

APPENDIX B

Over/Underspend, slippage and material variances in relation to schemes financed by grants/contributions.

1 The significant over/(under) spend variations to date are as follows:

Scheme	Explanation	Over / (Under) Spend £000s
MAJOR PROJECTS AND PROPERTY		
DEPOT Creation of a depot at Southwood	Budget was raised from £19,950 to £31,000 at revised budgets due to the overspend reported in Q2. Estimated project cost is now £41k. The costs of the project have not been maintained within the increased budget set at revised budgets	10
OPERATIONAL SERVICES		
IMPROVEMENT GRANTS Housing Renewal Grants (Mandatory)	Forecast underspend is to align with actual Housing Renewal Grant expected to be paid out. Grants are discretionary so are not always fully paid out.	(20)
REFUSE/RECYCLING Wheeled bins	Increase in cost due to additional wheeled bins purchases, partially offset by increase in Developer Contributions	17
CAR PARKS Car Park Enhancements	Budget has been slipped over the past couple of years whilst plans on regeneration have been determined. Such decisions are ongoing and as such, the budget is to be released and reapplied for if deemed still relevant after such decisions have been made.	(120)
CAR PARKS Kingsmoat Car Park Resurfacing	As above.	(80)
CAR PARKS Pinehurst Car Park Security	As above.	(50)
ALPINE SKI CENTRE Workshop Ceiling and Lighting and Repair of Footpaths	The scope of the works being carried out extends beyond the original brief. The Executive Head of Finance agreed for such an overspend to be made (providing it does not exceed the value of monies being held in the Ski Development Fund) and reported through budget monitoring.	14

ICE PROGRAMME		
INFRASTRUCTURE AND SECURITY	Budget relates to Windows 10 programme. No expenditure on capital code in year. There is a corresponding overspend on the revenue budget. Both budgets will be reviewed to determine if capital budget is to be moved to revenue	(40)
CRM SYSTEM	There is a corresponding underspend on the CRM revenue budget. Both budgets will be reviewed to determine if amount charged against the capital code is to be moved to revenue	17

- 2 The major areas of slippage/(Pre-spend) identified to date which are included within the (Appendix A) net slippage of £3,397,933 against the approved revised Capital Programme are provided in the table that follows:

Scheme	Explanation	Slippage / (Pre-spend) to 2019/20 £000s
MAJOR PROJECTS AND PROPERTY		
PREDEVELOPMENT WORKS 36-62 Union Street	Budget pre-spend due to unforeseen/increased compensation payments on acquired properties.	(64)
REGENERATION Civic Quarter	Cabinet approval was granted for £195k of the 2020/21 budget to be brought forward to enable feasibility and design work associated with the leisure centre and demolition and other pre-development work associated with Elles Hall but neither of these workstreams are expected to be completed in 2019/20.	178
REGENERATION Housing PRS Delivery	Establishment of the Housing Company is expected to be delayed to April 2020.	685
REGENERATION Union Street East	Pre-spend of the 2020/21 budget to facilitate a property purchase where costs exceed previous estimate.	(72)
REGENERATION The Games Hub	There have been unforeseen delays to the project with an element still to be delivered in 2020/21.	63
INVESTMENT PROPERTIES 168 High Street Guildford - Glass floor replacement; fire lining; air conditioning; and	The works carried out were expected to resolve the existing issues at the property and would have resulted in an underspend, however some issues remain outstanding and therefore further works	15

