

Cabinet

**Wednesday 12 September 2012 at
2.00 pm**

**To be held at the Town Hall,
Pinstone Street, Sheffield, S1 2HH**

The Press and Public are Welcome to Attend

Membership

Councillor Julie Dore
Councillor Julie Dore
Councillor Harry Harpham

Councillor Isobel Bowler
Councillor Leigh Bramall
Councillor Jackie Drayton
Councillor Mazher Iqbal
Councillor Mary Lea
Councillor Bryan Lodge
Councillor Jack Scott

Chair/Leader of the Council
Chair/Leader of the Council
Deputy Leader/Homes &
Neighbourhoods
Culture, Sport & Leisure
Business, Skills & Development
Children, Young People & Families
Communities & Inclusion
Health, Care & Independent Living
Finance & Resources
Environment, Waste & Streetscene

PUBLIC ACCESS TO THE MEETING

The Cabinet discusses and takes decisions on the most significant issues facing the City Council. These include issues about the direction of the Council, its policies and strategies, as well as city-wide decisions and those which affect more than one Council service. Meetings are chaired by the Leader of the Council, Councillor Julie Dore.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday, or you can ring on telephone no. 2734552. You may not be allowed to see some reports because they contain confidential information. These items are usually marked * on the agenda.

Members of the public have the right to ask questions or submit petitions to Cabinet meetings. Please see the website or contact Democratic Services for further information.

Cabinet meetings are normally open to the public but sometimes the Cabinet may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

Cabinet decisions are effective six working days after the meeting has taken place, unless called-in for scrutiny by the relevant Scrutiny Committee or referred to the City Council meeting, in which case the matter is normally resolved within the monthly cycle of meetings. Further information on this or any of the agenda items can be obtained by speaking to John Challenger on 0114 273 4014.

If you require any further information please contact committee@sheffield.gov.uk or call us on 0114 273 4014.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**CABINET AGENDA
12 SEPTEMBER 2012**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**
To identify items where resolutions may be moved to exclude the press and public.
- 4. Declarations of Interest**
Members to declare any interests they have in the business to be considered at the meeting.
- 5. Minutes of Previous Meeting**
To approve the minutes of the meeting of the Cabinet held on 22nd August, 2012.
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public.
- 7. Items Called-In for Scrutiny**
The Chief Executive will inform the Cabinet of any items called in for scrutiny since the last meeting of the Cabinet.
- 8. Retirement of Staff**
Report of the Chief Executive.
- 9. Community Heating Metering Project**
Report of the Executive Director, Place.
- 10. Revenue Budget and Capital Programme Monitoring 2012-13 (Month 3)**
Report of the Executive Director, Resources.

NOTE: The next meeting of Cabinet will be held on Wednesday 26 September 2012 at 2.00 pm

ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

A new Standards regime was introduced on 1st July, 2012 by the Localism Act 2011. The new regime made changes to the way that your interests needed to be registered and declared. Prejudicial and personal interests no longer exist and they have been replaced by Disclosable Pecuniary Interests (DPIs).

The Act also required that provision is made for interests which are not Disclosable Pecuniary Interests and required the Council to introduce a new local Code of Conduct for Members. Provision has been made in the new Code for dealing with “personal” interests.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously, and has been published on the Council’s website as a downloadable document at -<http://councillors.sheffield.gov.uk/councillors/register-of-councillors-interests>

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

Further advice can be obtained from Lynne Bird, Director of Legal Services on 0114 2734018 or email lynne.bird@sheffield.gov.uk

SHEFFIELD CITY COUNCIL

CABINET

Meeting held 22nd August 2012

PRESENT: Councillors Julie Dore (Chair), Isobel Bowler, Mary Lea, Bryan Lodge and Jack Scott.

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Leigh Bramall, Jackie Drayton, Harry Harpham and Mazher Iqbal.

2. DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

3. MINUTES

3.1 The minutes of the meeting of the Cabinet held on 1st August 2012 were approved as a correct record.

4. PUBLIC QUESTIONS AND PETITIONS

4.1 In response to questions submitted by Mr. Martin Brighton on the use of Council – supported community buildings for commercial meetings, the openness and transparency of community group accounts, the South Yorkshire Digital region and alleged proxy voting at Tenants' and Residents Association meetings, Councillor Julie Dore (Leader) stated that she would respond to Mr Brighton in writing.

