

KEY ISSUES – SEPTEMBER 2014 PROGRAMME UPDATE

CHILDREN’S SERVICES PORTFOLIO

The proposed September programme update totals **£35,328,000**. This can be compared to the previous February update total of **£31,517,000** resulting in an increase of **£3,811,000**, which represents a percentage variance of **12.1%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/16 £000	Later £000	Total £000
Proposed	17,926	10,527	5,642	483	750	35,328
Previous	21,584	5,169	4,764	0	0	31,517
Variance	-3,658	5,358	878	483	750	3,811

PROGRAMME CHANGES:

CSH 1 – School Capital Maintenance (Total budget change £1,709,000 increase)

Gold Scheme – £11,925,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Additions to the school capital maintenance programme for 2014/15.

Council added £1,709,000 on the 4th June 2014 to the school capital maintenance scheme. There is presently a backlog maintenance schedule of £37.6M at maintained schools in Southampton. The capital allocation will deal with just over half of Priority 1 issues identified in maintained schools’ condition surveys.

CSH 2 – School expansion programme phase 3 (Total budget change £500,000 increase)

Gold Scheme – £500,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Expansion of places provision for the 2015/16 year only, via “bulge” classes at five primary and one special schools.

Council added £500,000 on the 4th June 2014 to the School Expansion programme phase three. Current pupil forecasting data indicates that the 2015/16 Year R intake will

represent a peak year for demand that will exceed the capacity already built into the system under Primary Review: Phase 2.

CSH 3 – Universal Infant Free School Meals (UIFSM) (Total budget change £441,000 increase)

Gold Scheme – £441,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Introduction of free school meals to all infant-age pupils from September 2014.

Council added £441,000 on the 4th June 2014 to the Universal Infant Free School Meals (UIFSM) scheme. The Children and Families Act places a legal duty on schools in England to offer a free school meal to all infant-age pupils (i.e. those in reception, year 1 and year 2) from September 2014. The project covers the additional equipment and storage that is needed in each of the affected schools' kitchens in order to deliver the increased volume of meals that will be needed under UIFSM plus essential investment in terms of bringing their dining capacity up to the requisite level.

CSH 4 – Newlands Primary Rebuild Project (Total budget change £400,000 increase)

Gold Scheme – £7,921,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Additional costs of extension of time claim.

Council added £400,000 on the 4th June 2014 for an extension of time claim, arising from the discovery of a buried electricity main under the old school building.

CSH 5 – Primary Review phase 2 (Total budget change £359,000 increase)

Gold Scheme – £27,210,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Expansion of St. John's Primary & Nursery and Wordsworth Primary.

Council added £359,000 on the 4th June 2014 to the Primary Review Phase 2 scheme. The additional costs were partly associated with works to expand St. John's Primary & Nursery and the emergence of significant abnormalities, primarily due to the listed nature of the building and the nature of the site. Specifically, the cost uplift is attributable to the need to install a secondary staircase; adaptation of the drainage design; archaeological requirements; and additional balustrading.

Additional cost was also associated with a significant amount of site works at Wordsworth Primary, together with the provision of encasement to the secondary staircase, on the recommendation of SCC Health & Safety.

CSH 6 – 315 Coxford Road refurbishment (Total budget change £152,000 increase)

Gold Scheme – £399,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Additional health and safety works required.

Council added £152,000 on the 16th July 2014 for works to refurbish office accommodation which overspent due to the requirement for additional health & safety works, including the installation of fire stopping between walls, and the clearing and cleaning of asbestos. In addition service delivery changes to future proof the building and support the transformation of Children's services were required along with some DDA adjustments.

CSH 7 – Academies (Total budget change £231,000 decrease)

Gold Scheme – £34,166,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Offsite works required to facilitate the development of the two new academies in the city.

Council removed £231,000 on the 4th June 2014 from the Academies scheme. The initial budget was provided on the basis of high-level estimates of the potential works that would be required as part of the planning process. In the event, the Project Team was able to devise and negotiate more cost effective solutions than had originally been envisaged, resulting in the reduction in the budget.

