

GF & HRA MAJOR VARIANCE EXPLANATIONS SINCE LAST REPORTED POSITION

| <u>COMMUNITIES, CULTURE & HERITAGE</u> | |
|--|--|
| | <u>Slippage and Rephasing</u> |
| 1. | <u>Art Gallery Roof (Slippage of £0.48M from 2021/22 to 2022/23)</u> Due to an increase in the scope of work at feasibility stage of this project has resulted in it taking longer to agree the final scope and commission the design stage. This will now occur in 2022/23. |
| <u>CUSTOMER SERVICE & TRANSFORMATION</u> | |
| | <u>Slippage and Rephasing</u> |
| 2. | <u>Client Case Management System (Slippage of £0.53M from 2021/22 to 2022/23)</u> Some developments have been delayed due to resources being deployed to other tasks due to COVID. The works will now take place into 2022/23. |
| 3. | <u>IT Equipment and Software Refresh (Slippage of £1.39M from 2021/22 to 2022/23)</u> Some projects on the investment plan had been delayed due to other IT projects being prioritised as a result of COVID. |
| 4. | <u>Purchase of vehicles (Slippage of £1.61M from 2021/22 to 2022/23)</u> Slippage due to vehicle manufacturers experiencing difficulties sourcing semiconductors for electronic control modules which has had an adverse effect on global vehicle supplies and resulted in deliveries that were expected to be received in the financial year being delayed. |
| 5. | <u>S106 – Open Spaces & Play Areas (Slippage of £0.90M from 2021/22 to 2022/23)</u> A review is being carried out to assess the projects that need to be undertaken to fulfil our obligations under S106 agreements. It is likely that this will result in further slippage across the 5 year programme. |
| 6. | <u>City Services – Depots (Slippage of £0.63M from 2021/22 to 2022/23)</u> The scheme is to provide improvements to depots including the instillation of Electric RCV charging points. The scheme has been delayed due to the requirement for an electrical feasibility report to be produced on whether the scheme is viable based on electrical supply to the site. Improvement to welfare provision is also included on the scheme and requirements are currently being developed. |
| <u>EDUCATION & CHILDREN'S SOCIAL CARE</u> | |
| | <u>Slippage and Rephasing</u> |
| 7. | <u>Chamberlayne Refurbishment (Slippage £2.35M from 2021/22 to 2022/23)</u> Scheme slipped into next year to be done in school holidays. The works are being procured and undertaken by the Trust and outside the control of SCC. |
| 8. | <u>Children's Services Residential & Assessment Unit (Slippage £1.65M from 2021/22 to 2022/23)</u> There has been difficulty in finding appropriate houses within the city that meet the Council's needs. The market is being regularly monitored, whilst a review is undertaken of how best to deliver the service should a property not be found. |

| ENVIRONMENT | |
|--------------------|---|
| | <u>Slippage and Rephasing</u> |
| 9. | <u>Crematorium Refurbishment (Slippage of £0.51M from 2021/22 to 2022/23)</u> Works were originally expected to take place in Quarter 4 2021/22 but were rescheduled to next financial year mainly due to delays associated with impact of COVID-19 on staffing and lead times for supplies. |
| GROWTH | |
| | <u>Slippage and Rephasing</u> |
| 10. | <u>Public Transport (Slippage of £0.91M from 2021/22 to 2022/23)</u> Negotiations on the details for implementation of schemes within this budget were not fully resolved within 2021/22 which has delayed their start. These schemes will now be carried out in 2022/23. Also delays due to additional public consultation required on the Polygon / Bedford Place scheme have contributed to this slippage as this has also delayed delivery of the scheme until 2022/23 |
| 11. | <u>Northam Rail Bridge and Corridor improvements (Slippage of £1.53M from 2021/22 to 2022/23)</u> A decision is still pending from Department for Transport (DfT) on the outcome of the Strategic Outline Business Case which would unlock further funding to carry out modelling, design work and development of an Outline Business Case further spend on this scheme has been delayed until this is known. |
| 12. | <u>Footways (Slippage of £0.54M from 2021/22 to 2022/23)</u> There were delays in the programme delivery due to: <ul style="list-style-type: none"> • issues with types of footway treatments in Kennedy and Lancaster Roads, which led to a revision to similar programmes going forward • a delay in the programme formulation whilst of requests to include ad-hoc footway were reviewed • a delay in the assimilation of footway condition data from new supplier Gaist towards the end of the 2021/22 year, so priorities being late in progression |
| 13. | <u>M27/M3 Travel Demand Management (Slippage of £0.36M from 2021/22 to 2023/24)</u> The scheme sponsor Highways England has made changes they wish this project to be delivered. This was due to Covid having a detrimental effect on the use of public transport and operators not wishing to undertake any new projects at such a challenging time. Highways England paused any delivery of capital projects within this funded programme until further notice. |
| 14. | <u>Future Transport Zone (Slippage of £1.71M from 2021/22 to 2022/23)</u> Delays to some of the schemes with the Future Transport Zone programmes have resulted in slippage, the major schemes of slippage are: MAAS Trials – This scheme is fully committed via MoU with Universities but project has incurred delays in the testing phase which has delayed wider roll-out to 2022/23; Micro Consolidation – due to a lack of resource following a number of unsuccessful recruitment rounds, delays have occurred with progressing this area of the programme - these have now been largely resolved with the majority of spend now being incurred in 2022/23. And drones for medical logistics – delays as a result of weather, licensing and resourcing constraints mean the remainder of scheme will be incurred 2022/23 and 2023/24. |