4.2 Council Response to Public Enquiries

4.2.1 Mr. Nigel Slack referred to the failure of the Council to respond to various e-mails he had sent to the Council's Commercial Director, on issues he had raised at previous meetings of Cabinet concerning Public Services – Private Profits. Such a failure to respond might not only be construed as either a lack of interest or a failure in openness and transparency, but also as a breach of the City Council's target of 10 days set for answering correspondence. He, therefore, asked when he would receive a response to the issues he had raised.

4.2.2 Councillor Bryan Lodge (Cabinet Member for Finance and Resources) responded that he did not know why Mr Slack had not received a response given that the Council had a target of responding to public queries within 10 days. He indicated that he would follow up Mr Slack's concerns and ensure that he received a response as soon as possible.

- 4.2.3 Mr Slack also asked why he had not yet received a response from Councillor Dore on matters he had raised at the Cabinet meeting on 1st August, 2012 concerning the public questions procedure.
- 4.2.4 Councillor Julie Dore (Leader) apologised to Mr Slack, indicating that she had interpreted Mr Slack's e-mail as a statement not a question. She stressed that she, and the Council, were keen to promote the involvement of local people in local democracy, adding that she would respond to Mr Slack as soon as possible on the options the Council was considering on this particular matter.
- 4.3 Action taken by City Council, South Yorkshire Police and other Agencies
- 4.3.1 Mr. Saleh Mohamed Ali asked why the Cabinet had not responded to the issues he had raised at the Cabinet meeting on 23rd May, in relation to action taken against him by the South Yorkshire Police and other agencies?
- 4.3.2 Councillor Julie Dore (Leader) responded that these were personal issues and were not appropriate for consideration in a public meeting. She was aware, however, that Mr. Ali had met with a number of agencies over the last few months. Cabinet had responded to Mr Ali's concerns as much as it could but, in the main, the issues he raised were police matters.
- 4.3.3 The Executive Director, Communities, responded further to Mr Ali, indicating that representatives of the City Council, the South Yorkshire Police and other agencies had met with him on the issues he had raised, some of which had been resolved, whilst others remained to be substantiated and about which there had been a difference of opinion with Mr. Ali. Further work was being carried out between the agencies to resolve the matters outstanding and the Executive Director stated that he would be happy to hold further discussions with Mr Ali to try and address his concerns.
- 4.4 Sheffield Bus Agreement
- The following questions were asked in relation to item 9 on the agenda – Sheffield Bus Agreement and answers were given as indicated, as part of the presentation of the report of the Executive Director, Place on the Agreement:-
- 4.4.1 Removal of Bus Service No. 43
- 4.4.2 Mavis Sheahy drew the Cabinet's attention to the fact that the No. 43 bus service had been withdrawn in the Arbourthorne area leaving local people with access to the No. 79 bus service travelling along East Bank Road, which was particularly difficult for older people due to the hilly nature of East Bank Road.
- 4.4.3 Roy Mitchell, SYPTE, responded that the No. 43 service had been withdrawn sometime ago by TM Travel and Stagecoach had replaced it with No. 79 bus service. He added that the number of passengers who had used the No. 43 service had been low and, therefore, it had not been possible to continue the service. However, the problems that some older people might face in accessing

the No.79 service were acknowledged and the SYPTE had arranged for the pre-booking of transport from the Community Transport Service for those older residents who were finding it difficult to access the service. However, it would not be possible to restore the conventional bus service Ms. Sheahy referred to.

4.4.4 It was suggested that Councillor Julie Dore and Councillor Jack Scott as Councillor representatives for the Arbourthorne area would pursue the matter further.

4.5 Re-routing of Bus Service No. 123

4.5.1 Ms. Nancy Grayson, Chair of the Westminster Tenants' and Residents' Association, referred to the re-routing of the No. 123 bus service removing the service from by-passing the Hallamshire Hospital, causing a reduction in accessibility to the Hospital for older people. She added that 95% of residents on the Westminster estate were 75 years of age and over and felt that the re-routing of the bus service could have a disproportionately negative impact on local residents in terms of access to hospital services.