CSH 8 – Schools Devolved Capital (Total budget change £478,000 increase)

Bronze Scheme – £13,979,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Addition of School Devolved Formula capital allocation 2014/15

The increase represents the allocation of capital grant from the Education Funding Agency to maintained schools in 2014/15.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

CHS 9 – Primary Review Phase 2 (Slippage of £214,000 from 13/14 to 14/15, rephasing of £500,000 from 14/15 to 15/16, slippage of £1,126,000 from 15/16 to 16/17 and later years)

Gold Scheme – £27,210,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Rescheduling of several school expansion projects

The major items of slippage include unforeseen issues with utility connections at Bevois Town Primary resulted in a delay to project completion until the Easter half term. The Fairisle Junior scheme has been postponed due to a lack of applications for child places delaying the need for expansion. In addition, the Tanners Brook Junior project has been accelerated to allow for reorganisation of the site, following the merger of the infant and junior schools into a primary school.

CHS 10 – Academies Programme (Slippage of £832,000 from 13/14 to 14/15)

Gold Scheme – £34,116,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Release of retentions later than anticipated.

The spend profile for this scheme originally anticipated that the retentions on the contract would be released in 2013/14. Reprofiling of the scheme, coupled with subsequent delays in achieving full rectification of the defects has resulted in this slipping to 2014/15.

CHS 11 – Primary Review (Slippage of £765,000 from 13/14 to 14/15)

Gold Scheme – £4,391,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Expansion of St Mary's Primary School

The expansion of St Mary's Primary school has been delivered in several phases. The project was slipped from the 2013/14 to the 2014/15 financial year, as it was determined that the works entailed could only feasibly be undertaken over a summer holiday period. All works should be delivered within the 2014/15 financial year.

CHS 12 – Schools Devolved Capital (Slippage of £576,000 from 13/14 to 14/15)

Bronze Scheme – £13,979,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

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 unspent grant rolled forward to 2014/15.

CHS 13 – School Capital Maintenance (Slippage of £478,000 from 13/14 to 14/15 and rephasing of £222,000 from 15/16 to 14/15)

Gold Scheme – £11,925,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **RED**

Budget RAG Status **GREEN**

Rescheduling of overall programme

The Renewable Heat Incentive project at Millbrook has been delivered within the overarching budget, leaving a remaining budget of £150,000 for further schemes. A feasibility report has been written and a further proposal is being developed, which should mean the spending of this funding in 2015/16. The health and safety project has been accelerated to catch up with the backlog of required works in 2014/15.

CHS 14 – Early Years Expansion Programme (Slippage of £350,000 from 13/14 to 15/16)

Bronze Scheme – £900,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

The expansion of nursery places for two year olds is progressing slower than anticipated.

The programme to expand the number of two year old nursery places across the city has been altered slightly, to account for the need for in depth consultation with landowners, as well as the undertaking of additional survey work. One of the main projects within this programme will not be pursued due to archaeological issues. An alternative venue/s will be sought to replace it resulting in greater spend in 2015/16.

CHS 14 – Bitterne Park 6th Form (Slippage of £306,000 from 13/14 to 14/15)

Gold Scheme – £6,108,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **RED**

Dispute on final account.

The contractor has submitted a final account which included a claim for extension of time which if accepted in full would have resulted in an over spend of approximately £1M. This is still being disputed. Until such time as a resolution is determined (either via adjudication or court proceedings), this matter will remain outstanding and the remaining funds will have to be retained. Under the Memorandum of Understanding agreed with Bitterne Park School, the responsibility for any over spend rests with the school.

CHS 16 – Secondary School Capital Maintenance (Slippage of £231,000 between 13/14 and 14/15)

Silver Scheme – £4,152,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

Reprofiling of works at Chamberlayne School

The window replacement and boiler control rectification works at Chamberlayne have been delayed, due to the need to obtain more competitive quotes for these elements of the work package. The procurement of this work is now complete and the work package has commenced, with all works scheduled to be completed by the end of the 2014/15 financial year.

CORPORATE FINANCIAL & PROJECT ISSUES:

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

There are no corporate PROJECT ISSUES for the Portfolio.

