

CAPITAL PROGRAMME MONITORING AS AT DECEMBER 2020

1 - Statement of Budget Movement

The table below summarises the movement in budget from month 6 to month 9 20/21 and Capital programme budget position as at December 2020.

	2020/21	2017/22	Future	Total	Comments
Month 6 Approved Budget	222.3	222.8	377.4	822.6	ADDITIONS +£28.9 - Inclusion of Council Housing Electrical Upgrade Phase 2 +£14.4m - Inclusion of Council Housing Elements Contract +£4.8 - Inclusion of Heat for City Programme +£1.5m - Inclusion of Council Housing Sanitiser Contract +£0.5m - Inclusion of Electric Taxi Trial purchase costs +£0.5m - City Park +£0.5m - Care Leavers Accommodation
Month 9 Approved Budget	210.8	227.1	393.0	830.9	

2 - Top 20 Projects by value as at December 2020

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2020/21. This group accounts for 57% of the 2020/21 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT	Current Year							Remaining Life of Project							Comments
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Delivery Forecast RAG	All Years Variance	Delivery Forecast RAG		
H Henrys Block	927	7,661	(6,734)	3,297	15,161	(11,863)	-76.3%	NR	26,956	26,956	(0)	0.0%	NR	See Item 4.1	
Med Finance	10,981	10,981	0	14,641	14,641	(0)	0.0%	NR	64,378	64,378	(0)	0.0%	NR		
Nbch-p04e-adlington Rd-opit	5,452	9,461	(3,999)	8,530	12,895	(4,365)	-33.8%	G	20,827	20,827	(0)	0.0%	G	See Item 4.5	
B Laycock House New Build	5,363	7,040	(1,677)	9,057	11,305	(2,248)	-19.9%	A	17,089	17,089	(0)	0.0%	A	The construction costs have been re-profiled to reflect the latest delayed programme	
C Pepper Pot Building	5,050	5,381	(332)	8,176	9,358	(1,182)	-12.6%	A	16,589	16,589	(0)	0.0%	A	The construction costs have been re-profiled to reflect the latest delayed programme	
Brownfield Site	379	1,428	(1,049)	1,992	6,058	(4,466)	-73.7%	NR	6,058	6,058	(0)	0.0%	NR	See Item 4.4	
Stock Increase (chs)	-	-	-	128	5,100	(4,972)	-97.3%	G	192,308	141,834	50,474	35.6%	G	See 4.2 re: current year variance. All year variance relates to new programme forecast awaiting approval	
Nbch-p10-daesbury/barners-gn	1,765	2,892	(1,127)	2,780	4,981	(2,200)	-44.2%	G	12,172	12,172	(0)	0.0%	G	COVID delays leading to slippage on programme	
Heating, Energy Effici & Carbon Red	-	-	-	4,693	(4,693)	0	100.0%	NR	22,704	28,086	(5,383)	-19.2%	NR	See Item 4.3 re: Current Year variance. All year variance relates to new programme forecast awaiting approval	
Udv Flood Scheme Phase 1	2,461	2,545	(84)	4,013	4,097	(84)	-2.1%	A	8,342	8,342	(0)	0.0%	A	Delays due to obtaining work permits from Environment Agency and dispute with landowner	
Council Hq Acquisitions Prog	2,625	2,430	195	3,701	3,748	(48)	-1.3%	G	47,172	31,860	15,312	48.1%	G	All year variance relates to new programme forecast awaiting approval	
Electrical Strategy	2,133	1,375	757	3,166	3,727	(561)	-15.1%	G	3,727	3,727	(0)	0.0%	G	Delay to programme due to COVID 19	
Hbc II Block 1	3,371	3,436	(65)	3,436	3,436	0	0.0%	NR	3,436	3,436	-	0.0%	NR		
Interim Ta Accommodation	-	-	-	3,250	(3,250)	0	100.0%	G	3,250	3,250	-	0.0%	G	See Item 4.6	
Transport Efficiency 20-21	1,451	2,066	(614)	3,195	3,195	0	0.0%	NR	3,195	3,195	(0)	0.0%	NR		
Clean Bus Technology	1,040	3,000	(1,940)	2,396	3,194	(807)	-25.3%	NR	3,194	3,194	(0)	0.0%	NR	The impact of Covid has led to delays in retrofitting programme. A programme extension until the end of May 21 has been agreed with the funding provider	
G Wellington St Car Park	239	1,968	(1,730)	2,981	(2,594)	417	-87.0%	NR	4,811	4,811	(0)	0.0%	NR	See Item 4.8	
Caz Anpr Infra	120	1,960	(1,840)	171	2,961	(2,790)	-94.2%	A	2,961	2,961	(0)	0.0%	A	See Item 4.7	
Srj Offices	126	2,266	(2,140)	1,622	2,881	(1,259)	-43.7%	A	2,881	2,881	(0)	0.0%	A	COVID 19 has impacted on letting of the remaining units, therefore the capital contribution and final fit out provisions have been slippage into 21/22	
A Palatine Chambers Block	1,465	1,513	(47)	1,963	2,813	(850)	-30.2%	NR	45,937	45,937	(0)	0.0%	NR	Extended tender process has resulted in a delay to the start of the construction stage	
Top 20 Value	46,068	67,988	(21,920)	72,243	120,477	(48,234)	-40.0%		537,987	477,583	60,404				
Rest of Programme	39,546	57,631	(18,085)	66,055	90,316	(24,261)	-26.9%		366,054	353,310	12,745				
Total Capital Programme Value	85,614	125,619	(40,005)	138,298	210,793	(72,495)	-34.4%		904,041	830,893	73,148				
% of Programme within the Top 20	54%	54%	55%	52%	57%	67%			60%	57%	83%				