4.5.2 Roy Mitchell, SYPTE, responded that it was proposed to reduce the number of buses run by First and Stagecoach on main routes where there was an oversupply as was the case on Ecclesall Road. The replacement for the No.123 bus service (Service 83A) would run at 20 minute intervals instead of 30 minute intervals but would not serve the hospital but operate via Ecclesall Road instead. However, it was possible to catch the replacement Service 83A and change once at the same stop to a service No 120 to or from the Hallamshire hospital. The alternative would be to catch a No. 51 bus to the back of the hospital from Redmires Road.

4.6 Public Consultation

4.6.1 Mr Neil Fitzmaurice expressed concern that that the SYPTE were not keeping the public fully informed about the different stages in the development of the buses strategy and that the implications of adopting Voluntary Contracts and Voluntary Partnerships had not been mentioned at various public meetings. He asked whether the SYPTE could ensure that consultation with the public is undertaken prior to any Agreement being finalised and that the monitoring of the Agreement had considerable passenger input, possibly through the Community Assemblies, to which representatives of bus operators could be invited, from time to time. He also suggested that the comments of Passenger Focus should be taken up as regards the qualitative aspects of the Agreement.

4.6.2 Dick Proctor, City Council Transport Vision and Strategy Manager, responded that the qualitative aspects raised by Passenger Focus would be considered through a jointly shared performance network and that information on the Agreement would continually be updated on the Sheffield Bus Agreement website. Roy Mitchell, SYPTE, responded that the SYPTE would respond positively to requests for consultation and, indeed, the SYPTE was proposing to hold further meetings with residents on why certain routes had changed, which showed that it was going out of its way to explain changes.

4.7 Bus Service No. 66

- 4.7.1 Ms. Jean – Marie Bellamy expressed concerns about the proposed discontinuation of the No. 66 bus service, referring to the fact that, although residents had been told that the No. 13 bus service was a replacement for the No. 66 service, High Green – Sheffield, the new bus took a very different route and would involve an extra 15 minutes on the journey time to Sheffield. She stated that High Green had very strong links with Halfax/Penistone Road due, in part, to bus links enabling High Green residents to work in the area, and use the facilities and the college at Hillsborough. The new number 13 would miss most of this route, instead going through Grenoside village, Fox Hill and now on the busy Middlewood Road.
- 4.7.2 Ms. Bellamy added that the no. 66 route should be put out to tender as Service No. 13 was not considered to be a replacement service. The proposed routes had been designed for purely commercial reasons as confirmed by First and the SYPTE without any regard for the High Green community which was within the top 10% of the most deprived areas in the UK. The consultation and petition response to changes to the 66/13 & 77 High Green/Chapelton to Sheffield routes totalled around 2,000 against the changes, with only 8 people in favour of them. This was in contrast No. 4 service which travelled through an affluent area of Sheffield and was immediately put up for tender but much fewer objections.
- 4.7.3 Ms Bellamy believed that the consultation was flawed and felt that, if the Sheffield Bus Partnership was so important the above issues should be addressed in full and not be rushed.
- 4.7.4 In response, Roy Mitchell, SYPTE, indicated that, in terms of reliability and financial performance, First had indicated their concerns but had now agreed to re-instate the High Green–Chapelton service, but the bus companies saw no merit in extending the service to Sheffield when it was proposed to run the No. 13 service at a frequency of 20 minutes compared to the existing 30 minute frequency offer. Taking the package overall, a service (No. 13) would be available for High Green to Hillsborough including the Hillsborough Transport Interchange and the SYPTE understood why First wished pursue this. The service could not be put out to tender as it was run on a commercial basis and, therefore, would be a waste of public money. No commercial bus service had been proposed for Psalter Lane and, therefore, it was felt that tenders could be invited for a service including this route as there was no alternative provision.

4.8. Sheffield on the Move

- 4.8.1 Mr Alan Kewley, Sheffield On the Move Focus Group, commented that he believed that there had been inadequate consultation on and opportunity to scrutinise the Partnership proposals which, he believed was vital. He stated that the Focus Group accepted the principle of agreeing the Voluntary Partnership but he suggested that the process seemed rushed, and that there had been difficulties in obtaining information, including the terms of the Agreement and that this should be released in the public domain in order to promote openness and

transparency. He therefore asked that the Focus Group see a draft of the Bus Agreement and its implications prior to the signing of the Agreement.