ENVIRONMENT AND TRANSPORT PORTFOLIO - ENVIRONMENT & TRANSPORT

The proposed September programme update totals **£49,620,000**. This can be compared to the previous February update total of **£43,793,000** resulting in an increase of **£5,827,000**, which represents a percentage variance of **13.3%**.

The changes to the programme are shown in the following summarised table:

	2013/14	2014/15	2015/16	2016/17	Later	Total
	£000	£000	£000	£000	£000	£000

Proposed	17,036	27,404	5,180	0	0	49,620
Previous	18,919	24,247	627	0	0	43,793
Variance	(1,883)	3,157	4,553	0	0	5,827

Slippage and re-phasing that impacted on 2013/14 was reported to Council on 16th July 2014 as part of the General Fund Capital Outturn report. The explanations below therefore do not replicate this information and instead highlight only new items which need to be brought to the attention of Full Council.

PROGRAMME CHANGES:

E&T 1 – Purchase of Vehicles (Total budget change £775,000 increase)

Not a Sharepoint Scheme - £775,000 Scheme Budget

Overall RAG Status **N/A**

Schedule RAG Status **N/A**

Budget RAG Status **N/A**

The purchase of vehicles was financed by Council Resources.

There was an increase in the 2013/14 Capital Programme for the purchase of Fleet Transport vehicles, funded by Council resources. This change was approved, in accordance with Financial Procedure Rules, by the Chief Financial Officer under delegated authority.

E&T 2 – Roads Programme Scheme (Total budget change £1,437,000 increase)

Silver Scheme – £11,741,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

Investment has been added for the Roads Programme in 2014/15.

There is additional funding for the Roads Programme as follows:

- 1) On the 15th July 2014 Cabinet approved an adjustment to the capital programme to provide £1,300,000 in 2014/15 to improve the condition of the unclassified roads network in Southampton. The new scheme 'Unclassified Roads – Carriageway Resurfacing' is funded from the following sources:-
 - a) Grant of £233,000 for Highways Maintenance from the Department for Transport Pothole Fund 2014/15.
 - b) Local Transport Plan grant for Highways Maintenance of £425,000 available from scheme under spends in 2013/14.
 - c) Local Transport Plan grant for Integrated Transport of £295,000 available from the deletion of the 'Improved Safety 2014/15 – Engineering' project.
Direct Revenue Financing available from the Highways Strategic Partnership Third Party Income surplus for 2013/14 (£126,000) and a one-off contribution from the On

Street Car Parking Surplus Account (£221,000) following a favourable outturn position in 2013/14 mainly due to staff savings.

- 2) Additional funding for the Highways Improvement (Developers) scheme of Section 106 site specific developers contributions of £592,000:-
 - a) Cabinet on the 18th March 2014 approved the addition of £620,000 for the Highways Improvements (Developers) scheme to be funded from Site Specific Section 106 contributions.
 - b) The Chief Officer, in consultation with CFO and Cabinet Member, on the 29th May 2014 approved the addition of £30,000.
 - c) Projects being developed, as part of a wider scheme, have been reduced by £60,000.

- 3) The Chief Officer, in consultation with CFO and Cabinet Member, on the 24th April 2014 approved the addition of funding of £221,000 of DfT Severe Weather grant to fund the increased cost of delivering the approved 2014/15 Roads Programme, due to the increased deterioration caused by recent severe winter weather.

E&T 3 – Public Transport Scheme – LSTF Smart Ticketing (Total budget change £1,542,000 decrease)

Gold Scheme – £4,743,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Reduction of LSTF funding due to efficiencies in procurement of back office system.

The Chief Officer in consultation with CFO and Cabinet Member on the 28th July 2014 approved the decrease in the LSTF Smart Ticketing project, to reflect -

- a) Efficiencies in the procurement process for the back office system, expenditure was lower than originally anticipated. The LSTF Senior Management Board agreed to distribute the balance of £987,000 to other partners.
- b) The virement of £40,000 to the Legible Cities Phase 5 project and £250,000 to North of Station Phase 2 project.

Cabinet on 18th March 2014 agreed a virement of £150,000 of LSTF funding and £158,000 of LTP grant to the Eastern Cycle Corridor project.

