

ITEM NO: 9(iii) Appendix 2

CAPITAL OUTTURN 2008/09 – DETAILS OF SIGNIFICANT VARIANCES

ADULT SOCIAL CARE & HEALTH £320,000 underspend

The spend for the year is **£890,000**. This can be compared with the budgeted figure for 2008/09 of **£1,210,000** resulting in an under spend of **£320,000**, which represents a percentage under spend against budget of **26.4%**.

There are no CORPORATE key issues for the Portfolio.

The OTHER key issues for the Portfolio are.

ASCH 1 – Southampton Day Services - Modernisation of Freemantle Community Centre (favourable current year variance £109,000),

Work on the project was delayed due to problems in procuring windows for the build. This led to two months of downtime until the windows were delivered.

During the year the Surveyor reported that the construction of the Community Centre was progressing on time, however during the last quarter it came to light that the windows had not been ordered to coincide with the progression of the build, due to an oversight. Consequently, this had halted work on the project until delivery was taken, causing the slippage of £109,000 which is to be re-phased into 2009/10.

ASCH 2 – National Care Standards and Health & Safety Works (favourable current year variance £83,000),

Initial delays in allocating resources to works led to the project falling behind schedule, which, despite expectations during the year, could not be recovered by year end.

During the first part of the year difficulties were experienced in getting works started due to problems with the processes within Capita Symonds to initially allocate resources effectively. It was felt that the time lost from these delays could be recovered in the latter part of the year once the process issues were resolved. However, this expectation was evidently over ambitious as only part of the work expected in the last quarter of the year occurred, leading to slippage of £83,000 which is to be re-phased into 2009/10.

CHILDREN'S SERVICES & LEARNING £10,188,800 underspend

The spend for the year is **£15,015,200**. This can be compared with the budgeted figure for 2008/09 of **£25,204,000** resulting in an under spend of **£10,188,800**, which represents a percentage under spend against budget of **40.4%**.

ITEM NO: 9(iii) Appendix 2

The CORPORATE key issues for the Portfolio are:

CS 1 – Play Areas (favourable variance £2,155,300)

Under spends against the Section 106 and Playbuilder projects.

The slippage is due to delays in spending Section 106 money during 2008/09 as the priority was to deliver the DCSF year 1 Playbuilder grant & Thornhill Plus You Playways funding. Section 106 will contribute to Playbuilder years 2 & 3 in line with the agreed DCSF project plan. Section 106 is a rolling 5 year programme in line with planning agreements.

CS 2 – SEN Review (favourable variance £1,545,200)

Delay to the scheme to build a new sports hall and associated works at Great Oaks School due to the need to go out to tender a second time.

Phase 2 of the works will now be procured as several separate contracts resulting in a delay to the completion of the project. Following discussions with the school it was agreed that it would be desirable that the site set up happened during school holidays. The first achievable school holiday for this is the forthcoming October half term. This has resulted in the completion date slipping to May 2010. The school have agreed this programme.

CS 3 – NDS Modernisation (favourable variance £1,157,000)

Delays in procurement and the procedures for quantity surveying has resulted in an under spend within Modernisation

Foundry Lane Production Kitchens is presently being tendered and is now planned to be delivered by Feb 2010. Classroom extensions at St Monica Junior, Townhill Junior and Shirley Infant Schools are now being prepared for tendering along with the Hardmoor Early Years baby sleep room. All schemes have been delayed as a result of slowness in procurement.

CS 4 – Children's Centres Phase 3 (favourable variance £1,150,400)

Delay to the start of the 24 Early Years and Children's Centre projects

Children's Centres - Phase 3 has under spent this year as the 24 projects based at Early Years settings throughout the city are only at feasibility stage causing the major works to slip into the 2009/10. The early stage of these projects means the contingency built in for last year will not be needed.

ITEM NO: 9(iii) Appendix 2

CS 5 – Learning Futures (favourable variance £1,146,700)

Delay to the projects to expand Redbridge Community School and purchase of the entrance site to the Mayfield Academy.

The new build at Redbridge is due to start 29th June 2009 with completion anticipated 27th April 2010. Internal works and extension to changing rooms to be completed between July and September 2009. The current scheme is estimated to be £400,000 under budget due to tenders coming in less than the pre-tender estimate indicated

There have been delays to the purchase of the 3663 Warehouse site which will form the new entrance to the Oasis Academy: Mayfield.

