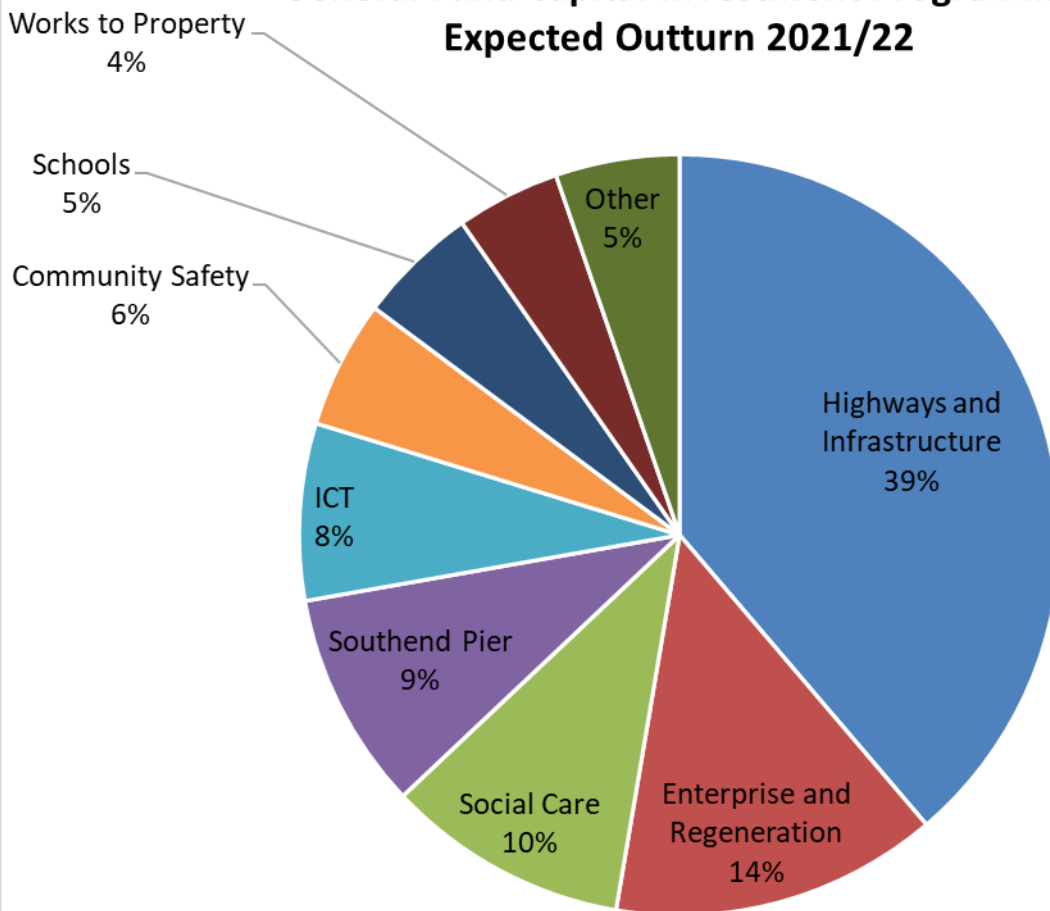
Total Schemes Delivered by Housing Revenue Account

Investment Area	Revised Budget 2021/22 £'000	Outturn to 31st July 2021 £'000	Current Variance to 31st July 2021 £'000	Expected outturn 2021/22 £'000	Latest Expected Variance to Revised Budget 2021/22 £'000	Amended Budget 2022/23 to 2025/26 £'000
Council Housing New Build Programme	2,925	24	(2,901)	2,925	-	10,772
Council Housing Acquisitions Programme	7,227	2,812	(4,415)	7,227	-	5,506
Council Housing Refurbishment – Disabled Adaptations	715	201	(514)	715	-	2,316
Total	10,867	3,037	(7,830)	10,867	0	18,594

