

CAPITAL OUTTURN 2010/11 – DETAILS OF SIGNIFICANT VARIANCES

ADULT SOCIAL CARE & HEALTH PORTFOLIO

The spend for the year is **£858,100**. This can be compared with the budgeted figure for 2010/11 of **£926,000** resulting in an under spend of **£67,900**, which represents a percentage under spend against budget of **7.3%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no significant over or under spends for the Portfolio.

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 will be utilised in 2011/12.

CHILDREN'S SERVICES & LEARNING PORTFOLIO

The spend for the year is **£25,565,000**. This can be compared with the budgeted figure for 2010/11 of **£29,823,000** resulting in an under spend of **£4,258,000**, which represents a percentage under spend against budget of **14.3%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

CS 1 – Academies Management (adverse variance £256,000)

Additional costs incurred in procuring the Academy contracts.

The adverse variance is attributable to three main factors. Firstly, the budget was set by a project team that is no longer in the employment of the Council. This team incurred significant programme slippage in the early part of the project life-cycle along with associated abortive work and expenditure. The current project team therefore inherited a reduced budget and significant programme pressure. Additional expenditure was required to recover lost time and to avoid the comparatively more significant risks of:

- incurring adverse construction cost driven by inflation / programme slippage; and
- the risk of government capital being withdrawn due to slippage and change of government.

Significant additional and unforeseen expenditure was incurred in the latter part of the projects, particularly at Lord's Hill, in order to manage commercial issues attached to the associated Highways and Planning works. Both Academy projects will ultimately be brought in on programme and on-budget as a function of this work.

CS 2 – Children’s Centres (favourable variance £1,094,000)

Savings on the contracts to build Children’s Centres and early years provision.

The schemes to build and invest in Children’s Centres and early years provision across the City has now been completed on time. There have been under spends against many of the 44 projects in Phase 3 although all have been delivered to the correct specification.

The scheme has been partly funded by Department for Education Sure Start grant and it is estimated that £570,000 of the unspent grant will need to be returned to the department.

CS 3 – Harefield Primary Rebuild Project (favourable variance £345,000)

Savings on the contract to rebuild Harefield Primary School.

This under spend has accrued as a result of an advantageous tender and the subsequent works to enable the retention of the old Junior School hall being delivered at a favourable cost.

CS 4 – Redbridge Community School (favourable variance £252,000)

Savings on the contract to extend Redbridge Community School.

This under spend is due to a favourable tender for the construction works.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

CS 5 – Academies (favourable variance £807,000)

Delay in the start date of the build of the new Lord’s Hill Academy.

The favourable variance is attributable to a re-programming of the Lord’s Hill Academy project which saw it commence construction four months later than originally planned. The re-programming was agreed with Central Government, Oasis Community Learning and SCC in order to manage the additional Highways and Planning complexities associated with the scheme. The project is running on-time and on budget in line with the revised programme.

CS 6 – Bitterne Park 6th Form (favourable variance £537,000)

Delay in the project to build a 6th Form at Bitterne Park School

The favourable variance is a reflection of the ten week slippage in the programme due to additional groundwork due to increment weather and on site flooding over the winter. The sixth form extension is now due to open after the autumn half term.

CS 7 – Sports Development (favourable variance £282,000)

Delay to the start of the sports development project

The project is led by Solent University with a contribution from SCC. Works are now on-programme and a payments schedule has been requested of Solent University setting out the timing of SCC contributions.

CS 8 – Reinstatement of land at Redbridge Primary (favourable variance £225,000)

Delay to the reinstatement of playing fields due to planting taking place next autumn

The redundant buildings have now been demolished, however springtime weather was not conducive to planting and so the planting scheme has been delayed until autumn 2011.

CS 9 Redbridge Primary Rebuild (favourable variance £358,000)

Savings on the contract to rebuild Redbridge Primary School.

The construction phase of this project was completed 17 weeks early leading to an under spend on the overall project which is still to be finalised.