3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £72.5m below budget, an increase of £17.6m from the £54.9m reported at month 6. The key variations by board are explained below. The overall expenditure forecast has fallen overall by £29m but this has been offset by budget approvals bringing budgets in line with forecasts. This fall in forecast expenditure was expected as the impact of COVID 19 began to be fed into contractors delivery plans and impacted upon tenders for new schemes

BOARD	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
HEART OF THE CITY II	22,187	36,375	(14,188)	36,069	58,208	(22,140)	Key Variance: - In addition to slippage on Blocks B&C due to COVID and facade attention issues (£4.4m) - Slippage on SRJ Offices - COVID Delays to securing final tenants (£1.3m)
QUALITY OF LIFE	11,727	12,479	(752)	16,266	17,059	(793)	Key Variance: - Slippage on City Centre Safety Scheme (£0.7m) - Slippage on General Cemetery Scheme (£0.3m)
HOUSING GROWTH	14,703	21,423	(6,720)	23,947	46,100	(22,152)	Key Variance: - See Item 4.2 - Stock Increase Block Allocation (£4.9m) - See Item 4.5 - Adlington (£4.4m) - See Item 4.6 - Slippage on Interim Temp Accommodation (£4.2m) - See Item 4.10 - Slippage on Brinkburn Street (£3.9m)
HOUSING INVESTMENT	12,469	13,363	(893)	18,424	34,734	(16,310)	Key Variance: - Review of Q number Block Allocations, now not likely to be utilised in 2021 - (£41.6m) - COVID 19 delays on Discipline Heating, and Electrical Replacement works (£2.1m) - COVID 19 Delays to Adaptions Work (£0.8m) - COVID 19 Delays to Roofing Replacement programme (£0.8m)
ECONOMIC GROWTH	4,786	6,898	(2,112)	7,800	9,228	(1,428)	Key Variance: - Caer Review Scheme Forecast saving (£0.7m) - HR Junctions Scheme forecast saving (£0.7m)
ESSENTIAL COMPLIANCE & MAINT	5,477	7,593	(2,116)	8,504	9,811	(1,307)	Key Variance: - Forecast slippage on Bohills Pavilion reinstatement (£180k) - Forecast over-spending on Sate House IRA (£180k)
TRANSPORT	5,735	12,683	(6,948)	10,295	15,687	(5,392)	Key Variance: - CAZ Program Slippage (£3.1m) - Clean Bus Technology Slippage (£0.8m)
PEOPLE CAPITAL & GROWTH	6,734	12,276	(5,542)	13,385	16,257	(2,872)	Key Variance: - Alton Sports Pitch Slippage (£0.7m) - Pipeworth Structural Works slippage (£0.7m) - Disabled Facilities Grant Forecast over forecast to be below budget due to Covid 19 restrictions in accessing client properties (£0.4m) - Shaft Training Centre not progressing saving (£0.2m) - Mosaicfire Meadow - FEL places slippage (£0.2m)
ICT	1,447	1,447	-	1,447	1,447	-	
GREEN & OPEN SPACES	132	1,082	(950)	1,705	2,241	(536)	Key Variance: - Slippage on Matheas Lane Cricket Pavilion scheme (£366k) - Slippage on Park 5106 Programme (£200k) - Acceleration Play Investment Project (£120k)
CORPORATE	57	-	57	57	57	-	- Reflects HCA grant repayment regarding sale of council house
Grand Total	85,614	125,619	(40,005)	138,298	210,793	(72,495)	