E&T 4 – Cycling Improvement Scheme (Total budget change £553,000 increase)

Gold Scheme – £2,660,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Increased funding for cycling improvement schemes.

The increased funding is:

- a) Eastern Cycle Corridor – Cabinet on the 18th March 2014 approved, as part of the Scheme Approval Report, a virement of £208,000 of LTP grant - from Area Based schemes (£50,000) and from Public Transport schemes (£158,000). Also, a virement of £150,000 of LSTF grant funding from Public Transport schemes. Also the Chief Officer, in consultation with CFO and Cabinet Member, on 31st July 2014 approved the addition of £24,000 of Site Specific Section 106 Contribution. These increases will go towards delivering further phases including elements of Central Bridge and Terminus Terrace where innovative solutions are required.
- b) Second Avenue Millbrook Cycle scheme – The Chief Officer, in consultation with CFO and Cabinet Member, on 25th June 2014 approved the addition of £123,000 Site Specific Section 106 Contributions. This will allow removal of existing one way cycle route, to be replaced with a new scheme which will deliver on footway and carriage way facilities for pedestrians and cyclists.
- c) Major Cycle Route Signage – The Chief Officer, in consultation with CFO and Cabinet Member, on 12th March 2014 approved the addition of £37,000 Contributions. This funding will provide easy to read, continuous directional information to allow cyclists to take convenient and direct routes between key destinations.

E&T 5 – Improved Safety Scheme (Improved Safety 2014/15 – Engineering) (Total budget change £192,000 decrease)

Bronze Scheme – £458,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Virement of funding for Unclassified Roads – Carriageway Resurfacing schemes.

Cabinet on the 18th March 2014 approved, as part of the Scheme Approval Report, a virement of £110,000 of LTP grant from Area Based schemes. Cabinet on the 15th July 2014 approved the deletion of the Improved Safety Engineering 2014/15 project, £295,000, and the virement of available funding to the Unclassified Roads – Carriageway Resurfacing scheme within the Roads Programme. This was in order to improve the condition of the unclassified roads network in Southampton.

E&T 6 – Sustainable Travel Scheme - (Total budget change £125,000 decrease)

Bronze Scheme – £374,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Virement of LSTF funding to North of Central Station Phase 2 Project and additional contributions.

The Chief Officer, in consultation with CFO and Cabinet Member, on 31st July 2014 approved the virement of £160,000 from LSTF Rail Station Travel Plan project to the North of Station Phase 2 project (Public Realm). The consolidation of the funding for investment in the Station Quarter North project will yield a greater benefit than the cumulative effect of small investments in several smaller stations.

The Chief Officer, in consultation with CFO and Cabinet Member, on 29th May 2014 approved the addition of Site Specific Section 106 Contributions, totalling £34,000 to the School Travel Incentive scheme.

E&T 7 – North of Station - (Total budget change £5,225,000 increase)

Silver Scheme – £7,514,000 Scheme Budget

Overall RAG Status **N/A**

Schedule RAG Status **N/A**

Budget RAG Status **N/A**

Additional funding for North of Station Quarter Phase 2.

The report contains recommendations to seek the addition and approval to spend for the North of Station Quarter Phase 2 project.

This project will deliver a complete transformation to the public realm on the north side of Southampton Central Station with the aim of enhancing a key gateway into the city and supporting the wider objectives of the Station Quarter VIP development area. The public realm improvements proposed will complement the Phase 1 works currently under construction and include the use of high quality durable surface materials, new tree planting and landscaping, high quality lighting, footway widening to improve the links between the station and the city centre, new cycle links, enhanced taxi rank provision, consolidating the bus stops into one interchange area and new public art features. New public spaces will be created to promote local events such as the farmers market and will supporting existing businesses, including local shops and cafes/ restaurants.

This new project's funding is as follows:-

- a. £250,000 from the LTP grant funding 2015/16.
- b. Subject to the approval from Network Rail, £350,000 of external contribution from Network Rail's National Station Improvement Programme. [NSIP funding can only be used towards part funding the improvements to the station forecourt (off highway)].
- c. Subject to the approval from the Solent LEP, £4,185,000 of Solent LEP Local Growth Deal grant funding.
- d. £30,000 of Site Specific Section 106 Contributions.
- e. £160,000 of LSTF grant funding vired from the Rail Station Travel Plan project.
- f. £250,000 of LSTF grant funding vired from Public Transport scheme.