other miscellaneous repairs	are to be completed during 2020/21.	
INVESTMENT PROPERTIES Trafalgar House, Winchester purchase	Purchase completed during 2019/20, with associated costs exceeding previous estimate. Budget to be drawn forward from the 2020/21 unspecified property acquisitions purchase(s) budget to meet overspend.	(16)
INVESTMENT PROPERTIES Voyager House Fit Out	Site works are due to start 30 March 2020 and build is estimated to take 18 weeks completing 30 July 2020	1,883
INVESTMENT PROPERTIES Frimley 4 Business Park Works	The chiller refurbishment related to unit 4.4 is now planned to take place in 2020/21 due to ongoing discussions with our Managing Agents.	72
CUSTOMER EXPERIENCE AND IMPROVEMENT		
COMPUTER SYSTEMS IT Equipment Replacement Programme	Budget slippage is required based on the Windows 10 project delay resulting in refreshes due for 2019/20 not being possible in year.	22
COMPUTER SYSTEMS Telephony Call Centre Upgrade	Project is delayed and is now due to take place in 2020/21.	15
OPERATIONAL SERVICES		
IMPROVEMENT GRANTS Disabled facility grant (Mandatory)	Referrals equivalent to the 2019/20 budget are expected to be agreed but not necessarily paid out.	186
DEPOTS Hawley Lane Development Works	Project delayed until 2020/21 due to ongoing dialogue with current occupier continues	34
SOUTHWOOD COMMUNITY CENTRE Internal Decoration	Project has not progress in 2019/20 and budget slipped to 2020/21	20
PARKS AND OPEN SPACES Moor Road Recreation Ground Development	The BMX pump track and car park will not be undertaken in 2019/20 resulting in approximate slippage of £140,000 into 2020/21 for these facilities.	140
PARKS AND OPEN SPACES Park Improvements	This budget is for unspecified park improvements which are determined throughout the year. It has not been possible to progress some projects due to a lack of staff resources.	81

CORPORATE AND DEMOCRATIC SERVICES		
FLEXIBLE USE OF CAPITAL RECEIPTS	The budget slippage relates to the delivery of the Council's new leisure contract and the integration between the Council's and Serco's systems associated with the waste contract, both projects are ongoing.	25
ICE PROGRAMME		
APP DEVELOPMENT	No expenditure in 2019/20. Once expenditure is incurred, this will be reviewed to determine if the capital budget needs to move to revenue.	20
MODERNISING CORPORATE AND SERVICE SYSTEMS	Legal system has been purchased during 2019/20. New system in Property has not progressed in 2019/20. Expenditure on the Finance system is delayed until the new financial year as a business process review needs to take place which is planned for the first quarter of 2020/21.	70
FLEXIBLE & MOBILE WORKING	The ICE programme is an ambitious 3-year programme and further work on this project will continue into 2020/21.	42

- 3 The material variances in relation to schemes financed by grants/contributions are as follows:

Scheme	Explanation	Grant funding £000s
MAJOR PROJECTS AND PROPERTY		
REGENERATION The Games Hub	There have been unforeseen delays to the project with an element still to be delivered in 2020/21 and therefore the funding is to slip accordingly.	63
INVESTMENT PROPERTIES 168 High Street Guildford - Glass floor replacement; fire lining; air conditioning; and other miscellaneous repairs	Funded from the Commercial Reserve. Further works expected to be completed during 2020/21	15
INVESTMENT PROPERTIES Voyager House Fit Out	Site works are due to start 30 March 2020 and build is estimated to take 18 weeks completing 30 July 2020. Therefore, the funding is to slip accordingly.	400
INVESTMENT PROPERTIES Voyager House Purchase	Purchase completed in 2019/20. Contribution linked to Voyager House Fit Out that is not due to complete in 2019/20, therefore funding is to slip accordingly.	422
OPERATIONAL SERVICES		
CAR PARKS Car Park Enhancements	Funding to be released as project not proceeding.	120

<p>ALPINE SKI CENTRE Workshop Ceiling and Lighting and Repair of Footpaths</p>	<p>The scope of the works being carried out extends beyond the original brief. The Executive Head of Finance agreed for such an overspend to be made (providing it does not exceed the value of monies being held in the Ski Development Fund) and reported through budget monitoring.</p>	<p>(14)</p>
<p>IMPROVEMENT GRANTS Disabled facility grant (Mandatory)</p>	<p>Referrals equivalent to the 2019/20 budget are expected to be agreed but not necessarily paid out and therefore the funding is to slip accordingly.</p>	<p>186</p>
<p>PARKS AND OPEN SPACES Moor Road Recreation Ground Development</p>	<p>The BMX pump track and car park will not be undertaken in 2019/20, therefore project funding to be slipped into 2020/21.</p>	<p>140</p>
<p>PARKS AND OPEN SPACES Park Improvements</p>	<p>This budget is for unspecified park improvements which are determined throughout the year. It has not been possible to progress some projects due to a lack of staff resources, therefore funding is to slip accordingly.</p>	<p>81</p>