

CAPITAL OUTTURN 2011/12 – DETAILS OF SIGNIFICANT VARIANCES

ADULT SOCIAL CARE & HEALTH PORTFOLIO

The spend for the year is **£1,026,000**. This can be compared with the budgeted figure for 2011/12 of **£1,805,000** resulting in an under spend of **£779,000**, which represents a percentage under spend against budget of **43.2%**.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

ASCH 1 – Residential Homes Fabric Furnishing CQC (Slippage £364,000)

Delays in ordering furniture and other furnishing whilst decoration works are tendered and completed.

This scheme aims to refresh the decoration, furnishing and fittings at the Council's residential care homes.

The scheme of works has been split into two geographical areas, East and West. Contractual decoration works in the East have begun but later than originally planned which has consequently led to a delay in ordering planned furniture and furnishings which have been scheduled to arrive as decoration works are completed. The tenders for works under the West contract were not received until May 2012 and therefore these works are now planned to complete in the summer of 2012.

ASCH 2 – National Care Standards and H&S Works (Slippage £227,000)

There has been limited response received for tendering of works in 2011/12 and delays in commencement of planned works.

This scheme aims to improve the fabric of the internally provided residential care homes to meet CQC and other Health & Safety standards.

There was a poor response to tendered works across the planned works for Brownhill House (Lift and Link works) as well as a delay in receiving planning permission for the Link works (there are two blocks currently not connected at first floor level). Further tenders have now been received and works should commence in early 2012. In addition, for day to day operational reasons, the planned replacement of the kitchen at Glen Lee has been delayed and is due to start in May 2012. There has been some slippage in completion of works on smaller aspects of the project.

Planned works should all now complete in 2012/13.

CHILDREN'S SERVICES & LEARNING PORTFOLIO

The spend for the year is **£32,417,000**. This can be compared with the budgeted figure for 2011/12 of **£38,711,000** resulting in an under spend of **£6,294,000**, which represents a percentage under spend against budget of **16.3%**.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

CSL 1 – Lord’s Hill Academy (Slippage £4,389,000)

Profiling Issues

The spend profile for this scheme has not been updated from the one drawn up during the feasibility study. The scheme is currently within budget and on schedule to deliver the new academy as per the originally agreed programme.

CSL 2 – School Capital Maintenance (Slippage £1,448,000)

Original project has been updated to fit changing needs.

The funding for the Special School Estate project was allocated to deliver SEN provision from the Millbrook site. A reconsideration of local priorities has led to this project being cancelled with a view to expanding the PRU provision at Millbrook, as approved by Cabinet on 16 April.

CSL 3 – Mayfield Academy (Slippage £366,000)

Profiling Issues

The spend profile for this scheme has not been updated from the one drawn up during the feasibility study. The scheme is currently within budget and on schedule to deliver the new academy as per the originally agreed programme.

CSL 4 – Primary Review (Slippage £204,000)

Delays to some projects to extend eight Primary Schools

Slippage in the programme has resulted in delays in the work taking place to extend St Mary’s Primary. However all projects in the programme are due to be completed on time.

CSL 5 – Primary Review Phase 2 (Re-phasing £421,000)

Early starts on some projects to extend 20 Primary Schools.

Work has been carried out earlier than originally programmed to meet the need for extra Primary School places in September 2012 particularly at St Patrick’s Catholic School, Glenfield Infants School and Kanes Hill Primary School.

CSL 6 – Newlands Primary Rebuild Project (Re-phasing £217,000)

Site difficulties have lead to a rephrasing of work to deliver project on time.

Unexpected archaeological finds on the site of the development resulted in a delayed start to the project. However, the remainder of the project has been accelerated to ensure that work is completed on time.

ENVIRONMENT & TRANSPORT PORTFOLIO

The spend for the year is **£17,282,000**. This can be compared with the budgeted figure for 2011/12 of **£20,786,000** resulting in an under spend of **£3,504,000**, which represents a percentage under spend against budget of **16.9%**.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

E&T 1 – MSCP 10 year Maintenance Programme – Grosvenor Square Lifts (Slippage £233,000)

There is slippage due to the contractor falling behind schedule.

There is slippage on the Grosvenor Square Lifts project as the contractor is behind schedule. They are incurring liabilities for liquidated damages as part of the contract and the contract administrator is involved in addressing these issues.