4 - Top 10 Forecast Slippage against Full Year Budget

Of the £43.7m of key variations identified below £22m relate to block allocations not yet approved for specific projects. £7.2m of slippage/reprofiles on schemes in delivery or out to tender are directly as a result of the impact of COVID. Slippage on Heart of the City reflects the latest forecast from contractors on construction elements and revisions to delivery model

Business Unit	Board	FY Budget	FY variance on budget	Explanation
4.1 H Henrys Block	HEART OF THE CITY II	15,161	(11,863)	REPROFILE: Appointment of construction contractor delayed and more prudent assumption about level of early works likely when they commence on site in February. Also reprofile of Development Management costs to revised construction program and recalculation of interest charges. Budget reprofile approved at January Cabinet will be reflected in Feb monitoring.
4.2 Stock Increase (chs)	HOUSING GROWTH	5,100	(4,972)	REPROFILE: Review of Stock Increase programme in light of COVID issue revealed that some schemes anticipated to come forward in 2021 will now be later. Formal reprofile requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
4.3 Heating, Energy Effici & Carbon Red	HOUSING INVESTMENT	4,693	(4,693)	REPROFILE: Review of the current projects to HRA properties has been undertaken and due to COVID 19 and prolonged project timescales, reprofiling is required to reflect the revised project delivery plans and anticipated expenditure in 2020/21. These projects are anticipated to start on site during 2021/22. Formal reprofile requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
4.4 Brownfield Site	HOUSING GROWTH	6,058	(4,466)	REPROFILE: Purchase of Cannon Brewery Site now expected in 21/22. Delay due to COVID
4.5 Nbch-p04e-adlington Rd-opit	HOUSING GROWTH	12,895	(4,365)	SLIPPAGE: Delays have been incurred as a result of Covid 19 and the suspension of works on site and the furlough of inspection staff. Sequences of works has been adjusted to adapt to delays to LABC inspections. Contractors revised cash flow received and included in forecast figures. Formal reprofile requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
4.6 Interim Ta Accommodation	HOUSING GROWTH	3,250	(3,250)	REPROFILE: New unlikely that suitable accommodation will be available to purchase in current financial year. Formal reprofile requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
4.7 Caz Anpr Infra	TRANSPORT	2,961	(2,790)	SLIPPAGE: Variations between YTD budget and YTD expenditure exist as a consequence of the delayed JAGU confirmation of approval of OSC and the release of allocation of funding, as a consequence of both the restrictions to appoint the preferred supplier due to the legal challenge and the Covid-19 pandemic national/local 'lockdown' measures. Budget reprofile approved at January Cabinet will be reflected in Feb monitoring.
4.8 G Wellington St Car Park	HEART OF THE CITY II	2,981	(2,594)	REPROFILE: Plans for delivery of this element of the scheme revised to be private developer led. Budget reprofile approved at January Cabinet will be reflected in Feb monitoring.
4.9 Communal Areas Investment	HOUSING INVESTMENT	2,432	(2,432)	REPROFILE: Currently projecting an uncertain due to delays to developing the project information and project development at pre tender stages due to Covid 19, the project delivery stage is anticipated to be during 2021/22. Formal reprofile requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
4.10 Enveloping & External Work	HOUSING INVESTMENT	2,264	(2,264)	REPROFILE: A review of the pipeline external works projects to HRA properties has been undertaken and due to COVID 19 and extended project timescales, reprofiling is required to reflect the revised project delivery plans and anticipated expenditure in 2020/21. Formal reprofile requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
Total		57,796	(43,490)	

5 - Top 10 Forecast Overspends over Full Year Budget

Housing Investment and Growth schemes will form an additional call on the HRA. It is anticipated that TCF costs will be met from grant income a proportion of which is already covered by budget variations that will be reflected in February figures. Overspend on Accelerated adaptations can be met from exiting DFG resources.

