

**GF & HRA MAJOR VARIANCE EXPLANATIONS SINCE LAST REPORTED POSITION**

<b>CHILDREN &amp; LEARNING</b>	
	<b><u>Slippage and Rephasing</u></b>
1.	<p><b><u>School Condition works (Slippage of £0.87M from 2022/23 to 2023/24)</u></b>            Net Variance £0.87M slippage rephasing on schemes within Schools Capital Maintenance programme. Slippage is predominantly due to:</p> <ul style="list-style-type: none"> <li>• DT Block Green Lane (SEND) £0.23M – the design work was undertaken 2022/23 but installation is planned for 2023/24. No delays have occurred, when the budget was added the profile was unknown.</li> <li>• Regents Park Roof £0.07M – due to delay signing construction contract which cascade lead to the acceptance period for award to expire. This was in SCC’s financial interest, as it allowed a review of the tender sum.</li> </ul> <p>A number of projects had minor underspends, where the budget has been slipped into 2023/24 for contingency to cover unforeseen urgent projects and existing project inflation.</p> <ul style="list-style-type: none"> <li>• St Marys C of E Windows replacement - £0.18M underspend as works were originally costed on replacing the existing windows for wooden windows as opposed to aluminium windows. Planning confirmed the use of aluminium windows, and the tenders came in under the original budget.</li> <li>• Disabled Access Bitterne C of E (Replacement door sets) £0.02M</li> <li>• Woolston Infant School roof coverings &amp; associated works £0.01M</li> <li>• Hardmoor E Y roof coverings &amp; associated works £0.02M</li> </ul>
2.	<p><b><u>St Marks (Slippage of £1.60M from 2022/23 to 2023/24)</u></b>            The secondary school was completed on 13 July 2022. Practical completion occurred at the start of 2023/24, as there were some additional works required to the school field. The remaining budget is to be slipped for the residual retention.</p>
3.	<p><b><u>Chamberlayne (Slippage of £1.90M from 2022/23 to 2023/24)</u></b>            A funding transfer agreement is in place with the Trust to provide extensive works to the school. The programme and delivery are under the management of the Trust and outside of SCC control. The outstanding sum is projected to be paid to the Trust in 2023-2024, in line with work completion.</p>
4.	<p><b><u>Newlands (Slippage of £0.29M from 2022/23 to 2023/24)</u></b>            As with a number of schemes within the current economic climate a potential budget shortfall was identified. Therefore it was delayed whilst the additional funding was identified and approved as part of the February budget. The scheme has now started and will be completed in 2023/24.</p>
5.	<p><b><u>SEND Review (Slippage of £0.89M from 2022/23 to 2023/24)</u></b>            The final account for the modular buildings is still to be finalised and there outstanding planning conditions to be discharged in 2023/24.</p>

**COMMUNITIES & CUSTOMER ENGAGEMENT****Slippage and Rephasing**

6. **Crematorium Refurbishment (Slippage of £0.49M from 2022/23 to 2023/24)**  
Procurement delays have resulted in the project being delayed into 2023/24.

**ECONOMIC DEVELOPMENT****Slippage and Rephasing**

7. **Belgrave Industrial Estate Roof (Slippage of £0.46M from 2022/23 to 2023/24)**  
Following an additional inspection with the consultants & contractors, the condition of the roof was identified as being in a worse condition than was anticipated, and far more remedial works will be needed to make the building watertight so the remaining budget will need to slip to 2023/24.
8. **Works to Investment Property (Slippage of £0.14M from 2022/23 to 2023/24)**  
A decision was taken to delay the start of works while lease arrangements were being investigated. The original intention was to split the commercial unit into 2 and it has been identified that there are some planning concerns which will need to be satisfied before the works are undertaken. It is hoped that works will take place later in 2023/24 and any progress will be reported as part the in year financial monitoring.