CS 10 – Primary Review Phase 1 (favourable variance £450,000)

Delay to some of the projects to extend eight Primary Schools by September 2011

This variance is a reflection of slippage in the programme that has resulted in an under spend on the anticipated expenditure on the projects particularly at St Mark's Primary and the Freemantle C of E Community Academy. All of the projects are due to open on time by September 2011.

ENVIRONMENT & TRANSPORT PORTFOLIO

The spend for the year is **£17,851,000**. This can be compared with the budgeted figure for 2010/11 of **£22,078,000**, resulting in an under spend of **£4,227,000** which represents a percentage under spend against budget of **19.1%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

E&T 1 – Highways Maintenance Risk Fund (favourable variance £195,000)

The contingency for outstanding payments has been reduced.

A contingency was set aside in the Highways Maintenance Risk Fund, as part of the February 2011 Capital Programme Review, as work was in progress to finalise any outstanding payments on schemes that Colas had delivered for Highways. This has now been reduced to reflect a number of schemes where final payments were agreed in 2010/11. In particular, an adverse variance of £160,000 on the Surface Dressing project, within the Unclassified Roads scheme, has been funded by a contribution from this provision.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

E&T 2 – Relocation of Town Depot (favourable variance £936,000)

There is slippage due to changes in the profile of some expenditure items.

There has been a change to the expenditure profile, but not the overall forecast, as it has not been possible to purchase the Gas Site. As a result, the sale of the Warehouse, which was profiled for 2011/12, will not now take place. Also, payments to the main contractor are behind schedule, although the works are on target.

E&T 3 – Highways Improvements (Developers) (favourable variance £418,000)

There is slippage due to a revised delivery timescale agreed with the highways partner.

A review of the S106 developer contributions is required and is being developed in 2011/12 to be incorporated into a one off programme to deliver the outstanding works over the next two years. It has been agreed with the highways partner to slip part of the 2010/11 budget to reflect the revised delivery programme.

E&T 4 – Itchen Bridge (favourable variance £552,000)

There is slippage due to a change in the works required.

There is slippage of £385,000 on the Itchen Bridge Repairs project, as a more complex solution than originally anticipated is necessary. Although investigatory inspections of the bearings have revealed that they are in a worse state than expected, it is anticipated that the costs will be contained within budget. In addition, the Itchen Bridge Street Lighting project has slipped by £161,000 following a competitive process being carried out, through the street lighting partnership, to seek best value.

E&T 5 – Public Transport (favourable variance £445,000)

There is slippage which is mainly due to delays on two projects.

There is slippage of £240,000 on the Southampton Central Station project, as it has taken longer than envisaged to pass through Network Rail approval procedures. There is also slippage of £119,000 on the Bus Stop Infrastructure project, as there were delays in obtaining prices for the work through the highways partnership.

E&T 6 – Principal Roads (favourable variance £161,000)

There is slippage due to the need to co-ordinate works.

The main slippage is on the Burseldon Road/Warburton Road to City Boundary project, which was delayed to enable the carriageway surfacing to be carried out in conjunction with S278 development works.

E&T 7 – Cycling Improvements (favourable variance £263,000)

There is slippage which is mainly due to a number of external factors.

The main slippage is on the DIY Streets St. Denys project, which is due to a number of factors. There was a delay from the Department for Transport in approving the scheme; additional coring samples were necessary, due to the poor road condition, and Southern Water replaced the water main later than expected.

E&T 8 – Multi Storey Car Park (MSCP) Maintenance Programme (favourable variance £136,000)

There is slippage on lift refurbishment work due to contractor delays.

The slippage on the West Park and Grosvenor Square lift refurbishment projects is due to the contractor taking longer than anticipated to complete the work. The projects will be completed in 2011/12 and there are no health and safety issues in the interim period.

E&T 9 – Classified Roads (favourable variance £144,000)

There is slippage due to costs not being included in a year end application.

The main slippage was on the Lodge Road/Inner Avenue to Bevois Hill project. Although the majority of works on site were complete by year end, the highways partner did not include the value of the work in their application for payment and were unable to provide appropriate certification of works done.

