

APPENDIX 1

CAPITAL OUTTURN 2012/13 – DETAILS OF SIGNIFICANT VARIANCES

ADULT SERVICES PORTFOLIO

The spend for the year is **£2,106,000**. This can be compared with the budgeted figure for 2012/13 of **£2,029,000** resulting in an over spend of **£77,000**, which represents a percentage over spend against budget of **3.8%**.

SIGNIFICANT OVER OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

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

CHILDREN'S SERVICES PORTFOLIO

The spend for the year is **£28,455,400**. This can be compared with the budgeted figure for 2012/13 of **£26,763,000** resulting in an over spend of **£1,692,400**, which represents a percentage over spend against budget of **6.3%**.

SIGNIFICANT OVER OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

CS 1 – Primary Review Phase 2 (re-phasing £4,336,000)

Schemes ahead of programme

The Moorlands Primary School, Bannister Infants School and Wordsworth Infants School projects are governed by the SCAPE frame work where payments are made given certain conditions. These projects are running ahead of the schedule and so payments have been made earlier than originally anticipated and make up the majority of the reported re-phasing.

CS 2 – Academies Programme (slippage £798,000)

Release of retentions later than anticipated.

The spend profile for this scheme originally anticipated that the retentions on the contract would be released in 2012/13. The revised programme has moved these back to 2013/14.

CS 3 – Pupil Referral Unit (slippage £658,000)

Re-profiling of payment schedule

The initial payment profile was indicative. This has now been reformulated, to align with the contract terms, which has resulted in project expenditure being more “back loaded” than the even distribution that the initial phasing was based on.

CS 4 – Secondary School Capital Maintenance (slippage £421,000)

Delays due to restrictive site availability

There are a number of projects where the works have to be undertaken during the school summer holiday period. If works are not going to be completed during this time frame they are delayed until the following summer.

CS 5 – Schools Devolved Capital (slippage £420,000)

School Devolved Formula Capital grant expenditure

Schools are allocated an amount of Devolved Formula Grant each year by the Department for Education. They can roll forward any unspent grant for up to three years. The slippage figure reflects the amount of 2012/13 unspent grant rolled forward to 2013/14.

CS 6 – Health and Safety (re-phasing £372,000)

Additional work following Fire Safety Reviews

There is an ongoing programme of Fire Safety Reviews across the schools estate. This has identified issues with school fire alarm systems which need to be fixed as a priority leading to an acceleration of the programme.

CS 7 – ICT Harnessing Technology Grant (slippage £263,000)

Delay to the HPSN2 Network Installation

The installation of the new broadband service for schools (HPSN2) has been delayed by the renegotiation of the Capita IT Contract which resulted in the scheme being put back until July 2013.

ENVIRONMENT & TRANSPORT PORTFOLIO

The spend for the year is **£14,078,600**. This can be compared with the budgeted figure for 2012/13 of **£19,911,000** resulting in an under spend of **£5,832,400**, which represents a percentage under spend against budget of **29.3%**.

SIGNIFICANT OVER OR UNDER SPEND

E&T 1 – Various Under Spends (favourable variance £729,000)

There are a number of under and over spends most significantly across the Roads Programme where there is a net under spend, the major reasons for which are referred to below in E&T 5. In addition, there was an under spend as the Local Sustainable Transport Fund (LSTF) Bus Priority Corridors project and the LSTF Super Cycle Highway project were not delivered in 2012/13 as set out in E&T 7 & E&T 10 below.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

E&T 2 – Bridges Maintenance (slippage £294,000)

Delayed spend to enable match funding of a bid for the new Department for Transport (DfT) Local Pinch Point grant allocation.

There is slippage on Bridge Maintenance as expenditure was delayed so that it could be used to match fund the Local Pinch Point grant awarded by the DfT. This award will enable essential maintenance to be carried out on six key bridges in the next three years whilst maintaining an annual allocation for minor bridge maintenance works.

E&T 3 – MSCP 10 Year Maintenance Programme (slippage £119,000)

Contractor 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 4 –Highways Drainage (slippage £296,000)

There is slippage on this scheme following a prioritisation exercise and due to inclement weather

The slippage on the Minor Works project (£141,000) is due to a prolonged process in agreeing a scoring prioritisation matrix to enable minor ad-hoc requests to be assessed on a city wide network requirement. The prioritisation matrix has been agreed and will be used for all works ongoing.

The A33 Common Drainage Scheme (£155,000) is commencing later than anticipated due to inclement weather. In addition, the Surface Water Management Plan (SWMP) is currently identifying projects to deliver the remaining spend.