E&T 2 – Bridges Maintenance - Western Approaches Rail Bridge (Slippage £97,000)

There is slippage as more investment is required than originally anticipated.

Feasibility works have been carried out at Western Approach Rail Bridge which have highlighted that the project requires considerably more investment than originally anticipated. Delivery of the scheme will be reviewed subject to sufficient funds being made available.

E&T 3 – Highways Maintenance Risk Fund (Slippage £186,000)

There is a variance on the contingency budget for the Highways Partnership.

The Highways Maintenance Risk Fund is a contingency to meet a share of any additional costs to projects within the roads and other programmes above the target cost agreed with the Highways Partner. The contingency is sufficient to meet the Council's maximum liability as part of the 'share mechanism'. Provision was also made to cover some unforeseen 'compensation event' claims from this fund.

In line with the agreed contract mechanism, individual project costs are paid to the contractor with reconciliation to target costs upon completion of the annual programme. This has resulted in a number of projects showing an over spend, or under spend, at year end. In addition, some projects have slipped into future years due to delays in works and payments.

The net effect of the 2011/12 outturn is that the overall roads programme can be financed. The unspent contingency funding will, therefore, be available to fund future highways programmes.

E&T 4 – Principal Roads (Slippage £507,000)

There is slippage into 2012/13 on this scheme.

The Principal Roads scheme is part of the 'share mechanism' with the Highways Partner. Within the scheme there are 18 projects being delivered. There is a net favourable variance of £507,000, which is made up of slippage of £622,000, over spend of £385,000 and under spend of £270,000.

E&T 5 – Unclassified Roads (Slippage £482,000)

There is slippage into 2012/13 on this scheme.

The Unclassified Roads scheme is part of the 'share mechanism' with the Highways Partner. Within the scheme there are 27 projects being delivered. There is a net favourable variance of £482,000, which is made up of slippage of £178,000, over spend of £76,000 and under spend of £381,000.

E&T 6 – Highways Drainage SWMP Implementation Works (Slippage £145,000)

There is slippage due to procurement delays.

This Surface Water Mapping Programme (SWMP) project has slipped into 2012/13 as there have been delays in the procurement of these specialised services.

E&T 7 – Street Furniture (Slippage £200,000)

There is slippage into 2012/13 on this scheme.

The slippage within the Street Furniture scheme is mainly due to two projects. Slippage of £65,000 on Road Restraint Systems is due to delays in completing the assessment of crash barriers and road restraints. Following consultation with the Highways Partner, it was decided to slip the project into 2012/13 to ensure that works at individual sites can be delivered in one visit, rather than in stages. Slippage of £97,000 on Street Nameplates was due to it taking longer than anticipated to inspect, rank and deliver the upgrades. Work on site for this project started in February 2012.

E&T 8 – City Centre Improvements – Oxford Street Phase 1 (Re-Phasing £168,000)

The Highways Partner is ahead of schedule on this scheme.

The Highways Partner has made good progress with Phase 1 of the works at Oxford Street and is further ahead than originally anticipated. The scheme spans over a number of years and £168,000 has been brought forward. This will be reflected in a reduction of the 2012/13 allocation.

E&T 9 – Public Transport (Slippage £331,000)

There is slippage into 2012/13 on this scheme.

The slippage within the Public Transport scheme is mainly due to two projects. Slippage of £188,000 on the refurbishment of Southampton Central Station is due to unforeseen delays on this Network Rail led project, as removal of construction materials took longer than originally expected. Slippage on the Bus Stop Improvements (Developers) scheme of £95,000 followed First Group Services making changes to bus routes, which impacted on the programme of works to be delivered in 2011/12. These changes have now been completed and an updated programme of works has been produced, which will be delivered in 2012/13.

E&T 10 – Relocation of Town Depot (Slippage £278,000)

There is slippage into 2012/13 on this scheme.

The slippage into 2012/13 reflects the change in strategy to retain a small element of Town Depot. This meant that work had to be coordinated with the vacation and demolition of the site.

Some other works were also completed later than originally anticipated, including the Manor House Avenue resurfacing. There was slippage in project fees of £105,000. All major works have been completed in 2012/13 with final accounts for the main relocation sites of City Depot, Red Lodge and Town Depot to be agreed shortly.

