

CAPITAL OUTTURN 2009/10 – DETAILS OF SIGNIFICANT VARIANCES

CHILDREN'S SERVICES & LEARNING PORTFOLIO

The spend for the year is **£17,864,900**. This can be compared with the budgeted figure for 2009/10 of **£20,121,000** resulting in an under spend of **£2,256,100**, which represents a percentage under spend against budget of **11.2%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

CS 1 – Learning Futures (favourable variance £143,600)

Rectification work on modular buildings has resulted in a potential over spend on the overall scheme of £428,000. This is currently being offset against a favourable variance within the Redbridge Community School project.

Serious structural concerns were raised by Capita Symonds over the modular buildings installed at Upper Shirley High, Regents Park and Sholing. Recommended rectification work was carried out at a cost to the Council to make the buildings fit for use. The potential over spend is in recognition of the costs incurred to rectify the faults. There has been no allowance provided for any successful legal claim made by the Council against Extraspace or counterclaim made by Extraspace against the Council.

CS 2 – Play Areas (favourable variance £562,200)

Under spends against the Section 106, Fair Play Playbuilder projects and Playways grant.

Due to adverse weather conditions during the winter, work associated with the Thornhill Plus You Playways funding was not completed on time and it is anticipated that grant funding in respect of Fair Play will have to returned to the awarding body as work was not completed by the end of the financial year. Grant funding not utilised will amount to £190,000. There was also slippage of work planned in association with Section 106 money.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

CS 3 – Harefield Primary Rebuild Project (favourable variance £580,700)

Delays within the programme to build a new KS2 block due to adverse weather conditions experienced during the winter months.

The programme has been affected by adversely cold weather during the winter which delayed the brickwork phase. It is anticipated that this has produced a delay of between 4 and 5 weeks. The project is still on target to complete by the 5th July to allow the school to move from their old accommodation, however the delay has affected the charging of completed works to the project and as such a proportion of this year's budget will now slip into 2010/1.

ECONOMIC DEVELOPMENT

The spend for the year is **£5,433,000**. This can be compared with the budgeted figure for 2009/10 of **£8,327,000**, resulting in an under spend of **£2,894,000** which represents a percentage under spend against budget of **34.8%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no significant issues for this Portfolio capital programme.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

EDEV 1 – Strategic Purchases of Sites (favourable variance £1,022,000)

Slippage due to revised phasing of works

The favourable position reflects the fact that no purchases took place in this financial year.

EDEV 2 – Guildhall Square (favourable variance £1,208,000)

Slippage due to revised phasing of works

The slippage is primarily due to timing issues on the sequencing of works on this project and problems with road conditions having to be re-addressed before completion of surfacing. This may lead to an overall over spend of £400,000 due to timing issues. However, economic working practices have been put into place to try to reduce this potential over spend.

EDEV 3 – Tyrell & Green Demolition (favourable variance £324,000)

Slippage due to revised phasing of works

Works were delayed due to flooding on site.

EDEV 4 – QE2 Mile Holy Rood Site (adverse variance £103,000)

Re-phasing of expenditure

Works due to be started in 2010/11 were able to be started earlier than anticipated.

ENVIRONMENT & TRANSPORT

The spend for the year is **£16,723,000**. This can be compared with the budgeted figure for 2009/10 of **£20,188,000**, resulting in an under spend of **£3,465,000** which represents a percentage under spend against budget of **17.2%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no significant issues for this Portfolio capital programme.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

E&T 1 – Relocation of Town Depot (favourable variance £873,000)

The costs for the management of the Relocation of Town Depot project have slipped.

The overall budget for this project remains unchanged. The current year variance is due, in part, to a change in the procurement route, which means that Capita fee costs are to be incurred later than originally anticipated. There has also been a general delay as to when costs are expected to be incurred because a reduction in the overall level of the management fee has been offset by client costs and works, which will be incurred later in the project. The unspent budget will be slipped into 2010/11.

E&T 2 – Principal Roads (favourable variance £ 306,000)

There were unavoidable delays to the start of two projects.

The favourable variance on Principal Roads is mainly due to slippage on two projects. Firstly, survey work at Redbridge Road has highlighted that a more detailed investigation is needed to ensure that the correct construction is undertaken. This delay in starting the works has resulted in £168,000 slipping into 2010/11. Secondly, the recent adverse weather has delayed the start on site at Dorset Street, resulting in slippage of £130,000. These works have now started.