Total Schemes Delivered by Subsidiary Companies and Joint Ventures

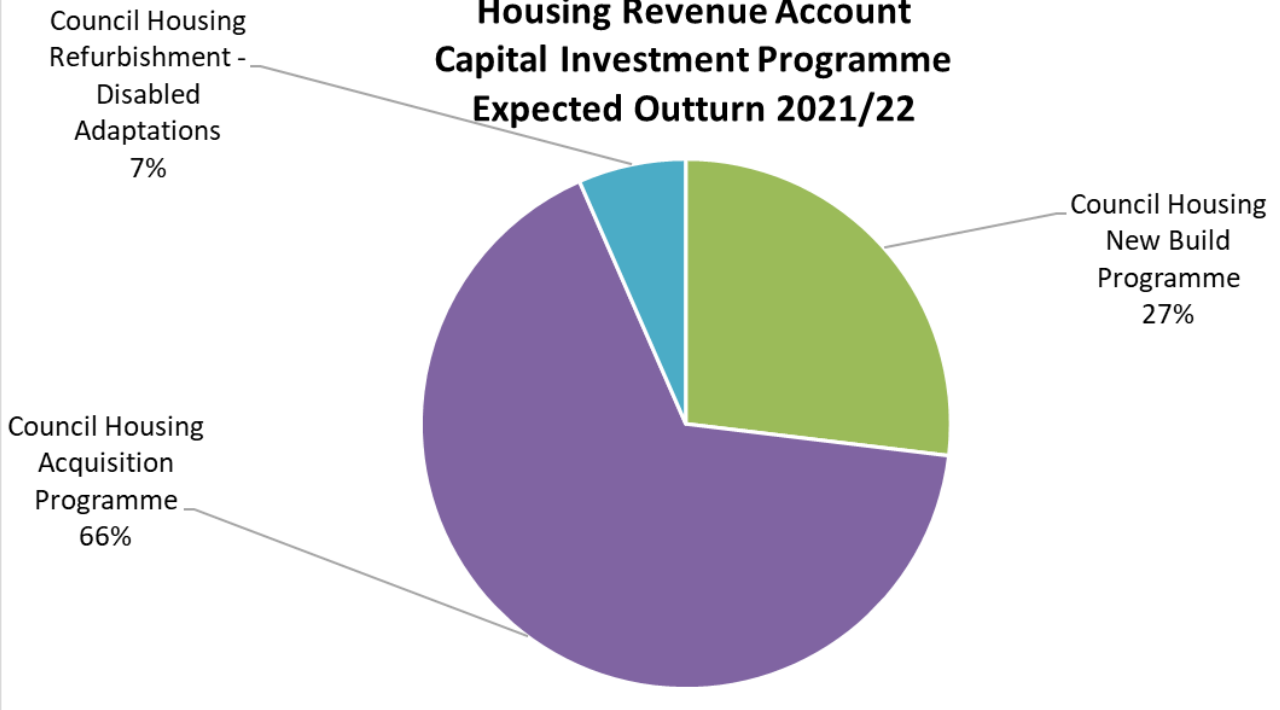
Investment Area	Revised Budget 2021/22 £'000	Outturn to 31st July 2021 £'000	Current Variance to 31st July 2021 £'000	Expected outturn 2021/22 £'000	Latest Expected Variance to Revised Budget 2021/22 £'000	Amended Budget 2022/23 to 2025/26 £'000
Council Housing Refurbishment	9,672	1,250	(8,422)	9,672	-	20,356
Enterprise and Regeneration	6,450	675	(5,775)	6,450	-	25,500
Total	16,122	1,925	(14,197)	16,122	0	45,856