**FINANCE & CHANGE****Slippage and Rephasing**

9. **CareDirector (Slippage of £0.84M from 2022/23 to 2023/24)**  
There have been difficulties recruiting temporary staff, with the right skill set, which has meant a delay in project delivery. It is hoped that all positions will be filled in the summer and the project can be completed in 2023/24.
10. **Transformation Programme (Slippage of £0.89M from 2022/23 to 2023/24)**  
A full review has been undertaken of the transformational activity required across the whole organisation to ensure that these resources are best utilised to maximise efficiencies both in financial terms and service delivery. An updated Flexible Use of Capital Receipts Strategy will be presented to Council in July 2023, detailing the plans for this project.
11. **Corporate Assets Decarbonisation Scheme (CADS) (Slippage of £1.19M from 2022/23 to 2023/24)**  
The slippage is primarily due to the project to replace the street lighting across the city. Works could not be undertaken while the street lighting contract was being re-negotiated; which has now been concluded and therefore works are expected to progress in 2023/24 and delivered the intended efficiencies.

**Surplus & Deficit**

12. **CareDirector Phase 1 (Surplus of £0.19M)**  
Following the successful implementation phase of CareDirector, there is a small surplus as a result of contract negotiations and utilising internal staff expertise.

<b>HEALTH, ADULTS &amp; LEISURE</b>	
	<b><u>Slippage and Rephasing</u></b>
13.	<b><u>Outdoor Sports Centre (Slippage of £0.74M from 2022/23 to 2023/24)</u></b> Progress was delayed whilst the Levelling Up Fund were assessing the council's funding allocation. It is hoped that this will not impact the overall delivery timescale. The Pre-Construction Services Agreement has been entered into and the final project plans will be reported to Council in the autumn.
<b>HOUSING &amp; THE GREEN ENVIRONMENT</b>	
	<b><u>Slippage and Rephasing</u></b>
14.	<b><u>Fleet Vehicle Purchase (Slippage of £1.03M from 2022/23 to 2023/24)</u></b> Due to ongoing delays in the manufacturing process of new vehicles, a number of purchases have been delayed into 2023/24. This delay will give additional time to fully assess the fleet needs of the council going forward.
15.	<b><u>1000 Parking Spaces (Slippage of £0.54M from 2022/23 to 2023/24)</u></b> Bad weather over the winter has meant that the project has not been able to be progressed as planned, as the work involves a lot of groundwork. The project is anticipated to complete by Summer 2023.
16.	<b><u>S106 – Affordable Homes (Slippage of £1.13M from 2022/23 to 2024/25)</u></b> There have not been any projects over the past year which fulfilled the conditions of the S106 agreements to provide affordable homes. It is hoped that a number of schemes will be developed over the coming year to increase the number of new affordable homes in the city.
17.	<b><u>Mayflower Park (Slippage of £0.46M from 2022/23 to 2023/24)</u></b> Works were delayed whilst the project was being scoped. It had been hoped that this work would form part of a larger grant bid, which was unsuccessful. Works will continue as originally planned.
18.	<b><u>SANGS Improvements Works (Slippage of £0.28M from 2022/23 to 2023/24)</u></b> This project was agreed as part of the February budget, there was not sufficient time to mobilise projects before the end of March. A number of schemes are being developed to progress in 2023/24, in line with the commitment to provide suitable alternative natural green space (SANGS).
	<b><u>Surplus &amp; Deficit</u></b>
19.	<b><u>Warm Homes (Deficit of £0.46M in 2022/23)</u></b> The overspend on Warm Homes is due to significantly increased demand on the service following the increase in fuel costs in 2022/23. Better Care Fund agreed to contribute £0.25m of DFG funding to the Healthy Homes project to ensure that the most vulnerable have access to support to reduce their energy bills, and zero carbon initiatives will continue to be met from s106 zero carbon contributions. Therefore, the deficit was fully funded from external sources and allowed the Council to deliver additional supports to residents in need.
<b>LEADER</b>	
	<b><u>Slippage and Rephasing</u></b>
20.	<b><u>Bargate Walls Restoration (Slippage of £0.48M from 2022/23 to 2023/24)</u></b> This project has been re-profiled to accurately reflect the delivery of the project.