| | |
|--------------------------------------|---|
| 15. | <p><u>Transforming Cities (Slippage of £0.72M from 2021/22 to 2022/23)</u> The impact of staff shortages in the early part of the year, covid impacts throughout the year and delays of DfT Change Control outcome in the last quarter of the year led to slower development of some of the schemes within the programme.</p> <p>Following the change in administration in May last year a programme review which was anticipated to last for 3 months was also carried out. The subsequent changes to some of the schemes required a DfT Change Control that impacted the programme further.</p> <p>Some of the major scheme slippages are: A35-A33 Smart Technology where there is uncertainty about the availability of C-ITS system which has delayed progression of the whole scheme. And Southampton West P&R – the licence agreement development with University Hospital Southampton taking longer than anticipated.</p> |
| 16. | <p><u>Corporate Assets Decarbonisation Scheme (CADS) (Slippage of £1.78M, £1.51M from 2021/22 to 2022/23 and £0.27M from 2021/22 to 2023/24)</u></p> <p>There was previously envisaged to be the bulk of spend during the 2022/23 financial year, but the reason for more slippage from 2021/22 is that we have an ongoing protracted / delayed contractual process with our Street Lighting Services provider, leading to delayed Legal and Project Management costs coming through to SCC. This will ultimately lead to a contract Deed of Variation to be provided for implementation of the project and this (together with approval of the Final Business Case) will not be possible until at least June 2022. This means the bulk of the ordering of materials and delivery on the ground (the £1.78M including street lighting/building work) will not commence until latter part of 2022/23.</p> |
| Surplus & Deficit | |
| 17. | <p><u>Additional Roads Programme (Deficit of £0.82M, increase of £0.82M since last reported position)</u></p> <p>A reassessment of the treatments of costs has led to additional costs being chargeable to capital. These costs will be met from the Council's share of the gain-share return as part of BBLP contract.</p> |
| HRA | |
| <u>Slippage and Rephasing</u> | |
| 18. | <p><u>New Homes (Slippage of £0.43M from 2021/22 into 2022/23)</u> The budget of £0.5M was to cover the PCSA contract, expected to be finalised by March 2022. However, this was not completed as expected due to complexities, and with a timescale for May 2022. Therefore, the full budget has not been spent and will require slippage into 2022/23.</p> |
| 19. | <p><u>Oaklands Site (Slippage of £1.45M from 2021/22 into 2022/23)</u> At the time of the previous budget estimate progress on site was on track to complete all units during 2021/22. Since then, materials delays caused by Brexit & COVID 19 have come into play, as well as some required corrective works to all flatted blocks. As a result, the progress in this project has slowed down and therefore will be slipping into 2022/23.</p> |

| | |
|------------------------------|--|
| 20. | <p><u>HRA IT Equipment and Software Refresh (Slippage of £0.64M from 2021/22 into 2022/23)</u> Orders were in place, but supply chain issues for the software have meant delivery has not happened in the current financial year 2021/22. The budget is required for NEC Solutions Upgrade project. Therefore, this budget will be incurring a slippage into 2022/23.</p> |
| 21. | <p><u>Sprinkler Work (Slippage of £1.25M from 2021/22 into 2022/23)</u> The project had to be re-tendered, with the scope of works changed by omitting and adding blocks. This has delayed the project, meaning no installation works has been undertaken in 2021/22. Installations are now expected to take place in 2022/23, and therefore slippage of the budget is required.</p> |
| 22. | <p><u>Block Modernisation Programme (Rephase of £0.94M from 2022/23 into 2021/22)</u> Some of the modernisation works have been accelerated to ensure resident safety in high-risk blocks. As result, spend in 2021/22 has been higher than anticipated and this will be met by rephasing budget from 2022/23 into 2021/22.</p> |
| 23. | <p><u>HFRS Fire Safety / Sprinkler Project (Rephase of £0.43M from 2022/23 into 2021/23)</u> Additional spend was identified around additional fire stopping and flat ventilation requiring replacement of non-functioning extract fire damper cones with fire damper grilles to ensure adequate extraction and protection against smoke and fire spread. In addition to this, existing ducts and grilles were found to contain asbestos containing products, which requires protection to be put in place while the original plan for upgrading the system as a separate project is subject to a feasibility exercise. As a result, the project will be rephasing from 2022/23</p> |
| Surplus & Deficit | |
| 24. | <p><u>Roofing Lot 1 West (flat roofs) (Surplus of £0.33M)</u> The impact of issues in the supply chain for materials, has caused delays in obtaining materials and commencing works at one large roof. This has been mitigated by reprofiling works until supply chain issues have been resolved. As a result, this project has incurred a surplus. This is an annual budget that has been reviewed and set in the 2022/23 business plan.</p> |
| 25. | <p><u>Lift Refurbishment - Shirley Towers (Surplus £0.41M)</u> Spend has reduced due to late start on site resulting from COVID restrictions. There was a conscious decision to delay the works due to the knock-on impact of lift closures and the ability to maintain social distancing within tower block. As a result, the project will be incurring a surplus and future works will be covered by the reviewed set budget.</p> |
| 26. | <p><u>Lift Refurbishment - Shirley Towers (Surplus £0.31M)</u> Despite efforts to enable the project to conclude in 2021/22 as intended, the final contract negotiations took longer than anticipated to agree, and more site investigative work has been belatedly identified before the project can physically proceed. As a result, the future years budget has been reviewed and reset as part of the 2022/23 business plan and the project will not be incurring a slippage.</p> |