CS 6 – Primary Rebuild (favourable variance £949,800)

Delays to the rebuild of Redbridge Primary School and the procurement of temporary classrooms at St Marys Primary and Fairisle Junior Schools.

The start on site at Redbridge Primary School was delayed due to having to value engineer the project, however, construction has now started with completion due April 2010. Construction is currently on programme with no reported delays.

There have been delays to the procurement process for two classroom temporary buildings with toilet and storage facilities at St Marys Primary School and a one classroom temporary building with toilet and storage facilities at Fairisle Junior School. These are required to be procured in time for September 2009. This is to provide a teaching space to meet the high demand for places at these schools.

CS 7 – ICT (favourable variance £668,700)

Delay in the procurement of the Learning Portal for schools.

The Harnessing Technology grant has under spent this year due to a delay in the procurement of the Learning Portal IT hardware. The first contracts are now close to completion.

ENVIRONMENT & TRANSPORT £1,902,000 underspend

The spend for the year is **£16,459,000**. This can be compared with the budgeted figure for 2008/09 of **£18,361,000** resulting in an under spend of **£1,902,000**, which represents a percentage under spend against budget of **10.4%**.

ITEM NO: 9(iii) Appendix 2

The CORPORATE key issues for the Portfolio are:

E&T 1 – Dock Gate 20 (Millbrook Roundabout) (favourable current year variance £177,000)

The final outturn figure for this strategic roads scheme has been updated.

A post completion report on this scheme was considered by Cabinet on 16 February 2009. The final expenditure incurred was £2,555,000 (including £5,000 in 2009/10). This is £36,000 below the figure reported in February and there is a total reduction of £172,000 against the latest approved budget. A saving in Council resources will be shown in the next update of the Capital Programme.

The OTHER key issues for the Portfolio are:

E&T 2 – Bus Stop Improvements (Developers) (adverse current year variance £108,000)

Expenditure has been incurred on additional works.

Additional works to the value of £108,000 have been funded from additional Section 106 monies received (£37,000) and by bringing forward Local Transport Plan (LTP) funding from 2009/10 (£71,000).

E&T 3 – LTP Improved Safety (favourable current year variance £145,000)

There have been minor delays and savings to completed projects.

This variance is a combination of various delays to minor aspects of three projects and small savings on completed projects.

E&T 4 – LTP Public Transport (favourable current year variance £191,000)

There has been slippage on some projects and additional spend on another.

There was slippage on the Stations Partnership project (£200,000) and on the Central Station Interchange project (£45,000), as a result of it not being possible to start improvement works in partnership with South West Trains and Network Rail. There was also slippage on the Traffic Systems project, where works to the value of £33,000 will be completed in 2009/10. There was additional spend on the city wide programme of Shelters, Kerbs & Bus Poles (£105,000), which has allowed more bus stops to be improved. This will be accommodated within the overall Public Transport budget by bringing forward part of the 2009/10 funding.

ITEM NO: 9(iii) Appendix 2

E&T 5 – LTP Walking – Pedestrian Improvements (favourable current year variance £142,000)

There have been delays to some projects.

The project for Tebourba Way / Oakley Road was not progressed, leading to an unspent budget of £62,000, as there was insufficient funding to complete the works. This will be resolved in the next review of the Capital Programme. There has also been slippage on the Romsey Road / Tebourba Way Toucan Crossing project (£22,000) and on the St Denys Road / Priors Road Refuge project (£34,000), due to the rescheduling of works to avoid adding to the disruption caused by the Cobden Avenue project.

E&T 6 – LTP Travel to School (favourable current year variance £110,000)

There have been minor delays and savings to completed projects.

Minor delays in project timescales have led to slippage of £50,000. In addition, works to the value of £25,000 were completed by the end of March 2009, but invoices were not received in time to meet year end deadlines. There were savings of £35,000 on completed projects.

E&T 7 – LTP Bridges Maintenance (favourable current year variance £146,000)

Unallocated funding will be redirected to other bridge projects in future years.

There was unallocated funding of £114,000, which will be redirected to other bridge projects in future years. In addition, there were delays in completing the feasibility studies on the Northam Bridge project, resulting in slippage of £35,000.