	<b><u>Surplus &amp; Deficit</u></b>
21.	<p><b><u>Art Gallery Roof (Surplus of £0.66M in 2022/23)</u></b>  This project was awarded over £2M in grant funding in February, which has allowed for a reduction in council resources to fund the works.</p>
<b>SAFER CITY</b>	
	<b><u>Slippage and Rephasing</u></b>
22.	<p><b><u>Safer Neighbourhoods (Slippage of £0.50M from 2022/23 to 2023/24)</u></b>  There have been delays to the design and procurement of this project to deliver motorcycle interventions. Work is planned to be undertaken in the summer months.</p>
<b>TRANSPORT &amp; DISTRICT REGENERATION</b>	
	<b><u>Slippage and Rephasing</u></b>
23.	<p><b><u>Transforming Cities (Slippage of £16.07M from 2022/23 to 2023/24)</u></b>  The most significant proportion of this slippage is due to a delay in grant payments from Department for Transport (DfT) to those set out in the original grant letter, resulting in significantly lower payments to Hampshire County Council than budgeted. DfT was unclear throughout the year as to the level of payments that would be received, hence the 2022/23 budget was not adjusted. The remaining grant will now be paid and spent in 2023/24.</p> <p>The change control for the city centre which was previously not accepted by DfT, was revised and resubmitted in June. DfT responded positively to it at the end of August 2022. The uncertainty of outcome led to programme delays and reduced spend during Q1 and Q2 of 2022 particularly for the city centre schemes.</p> <p>DfT announced a review in December 2022, to be carried out by Arup. Throughout the review process which was concluded by the end of February with the high level outcome communicated by the end of March 2023, there was uncertainty about future funding. Scheme development was limited during that time to funding that had already been received from DfT. This led to reduced spend during the latter parts of Q3 and throughout Q4 of 2022.</p> <p>Another significant slippage relates to the Northern Inner Ring Road scheme Phase 2 which was programmed to be implemented from January 2023 but had to be reprogrammed to fit with other Transforming Cities Fund schemes.</p>
24.	<p><b><u>Future Transport Zone (Slippage of £0.17M from 2022/23 to 2023/24)</u></b>  Delays to some of the schemes within the Solent Future Transport Zone Programme combined with the recent funder (DfT) approval for a one year extension (to June 2025) have resulted in slippage. The major schemes of slippage are the theme 2 area of the programme (Drones, Macro &amp; Micro Consolidation) as a result of lack of resource to progress following unsuccessful rounds of recruitment. This resource constraint is due to be resolved imminently, with delays mitigated somewhat by the approved programme extension and funding fully reprofiled and scheduled to be incurred during 2023/2025.</p>

25.	<p><b><u>Footways Programme (Slippage of £0.64M from 2022/23 to 2023/24)</u></b></p> <p>There are 7 orders with Balfour Beatty Local Partnership (BBLP) that have spanned the financial years.</p> <p>There are two schemes currently in progress: Premier Parade and South East Road, which will continue into 2023/24.</p> <p>The remaining balance is to cover identified sites where the last winter has severely damaged the highway asset and deterioration will require emergency works imminently.</p>
26.	<p><b><u>Local Transport (Slippage of £0.22M from 2022/23 to 2023/24)</u></b></p> <p>The programme is a rolling programme split over financial years and as such money will need to be carried over into 2023/24 to continue these programmes as some work is delayed from its original schedule.</p>
27.	<p><b><u>Integrated Transport Scheme (Slippage of £0.21M from 2022/23 to 2023/24)</u></b></p> <p>The programme is a rolling programme split over financial years and as such money will need to be carried over into 23/24 to continue these programmes as some work is delayed from its original schedule.</p>
28.	<p><b><u>Northam Bridge (Slippage of £0.18M from 2022/23 to 2023/24)</u></b></p> <p>Decision on the strategic outline business case (SOBC) for Northam Rail Bridge is expected from the government soon, this is later than anticipated so spend will need to be carried over into 2023/24 to develop the full business case.</p>
29.	<p><b><u>Public Transport (Slippage of £0.12M from 2022/23 to 2023/24)</u></b></p> <p>The programme is a rolling programme split over financial years and as such money will need to be carried over into 2023/24 to continue these programmes. One of the slippages relates to a DfT grant which the council is awaiting on further instructions from the DfT on how to continue the programme into 2023/24.</p>
<b>HRA</b>	
	<b><u>Slippage and Rephasing</u></b>
30.	<p><b><u>Roofing Lot 1 West (Rephase of £0.47M from 2023/24 to 2022/23)</u></b></p> <p>Although this project has had some delays due to the global issues with the supply chain for material, there is an element of retention that has been actioned. This will be funded via a rephase of budget from 2023/24. Works on this project are now approximately 80% through the programme. The Contractor is currently on programme to complete all the works by November 2023.</p>
31.	<p><b><u>Bathroom Refurbishment Programme (Rephase of £0.19M from 2024/25 to 2022/23)</u></b></p> <p>All works for 2022/23 were completed, so 2023/24 works have been accelerated as the contractor was in place to carry more work.</p>
32.	<p><b><u>Door Entry Systems (Slippage of £0.19M from 2022/23 to 2023/24)</u></b></p> <p>This project has been affected by the adverse effect of global supply chain and manufacturing time scales. This means that the intended 2 blocks at Thornhill will have to be carried out in 2023/24.</p>