E&T 3 – Structural Repairs (favourable variance £262,000)

There were unavoidable delays due to weather conditions.

The poor weather conditions at the beginning of 2010 delayed the delivery of the repairs programme. Efforts were made to catch up with the back log, which was across various locations, by using an additional four gangs. However, it was still not possible to deliver the full programme and part of this £824,000 scheme has slipped into 2010/11.

E&T 4 – Unclassified Roads (favourable variance £332,000)

Works were either delayed or reprogrammed to minimise disruption.

The favourable variance on Unclassified Roads is mainly due to three projects. The adverse weather conditions caused delays in the delivery of works on Surface Dressing (£138,000) and Lower Canal Walk (£99,000). Both of these projects have slipped into 2010/11.

The outstanding works at High Street (£46,000) will be delivered in 2010/11 in conjunction with the Holy Rood Project in a co-ordinated approach to minimise disruption to the area.

E&T 5 – Portsmouth Road (favourable variance £448,000)

This budget was overstated and works were delayed.

The favourable variance is due to two factors. Firstly, the additional budget identified for Portsmouth Road was not fully required in order to deliver the scheme. Approval was given in March 2010 to transfer £70,000 of the available budget to Road Advance Design Fees and a further £45,000 is available to be reinvested in the overall Highways Programme. Secondly, the bad weather conditions delayed the scheme being completed by year end and work slipped into April. This scheme is now complete.

E&T 6 – Walking - Bedford Place (adverse variance £159,000)

Works by Colas were undertaken slightly ahead of schedule.

It was anticipated that the majority of the works would be undertaken in 2010/11. However, following the completion of gas works in Bedford Place, the Highways Partner (Colas) were able to start on site earlier than originally anticipated and deliver a larger amount of works in the year. This scheme is ahead of schedule and part of the 2010/11 provision will be brought forward so that the works can be delivered within the overall budget.

E&T 7 – Improved Safety (favourable variance £112,000)

There are savings on completed projects and some slippage.

The favourable variance on Improved Safety is a combination of slippage and savings. Negotiations between residents and partners took longer than anticipated to agree designs. These delays caused some of the projects to slip into 2010/11. There are also savings on completed projects. The under spent budgets will be slipped into 2010/11 to fund the continuation of Improved Safety projects.

E&T 8 – Highways Improvements for Disabled (Developers) (favourable variance £228,000)

There were unavoidable delays due to weather conditions.

The poor weather conditions at the beginning of 2010 delayed the delivery of this scheme for drop kerbs, tactile paving and footway developments by two months. It was not possible to catch up with the back log, even with additional resources from partners, whilst undertaking the March programme of works. This scheme has slipped into 2010/11, where it is anticipated that the programme will be completed within the first quarter of the year.

E&T 9 – Itchen Bridge (favourable variance £176,000)

There were delays due to partnership and procurement negotiations.

There have been minor delays due to partnership and procurement processes, which have affected the timetable for feasibility and design checks. The majority of the repairs expenditure was programmed for 2010/11 and the scheme remains within the approved timescale and budget.

E&T 10 – Bridges Maintenance (favourable variance £249,000)

There were unavoidable delays due to weather conditions.

The Redbridge/Millbrook Flyover scheme is substantially complete but is subject to further claims. This scheme remains within the approved budget. The bad weather conditions earlier in 2010 and later 'start on site' than anticipated has contributed to slippage on a number of other bridge projects.

ADULT SOCIAL CARE & HEALTH PORTFOLIO

The spend for the year is **£1,382,500**. This can be compared with the budgeted figure for 2009/10 of **£1,862,000** resulting in an under spend of **£479,500**, which represents a percentage under spend against budget of **25.8%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

ASCH 1 – Modernisation Of Day Services - Freemantle Community Centre (£363,900 favourable variance)

The construction of the Freemantle Community Centre building was completed in 2009/10. However, there have been delays in the construction of a Multi Use Games Area (MUGA). The feasibility work request was forwarded to Capita in December 2009 with the brief not being finalised until March 2010. However, the initial resource plan provided by Capita and the associated fee was considered to be too excessive for the initial stages of the project. Therefore, Capita have been asked to reconsider their resource plan and associated fees to better reflect the actual scheme requirements. It is now expected that the works will be completed by September 2010.