HOUSING PORTOFLIO

The spend for the year is **£4,357,000**. This can be compared with the budgeted figure for 2010/11 of **£4,821,000** resulting in an under spend of **£464,000**, which represents a percentage under spend against budget of **9.6%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no corporate issues for the Portfolio.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

HLS 1 – Home Improvement Loans Approved in 2010/11 (favourable variance £232,000)

Value of work at year end over estimated

The value of work was over estimated by the Home Improvement Agency when they produced their figures during the year. The work will be re-phased to 2011/12. The project remains on track to be completed by 30th June 2011 and within budget.

HLS 2 – Disabled Facilities Grants Approved in 2010/11 (favourable variance £115,000)

Value of work at year end over estimated

The value of work was over estimated by the Home Improvement Agency when they produced their figures during the year. The work will be re-phased to 2011/12. The project remains on track to be completed by 30th June 2011 and within budget.

LEADER'S PORTFOLIO

The spend for the year is **£5,959,400**. This can be compared with the budgeted figure for 2010/11 of **£6,933,000**, resulting in an under spend of **£973,600**, which represents a percentage under spend against budget of **14.0%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no corporate issues for the Portfolio.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

LEAD 1 – QE2 Mile (favourable variance £211,000)

Slippage due to revised phasing of works

The installation of the QE2 anchor has been delayed as a result of poor contractor response which has also impacted on delivery of remaining works to Holy Rood. In addition Bargate Square works were instructed later than planned due to new commissioning procedures for the Highway Partner.

LEAD 2 – Guildhall Square (favourable variance £276,700)

Slippage due to revised phasing of works

The minor works remaining have been delayed pending listed building consent and agreement of various traffic signs.

LEAD 3 – Tyrell & Green (favourable variance £306,400)

Slippage due to outstanding agreement on final costs

The slippage associated with demolition costs is due to delays to the Cuddy contracted works resulting in costs for some works remaining to be agreed. It is anticipated that agreement and final payment will be achieved early in the new financial year.

LEISURE, CULTURE & HERITAGE PORTFOLIO

The spend for the year is **£6,351,500**. This can be compared with the budgeted figure for 2010/11 of **£6,372,000** resulting in an under spend of **£20,500**, which represents a percentage under spend against budget of **0.3%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no corporate issues for the Portfolio.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

LCH 1 – Tudor House Museum Phase 2 Implementation (adverse variance £159,600)

Expenditure is slightly ahead of schedule but overall the project is still expected to be complete within budget.

Linford have completed slightly more work than included in the approved budget at year end. The overall the project is forecast to be completed within budget.

LCH 2 – Northern Above Bar Arts Complex (favourable variance £125,800)

Delay on the developer's plans.

There has been a delay in the developer's plans. These are now moving ahead, but it means that the arts complex stage c is delayed. As a consequence there was a reduced spend on consultants at the end of March 2011.

LOCAL SERVICES & COMMUNITY SAFETY PORTFOLIO

The actual spend for the year is **£901,000**. This can be compared with the budgeted figure for 2010/11 of **£1,499,000** resulting in an under spend of **£598,000**, which represents a percentage under spend against budget of **39.9 %**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no corporate issues for the Portfolio

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

LS&CS 1 – St James Park Implementation (favourable variance £294,000)

The scheme has been delayed and an extension of time has been agreed with GMC

Continuing to work with GMC (main contractor for installation) to ensure that site works progress according to the revised agreed schedule. The overall project completion is on target. The Lottery funding does not expire until December 2012.

RESOURCES & WORKFORCE PLANNING PORTFOLIO

The spend for the year is **£31,363,300**. This can be compared with the budgeted figure for 2010/11 of **£32,170,000**, resulting in an under spend of **£806,700**, which represents a percentage under spend against budget of **2.5%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPENDS

There are no corporate issues for the Portfolio.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING

RES 1 – Office Accommodation (favourable variance £641,500)

Slippage due to delays caused by additional works

The slippage has arisen as a result of delays to the scheme from both the relocation of the site compound and the recently agreed requirement to carry out additional asbestos related works. These delays are being closely monitored and it is hoped that through the revised phasing of handover dates within the building, the scheme should still complete within the original approved timescales.