33.	<p><b><u>Townhill Park Regeneration (Slippage of £0.48M from 2022/23 to 2023/24)</u></b></p> <p>There has been slower than anticipated decommissioning (decanting tenants and leasehold buy backs). The demolition of Plot 9 Kingsdown Way blocks has not proceeded because the council doesn't have vacant possession of the site due to one leaseholder remaining in situ.</p>
34.	<p><b><u>Starboard Way (Slippage of £0.15M from 2022/23 to 2023/24)</u></b></p> <p>There were delays to completion caused by defective fire stopping works and as of the current date only 48 of 103 properties have been handed over. All units were due to complete by Q1 2022-23 financial year. Completion of remedial works, and final certification payments, are expected in early 2023/24.</p>
35.	<p><b><u>HRA IT Equipment and Software Refresh (Slippage of £0.11M from 2022/23 to 2023/24)</u></b></p> <p>This project has been affected by the supply chain issues and meant delivery has not happened in current financial year. As a result, the project will incur slippage for NEC Upgrade project in 2023/24.</p>
36.	<p><b><u>1,000+ Parking Spaces (Slippage of £1.06M from 2022/23 to 2023/24)</u></b></p> <p>The 1000 parking spaces project was reviewed during the summer of 2022/23, and the outcome of that review was that only projects currently in progress would continue. The remaining funding will be slipped into 2023/24 pending the outcome of the review.</p>
	<p><b><u>Surplus &amp; Deficit</u></b></p>
37.	<p><b><u>External Windows and Doors (Deficit of £0.11M in 2022/23)</u></b></p> <p>Phase One works were being undertaken by Housing Operations and it has taken longer than anticipated to mobilise the project due to resource and access issues. The tender package for Phase Two works to low and medium rise blocks has been amended to accommodate window and door replacements to housing stock to support delivery by Housing Operations. As a result, this project has incurred a surplus from the original budget of £1m in 22/23 but a deficit from the previous quarter.</p>
38.	<p><b><u>Electrical Heating Systems (Deficit of £0.45M in 2022/23)</u></b></p> <p>The deficit is due to reactive workload and high efficiency of turnaround from Housing Operations. Also, change to the Preliminaries rate agreed in November with the board. Following a review, there was a demand for works and as a result the project was directed to use subcontractors, at a higher cost, as Housing Operations were under resourced. Finally, increased inflation on building materials and the overall increase in demand for work has resulted in a deficit on this project.</p>
39.	<p><b><u>HFRS Fire Safety / Sprinkler Project (Deficit of £0.38M in 2022/23)</u></b></p> <p>Additional works identified around flat ventilation requiring replacement of non-functioning extract fire damper cones with fire damper grilles to ensure adequate extract and protection against smoke and fire spread. Existing ducts and grilles have asbestos containing products and the original plan for upgrading the system as a separate project is subject to a feasibility exercise but in the meantime the protection needs to be put in place. As a result, the deficit on this project has been offset by surpluses within the HRA programme, as detailed within this report.</p>
40.	<p><b><u>Estate Regeneration Woodside/Wimpson (Deficit of £0.93M in 2022/23)</u></b></p> <p>Project recorded the requirement to finance further works having acknowledged deficiencies in the delivered works, which shall have to be corrected, namely the relocation of lift landing call buttons, replacement of lift landing doors (14nr) and potential corrective works in association with the Renewables.</p>