- 4.8.2 Dick Proctor, Transport Vision and Strategy Manager, responded that it was necessary to re-register buses by 31st August, 2012 in order to launch the Partnership by 31st October, 2012 and, therefore, there was a need to progress matters as a matter of urgency. However, this should not be viewed as the end point for any changes. He added that one of the reasons why the Council supported the Integrated Transport Authority view to favour a Voluntary Partnership Agreement was the proposed reduction in bus fares. The proposals set out in the Partnership Agreement could also commence at the end of October, 2012, whereas Quality Contracts involved a statutory process lasting three years before implementation with the financial/commercial risks sitting with the Integrated Transport Authority, SYPTTE and City Council.
- 4.8.3 He added that as much information as possible had and would be provided to the public, but some of this information was quite confidential and could not always be released. In terms of the detail of any Agreement, this was still to be prepared. The SYPTTE had now paused work on Quality Contracts, but there was a clear sense of the remaining work which would be required to be undertaken if ever it was felt that Quality Contracts needed to be re-considered.

5. ITEMS CALLED-IN FOR SCRUTINY/REFERRED TO CABINET/COUNCIL

- 5.1 The Deputy Chief Executive reported that there had been no items of business called in for scrutiny arising from the meeting of the Cabinet held on 1st August 2012.
- 5.2 The Cabinet noted the information reported.

6. RETIREMENT OF STAFF

- 6.1 The Deputy Chief Executive submitted a report on Council staff retirements.
- 6.2 **RESOLVED:** That this Cabinet :-

(a) places on record its appreciation of the valuable services rendered to the City Council by the following staff in the Portfolios below:-

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
<u>Children, Young People and Families</u>		
Peter Grayson	Educational Audiologist	37
<u>Communities</u>		
Maria Bartletta	Social Worker	37
Anne Broomhead	Care Manager	29

June Cawthorne	Support Worker	40
Diane Copp	Support Worker	40
Margaret Ellison	Support Worker	36
Hilary Frith	Care Manager	26
Pamela Kappes	Senior Practitioner	29
Alison Langford	Social Worker	29
Cheryl McClure	Home Support Service Manager	28
John McWilliam	Training and Development Consultant	34
Olive Shaw	Care Manager	25
Susan Shephard	Care Manager	23
Pamela Wait	Care Manager	25
Pamela Wilson	Care Manager	26

Place

Ronald Dyson	Litterbin Driver, Street Force	29
Bob Stevenson	Assistant Head of Design and Build – Street Lighting	44

(b) extends to them its best wishes for the future and a long and happy retirement; and

(c) directs that an appropriate extract of this resolution under the Common Seal of the Council be forwarded to them; and

7. EXECUTIVE FUNCTIONS DECISION RECORD

The following decision was taken by the Cabinet:-.

7.1 AGENDA ITEM 9: SHEFFIELD BUS AGREEMENT

7.1.1 The Executive Director, Place submitted a report on the progress of plans for the “Sheffield Bus Agreement” – a Voluntary Partnership approach to improving the bus offer in Sheffield, principally through network design changes, new ticketing products and by reducing the price of the more expensive fares. The report also sought agreement to enter into the Partnership, and to endorse specific further work.

7.1.2 **RESOLVED:** That Cabinet :-

- (a) notes the results of the public consultation and work to date on the options for delivering a new Bus Agreement for Sheffield;
- (b) endorses the Voluntary Partnership Agreement option as the preferred delivery vehicle at the present time, noting that South Yorkshire Passenger Transport Executive (SYLTE) work on the Quality Contract option is to be suspended to allow the Partnership Agreement to progress; and
- (c) agrees to the principle of the Council being a co-signatory to the Sheffield Bus Agreement and endorses further work to facilitate a City-wide launch in October 2012.