E&T 11 – Itchen Bridge Toll Automation Project (Slippage £239,000)

There is slippage into 2012/13 due to delays in finalising the contract details.

The project has slipped from the original timescale as it has taken longer than anticipated to finalise the contract details. The contractor is due to submit a revised programme and expenditure profile but, at this stage, completion of all the works on site is expected by November 2012. The installation of the roadside equipment is programmed between June and September 2012, followed by the computer system checks and interfacing.

E&T 12 – Crematorium Major Works (Slippage £441,000)

There is slippage into 2012/13 due to tendering issues.

The main slippage on the Crematorium Major Works scheme is £428,000 on the Replacement of the Cremators project. This is due to tendering issues, including the need to set up an advance payment bond. It is still expected that the scheme will be completed by December 2012, in line with the original programme.

HOUSING PORTFOLIO A – (GENERAL FUND)

The spend for the year is **£2,175,000**. This can be compared with the budgeted figure for 2011/12 of **£2,226,000** resulting in an under spend of **£51,000**, which represents a percentage under spend against budget of **2.3%**.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

There are no major items of slippage/re-phasing.

HOUSING PORTFOLIO B (LOCAL SERVICES & COMMUNITY SAFETY)

The spend for the year is **£1,162,000**. This can be compared with the budgeted figure for 2011/12 of **£1,377,000** resulting in an under spend of **£215,000**, which represents a percentage under spend against budget of **15.6%**.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

HOU B 1 – Community Led Improvement Initiatives (Slippage £100,000)

Slippage due to no grants being paid in 2011/12

The budget was originally phased with £100,000 in 2011/12 and £100,000 in 2012/13. There is slippage due to no grants being paid in 2011/12. Further rounds of applications will be held with the intention of awarding the full £200,000 in 2012/13.

LEADER'S PORTFOLIO

The spend for the year is **£1,366,000**. This can be compared with the budgeted figure for 2011/12 of **£2,295,000** resulting in an under spend of **£929,000**, which represents a percentage over/under spend against budget of **40.5%**

MAJOR ITEMS of SLIPPAGE/RE-PHASING

LEAD 1 – Northern Above Bar (Slippage £390,000)

Delay caused by site access issues.

Health and Safety issues in the Guildhall building have meant that there has been no access to carry out the final elements of work on Guildhall Square.

LEAD 2 – QE2 Mile – Bargate Square (Slippage £117,000)

Savings on feasibility study and delays in design process.

The budget profile represented detailed design of the master plan, however only Phase 1 is now being progressed. In addition, feasibility work has been delivered under budget.

LEISURE & CULTURE PORTFOLIO

The spend for the year is **£14,602,000**. This can be compared with the budgeted figure for 2011/12 of **£14,598,000** resulting in an over spend of **£4,000**, which represents a percentage over/under spend against budget of **0.0%**

MAJOR ITEMS of SLIPPAGE/RE-PHASING

LC 1 – Sea City Museum (Re-phasing £249,000)

Additional costs of asbestos removal which it may not be possible to absorb within the overall scheme budget.

There have been significant additional costs incurred on the project including £300,000 more asbestos work than originally anticipated. Every effort is being made to identify whether it is possible to still deliver the scheme on budget and this will be finalised in 2012/13. Provision has been made for additional DRF funding as a prudent response to this likely pressure as part of the revenue outturn and this is detailed in the General Fund Revenue Outturn 2011/12 report elsewhere on the Council agenda.

RESOURCES PORTFOLIO

The spend for the year is **£10,036,000**. This can be compared with the budgeted figure for 2011/12 of **£11,777,000** resulting in an under spend of **£1,741,000**, which represents a percentage under spend against budget of **14.8%**.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

RES 1 – Office Accommodation (Slippage £1,648,000)

Programme delays due to asbestos removal

Slippage reflects programme delays caused by additional asbestos removal. This has required re-phasing of works involving an acceleration of certain aspects of the programme and the overlapping of Phases 1 and 2 to ensure the project finishes in 2013/14 as planned. Any additional costs as a result of these activities have been accommodated within existing budgets without the need to seek additional funding or reduce the specification of works.

RES 2 – Mobile Working (Slippage £69,000)

Delayed start due to additional stakeholder engagement

The slippage on the scheme has arisen primarily as a result of a delayed start date to ensure that the requirements of all the stakeholders involved were properly identified. The scheme is now due for completion in 2012/13.