General Fund Capital Investment Programme Expected Outturn 2021/22

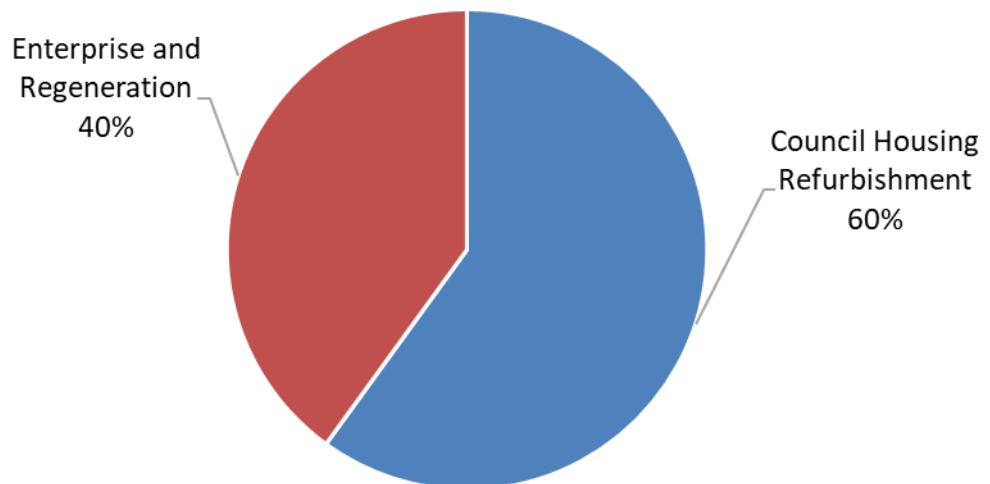


Other	Expected Outturn 2021/22
Culture and Tourism	£ 1,634
General Fund Housing	£ 709
S106/S38/CIL	£ 546
Energy Saving	£ 433
	£ 3,322

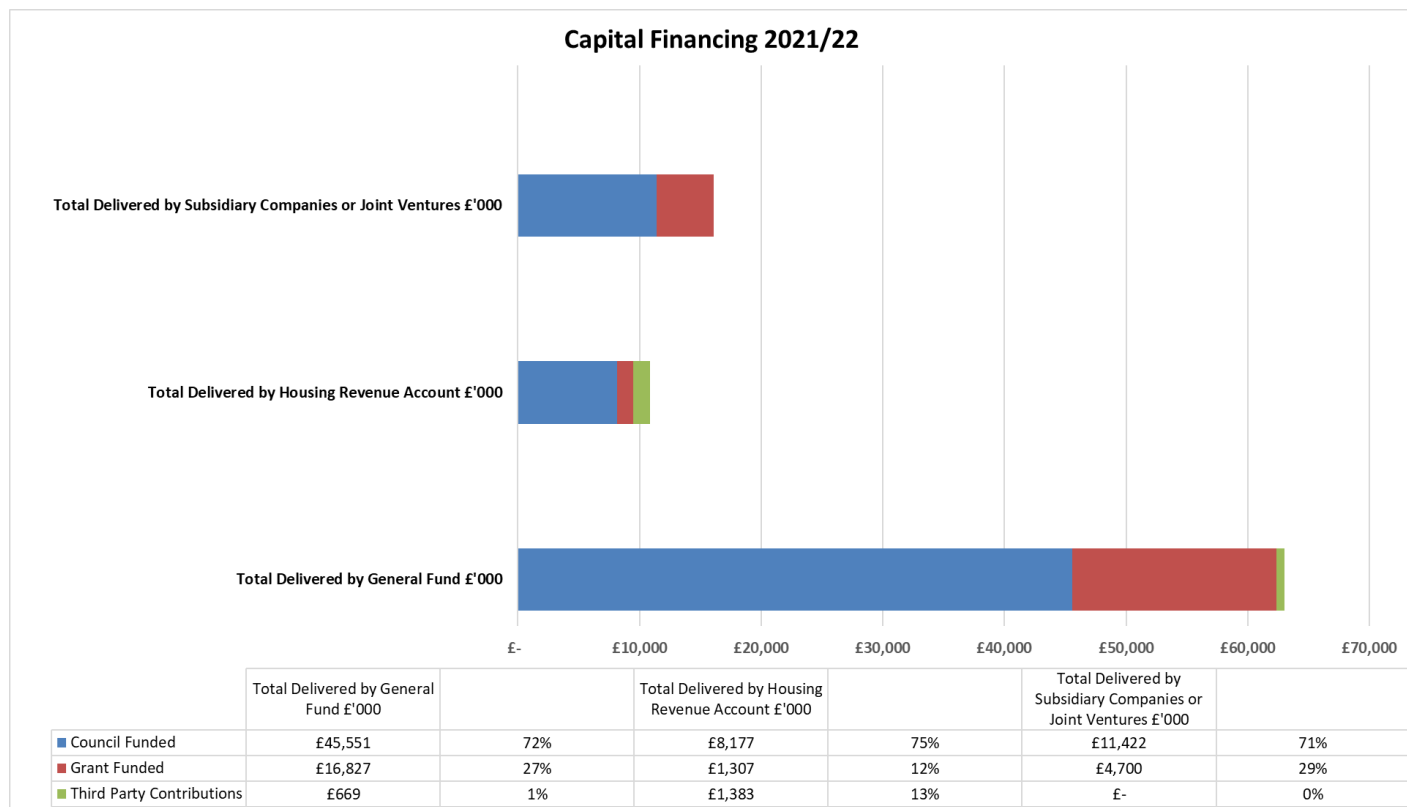
**Housing Revenue Account
Capital Investment Programme
Expected Outturn 2021/22**