7.1.3 **Reasons for Recommendations**

- Improved Public Transport will contribute to the objectives of 'Standing Up for Sheffield' and the Sheffield City Region Transport Strategy.
- Under Statutory Quality Partnership Schemes (SQPS), the Council/SYLTE improve the physical facilities on, or along, the line of a bus route(s) and in turn for using these facilities bus operators must meet certain physical attributes in their services. Under these schemes, 35% of passengers benefit from reduced fares, whilst under Quality Contracts, over half of passengers could pay more. A Voluntary Partnership Agreement (VPA) can be planned for 28 October 2012, but a Quality Contract still needs a statutory process lasting up to 3 years.
- The completion of a VPA, will mean that financial and reputational risks lie mostly with operators whereas, under Quality Contracts, the main financial risks would be with the South Yorkshire Integrated Transport Authority, SYLTE and the City Council.
- The VPA is currently planned as a 5 year Agreement. However, Quality Contract type franchises (e.g. rail) typically last 10 years. The world has changed considerably since last consultation on "Bus Vision" and it is very difficult currently for anyone to commit to a 10 year contract.

7.1.4 **Alternatives Considered and Rejected**

- Quality Contracts (QC) - this option replaces the existing on-street competition with a franchised network option which is put in place, following a tender process. SYLTE specify the franchise but the associated risk sits within the public sector.
- Do Nothing – This option is not considered in this report but in view of the falling bus patronage across many parts of the County is not considered an option.

Councillor.....
Chair, Cabinet,
12th September, 2012.



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Deputy Chief Executive

Date: 12th September 2012

Subject: Staff Retirements

Author of Report: John Challenger, Democratic Services

Summary: To report the retirement of staff across the Council's various Portfolios

Recommendations:

Cabinet is recommended to:-

- (a) place on record its appreciation of the valuable services rendered to the City Council by members of staff in the various Council Portfolios and referred to in the attached list;
 - (b) extend to them its best wishes for the future and a long and happy retirement; and
 - (c) direct that an appropriate extract of the resolution now made under the Common Seal of the Council be forwarded to those staff above with over twenty years service.
-

Background Papers: None

Category of Report: OPEN

REPORT TITLE: RETIREMENT OF STAFF

1. To report the retirement of the following staff from the Council's Service and to convey the Council's thanks for their work:-

<u>Name</u>	<u>Post</u>	<u>Years' Service</u>
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Children, Young People and Families

John David Else	14 -19 Programme Manager	40
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Place

Angela Prime	Assistant Head, Business Services	28
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2. To recommend that Cabinet:-
- (a) place on record its appreciation of the valuable services rendered to the City Council by the above – mentioned members of staff in the Portfolios stated :-
 - (b) extend to them its best wishes for the future and a long and happy retirement; and
 - (c) direct that an appropriate extract of the resolution now made under the Common Seal of the Council be forwarded to those staff above with over twenty years service.



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Executive Director, Place

Date: 12th September 2012

Subject: Community Heating Heat Metering Project

Author of Report: Robert Almond, Sustainable Development Service

Summary: This report sets out details of plans to upgrade the city's community heating sites through the wider installation of heat metering. It follows earlier investment in boiler plant and internal controls and will allow householders to better control/reduce their energy bills by paying for the actual heat used rather than through a flat rate charge based on property size. The proposal is also aligned to a wider approach to support a 'Decentralised Energy Strategy' for the city. This was endorsed by Cabinet in March 2011.

It seeks approval for the general approach to the wider introduction of heat metering with delegation for the detailed technical and operational implementation of this project following an approved tendering process and consultation with relevant stakeholders.

Reasons for Recommendations: Installing heat meters will enable households served by community heating to have the same facility to control their heating costs and comfort levels as households with individual boilers. This will also support the wider Council strategy to modernise community energy provision, reduce environmental impacts and fuel poverty, and is recommended as a fairer way to control heating costs.