The scheme is phased £790,000 in 2014/15 and £4,435,000 in 2015/16.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

There are no new major items of slippage or re-phasing to be brought to the attention of Council.

CORPORATE FINANCIAL & PROJECT ISSUES:

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

There are no corporate PROJECT ISSUES for the Portfolio.

ENVIRONMENT & TRANSPORT PORTFOLIO - CITY SERVICES

The proposed September programme update totals **£3,621,000**. This can be compared to the previous February update total of **£3,306,000** resulting in an increase of **£315,000**, which represents a percentage variance of **9.5%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later £000	Total £000
Proposed	2,623	971	27	0	0	3,621
Previous	2,541	738	27	0	0	3,306
Variance	82	233	0	0	0	315

Slippage and re-phasing that impacted on 2013/14 were reported to Council on 16 July 2014 as part of the General Fund Capital Outturn report. The explanations below therefore do not replicate this information and instead highlight only new items which need to be brought to the attention of Full Council.

PROGRAMME CHANGES:**CS 1 – Purchase of Compact Sweepers (Total budget change £350,000 increase)****£350,000 Scheme Budget**

Overall RAG Status N/A

Schedule RAG Status N/A

Budget RAG Status N/A

£350,000 has been added to the City Services Capital Programme to purchase a new fleet of Compact Sweepers.

Cabinet approved the addition of £350,000 from Council resources to the City Services Capital Programme in April 2014 to purchase a new fleet of mechanical sweepers to ensure the continued provision of an effective and economic street cleansing service for the city.

CS 2 – Play Area Improvements (Total Budget change £115,000 increase)

Bronze Schemes - £115,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

An additional £115,000 has been included in the City Services Capital Programme for development of Play Areas.

An additional £115,000 from S106 developer contributions was approved to be added to the City Services Capital Programme by the Director, Place in July 2014 for the refurbishment and development of Play Areas across the City.

CS 3 – Community Led Local Improvement Initiatives (Total Budget change £140,000 decrease)

The unapproved part of the Community Led Local Improvement Initiatives Capital Scheme is no longer required.

Bronze Scheme - £60,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

The un-committed budget of £140,000 has been removed from the Capital Programme, as there has been a lack of funding applications from Local Community Groups. The funding will be available for re-allocation by the Council Capital Board.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

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

CORPORATE FINANCIAL & PROJECT ISSUES:

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

There are no corporate PROJECT ISSUES for the Portfolio.

The proposed September programme update totals **£1,929,000**. This can be compared to the previous February update total of **£1,627,000** resulting in an increase of **£300,000**, which represents a percentage variance of **18.4%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later £000	Total £000
Proposed	892	1035	0	0	0	1,927
Previous	859	768	0	0	0	1,627
Variance	33	267	0	0	0	300

PROGRAMME CHANGES:

H&ASC 1 – Paris 5.1 Project (Total budget change £300,000 increase)

Bronze Scheme – £300,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

To upgrade the Paris Social Care system from the current version 4.4 to 5.1.

Cabinet approved on the 17th June 2014 the addition of £300,000 to H&ASC Capital programme for the upgrade of the Council Social Care System from its current version of Paris 4.4 to Paris 5.1. This upgrade is required to ensure continued compliance with regulatory bodies and continued support for the system as once the Council has completed its upgrade from Windows XP to Windows 7, Paris 4.4 will no longer be supported by Civica. The upgrade will be funded by Council resources made available through the un-ring fenced Personal Social Services Capital Grant.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

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

CORPORATE FINANCIAL & PROJECT ISSUES:

There are no financial or project issues for the portfolio.