**Capital Investment Programme Delivered by Subsidiary Companies or
Joint Ventures
Expected Outturn 2021/22**



The capital investment for 2021/22 is proposed to be funded as follows:



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

Of the £24.886 million of external funding expected, £15.627 million had been received by 31st July. The outstanding amounts mainly relate to Local Growth Fund schemes.

Strategic Schemes

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

£73.894 million of this relates to strategic schemes and approximately 20% spend has been achieved to date for these strategic schemes.

Investment Area	Scheme	Revised Budget 2021/22 £000	Outturn to 31st July 2021 £000	Expected outturn 2021/22 £000	Latest Expected Variance to Revised Budget 2021/22 £000	Budget 2022/23 to 2025/26 £000
Strategic Schemes						
Enterprise and Regeneration	Airport Business Park (including Local Growth Fund)	5,647	1,260	5,647	-	7,800
Enterprise and Regeneration	Airport Business Park - Acquisition	1,036	207	1,036	-	-
Enterprise and Regeneration	Better Queensway - Programme Management	611	152	1,058	447	990
Enterprise and Regeneration	Victoria Centre	762	-	762	-	500
Social Care	Delaware and Priory New Build	6,250	1,419	6,250	-	-
Schools	School Improvement and Provision of School Places	560	1	560	-	-
Southend Pier	Southend Pier schemes	5,835	831	5,835	-	10,000
ICT	ICT schemes	4,741	2,182	4,741	-	1,726
Highways and Infrastructure	Footways and Carriageways Schemes	11,331	2,023	11,469	138	16,650
Highways and Infrastructure	Parking Schemes	915	233	805	(110)	410
Highways and Infrastructure	Highways and Infrastructure - Local Growth Fund and Local Transport Plan Schemes	10,227	1,805	9,253	(974)	974
Total General Fund Strategic Schemes		47,915	10,113	47,416	(499)	39,050
Council Housing New Build Programme	Construction of New Housing on HRA Land	2,925	24	2,925	-	10,772
Council Housing Acquisitions	HRA Affordable Housing Acquisitions Programme	3,000	275	3,000	-	3,706
Council Housing Acquisitions	Next Steps Accommodation Programme	3,123	2,428	3,123	-	-
Council Housing Acquisitions	Acquisition of Tower Block Leaseholds - Queensway	809	94	809	-	1,800
Total HRA Strategic Schemes		9,857	2,821	9,857	-	16,278
Council Housing Refurbishment	HRA Decent Homes Programme	9,672	1,250	9,672	-	20,356
Enterprise and Regeneration	Better Queensway - Loan to Joint Venture	1,750	175	1,750	-	11,000
Enterprise and Regeneration	Housing Infrastructure Funding	500	500	500	-	14,500
Enterprise and Regeneration	Better Queensway Energy Centre	4,200	-	4,200	-	-
Total Delivered by Subsidiary Companies and Joint Ventures Strategic Schemes		16,122	1,925	16,122	-	45,856
Total Strategic Schemes		73,894	14,859	73,395	(499)	101,184
Other Schemes						
Other General Fund Capital Investment Schemes		19,778	1,796	15,631	(4,147)	25,609
Other HRA Capital Investment Schemes		1,010	216	1,010	-	2,316
Other Delivered by Subsidiary Companies and Joint Ventures Capital Investment Schemes		-	-	-	-	-
Total Schemes						
TOTAL GENERAL FUND SCHEMES		67,693	11,909	63,047	(4,646)	64,659
TOTAL HRA SCHEMES		10,867	3,037	10,867	-	18,594
TOTAL DELIVERED BY SUBSIDIARY COMPANIES AND JOINT VENTURES SCHEMES		16,122	1,925	16,122	-	45,856
		94,682	16,871	90,036	(4,646)	129,109