Business Unit	Board	FY Budget	FY variance on budget	Explanation
5.1 General/rtb Acquisitions Chs	HOUSING GROWTH	546	573	OVERSPEND - The average cost of refurbishment to acquired properties has increased mainly due to the increase in works required. The impact of this means that there is a budget pressure for this work stream resulting in a forecasted overspend. Budget increase requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
5.2 Kitchen/bathrm Planned Replmt	HOUSING INVESTMENT	920	500	OVERSPEND - Forecast profile revised to reflect the principle approval to extend the contract through to March 2021. The project is currently predicting an overspend of £482k. The overspend is due to the addition of Temporary Accommodation (TA) properties, conversion works at Creswick Way and fire-damaged void works, this in addition to void properties that will be brought up to the Decent Homes Standard during the last quarter of the financial year. There are 10 fire-damaged void properties and 1 TA Sundry that have been taken from RMS and added to this capital programme, all of which have been classified as a strategic priority. The costs of these will be recharged back to RMS on the basis of RMS's original estimates. Any additional costs identified such as upgrading full kitchens/bathrooms, rewires etc. that have not been identified as part of RMS's will be charged to the capital scheme. Budget increase requested as part of Housing programme refresh approved at January cabinet will be reflected in February monitoring.
5.3 Tcf Sw Bus Corridors	TRANSPORT	99	290	OVERSPEND - Budget increase approved at January Cabinet will reduce this overspend to £90k which will be met from TCF stage 2 payments.
5.4 Heating Breakdowns	HOUSING INVESTMENT	600	266	OVERSPEND - Demand for boiler and full heating replacements in December was well above the planned output figures (see above). This area of work is now expected to exceed the budget and will require a variation (Overspend predicted at approximately £260k). Increasing the number of boiler only installs does reduce the average cost per unit and has therefore increased the number units possible for the specified budget. The predicted unit output has increased (520 now predicted - 322 original planned outputs) and the upward trend looks to continue. As this project is entirely governed by demand (i.e. heating failures), the need to make variations is also completely governed by that demand. This budget is massively influenced by the cessation of the obsolete programme.
5.5 Tcf Magna Mhall Cycling	TRANSPORT	58	252	OVERSPEND - Budget increase approved at January Cabinet will reduce this overspend to £107k which will be met from TCF stage 2 payments.
5.6 Accelerated Adaptations Grant	PEOPLE CAPITAL & GROWTH	580	188	OVERSPEND - Increased capacity and improved procurement leading to expected increased outputs
5.7 Tcf City Centre	TRANSPORT	172	162	AWAITING APPROVAL - Budget increase approved at January Cabinet. will be reflected in February figures.
5.8 Ewi Non-traditional 3	HOUSING INVESTMENT	77	157	AWAITING APPROVAL - Outturn forecast all years is higher than the currently approved budget due to a request from Housing to continue with design work prior to Gateway 2 submission. PM has submitted a paper to Homes Board to draw down advanced funding to cover this work.
5.9 Tcf Housing Zone North	TRANSPORT	140	131	Overspend - Awaiting outcome of discussions re: street furniture options
5.10 Ewi Non-traditional 2	HOUSING INVESTMENT	52	126	AWAITING APPROVAL - Outturn forecast all years is higher than the currently approved budget due to a request from Housing to continue with design work prior to Gateway 2 submission. PM has submitted a paper to Homes Board to draw down advanced funding to cover this work.
Total		3,244	2,646	

Key Risks

Key risk areas continue to be:

- Schemes funded via time limited grants - at the moment key grants identified appear to be managing this risk. **Potential risk now against Transforming Cities Tranche 1 funding £0.8m spend required to be delivered before 31st March. Work ongoing to assess whether this will be possible.**

- Use of Right To Buy 1-4-1 receipts - Buffer now expected to fall to £600k at lowest point. MHCLG have granted a blanket extension until the end of the financial year. Current forecasts indicate no repayment will be required but requires no further fall behind in spending on Adlington.