

GF & HRA Major Forecast Variance Since Last Reported Position

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| | Communities, Culture & Heritage |
| 1. | <p><u>City of Culture VE Day (Surplus of £0.51M in 2021/22, increase of £0.51M since the last reported position)</u></p> <p>This project was added to the capital programme on the assumption that there was potential grant funding available from partners for which match funding would be required. No grant funding has been made available and therefore the budget can be removed from the programme.</p> |
| 2. | <p><u>S106 Playing Fields (Surplus of £0.31M in 2021/22, increase of £0.51M since the last reported position)</u></p> <p>These budgets represent S106 allocations which had not been linked to a specific project. However, these contributions have now been identified for being used to fund the Outdoor Sports Centre project budget resulting these budgets duplicating the same contributions therefore these budgets are to be removed from the programme.</p> |
| | Finance & Capital Assets |
| 3. | <p><u>The Way We Work Programme (Surplus of £0.85M in 2021/22, increase of £0.51M since the last reported position)</u></p> <p>As part of the business case developed for the programme, the future capital proposals were estimated to cost £0.85M less than the current budget. The budget has therefore been reduced whilst the programme is paused and on resumption it will need to operate within the proposed capital budget.</p> |
| | Growth |
| 4. | <p><u>Corporate Assets Decarbonisation Scheme (CADS) (Surplus of £1.08M in 21/22, increase of £1.08M since the last reported position)</u></p> <p>Following the report to Council in November 2021, outlining that the project funding, it is proposed to remove the external contributions as they are no longer available.</p> |
| | HRA |
| 5. | <p><u>Roofing Lot 1 West (flat roofs) – Surplus of £0.14M</u></p> <p>The impact of issues in the supply chain for materials, has caused delays in obtaining materials. This has been mitigated by reprofiling works until supply chain issues have been resolved. This is an annual budget that has been reviewed and set in the 2022/23 business plan.</p> |
| 6. | <p><u>Decent Neighbourhoods Projects – Surplus of £0.28M</u></p> <p>Projects at Kathleen Road and Dempsey Close have been delayed as a result of lengthy planning and procurement processes. The tender period ends 21 January 2022. Also, Honister Close has gone past its decision date by 23 weeks. The planning approval is now imminent, and procurement is underway. As a result, this program is anticipated to incur a surplus.</p> |
| 7. | <p><u>External Windows and Doors – Surplus of £1.54M</u></p> <p>Works involving window and door replacements undertaken by Housing Operations has faced challenges with the appointment of a suitable material supplier. Which has led to the start of the project being later than anticipated. This</p> |

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| | is an annual budget a more realistic proposal has been suggested for the future budgets. |
| 8. | <u>Wall Structure & Finish – Surplus of £0.09M</u> The first initial delays occurred because of inability to access properties to assess the extent of work required due to COVID restriction since early 2021/22. As a result, works were on hold for three months. There has also been a shortage of labour due to Housing Operations having difficulties recruiting staff to undertake the works, which has contributed to slippage. Once a full team is employed by the Housing Operations then the project will be in full swing. Recruitment likely to take place early 2022/23. Therefore, a schedule has been produced and a true figure of spend based on the current labour levels for 2021/22 is forecast at £550k. |
| 9. | <u>Electrical Heating Systems – Surplus of £2.72M</u> The new electrical heating systems have not been fully developed in line with the strategy for heating replacements. The project will continue to explore ways forward in line with good Asset management principles, but no contract has been entered into at this stage. It is possible that the decision will be taken to merge this project in with other projects for a better strategic approach though some heaters will be used in some projects and urgent replacements will still be undertaken to prevent system failures. Following the output of feasibility work, a more accurate proposal will be put forward in the next business planning process. |
| 10. | <u>Housing Refurbishment Programme – Surplus of £0.10M</u> Due to shortage of labour resources Housing Operations are having difficulties recruiting staff to undertake the works. Therefore, the in-house team is unlikely to spend the budget in this financial year. This is an annual Budget, which has been reviewed as part of the 2022/23 budget setting process and the proposed budget for 2022/23 has been updated to reflect expected spend levels next year. |
| 11. | <u>ECO: City Energy Scheme – Surplus of £0.50M</u> This project has been faced with delays as this budget has been used for ongoing British Gas Rectification dispute. Following the financial completion of journaled costs to the new code of CG0222, this budget is now planned for the remaining activities in relation to the ECO Contract, this involves disputes issues with the British Gas contract outside of the Fire defects and remaining works to complete the project with a package of works that sat outside the British Gas Contract and scope. Resources to progress these other works have now been sourced following a clear divide between the British Gas fire defects and other contract works for the ECO Project. As a result, this project has been reviewed and a more realistic proposal has been suggested in the 2022/23 business plan. |
| 12. | <u>Water Quality Remedial Works – Surplus of £0.10M</u> Following completion of a reviewed list of inspections, a smaller number of cold-water tanks replacements/removal works identified against a larger number of replacements/removals forecasted previously. As a result, this project will incur a surplus in 2021/22. |
| 13. | <u>Townhill Park Regeneration - Surplus of £6.36M</u> |