Recommendations:

Cabinet is recommended:-

- (1) to approve the approach set out in this report to install individual property heat metering and implement associated billing arrangements at the Council's community heating sites and set the Community Heating charges; and
- (2) to delegate to the Director of Housing, Enterprise and Regeneration and the Director of Commissioning Communities authority to put in place

detailed arrangements to implement the matters approved in (1) above as follows:-

- (a) the Director of Housing, Enterprise and Regeneration is authorised to finalise procurement processes and evaluate tenders on such terms as he considers appropriate;
- (b) the Director of Commissioning, Communities is authorised to conduct a consultation programme, set the Community Heating charges (in accordance with the arrangement set out in the HRA Business Plan) and make proposals to leaseholders and freeholders affected by the changes on such terms as she considers appropriate;
- (c) the Director of Housing, Enterprise and Regeneration and the Director of Commissioning, Communities are each individually authorised generally to take such further steps within the scope of their own service areas as they consider appropriate to progress the Community Heating Heat Metering Project, or to safeguard the Council's interests in relation to it;

Provided that:-

- (i) the Director of Housing, Enterprise and Regeneration and the Director of Commissioning, Communities must, where they consider it appropriate, exercise this delegated authority in consultation with the Cabinet Member for Homes and Neighbourhoods, the Cabinet Member for Environment, Waste and Streetscene, and each other; and
- (ii) further Cabinet approval must be obtained prior to the letting of any contract or contracts for the installation heat metering, controls and payment equipment, and any associated billing and communication services connected with these

Background Papers:

Category of Report: OPEN

If Closed add – ‘Not for publication because it contains exempt information under Paragraph... of Schedule 12A of the Local Government Act 1972 (as amended).’

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
YES/NO Cleared by: Liz Orme/Paul Schofield
Legal Implications
YES Cleared by: Brendan Twoomey
Equality of Opportunity Implications
YES/NO Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
YES
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
Relevant Cabinet Portfolio Leader
Homes and Neighbourhoods and Environment, Waste and Streetscene
Relevant Scrutiny Committee if decision called in
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press release
YES/NO

REPORT TITLE: Community Heating Heat Metering Project

1.0 SUMMARY

- 1.1 This report sets out details of plans to upgrade the city's community heating sites with heat metering. It follows earlier investment in boiler plant and internal controls and will allow householders to better control/reduce their energy bills by paying for the actual heat used rather than through a flat rate charge based on property size. The proposal is also aligned to a wider approach to support a 'Decentralised Energy Strategy' for the city, that was endorsed by Cabinet in March 2011, as well as earlier commitments to reduce environmental impacts such as with the use of biomass and ground source heat pumps. It seeks approval for the general approach to the wider introduction of heat metering with delegation for the detailed technical and operational implementation of this project following an approved tendering process and consultation with relevant stakeholders.
- 1.2 The use of heat metering will generally help tackle fuel poverty, if as expected the majority of households are able to reduce their heating costs. It is recommended as a fairer way to pay for heat however, the changes will need to be introduced carefully to make sure householders understand these new arrangements, the equipment installed and the new billing arrangements. The report highlights the need for careful monitoring, advice and support for householders not used to paying for heating costs in this way.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 Community heating has been popular as it generally provides reliable and consistent heating and on average fewer breakdowns than individual central heating. However, the standards of equipment within the home itself have increasingly fallen behind what is available from individual systems. Particularly the ability to control temperatures, heating patterns, and to pay for energy based on individual consumption rather than averaged/flat rate charges.
- 2.2 The modernisation presented in this report to install the next generation of heat metering that will benefit individual users of community heating by providing fairer arrangements for paying for heat. It will also demonstrate to others how modern community heating technology can be successfully operated, as this approach to heating is likely to become more widely used as a way to achieve good standards in environmental sustainability and reduce the city's carbon emissions.
- 2.3 The investment also supports Sheffield's Decentralised Energy Strategy, which aims to encourage greater use of local heat and power networks as a way to reduce our carbon emissions and strengthen energy security.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 This investment will provide users of community heating schemes

managed by Sheffield Homes with a modern and fairer way of paying for their heating bills. By enabling households to only pay for the heat they need it will help to reduce household energy costs and fuel poverty. Less wasted heat will also reduce Sheffield's CO2 emissions and will demonstrate a more sustainable approach than the current flat rate payment and fixed heating day that is currently provided at most community heating sites.

