

## Explanations for Significant Variances on Capital Projects

### Adults & Community Services

- Ripple Hall (£187k under spend) – these savings were identified by project sponsor and achieved through reduced fit out costs.
- Fews Lodge (£100k over spend) – scope of scheme has been increased and additional costs will be met from service revenue budget.

### Children's Services

- Thames View Juniors – Expansion & Refurb (£332k under spend) – staff room works are not affordable so project has been cancelled.
- Schools expansion projects (£450k under spend) – works are now on site however will not be completed until next financial year.
- Schools Places (£27,000k under spend) – funding to be re-profiled into next financial year to reflect spending plans.

### Housing & Environment

- Parking Strategy Implementation - £251k over spend – various projects within phase one of the strategy have been delivered which will generate savings. Budget is being identified to reflect costs of phase one and future phases.

### HRA

HRA self-financing has resulted in much larger revenue surpluses than under the previous subsidy regime and therefore it has been important to ensure that these surpluses have been utilised adopting a best-value approach.

The Business Plan for 2012/13 was approved by Cabinet in March 2012 and this plan contained provisional estimates for spend across the three major investment streams: Capital works programme; New Build and Estate Renewals.

Savills were required to undertake various revisions of their proposed capital works investment requirements and this work was finalised in June of this year. The findings were presented to the July Cabinet where it was agreed to undertake an 18-month, rather than an annual, programme for the first year. This has led to a delay in the commencement of a large part of the Capital Works programme but this was essential to ensure that works undertaken were in line with the Savills findings.

The overall programme for housing investment agreed by Members in July is over a 10-year time frame and therefore delivery of these schemes will be smoothed over the ten-year period. This smoothing results in an additional year end balance in the Major Repairs Reserve (within the HRA) of £49million and ensures that the programme can be delivered in a managed, consistent manner.

Finance & Resources

- Oracle R12 (£1,147k slippage under spend) – funds to be re-profiled into 2013/14 because of changes in the agreed date for the project going live.
- Captain Cook Site Acquisition and public realm works (£315k slippage under spend) – works to be completed next year.