HOUSING & SUSTAINABILITY PORTFOLIO

The proposed September programme update totals **£13,994,000**. This can be compared to the previous February update total of **£14,193,000** resulting in a decrease of **£198,000**, which represents a percentage variance of **1.4%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later £000	Total £000
Proposed	1,836	9,083	2,776	300	0	13,995
Previous	2,051	10,615	1,400	127	0	14,193
Variance	(215)	(1,532)	1,376	173	0	(198)

Slippage and re-phasing that impacted on 2013/14 were reported to Council on 16 July 2014 as part of the General Fund Capital Outturn report. The explanations below therefore do not replicate this information and instead highlight only new items which need to be brought to the attention of Full Council.

PROGRAMME CHANGES:**H&S 1 – Support for Estate Regeneration (Total budget change £143,000 increase, Slippage of £789,000 between 2014/15 and 2015/16)****Unapproved Scheme – £932,000 Scheme Budget****Overall RAG Status N/A****Schedule RAG Status N/A****Budget RAG Status N/A****Addition of Section 106 developer contributions**

Section 106 developer contributions have been earmarked as funding for city-wide Estate Regeneration expenditure. Managers are considering a specific scheme for the use of this funding, but plans are at a very early stage and will not be implemented in 2014/15. Further contributions of £143,000 have been received and, as these can only be used for the provision of Affordable Housing, they have been added to this scheme for future consideration.

H&S 2 – Disabled Facilities Grants - Future Years (Total budget change £1,200,000 increase)**Unapproved Scheme – £1,200,000 Scheme Budget****Overall RAG Status N/A****Schedule RAG Status N/A****Budget RAG Status N/A****Statutory obligation to provide Disabled Adaptations**

The Council has a statutory duty to fund adaptations of private sector homes to enable independent living for disabled people. Historically a figure of £1,200,000 per year has been added to the programme, to provide 150 adaptations at an average cost of £8,000 each, funded by a combination of Government grant and retained 'Right to Buy' receipts. It is proposed to continue this practice as before and to add a provision for 2015/16 to the unapproved scheme for future years. Approval to spend will not be sought until the level of funding has been confirmed.

H&S 3 – Disabled Facilities Grants Support Costs - Future Years (Total budget change £146,000 increase)**Unapproved Scheme – £146,000 Scheme Budget****Overall RAG Status N/A****Schedule RAG Status N/A****Budget RAG Status N/A****Funding for administrative provision of Disabled Facilities Grants**

The administration of the Disabled Facilities Grants scheme requires substantial staff input from the Private Sector Housing team, so an appropriate charge is made to the capital programme.

H&S 4 – Grants to Registered Providers (Total budget change £1,628,000 decrease)**Gold Scheme – £1,628,000 Scheme Budget****Overall RAG Status N/A****Schedule RAG Status N/A****Budget RAG Status N/A****No bids were received for this funding**

In January 2014 the scheme was added to the programme to allow Registered Providers to bid for funding for new affordable housing, chiefly for single vulnerable people, which is amongst the more challenging housing types to provide. This was to be funded from specific 'Right to Buy' receipts held by the Council. No bids have been received for this funding and it has been removed from the Programme. The funding will still be used to support the Council's emerging affordable homes projects.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:**H&S 5 – Green Projects (Slippage of £100,000 between 14/15 and 15/16, re-phasing of £127,000 between 16/17 and 15/16)****Unapproved Scheme – £377,000 Scheme Budget****Overall RAG Status N/A****Schedule RAG Status N/A****Budget RAG Status N/A****Consolidation of multi-year profiles**

Previously this unapproved budget (fully funded by the residual Partnership for Urban South Hampshire grant) has been profiled to be spent over a number of years. It is now considered appropriate to consolidate the budget into a single year and seek approval to spend as projects are identified.

CORPORATE FINANCIAL & PROJECT ISSUES:

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

There are no corporate PROJECT ISSUES for the Portfolio.