2. Progress of schemes for 2021/22

Total Schemes Delivered by General Fund

Enterprise & Regeneration

Progress of the Airport Business Park continues at a good pace and the Costa Coffee building construction reached project completion at the end of July 2021 and has now been handed over to Costa for internal fit out. It is expected that the Costa Coffee building will open this financial year. The launchpad construction still progressing on time and to budget.

The Better Queensway Programme Management team presented a business case to July Investment Board following a review of the project and an updated financial position. £1,437k is included within this report (£447k in 2021/22 and £990k in 2022/23) as a request for additional budget.

Social Care

The Delaware and Priory New Build works are progressing on site and the new contract administrator has established clear communication routes with regular on site design team meetings.

The handover of the new building is expected to occur early Autumn and will be followed by a three-month commissioning period.

Schools

Projects within the School Improvement and Provision of School Places scheme are now complete with just final retention payments remaining. The scheme has achieved expansions across 6 secondary schools, meeting statutory duties to ensure sufficiency.

The council has received £1.1m in 2021/22 for High Needs Provision. This is the first year that the funding has been made available to local authorities and is to support the provision of new places for children with special educational needs and disabilities or requiring alternative provision. Options are being considered to use the funding to establish a further primary and a further secondary Autism resource base.

Southend Pier

The current phase of the Pier and Anchor Bay works is nearing completion and expected to complete by the end of the summer. Future phases of these works will be subject to future capital bids.

Options are currently being developed by the appointed structural engineers for the Prince George Extension and the Timber Outer Pier Head schemes.

Planning has been granted for the new pavilion buildings and tender documents are currently being prepared.

The delivery of the new pier trains has been delayed due to a paint defect identified during factory acceptance testing and a new delivery date of September 2021 has been confirmed.

Highways & Infrastructure

Following a comprehensive review of the Highways and infrastructure capital programme carry forwards of £4.933m have been identified and requested within this report to be carried forward into financial year 2022/23. The capital programme now reflects the plan of works.

£2.950m relates to the Belton Highways Protection works which due to ongoing investigative work will now not complete until 2022/23.

We have received confirmation from the Department for Transport that Local Transport Programme (LTP) funding may be carried forward into future financial years. £1.474m in relation to these programmes is requested to be carried forward to 2022/23 to reflect this.

Planning permission and network rail permissions are being sought in order to carry out Bridge Strengthening works throughout the borough. Due to the time taken to receive these permissions it is requested within this report to carry forward £749k to 2022/23 when it is expected works will commence.

£110k carry forward is requested within this report in relation to Car Park Infrastructure Improvements due to rescheduling of the maintenance programme the works will now be completed in 2022/23.

Works in relation to the Zebra Crossing Surfacing Replacement scheme are progressing quicker than expected and therefore an accelerated delivery of £200k is requested within this report (£138k into 2021/22 and £62k into 2022/23).

A business case was presented to July Investment Board regarding budget for a refurbishment programme of the boroughs Groyne Field. Groynes play an important role in maintaining beach profiles which benefits the amenity use for both residents and visitors as well as assisting in reducing maintenance costs of coastal defences. £200k is included within this report as a request for additional budget.