E&T 8 – Principal Roads (favourable current year variance £552,000)

Slippage on this scheme was mainly due to delays in the payment for works.

There was slippage of expenditure on the Cobden Avenue project (£362,000) and on the Bevois Valley Road project (£67,000). Although works were complete by the end of March 2009, final accounts were not received in time to meet year end deadlines. There were savings of £35,000 on the completion of work at Cobden Avenue. There was also slippage of £33,000 on the Northam Road project, due to delays in utility works and the consequential inability to gain access to the site. This funding will now form part of a larger project in 2009/10. Expenditure on the TAMP inventory project has also slipped by £60,000.

E&T 9 – MSCP 10 Year Maintenance Programme (favourable current year variance £143,000)

There have been savings to completed car park projects.

ITEM NO: 9(iii) Appendix 2

There were lower than anticipated costs for three completed Multi-Storey Car Park (MSCP) projects. There was also a small amount of slippage in expenditure, mainly associated with contract retention monies.

ECONOMIC DEVELOPMENT £1,893,000 underspend

The spend for the year is **£7,825,000**. This can be compared with the budgeted figure for 2008/09 of **£9,718,000** resulting in an under spend of **£1,893,000**, which represents a percentage under spend against budget of **24.1%**.

The CORPORATE key issues for the Portfolio are:

There are no corporate key issues for the Portfolio.

The OTHER key issues for the Portfolio are:

ED 1 – North South Spine (favourable current year variance £711,000)

There were delays on various projects within the scheme.

The Precinct project has slippage of £152,000 to 2009/10, as there was a delay in the delivery of street lighting columns. The original supply was to the wrong specification and the order is being remanufactured. Work at Briton Street shows slippage of £106,000, due to adverse weather conditions and the unavailability of materials. The delay on the Queens Terrace project (£50,000) is due to traffic diversions, as work progresses on other projects. The advance design stage of the New Road project has slipped by £59,000, as it is geographically linked to other delayed projects, and the design work for St Michaels Street (£50,000) will be carried out with the planning for Holyrood in 2009/10. Although work to the High Street is progressing to programme, there is slippage of £284,000 as payments have been withheld for contractual reasons.

ED 2 – Mayflower Park (favourable current year variance £138,000)

There were delays in expenditure relating to external contractors.

Electrical works for the Boat Show have been slipped into 2009/10, due to the unavailability of Boat Show personnel to liaise with the electricity contractor. Although all other works were completed by March 2009, final accounts from the main contractor were not received in time to meet year end deadlines.

ED 3 – Strategic Purchase of Sites (favourable current year variance £798,000)

This scheme is still at the feasibility stage.

ITEM NO: 9(iii) Appendix 2

This strategic scheme is currently at the feasibility stage, as the need for a site specific Compulsory Purchase Order is being assessed.

ED4 – CCTV Digitalisation (favourable current year variance £112,000)

The project was delayed because of technical problems during the installation.

The major problem was the need to move an electrical supply within the control room. Switch gear had to be sourced and the delay meant the contractors going off site to complete other work.

HOUSING & LOCAL SERVICES £ spend

The spend for the year is **£7,293,000**. This can be compared with the budgeted figure for 2008/09 of **£7,189,400** resulting in an overspend of **£103,600**, which represents a percentage overspend against budget of **1.4%**.

The CORPORATE key issues for the HLS Housing Capital Programme are:

There are no corporate issues.

The OTHER key issues for the HLS Housing Capital Programme are:

HLS 1– Atlantic – 138/142 Middle Road (favourable £350,000),

The Planning Application for this scheme was refused when submitted in February. Atlantic Housing Association has submitted an appeal on this as well as looking at a new plan. A start on site is now expected in 2009/10.

HLS 2 – Home Improvement Loans (adverse £207,600)

In November 2008 the Private Sector Capital Programme showed large underspends and following additional work it was agreed in January that the budget would be reduced as there was no indication that spending levels would increase. However, following improved performance of the Home Improvement Agency because of more intensive contract management. The impact of the intensive contract management on the value of work that had been completed and had started on site had not been accurately forecast, which has resulted in this overspend. This scheme has been funded from bringing forward unapproved Private Sector Schemes that were planned for future years.

At briefing on 22nd April a paper called Scheme Approval for Private Sector Housing Capital Programme, explains in more detail the reasons for the overspend and the resources that need to be used to fund this.