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| | <p>The current budget for this project has not been reflective of the planned timeline for decommissioning, demolition, and delivery works. The primary activity in the current financial year has been the decommissioning and demolition works for Plot 9, with a forecast spend of £1.2M. After a review it has been identified that the main bulk of the works will be delivered in future years. As a result, a revised profiling from 2022/23 has been proposed as part of the 2022/23 budget setting process.</p> |
| 14. | <p><u>Renew Warden Alarm – Surplus of £0.49M</u> The new digital systems that are being designed to replace the analogue systems are not generally available yet. Therefore, it is not possible to specify a suitable system as none on the market at present that meet our requirements. These systems are being developed and tested by several suppliers with an anticipated supply date in Q1 2022/23. This is an annual budget which has been reviewed as part of the 2022/23 budget setting process, and a more realistic proposal has been proposed for future year budgets.</p> |
| 15. | <p><u>Right to Buy - Satisfactory Purchase Scheme – Surplus of £2.83M</u> The Satisfactory Purchase Scheme budget is in place for purchase of properties to replace properties sold under the Right to Buy scheme. No property purchases are proposed for the current financial year, and no further purchases are currently planned.</p> |
| 16. | <p><u>ECO - Canberra Towers – Surplus of £5.76M</u> This project is for improving energy efficiency at Canberra Towers - Review of original brief provided to our contractor, AECOM, is underway. SCC and AECOM surveyor are reviewing and pinpointing water ingress and changes to the scope moving forward, including energy efficiency options for the block. Following review as part of the 2022/23 budget setting process, it is proposed that this budget is revisited and a more accurate projection put forward on completion of the feasibility work, and therefore a surplus will be declared for 2021/22.</p> |
| 17. | <p><u>ECO - Thornhill Heating – Surplus of £0.50M</u> The works in this project are being considered within a retrofit programme to better deliver elements of the “Making Homes Energy Efficient” portfolio of projects by Asset Management. Therefore, no further works are planned on this.</p> |
| 18. | <p><u>Lift Refurbishment - Shirley Towers – Surplus £0.43M</u> Spend has reduced due to late start on site resulting from COVID restrictions. There was a conscious decision to delay the works due to the knock-on impact of lift closures and the ability to maintain social distancing within tower block. As a result, the project will be incurring a surplus and future works will be covered by the proposed budget within the 2022/23 business plan.</p> |
| 19. | <p><u>Insulation Upgrades – Surplus of £0.76M</u> The new insulation installations have required the recruitment of several operatives for HOPS. This has not been as quick as expected due to staff shortages, covid and other priorities and so far, only one team has been appointed. This is an annual budget and after a review a more accurate proposal has been proposed as part of the 2022/23 budget setting process.</p> |

