

**S.278(2) Houndsditch Works: Originally Approved Budget (2006) and Revised Budget (2010)**

Original Scheme	Approved Budget (£)	Revised Budget (£)	Variance (£)	Notes
Works - Heron	1,010,000	890,045	- 119,955	1
Contingencies	125,000	-	- 125,000	2
<b>Sub total</b>	<b>1,135,000</b>	<b>890,045</b>	<b>- 244,955</b>	
Works - City	-	126,500	126,500	3
Staff Costs	55,000	75,000	20,000	4
Maintenance for 5 years - trees	36,000	36,000	-	
<b>Houndsditch Works</b>	<b>1,226,000</b>	<b>1,127,545</b>	<b>- 98,455</b>	

1. The cost estimate was updated after the detailed design was completed and prior to the works occurring.
2. The revised estimate did not include a contingency amount. This would be called on later if necessary.
3. During the the detailed design process, additional drainage was needed (delivered by the City).
4. There was provision in the S.278(2) agreement for a sum of £20,000 for technical expenses (in addition to that contained in the estimate).

**S.278(2) Houndsditch Works: Scope Change (2011)**

Original Scheme	Revised Budget (£)	Scope Change (£)	Variance (£)	Notes
Heron Delivery	890,045	506,062	- 383,983	
Contingencies	-	-	-	
<b>Sub total</b>	<b>890,045</b>	<b>506,062</b>	<b>- 383,983</b>	5
City Delivery	126,500	126,500	-	
Staff Costs	75,000	83,000	8,000	6
Maintenance for 5 years - trees	36,000	24,000	- 12,000	5
<b>Houndsditch Works</b>	<b>1,127,545</b>	<b>739,562</b>	<b>- 387,983</b>	

5. The change of scope was a result of Heron Plaza receiving planning permission and a need to change the design of the area. The delivery of Houndsditch works significantly reduced because the works might well have to be dug up during the construction of Heron Plaza soon after implementation. £395,983 (£383,983 + £12,000) has been provided by the developer and set aside to make up for the lesser scheme that was delivered.
6. £8,000 was attributed to the staff cost to renegotiate and approve the variation to the S.278 agreement including negotiating the details of the £395,983.

**S.278(2) Houndsditch Works: Final Spend**

Original Scheme	Scope Change (£)	Final Expected Spend (£)	Variance (£)	Notes
Works - developer delivered	506,062	486,505	- 19,557	7
Contingencies	-	-	-	
<b>Sub total</b>	<b>506,062</b>	<b>486,505</b>	<b>- 19,557</b>	
Works - City Delivered	126,500	168,047	41,547	8
Staff Costs	83,000	84,359	1,359	
Maintenance for 5 years - trees	24,000	24,000	-	
<b>Houndsditch Works</b>	<b>739,562</b>	<b>762,911</b>	<b>23,349</b>	

7. It was agreed that the City would take on the delivery of the CCTV (estimated at £19,557) as part of closing the project.
8. The increase in cost of the drop shafts was higher than initially estimated because they were deeper than first envisaged which accounted for the additional £21,990 (on top of the cctv at £19,557)