LEADER'S

The proposed September programme update totals **£28,271,000**. This can be compared to the previous February update total of **£28,144,000** resulting in an increase of **£127,000**, which represents a percentage variance of **0.5%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later £000	Total £000
Proposed	4,174	6,674	14,106	3,217	100	28,271
Previous	5,451	9,573	12,796	324	0	28,144
Variance	-1,277	-2,899	1,310	2,893	100	127

PROGRAMME CHANGES:

LD 1 – Royal Pier Waterfront (Total budget change £102,000 increase)

Gold Scheme – £812,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Marketing works funded by developer

The Director of Place added £102,000 on the 12th March 2014 to the Royal Pier Waterfront project. The additional budget will pay for marketing works funded by developer contributions.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

LD 2 – Southampton New Arts Centre (SNAC) (Slippage of £2,942,000, £943,000 from 13/14 and £2,158,000 from 14/15 to 15/16)

Gold Scheme – £20,850,000 Scheme Budget

Overall RAG Status **AMBER**

Schedule RAG Status **AMBER**

Budget RAG Status **RED**

Delays with Developer’s Final Programme

See LD 6 below.

LD 3 – Watermark West Quay (Slippage of £2,700,000, £500,000 from 14/15 and £2,200,000 from 15/16 to 16/17)

Gold Scheme – £7,000,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

Project schedule finalised with Department for Business, Innovation & Skills (BIS)

The schedule of project development and scope has now been confirmed with BIS, the project funder and the project profile updated accordingly.

LD 4 – QE2 Mile - Bargate Square (Slippage of £500,000 from 14/15 to 15/16)

Silver Scheme – £1,090,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

Project on hold

This project is on hold. The Bargate Shopping Centre has been acquired by an asset management company who wish to sell the property. When a developer acquires the property and comes forward with a scheme for the site a full scheme schedule will be developed for Bargate Square.

LD 5 – Northern Above Bar - Guildhall Square (Slippage of £162,000 from 13/14 to 14/15)

Gold Scheme – £5,239,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

Delay caused by site access and lighting design issues

The Guildhall lighting element of the project has been reviewed and it is anticipated that all necessary work will be completed in 2014/15.

CORPORATE FINANCIAL & PROJECT ISSUES:

The corporate FINANCIAL ISSUES for the Portfolio relating to significant over or under spends are:

LD 6 Southampton New Arts Centre (SNAC) (forecast overspend £1,600,000)

Gold Scheme – £20,850,000 Scheme Budget

Overall RAG Status **AMBER**

Schedule RAG Status **AMBER**

Budget RAG Status **RED**

Delays with Developer’s Final Programme and increased arts complex inflationary and design costs.

Grosvenor is reporting a five week delay on their contractors programme due to unforeseen obstacles underground and the inclement weather. This combined with significant inflation in the construction sector leads to concerns that there will be a large discrepancy between projected costs and budget. Work is underway as to the options on how to deal with this.

There are no corporate PROJECT ISSUES for the Portfolio.

RESOURCES & LEISURE PORTFOLIO - RESOURCES

The proposed September programme update totals **£13,476,000**. This can be compared to the previous February update total of **£12,274,000** resulting in an increase of **£1,202,000**, which represents a percentage variance of **9.8%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later £000	Total £000
Proposed	1,739	4,001	872	312	285	13,476
Previous	2,762	2,695	550	0		12,274
Variance	-1,023	1,306	322	312	285	1,202

PROGRAMME CHANGES:**RES 1 – Office Accommodation (Total budget change £1,093,000 decrease)****Gold Scheme – £23,407,000 Scheme Budget****Overall RAG Status GREEN****Schedule RAG Status GREEN****Budget RAG Status GREEN**

The project is nearing completion with a forecast under spend reported to Cabinet on 15th July 2014. The budget decrease of £1,093,000 reflects two virements from this scheme to enable new schemes to be set up within the Resources and Leisure Portfolio capital programme. On 18th March 2014 Cabinet approved a virement of £351,000 to a new scheme Civic Centre Clock Tower, followed by a further virement of £742,000 approved by Cabinet on 15th July 2014 to a new scheme Works to Enable Accommodation Strategy.

RES 2 – Works to Enable Marland House Vacation (Total budget change £1,095,000 decrease)**Gold Scheme – £105,000 Scheme Budget****Overall RAG Status GREEN****Schedule RAG Status GREEN****Budget RAG Status GREEN**

The project is now complete with a forecast under spend previously reported to Cabinet on 15th July 2014. The budget decrease of £1,095,000 reflects a virement of the forecast underspend to enable a new scheme to be set up within the Resources and Leisure Portfolio capital programme. This virement was approved by Cabinet on 15th July 2014

RES 3 – Civic Centre Clock Tower Repairs (Total budget change £351,000 increase)**Gold Scheme – £351,000 Scheme Budget****Overall RAG Status GREEN****Schedule RAG Status GREEN****Budget RAG Status GREEN**

As detailed above this new scheme was approved by Cabinet on 18 March 2014, to enable essential repairs to the Civic Centre clock tower to be undertaken.