- 3.2 The Government's draft Heat Strategy supports the use of modern community heating networks and in Sheffield, a joint Officer/Member working group has also been reviewing this policy area. This aims to build on the strong track record in the city for district and community scale heating and is in line with the approach to strengthening our energy infrastructure set out in the Corporate Plan for an 'Environmentally Responsible City'. The Council has been actively bidding to a number of external funding opportunities to strengthen this strategic work and is currently through to the second stage of a large bid to the Technology Strategy Board that would support Sheffield as a City Demonstrator for 'Integrated smart district heat networks and digital engagement'
- 3.3 Investment in heat metering is part of a large programme designed to give long-term sustainability to the city's community heating systems. This has already replaced the majority of older boiler plant and upgraded internal controls in readiness for installing heat meters and further work is planned to improve the condition of the underground heating distribution pipe-work on some sites.

4.0 BACKGROUND

- 4.1 Approximately 15% of council housing properties are connected to community heating networks, covering around 135 sites in the city. A further 500 privately owned homes bought under the 'Right to Buy' legislation have opted to remain on these networks.
- 4.2 The majority are heated by gas, though a substantial proportion are connected to the Veolia operated District Energy network. Three large sites (Carwood, Callow and Greenland) have been converted to biomass. The use of biomass and connection to the Veolia energy from waste network are good examples of the opportunity community heating offers to de-carbonise the heating provided to Council properties. The majority of sites connected to the Veolia waste already have heat metering, though these now need to be replaced with more modern equipment.

District Heating sites - Type of fuel

Type of fuel used	No of boiler rooms	No of properties	% of Total
Gas to residents	115	4416	73%
Gas / Biomas	3	777	13%
Gas / CHP	2	51	1%
Gas / GSHP	1	24	0.5%
Gas / Solar	2	58	1%
Veolia plant	12	697	11.5%
Total	135	6021	100%

- 4.3 Most installations were made in the 1970's, though a number of tower blocks previously heated by expensive electric storage heating were connected to community heating in the late 1990's. A wide mix of property types are connected – the majority of sheltered dwellings, low and medium rise housing as well as blocks of flats.
- 4.4 A programme to upgrade and modernise the Sheffield community heating networks has been underway since 2006. This is being run in 3 main phases:
1. Upgrading all older boiler plant with modern condensing boilers and improved boiler energy management equipment
 2. Upgrading individual property controls (programmers, thermostats and TRVs) and installation of plate heat exchangers as a more efficient method for handling hot water requirements
 3. New billing and heat metering arrangements that will expand the number of households who pay for the heat they use rather than a fixed flat rate payment.

Following this, there will be a need on some schemes to upgrade and renew the mains pipe work, and there is work currently underway to assess the condition of this at each site for this. This also provides an opportunity to review whether some sites may work more effectively grouped together, as well as potentially providing heat to other buildings.

- 4.5 Alongside this work, there have been associated investments to convert three large sites to biomass (wood chip), a trial of small CHP equipment in two sheltered dwellings, and one sheltered site to use ground source heat pumps. These have demonstrated how community heating has the potential to reduce Sheffield's impacts on climate change by using heat sources that generate less CO₂.
- 4.6 Whilst the first two phases of this programme greatly improved operational efficiency of equipment and reduced carbon emissions, in the majority of sites households have no ability to reduce their individual bills further by paying only for the heat needed rather than paying a flat rate charge.
- 4.7 Although there are a small number of sites already operating with 'heat meters', these are primarily high rise buildings using an older generation of equipment that has now been superseded. The newer equipment offers greater convenience for households to pay for heat in different ways, whether using pre-payment arrangements or on a weekly basis. The aim is to provide broadly the same payment options as a householder with an individual gas boiler.

5.0 PROGRESS TO DATE

5.1 Boiler plant improvements:

The majority of the boiler plant rooms – at around 80 sites, were successfully improved over a two and a half year programme (April 2006 to October 2008) at a cost of £3 million (20% funded from external grant). The remaining boiler plants (including Sheltered Housing sites) are being upgraded as part of the Sheffield Decent Homes Programme which will complete in 2013/14.

