



Author/Lead Officer of Report:
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Report of: *Eugene Walker*

Report to: *Cabinet*

Date of Decision: *23rd May 2018*

Subject: *Capital Approvals for Month 12 2017/18*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		

Which Cabinet Member Portfolio does this relate to? ***Finance and Resources***

Which Scrutiny and Policy Development Committee does this relate to?

Overview and Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."

Purpose of Report:

This report provides details of proposed changes to the Capital Programme as brought forward in Month 12 2017/18 and budget adjustments required as part of the year end close down process.

Recommendations:

Cabinet is recommended to:

- Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts
- Give authorisation to provide grants to third parties as detailed in Appendix 2
- Give authorisation to accept the grants as detailed in Appendix 2a
- Approve the budget adjustments required as part of the financial year end close down procedure as detailed in Appendix 3
 - Slippage of expenditure from 17-18 to 18/19 £27.2m
 - Accelerated expenditure from 18/19 to 17/18 of £5.6m
 - Overspends – net additions to the programme £1.4m
 - Underspends - £3.7m

Background Papers:

Appendix 1, Appendix 2, Appendix 2a, Appendix 3

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Marianne Betts</i>
	Legal: <i>Sarah Bennett</i>
	Equalities: No
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	

2	EMT member who approved submission:	<i>Eugene Walker</i>
3	Cabinet Member consulted:	<i>Councillor Olivia Blake Cabinet member for Finance and Resources</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Damian Watkinson</i>	Job Title: <i>Finance Manager Business partner Capital</i>
	Date: 01 May 2018	

MONTH 12 2017/18 CAPITAL APPROVALS

1. SUMMARY

- 1.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during the Month 12 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.
- 1.2 Below is a summary of the number and total value of schemes in each approval category:
- 5 additions of specific projects to the capital programme creating a net increase of £5.513m
 - 3 variations of specific projects and recognition of allocations in the capital programme creating a net increase of £2.784m
 - 1 Variation to procurement strategy only.
- 1.3 Further details of the schemes listed above can be found in Appendix 1.
- 1.4 In addition the budget adjustments required as part of the year end close down process are also presented for approval:
- Slippage of expenditure from 17-18 to 18/19 £27.2m
 - Accelerated expenditure from 18/19 to 17/18 of £5.6m
 - Overspends – net additions to the programme £1.4m
 - Underspends - £3.7m
- 1.5 It should be noted that these amounts represent know variations to existing projects and allocations. The approvals are required to reflect these in the capital budget. The overall variance of outturn below budget of £23.2m is significantly reduced from the £42.9m forecast at Quarter 3.

- 1.7 Further analysis of Slippage indicates that 40% (£10.7m) of £27m is not related to delay in projects in delivery but slippage in allocations for programmes not yet commenced.
- 1.8 Full details of these adjustments can be found at Appendix 3
- 1.9 It should be noted that overall slippage on the capital programme (including in year adjustments) has been on a downward trend in percentage terms over the past 6 years as detailed in the table below.

Financial year	Delivered	In Year Slippage	Year End Slippage	Total Slippage	Slippage as %age of budget
2012-2013	115.6	44.4	43.3	87.7	43%
2013-2014	116.5	44.6	9.6	54.2	32%
2014-2015	145.3	54.8	18.2	73.0	33%
2015-2016	227.4	37.5	36.9	74.4	25%
2016-2017	215.4	41.5	25.8	67.3	24%
2017-2018	246.5	51.4	27.3	78.7	24%

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposed changes to the Capital programme will improve the recreational leisure facilities, schools, roads and homes used by the people of Sheffield, and improve the infrastructure of the city council to deliver those services.

3. BACKGROUND

This report is part of the monthly reporting procedure to Members on proposed changes to the Council's capital programme.

4. OUTCOME AND SUSTAINABILITY

- 4.1 By delivering these schemes the Council seeks to improve the quality of life for the people of Sheffield.

5. OTHER IMPLICATIONS

5.1 Finance Implications

The primary purpose of this report is to provide Members with information on the proposed changes to the City Council's Capital Programme further details on each scheme are included in Appendix 1 in relation to schemes to be delivered and Appendix 2 in relation to grants to be issued to third parties, Appendix 2a in relation to grants to be accepted and Appendix 3 in relation to budget adjustments required as part of the year end close down procedure.

5.2 Procurement and Contract Award Implications

This report will commit the Council to a series of future contracts. The procurement strategy for each project is set out in Appendix 1. The award of

the subsequent contracts will be delegated to the Director of Financial and Commercial Services.

5.3 Legal Implications

Any specific legal implications in this report are set out in Appendix 1, Appendix 2 in relation to grants to be issued, Appendix 2a in relation to grants to be accepted.

5.4 Human Resource Implications

There are no direct Human Resource implications for the Council.

5.5 Property Implications

Any specific property implications from the proposals in this report are set out at Appendix 1.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield
- 7.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.
- 7.3 Obtain the relevant delegations to allow projects to proceed.

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