E&T 5 – Roads (slippage £1,360,000)

There is slippage into 2013/14 on this programme of £1,360,000 which is composed of a large number of individual schemes and projects together with some under spends consolidated in E&T 1. The net under spend was £432,000.

The Principal Roads scheme is part of the 'share mechanism' with the Highways Partner. Within the scheme there are 16 projects being delivered. There is a net favourable variance of £125,000, which is made up of slippage of £233,000 and a net over spend of £108,000.

The Unclassified Roads scheme is part of the 'share mechanism' with the Highways Partner. Within the scheme there are 16 projects being delivered. There is a net favourable variance of £591,000, which is made up of slippage of £322,000 and a net under spend of £269,000.

The Roads Improvement scheme has slipped by £165,000. The Road Restraints project has slipped following delays in the completion of the assessment of crash barriers and road restraints, which will enable a delivery in one visit rather than in stages. In addition, the drainage project allocation was not fully required in year following detail design.

The Redbridge Roundabout Scheme is phased over two financial years and, due to inclement weather, part of the works programmed for evenings in March could not be undertaken resulting on slippage of £600,000. However, this evening work is now complete and the scheme has under spent by £176,000.

The Highways Maintenance Risk Fund is a contingency to meet a share of any additional project costs 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'. This contingency was not fully required in the year resulting in a saving of £140,000.

E&T 6 – Salix Energy Efficiency Measures (slippage £248,000)

Design and planning phase taking longer than anticipated.

There is slippage on this scheme as the nature of the design and technology choices for two key areas, micro combined heat and power and LED lighting, have taken longer than anticipated to assess. The LED market is in its infancy, without common national or international standards, compared to the current common lighting types. However, two types have now been chosen and are being procured. In addition, the micro combined heat and power work has to coincide with the main non-heating season at residential care homes and has been planned for later in the year.

E&T 7 – Public Transport (slippage £198,000)

Longer than anticipated lead in time for work to commence has resulted in slippage of £198,000. In addition an under spend on LSTF is consolidated in E&T 1. The net under spend was £116,000.

There is slippage on the Southampton Strategic Bus Partnership project, due to a longer than anticipated lead in time for work at eleven bus stops across the City and changes to First Bus services. The bus stop works are being delivered by the Highways Partner within the coming months. In addition, the Bus Priority project is on schedule and being delivered, however the contractor is behind in applying for payment.

There was also an under spend as the Local Sustainable Transport Fund (LSTF) Bus Priority Corridors project was not delivered in 2012/13. Transport for South Hampshire (TfSH) agreed that the funding for this project could be reallocated to part fund the delivery of a Real Time Information project, within the Integrated Transport Service, as it has been possible to accelerate works on this scheme. The future delivery of the LSTF Bus Priority Corridors project is dependent on reprioritisation and allocation of future years LSTF monies.

E&T 8 – Itchen Bridge Toll Automation Project (slippage £247,000)

There is slippage due to the contractor falling behind schedule.

There has been slippage on the Itchen Bridge Automation project, due to delays in the contractor completing the remedial works. Once these works have been completed satisfactorily payments, including retentions, will be released. It is anticipated that all outstanding payments will be made in 2013/14.

E&T 9 Weekly Collection Support Scheme (slippage £786,000)

There is slippage as grant funding was awarded later than anticipated.

The slippage is due a four month delay in the announcement, by the Department of Communities and Local Government (DCLG), that Southampton had been successful with its bid for money to support weekly collections and increase recycling performance. The 2012/13 budget was based on the original bid, which allowed for the purchase of six refuse collection vehicles in 2012/13. Due to the lead in time to procure refuse collection vehicles being over six months, the delay in the announcement to November 2012 has meant that the procurement has slipped into 2013/14.

E&T 10 – Active Transport - Cycling Improvements (slippage £41,000)

Longer than anticipated consultation process with residents resulted in slippage of £41,000). In addition an under spend on the Super Highway project is consolidated in E&T 1. The net under spend was £82,000.

There is slippage on the Lovers Walk junction project, near Southampton Common, due to a longer than anticipated consultation process with residents. This common land is a site of special scientific interest and additional surveys and consultation was required to deliver this project.

There was also an under spend as the LSTF Super Cycle Highway project was not delivered in 2012/13. TfSH agreed that the funding for this project could be reallocated to part fund the delivery of a Real Time Information project, within the Integrated Transport Service, as it has been possible to accelerate works on this scheme.