RES 4 – Works to Enable Accommodation Strategy (Total budget change £1,837,000 increase)**Gold Scheme – £1,837,000 Scheme Budget****Overall RAG Status GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

As detailed above this new scheme was approved by Cabinet on 15 July 2014 to enable the next phase of the Accommodation Strategy to cover future accommodation changes as set out in detail in the report to Cabinet at that time.

RES 5 –Desktop Refresh Programme (Total budget change £1,194,000 increase)

Gold Scheme – £1,194,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

This new scheme was added and approved by Council on 4 June 2014. Under the revised Strategic Services Partnership (SSP) contract the budget and management of the IT desktop refresh programme was removed from the contract and returned to SCC, the detail for which is set out in the SSP Contract – Proposed Contract Extension report to Council on 20th November 2013.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

There are no new major items of slippage over and above those items previously reported to Council on 16th July 2014 as part of the General Fund Capital Outturn report.

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

There are no corporate PROJECT ISSUES for the Portfolio.

RESOURCES & LEISURE PORTFOLIO - LEISURE

The proposed September programme update totals **£4,031,000**. This can be compared to the previous February update total of **£3,931,000** resulting in an increase of **£100,000**, which represents a percentage variance of **2.5%**.

The changes to the programme are shown in the following summarised table:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later £000	Total £000
Proposed	618	2,860	425	50	78	4,031
Previous	984	2,686	144	117	0	3,931

Variance	-366	174	281	-67	78	100
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PROGRAMME CHANGES:

LS 1 – Guildhall Refurbishment (Total budget change £75,000 increase)

Bronze Scheme – £594,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Refurbishment works at the Guildhall funded by a contribution from Live Nation.

The Director of Place added £75,000 on the 25th February 2014 to the Guildhall Refurbishment project. This was funded from a contribution from Live Nation in order to carry out works on the toilets.

MAJOR ITEMS OF SLIPPAGE/RE-PHASING:

LS 2 – SeaCity Phase 2 (Slippage of £208,000 from 13/14 to 14/15)

Gold Scheme – £15,785,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status AMBER

Difficulties finalising contractor accounts

See LS 5 below.

LS 3 – Lordshill Playing Field Drainage (Slippage of £162,000 from 14/15 to 15/16)

Bronze Scheme – £185,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status GREEN

Budget RAG Status GREEN

Delay to project start date

Work is now due to start on site in April 2015 delaying spend on the project.

LS 4 – Guildhall Refurbishment (Slippage of £56,000 from 13/14 and rephasing of £67,000 from 16/17 to 15/16)

Bronze Scheme – £185,000 Scheme Budget

Overall RAG Status GREEN

Schedule RAG Status **GREEN**

Budget RAG Status **GREEN**

Re-prioritising of budget on stoneworks

There is an increased pressure on the budget for stoneworks within this project. To ensure this project completes on budget this has meant the reduction to other areas of the scheme and rescheduling of works accordingly.

CORPORATE FINANCIAL & PROJECT ISSUES:

The corporate FINANCIAL ISSUES for the Portfolio relating to significant over or under spends are:

LS 5 SeaCity Phase 2 (forecast over spend £358,000)

Gold Scheme – £15,785,000 Scheme Budget

Overall RAG Status **GREEN**

Schedule RAG Status **GREEN**

Budget RAG Status **AMBER**

Difficulties finalising contractor accounts

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 and the associated additional work and delays that this caused. Every effort is being made to identify whether it is still possible to deliver the scheme on budget and it is anticipated that after much delay this will be finalised in the coming months. Council approved provision in July 2012 for additional DRF funding as a prudent response to this likely pressure.

There are no corporate PROJECT ISSUES for the Portfolio.