

Capital Variations

New Homes and Regeneration £1.6m under budget

1. The New Homes and Regeneration Programme continues to deliver new homes as planned although it is envisaged that there will be some slippage during 16/17. However, the manager forecasts that the overall net costs remain as budgeted and where variances arise within the year these reflect timing differences between years rather than an overall change. The original budget for 16/17 contained all the Top of Town costs in a single code whilst the 'Latest budget' column shows them split across schemes.
2. Three schemes should be highlighted as potentially differing from budget:
 - a. Southbank, Woodchester is making slow progress and facing drainage issues. There is a risk of increased costs and delays and a decision will be needed as to whether it is reasonable to continue with the present plans.
 - b. Top of Town phase 4 was originally planned to include buy-backs and 12 units. This proposal involves additional costs and some feasibility issues which could result in it being scaled back to 6 units.

Other capital works £2.8m under budget

3. Several work streams are now expected to have an outturn less than originally budgeted. In particular,
 - a. External works expenditure is anticipated to be £1.15m less than the £2.25m budget. This is because the works are weather sensitive (so preferably undertaken during the summer months) and use of some new products is being tested. Final sign off following evaluation is yet to be agreed.
 - b. Kitchen and bathroom replacements are forecast to be £1m less than the £2.24m budget. Programs are in transition following appointment of new delivery partners and work not delivered within this financial year will need to be re-profiled to future years.
4. Other smaller variances are:
 - a. An expected £60k overspend of the £50k professional fees budget. Professional fees have increased due to the need for specific professional inputs and to deliver cost savings on other budgets. Formerly some of these fees were charged directly to programme budgets but are now identified on this code. However, the budget is proving low in comparison to the requirements.

Appendix B

- b. Asbestos/Radon costs of £150k less than the £400k budget due to delays in other planned programmes and savings arising from the newly procured contract.
- c. A saving of £140k from deferring the suited locks programme to 17/18.
- d. An expected saving of £185k on the £500k major works budget. This is for void works and so subject to unpredictable fluctuation, but if delivery continues at current rates savings can be expected.
- e. A reduction of £210k to the £310k non-traditional property budget with work expected to be deferred to 17/18. Pilots are on site but with carry forwards deferred there was uncertainty over the level of the current year's funding and procurement was deferred.