ASCH 2 – Modernisation Of Day Services - Woolston Community Centre (£7,600 adverse variance) - update on scheme position

This over spend is the result of incurring additional feasibility costs due to changes in project specifications and design to incorporate changes in expectations of different stakeholder groups in terms of the project design, with increases in storage and office space requirements, and in terms of design changes suggested to the appearance of the building following local listing of the building and input from the conservation officer. The cost of the scheme, following the suggested design changes, had increased to £1.5M, £0.5M more than the available funding. The project manager has had further discussions with all Stakeholders and Capita with a view of ensuring that the overall project cost can be met from within the total scheme budget of £1.0M. The project manager is also working closely with the conservation officer to identify where costs can be reduced. These revisions to the scheme design are reducing the overall potential cost of the scheme and it is anticipated that further revisions will ensure that the final design can be developed within the overall budget. It is expected that the design and tendering for works will be completed in 2010/11 but actual works on site are now not expected until early 2011/12.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

There are no major items of slippage for the Portfolio at this stage however it should be noted that there are smaller variances across a number of other schemes, which are predominantly funded by external sources, which will be utilised in 2010/11.

HOUSING & LOCAL SERVICES

The spend for the year is **£6,564,900**. This can be compared with the budgeted figure for 2009/10 of **£6,824,000** resulting in an under spend of **£259,100**, which represents a percentage under spend against budget of **3.8%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no significant issues for this Portfolio capital programme.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

HLS 1 – St James Park Implementation (favourable variance £246,900)

The scheme has been delayed following a review of the milestones by the Project Board.

Although the project was re-phased it is now on target according to the revised schedule. The Lottery funding does not expire until December 2012.

LEISURE, CULTURE & HERITAGE

The spend for the year is **£2,826,800**. This can be compared with the budgeted figure for 2009/10 of **£4,136,200** resulting in an under spend of **£1,309,400**, which represents a percentage under spend against budget of **31.7%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no significant issues for this Portfolio capital programme.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

LCH 1 – Tudor House Museum Phase 2 Implementation (favourable variance £718,300)

Work commenced late, certain expensive items have been re-programmed, there were unforeseen archaeological excavations and delays occurred because of bad weather.

The contractor commenced work one month late and had to re-programme certain expensive items of work, primarily the lift and the water mist system, which have required extended periods of detailed design and sub-contractor procurement. There has also been a 4 week delay to the works to the Tudor Merchants Hall due to unforeseen archaeological excavations and inclement weather during January.

LCH 2 – Sea City Museum (favourable variance £420,300)

There have been delays in the design work and specialist consultants have not yet been recruited.

There has been some delay on the design work, which will need to be made up later in the project. This includes re-profiling of the museum designers work to allow more time for SCC narrative development. The specialist consultants have not been recruited for catering retail and branding as yet as it is anticipated that the management will be external and therefore this will follow later in the project.

RESOURCES & WORKFORCE PLANNING

The spend for the year is **£3,677,000**. This can be compared with the budgeted figure for 2009/10 of **£4,965,000** resulting in an under spend of **£1,288,000**, which represents a percentage under spend against budget of **25.9%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no significant issues for this Portfolio capital programme.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

RES 1 – R&M Backlog (favourable variance £503,000)

Slippage due to revised phasing of works

The favourable position primarily reflects expenditure on four schemes to be slipped into the next financial year, due to revised phasing of works. These are:

- Glen Lee - £101,000
- Woodside Lodge - £112,000
- Maytree Infants - £92,000
- Foundary Lane Primary - £117,000

RES 2 – Office Accommodation (adverse variance £733,000)

Re-phasing of spend

There have been ongoing discussions regarding Capita fees during the financial year, in order to ensure best value for the Council, and these were not resolved until after the latest update of the capital programme was complete. As a result of this resolution, it is necessary to re-phase the next year's budget to cover expenditure on fees incurred during 2009/10.

RES3 – Refurbishment of Computer Suite and Connection to District Cooling
(favourable variance £242,000)

Slippage due to revised phasing of works

Works required for the introduction of a new cooling system for the computer suite are currently underway and are due to complete in August 2010, resulting in partial slippage of the scheme.