Works to Property

Following a review of the council's work programme all projects have been reviewed and as a result a carry forward requests totalling £238k are included within this report so that funding reflects the resourced work programme.

A programme of works has been established and is under way for both the Fire Improvement Works and the councils Property Refurbishment Programme.

ICT

Projects are well underway and expected to be delivered in this financial year with a number of phases of projects already delivered.

S106/S38/CIL

S38 and CIL funding have been received and these monies are expected to be spent by the end of 2021/22 therefore a request has been included in this report for budget of £90k to be added to the capital investment programme.

Total Schemes Delivered by Housing Revenue Account

Council Housing New Build Programme

The Housing Construction Schemes are progressing well and at pace. Planning has been applied for and granted for Phase 3, Eagle Way. Contract amendments are now finalised and we are currently awaiting contract signatures for the Housing Construction Scheme - Modern Methods of Construction, Archer Avenue. Discussions are also ongoing with the highways department regarding site access to assist with the pre-application and planning process of this phase.

Council Housing Acquisitions Programme

The Next Steps Accommodation Programme is now near completion. In total 18 properties have been purchased and there is one further property with solicitors to progress the purchase. Of the 19 properties, 16 have now been handed over to lettings, one property is currently having void works carried out and 9 properties are now tenanted.

We have received confirmation that grant funding for these properties has been extended until the 30th August 2021 and all properties are on target to be completed by then.

The Affordable Housing Acquisitions Programme continues and is well positioned to successfully deliver the Acquisitions Programme for 2021/22.

As at the end of July there were 5 completions totalling £907k and there are 7 further properties with solicitors (after aborting the purchase of one property), totalling £1.650m. The combined total therefore is 12 properties and £2.557m committed spend.

Total Schemes Delivered by Subsidiary Companies and Joint Ventures

Council Housing Refurbishment

The Decent Homes Programme is well underway for 2021/22.

£500k is included within this report as a request for additional budget for the Balmoral Estate Improvement and Structural Works as the financial requirement is higher than previously expected following the tender process.

Enterprise and Regeneration

Grant funding in relation to the Housing Infrastructure Funding and the Better Queensway Energy Centre will be passported to Porters Place Southend-on-Sea LLP as the funding is received from Homes England.

As at the end of July 2021 £500k of grant funding has been received in relation to the Housing Infrastructure Funding and has been passported to the LLP.

3. Requested Changes to the Capital Investment Programme

Carry Forwards to Future Years – programme to be delivered by the Council

Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
62 Avenue Road - demolition	(39)	39				0
Clearance and Fencing - Land off Sutton Road	(2)	2				0
Seaways - HCA Condition Funding	(170)	170				0
SMAC Eastern Esplanade Slipway	(27)	27				0
Belton Way Highways Protection	(2,950)	2,950				0
Car Park Improvements	(110)	110				0
Emergency Active Travel Fund Tranche 2	(500)	500				0
Challenge Fund - Bridge Strengthening	(749)	749				0
LTP Better Networks & Traffic Management Schemes	(424)	424				0
LTP Better Sustainable Transport	(200)	200				0
LTP (Integrated Transport block) - Traffic Control Systems	(50)	50				0
LTP (Integrated Transport block) - Bridge Strengthening	(150)	150				0
LTP (Integrated Transport block) - Better Sustainable Transport	(150)	150				0
Total Carry Forwards - programme to be delivered by the Council	(5,521)	5,521	0	0	0	0

Accelerated Deliveries - programme to be delivered by the Council

Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Zebra Crossing Surfacing Replacement	138	62	(200)			0
Total Accelerated Deliveries - programme to be delivered by the Council	138	62	(200)	0	0	0

Additions to the Programme - programme to be delivered by the Council

Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Better Queensway - Programme Management	447	990				1,437
Groyne Field Repair Programme	200					200
Total Additions to the Programme - programme to be delivered by the Council	647	990	0	0	0	1,637

Additions to the Programme – programme to be delivered by subsidiary companies and joint ventures

Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Balmoral Estate Improvement and Structural Works		500				500

Total Additions to the Programme - programme to be delivered by subsidiary companies and joint ventures

0	500	0	0	0	0	500
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Virements between schemes - programme to be delivered by the Council

Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
<u>Virements already actioned</u>						
Priority Works	(54)					(54)
Pier Royal Pavillion - unforeseen works	45					45
Sea Wall - Remedial Repairs	1					1
Shoebury Garrison - Lockable Gate	1					1
8 Smallholdings boiler replacement	(3)					(3)
Kursaal surveys (LUF)	10					10

Total Virements between schemes - programme to be delivered by the Council

0	0	0	0	0	0	0
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New External Funding - programme to be delivered by the Council

Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
CIL Ward NA – Blenheim Park – Blenheim Park 'Makeover'	5					5
S38 Lidl Highway – Bond	15					15
S278 Star Lane - Great Wakering	70					70

Total New External Funding - programme to be delivered by the Council

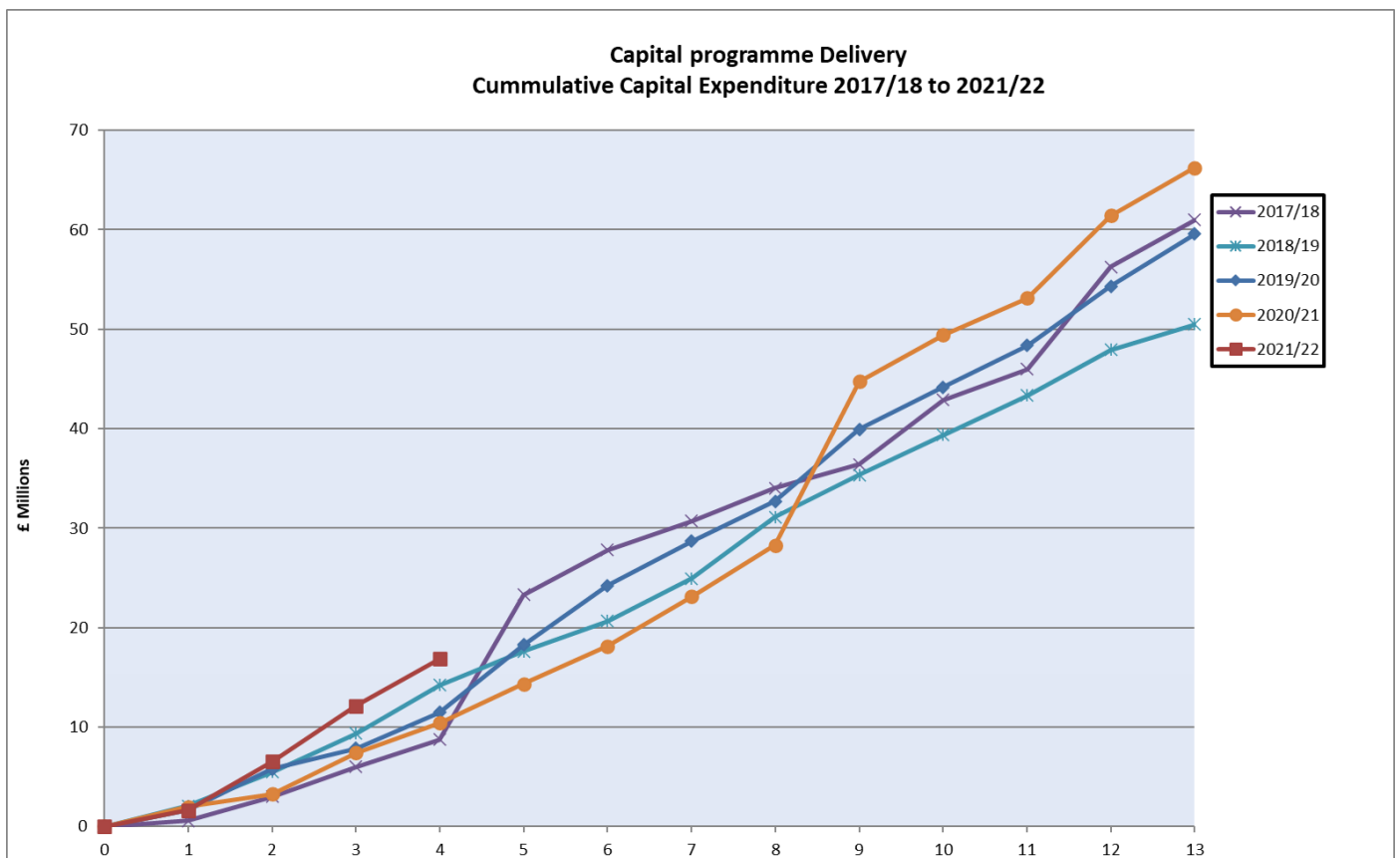
90	0	0	0	0	0	90
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4. Summary of Capital Expenditure at 31st July