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| 20. | <p><u>Millbank House EWI Refurbishment– Surplus of £0.80M</u></p> <p>An appraisal is being undertaken on this project to determine whether it is viable to undertake the work. The consultant brief for the appraisal is currently with procurement, and after allowing for the review to be undertaken, works are unlikely to take place in 2021/22. This is an annual budget, which has been reviewed and revised as part of the 2022/23 budget setting process.</p> |
| 21. | <p><u>Millbrook House - EWI Upgrade – Surplus of £0.27M</u></p> <p>These works are being considered within a retrofit programme to better deliver elements of the “Making Homes Energy Efficient” portfolio of projects by Asset Management. Therefore, no further works are planned on this project.</p> |
| 22. | <p><u>Albion Towers Heating– Surplus of £0.45M</u></p> <p>The process of agreeing the option took longer than originally anticipated due to two options being presented within the appraisal. A final decision has been made to progress the electrical solution at this stage. After a review the programme this budget has been reset within the 2022/23 Business plan.</p> |
| 23. | <p><u>New Homes – Surplus of £5.02M</u></p> <p>Following a review of the programme the budget for this programme has been reprofiled as part of the 2022/23 business planning process on the basis that design work for plots 2,9 and 10 Townhill Park only will be carried out in 2021/22. The budgets for 2022/23 and beyond have been reviewed and revised as part of the business planning process.</p> |
| 24. | <p><u>Cllr Ward Area Improvements – Surplus of £0.39M</u></p> <p>There are currently no plans in place to spend against this budget and therefore a surplus is to be declared.</p> |
| 25. | <p><u>Passive Fire Safety Works – Surplus of £5.63M</u></p> <p>There has been a delay in progressing a procurement plan and the legal process. Procurement stage and the legal process has had an impact on the forecast spend with a delay in the anticipated start of construction work. Bidders were not prepared to submit a tender and an alternative approach has been developed. Also, the legal process has been delayed due to the availability of key members of the consultant legal team, negotiations still ongoing. After a review of the programme a more realistic proposal has been suggested in the 2022/23 business plan.</p> |
| 26. | <p><u>Fire Risk Assessment Reviews – Surplus of £0.80M</u></p> <p>This budget has been identified within the HRA revenue budget and therefore not required in the Capital programme.</p> |
| 27. | <p><u>Communal Areas Works – Deficit of £0.29M</u></p> <p>There has been an increasing number of door replacements taking place that leaseholders pay for. However, the income is fed into Housing Revenue Account and not against the Capital. Therefore, the budget is set to incur a deficit.</p> |

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| 28. | <p><u>Door Entry Systems – Deficit of £0.20M</u></p> <p>Contractor have submitted all prices for this year's budget allocation and a schedule provided which completed in December 2021. After a review further works have been identified that requires SCC12/lprox upgrades and properties that require full door/screen upgrades. Prices are in hand for the above works. As a result, this project is forecasted to incur a deficit.</p> |
| 29. | <p><u>Hants Fire & Rescue Service - Fire Safety / Sprinkler Project – Deficit of £2.00M</u></p> <p>Additional spend has been identified around additional fire stopping and flat ventilation requiring replacement of non-functioning extract fire damper cones with fire damper grilles to ensure adequate extraction and protection against smoke and fire spread. In addition to this, existing ducts and grilles were found to contain asbestos containing products, which requires protection to be put in place while the original plan for upgrading the system as a separate project is subject to a feasibility exercise. As a result, this project is forecasted to have a deficit of just over £2M.</p> |
| 30. | <p><u>Structural Works – Deficit of £0.20M</u></p> <p>The deficit is due to small backlog of works arising from restricted access under COVID restrictions in early 2021/22. After a review some minor concrete repairs and four bay window replacements are required to be carried out. As a result, this project is forecasted to be in deficit.</p> |
| 31. | <p><u>Block Modernisation Programme – Deficit of £0.34M</u></p> <p>Project is progressing ahead programme and the team has been replacing leaseholder doors which the leaseholders pay for. Works are pressing ahead of programme, however, door deliveries starting to be extended so orders are needed to be raised for 2022/23 programme. As a result, this project is forecasted to incur a deficit in 2021/22.</p> |
| 32. | <p><u>Sprinkler Work – Deficit of £0.20M</u></p> <p>Tenders for this project have been returned and subsequently assessed. The budget will be incurring a deficit due to previously unidentified work.</p> |