ITEM NO: 9(iii) Appendix 2

HLS 3 – Disabled Facilities Grant (adverse £246,300)

The number of referrals for Disabled Facilities Grants has increased since additional resources were invested in the Council's Occupational Therapy Service. This reflects the priority given by the Administration to adapting homes for the disabled people and the implementation of new services standards for adaptations and the introduction of a more streamlined procedures and improved contract management of the home improvement agency has resulted in a record 119 DFG's being completed in 2008/09. This scheme has been funded from bringing forward unapproved Private Sector Schemes that were planned for future years.

As with the Home Improvement Loans the DFG's was also included on the same briefing paper on 22nd April.

LEISURE, CULTURE & HERITAGE £196,400 underspend

The spend for the year is **£1,047,600**. This can be compared with the budgeted figure for 2008/09 of **£1,244,000** resulting in an under spend of **£196,400**, which represents a percentage under spend against budget of **15.8%**.

The CORPORATE key issues for the Portfolio are:

There are no corporate issues for the portfolio.

The OTHER key issues for the Portfolio are:

LCTE 1 - Public Art (favourable variance £85,900)

Need to identify further funding streams to develop a scheme for the construction of a major landmark on the western approach to the city.

There is a small underspend on the Weston Healthcare Scheme which will be spent by July 2009 (£7,500).

A further of £65,000 has been allocated to develop a scheme for the construction of a major landmark on the western approach to the city. However, further funding will be required in order to progress with this project and options for this are currently being considered.

LCTE 2 – Tudor House Museum Phase 2 (favourable variance £94,300)

Costs for phase 2 have been allowed against the phase 1 Heritage Lottery Fund (HLF) grant due to an underspend on that element of the project.

ITEM NO: 9(iii) Appendix 2

As part of the February 2009 Capital Update £83,000 was vired from Tudor House Museum Phase 1 to this scheme. Costs of undertaking phase one were less than anticipated and permission was received from the HLF to use the monies to support phase 2 of the project. In addition to this a further saving of £60,500 has been made on Phase 1 and costs that were to be met from Phase 2 of the project, which fall between the implementation and development stages of the project, will now be claimed as part of phase 1. As these works were originally intended to be funded from Phase 2 there is an underspend on this element of the scheme in 2008/09. This sum will still be available to further support Phase 2 of the scheme and the level of HLF remains unchanged.

In addition, there is a further underspend due to a delay in finalising the contract with the Museum Designer for the Implementation Phase

RESOURCES & WORKFORCE PLANNING £3,902,000 underspend

The spend for the year is **£1,963,000**. This can be compared with the budgeted figure for 2008/09 of **£5,865,000** resulting in an under spend of **£3,902,000**, which represents a percentage over/under spend against budget of 67.0%.

The CORPORATE key issues for the Portfolio are:

RES 1 – R&M Backlog (/favourable variance £1,404,000)

Slippage on Planned works

The under spend has arisen primarily due to the level of resources available to progress the schemes, together with some schemes being held back pending a review of the future of the assets concerned.

RES 2 – 183 High Street (favourable variance £1,768,000)

Delayed acquisition as a result of market conditions

183 High Street is part of the package of properties that SCC intends to swap with an agreed developer. The developer has re-affirmed its interest but due to the decline in the property market is also reviewing further acquisitions in order to produce an enhanced scheme. A delay of at least a further 6 months is anticipated.

RES 3 – Office Accommodation (favourable variance £345,000)

Delays in project design phase

ITEM NO: 9(iii) Appendix 2

The original estimate for the year was for Capita fees for the Civic Upgrade project as part of the overall Accommodation Strategy. It was anticipated that the Project design phase would have commenced in the last quarter of the year, but the order for this phase has not yet been agreed and so work has not yet begun.

RES 4 – Refurbishment of Computer Suite (favourable variance £179,000)

Slippage due to delayed tendering process

Works required for the introduction of a new cooling system for the computer suite are currently out to tender. This has resulted in a delay to the project and it is now expected that the scheme estimate will need to increase by £88,000. It is anticipated that the additional costs can be funded from general savings elsewhere within the Resources & Workforce Planning capital programme. These general savings total £138,000 against residual IT schemes that have now been superseded by the transfer of IT Services to Capita.