	Original Budget 2021/22	Revisions	Revised Budget 2021/22	Actual 2021/22	Forecast outturn 2021/22	Forecast Variance to Year End 2021/22	% Variance
	£000	£000	£000	£000	£000	£000	£000
General Fund Housing	827	(118)	709	118	709	-	17%
Social Care	6,735	(248)	6,487	1,479	6,487	-	23%
Schools	1,953	1,278	3,231	324	3,231	-	10%
Enterprise and Regeneration	7,681	645	8,326	1,620	8,773	447	19%
Southend Pier	6,748	(913)	5,835	831	5,835	-	14%
Culture and Tourism	940	694	1,634	237	1,634	-	14%
Community Safety	2,199	1,228	3,427	25	3,427	-	1%
Highways and Infrastructure	25,398	3,987	29,385	4,521	24,440	(4,945)	15%
Works to Property	3,114	(85)	3,029	510	2,791	(238)	17%
Energy Saving	713	(280)	433	40	433	-	9%
ICT	3,012	1,729	4,741	2,182	4,741	-	46%
S106/S38/CIL	372	84	456	22	546	90	5%
TOTAL PROGRAMME TO BE DELIVERED BY THE GENERAL FUND	59,692	8,001	67,693	11,909	63,047	(4,646)	18%
Council Housing New Build Programme	5,679	(2,754)	2,925	24	2,925	-	1%
Council Housing Acquisitions Programme	3,173	4,054	7,227	2,812	7,227	-	39%
Council Housing Refurbishment - Disabled Adaptations	770	(55)	715	201	715	-	28%
TOTAL PROGRAMME TO BE DELIVERED BY THE HOUSING REVENUE ACCOUNT	9,622	1,245	10,867	3,037	10,867	-	28%
Council Housing Refurbishment	9,318	354	9,672	1,250	9,672	-	13%
Enterprise and Regeneration	1,250	5,200	6,450	675	6,450	-	10%
TOTAL PROGRAMME TO BE DELIVERED BY SUBSIDIARY COMPANIES OR JOINT VENTURES	10,568	5,554	16,122	1,925	16,122	-	12%
Council Approved Original Budget - February 2021	79,882						
Programme to be delivered by the Council							
General Fund Housing	(118)						
Social Care	(248)						
Schools	1,278						
Enterprise and Regeneration	645						
Southend Pier	(913)						
Culture and Tourism	694						
Community Safety	1,228						
Highways and Infrastructure	3,987						
Works to Property	(85)						
Energy Saving	(280)						
ICT	1,729						
S106/S38/CIL	84						
Council Housing New Build Programme	(2,754)						
Council Housing Acquisitions Programme	4,054						
Council Housing Refurbishment - Disabled Adaptations	(55)						
Programme to be delivered by Subsidiary companies or Joint Ventures							
Council Housing Refurbishment	354						
Enterprise and Regeneration	5,200						
Council Approved Revised Budget - June 2021	94,682						

**Actual compared to Revised Budget spent is
£16.871M or 18%**

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
2020/21	66.1	81.0