E&T 11 – City Centre Improvements (slippage £602,000)

Re-prioritisation of the City Centre programme.

The funding for the Civic Centre Place project has been slipped from 2012/13 into 2013/14, as the overall City Centre programme has prioritised work on the North of Central Station project in 2012/13. Work will progress on Civic Centre Place in 2013/14 as part of the City Streets project.

E&T 12 – Platform for Prosperity (slippage £501,000)

Lower than anticipated design costs.

The slippage is mainly due to the design costs being lower than anticipated, which will allow for additional work required to be undertaken later this year. There was also a one month delay in the start of the initial enabling works. Overall delivery of the main scheme remains on schedule.

HOUSING & LEISURE SERVICES PORTFOLIO

A – HOUSING GENERAL FUND

The spend for the year is **£1,616,200**. This can be compared with the budgeted figure for 2012/13 of **£2,099,000** resulting in an under spend of **£482,800**, which represents a percentage under spend against budget of **23.0%**.

SIGNIFICANT OVER OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

HOUS 1 – Disabled Facilities Grants 2012/13 (slippage £333,000)

There has been a reduction in the average value of grants and a more efficient delivery.

The last two years has seen a more efficient delivery of adaptations, by bringing the process “in-house”, and a reduction in the average value of grants applied for. As adaptations are part funded by the DCLG, the budget will be slipped for use in future years as part of the September update of the Capital Programme.

B – LOCAL SERVICES & COMMUNITY SAFETY

The spend for the year is **£441,300**. This can be compared with the budgeted figure for 2012/13 of **£569,000** resulting in an under spend of **£127,700**, which represents a percentage under spend against budget of **22.5%**.

SIGNIFICANT OVER OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

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

C – LEISURE

The spend for the year is **£791,000**. This can be compared with the budgeted figure for 2012/13 of **£1,291,000** resulting in an under spend of **£500,000**, which represents a percentage under spend against budget of **38.7%**.

SIGNIFICANT OVER OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

LEIS 1 – SeaCity Phase 2 (slippage £336,000)

Difficulties finalising contractor accounts

Work to finalise the build and fit out final accounts has taken longer than anticipated. This work is being carried out by the Council's appointed cost management consultants together with both contractors in an attempt to avoid arbitration. The Council is currently in negotiations with the contractor to settle any claims on the final account for the construction of the museum. The current forecast over spend is largely down to additional work required with regards to asbestos works and the associated additional work and delays that this caused. Provision was made for additional DRF funding as a prudent response to this potential pressure as part of the revenue outturn in 2011/12 and was detailed in the General Fund Revenue Outturn 2011/12 report approved by Council in July 2012.

LEADER'S PORTFOLIO

The spend for the year is **£806,400**. This can be compared with the budgeted figure for 2012/13 of **£2,300,000** resulting in an under spend of **£1,493,600**, which represents a percentage under spend against budget of **64.9%**.

SIGNIFICANT OVER OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

LEAD 1 – Southampton New Arts Centre (slippage £684,000)

Delays with Developer's Final Programme

Ongoing funding discussions with Grosvenor have delayed the start of the "Production Information" phase (RIBA Stage F) until September 2013. This has resulted in lower than anticipated spend in 2012/13. A new programme will be agreed once Grosvenor have finalised their programme.

LEAD 2 – Northern Above Bar - Guildhall Square (slippage £239,400)

Delay caused by site access issues.

Ongoing 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. It is anticipated that access will be granted and works completed early in 2013/14.

LEAD 3 – QE2 Mile – Bargate Square (slippage £391,000)

Scheme delayed for twelve Months

This scheme has been delayed for twelve months to allow for further consultation and design work to take place.

RESOURCES PORTFOLIO

The spend for the year is **£6,267,300**. This can be compared with the budgeted figure for 2012/13 of **£7,390,000** resulting in an under spend of **£1,122,700**, which represents a percentage under spend against budget of **15.2%**.

SIGNIFICANT OVER SPEND OR UNDER SPEND

There are no corporate issues relating to significant over or under spends for the Portfolio.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

RES 1 – Office Accommodation (slippage £961,000)

Slippage due to updated phasing of works

Slippage reflects a more accurate phasing of works/payments against the original budget profile. The scheme remains on track to complete in 2013/14

RES 2 – Art Gallery Roof Repairs and AHU Replacement (slippage £126,000)

Slippage due to re-tendering of works

The project is delayed due to re-tendering of the work for phase 2. These works will now complete in 2013/14.