41.	<b><u>HFRS Fire Safety Doors (Deficit of £0.86M in 2022/23)</u></b> The overspend in this project is due to the costs of replacing leaseholder doors, which is funded by contributions from leaseholders. Also, replacement works were ahead of programme to ensure residents safety in high-risk blocks. Communal compartmentation surveys and remedial work were undertaken to ensure compliance in conjunction with fire door replacements. As a result, the budget incurred a deficit.
42.	<b><u>Block Modernisation Programme (Deficit of £0.24M in 2022/23)</u></b> The overspend in this project is due to the costs of replacing leaseholder doors, which is funded by contributions from leaseholders. Also, replacement works were ahead of programme to ensure residents safety in high-risk blocks. Communal compartmentation surveys and remedial work were undertaken to ensure compliance in conjunction with fire door replacements. As a result, the budget incurred a deficit.
43.	<b><u>Asbestos Removal (Deficit of £0.35M in 2022/23)</u></b> The programme is reviewing the ducts and grilles that have asbestos containing products and will be looking to upgrading them. As a result, the project has incurred a deficit in 2022/23 dealing with additional upgrades.
44.	<b><u>Wall Structure &amp; Finish (Surplus of £0.24M in 2022/23)</u></b> Labour levels on site for the previous years has caused the budget not being spent. Work has not progressed as planned due to shortage of labour. Therefore, the works were continuing slowly on site by Housing Op's. As a result, the budget has not been spent with the current labour levels. Future works will be covered by the future year's budgets.
45.	<b><u>Roads/Paths/Hard Standing (Surplus of £0.10M in 2022/23)</u></b> A project at Challis Court which was anticipated for completion in 2022/23, however, it was not completed in this financial year due to delays in waiting for the contractor to programme in the work and start on site. The works will commence in the early part of the 2023/24 financial year and will be covered by the future years budget.
46.	<b><u>DN: Estate Improvement Programme (EIP) (Surplus of £0.18M in 2022/23)</u></b> This project was agreed to be removed to provide cost saving in 2022/23.
47.	<b><u>Renew Porch Canopy (Surplus of £0.10M in 2022/23)</u></b> Works had a slow start on site last August 2022. Also, Housing Operation could not get canopies delivered in time from their current supplier. Measures are in place to ensure orders for canopies are carried out in good time avoiding delays. Therefore, the budget has occurred a surplus.
48.	<b><u>Structural Works (Surplus of £0.28M in 2022/23)</u></b> This budget has an element of contingency works within it which depends on new issues being found and resolved. In addition, there are condition survey generated concrete repair works lasting 3 years which has generated less than expected repair requests. As a result, the budget has incurred a surplus.
49.	<b><u>Sprinkler Work (Surplus of £1.57M in 2022/23)</u></b> The project had to be re-tendered, and the scope of works changed by omitting and adding blocks. Project was delayed due to need to re-tendering process. Therefore, the project is still behind programme. As a result, the project has incurred a surplus as there is available budget in future years.
50.	<b><u>Structural Inspections to High Rise Blocks (Surplus of £0.60M in 2022/23)</u></b> The surplus in this project is due to the fee per building being reduce by offering the 7 remaining as a single package.

51. **Fire Detection Upgrades (Surplus of £0.22M in 2022/23)**

This project has moved the labour to support Electrical Installation Condition Report EICR programme. As a result, the project has incurred a surplus.