- 5.2 In most cases this involved replacing plant that was over 25/30 years old with newer condensing boilers, but on 3 larger sites the lead boilers were changed over to biomass (wood chip). Despite higher capital costs, the overall operational costs of biomass are comparable with gas, (though expected to be cheaper over the longer term), and have significantly lower carbon emissions.
- 5.3 The effect of this major investment has been to reduce energy costs at these sites by between 20% and 30%, which in turn has allowed charges to go up at a lower rate than for households with individual boilers. This is a key objective of the Community Heating upgrade programme, and is achieved by ensuring savings are fully ring-fenced within the separately managed Community Heating account rather than being amalgamated into the general Housing Revenue Account (HRA)
- 5.4 **Controls and Metering:**
Despite these improvements, most households are not fully in control of their energy consumption costs, generally paying a fixed weekly charge rather than being able to pay for the heat they use. For example, households out during the day or who want lower temperatures would with heat metering be able to reduce their bills. This benefit has been demonstrated in other cities that have switched over to heat metering, as well as at the existing sites in Sheffield with meters.
- 5.5 The metering equipment procured will be fully compliant with modern payment expectations and arrangements offered to households who aren't council tenants will be better than currently provided. This will include proposals that the metering equipment will be maintained by the Council as the heat supplier rather than the leaseholder themselves..
- 5.6 In preparation for the heat metering work, other work to upgrade internal controls (programmers/thermostats and Thermostatic Radiator Valves) and installation of more efficient hot water heat exchangers is currently on site and will complete by the end of December 2012.
- 5.7 This early work will facilitate much quicker installation of the heat metering equipment itself as it includes any valve and pipework changes that would otherwise be needed.

6.0 HEAT METERING AND BILLING PROPOSALS

6.1 **Equipment options:**

The procurement strategy will recommend the equipment to be installed as well as the potential cost and service implications.

Three main options likely to be available are:

1. Basic provision of a heat meter, with payment for energy through a weekly, monthly or quarterly charge. This could be based on actual usage (which would mean higher amount during the winter) or on the basis of an agreed amount that averaged out the peak and lower cost periods. This option would also need to allow for households to have a pre-payment meter as an alternative option, or to be required if the household went into debt.
2. For households to all have pre-payment meters, which are

required to be charged up in advance, by for example the household buying heat credits from a machine in their block or by charging up a smart card at a local shop – preferably at the same location they pay their rent.

3. For a more sophisticated arrangement where meters have the facility for two-way communication, and to be set up remotely as either just a meter or as a pre-payment device. This type of arrangement could allow for a much more modern approach to payments ie payments over the phone, the internet as well as at local paypoint facilities. It would make use of the most recent approach to metering that is now being installed in all houses for gas/electricity over the next 8 years.
- 6.2 The third option is considered to provide the best approach to long-term technical and operational sustainability. It would enable householders to achieve good levels of control, and payment flexibility whilst ensuring sufficiently robust arrangements are also available to manage any difficulties with budgeting and/or dealing with fuel debts.
 - 6.3 The results of the tendering process will clarify the costs of this option, along with varying approaches to the billing and payment arrangements. The tenders will be assessed by a panel of officers and community heating users with some allowance for negotiation and clarification with suppliers, and assessment against quality criteria as well as cost.
 - 6.4 A full roll-out across all community heating sites will require a sizeable investment and it is crucial that the equipment and billing arrangements chosen are sufficiently robust and well-tested to achieve long-term sustainability.
 - 6.5 Budget provision of £5.761m has been provided in the Sheffield City Council Place 2012/13 – 2015/16 Housing Investment Programme that will fund this work which was approved earlier this year by Cabinet as part of the HRA Business Plan and the Council's 2012/13 Capital Programme.
 - 6.6 **Billing/payment options:**
It is proposed that the tendering process for the metering work should also include an initial period of up to 3 years (with a built in annual review) for the billing process and setting up of payment options to be provided by the tendering organisations rather than the City Council or Sheffield Homes. There will however, be a need for clear interfaces with existing processes. Following this initial period, there will be a review of whether to bring this service in-house or remain with an external provider. This will then be subject to further procurement process.
 - 6.7 The rationale for this is to enable arrangements for heat metering to be established quickly but sufficient flexibility around billing arrangements to later change to an in house service if there are clear financial or service advantages to this.
 - 6.8 **Support and monitoring :**
The experience from other local authorities who have introduced heat meters has reduced household bills by 20%-40%. However, the level of

saving depends on individual households use their heating once heat meters are installed. Any savings made will help offset future increases in gas prices which are expected in future so it will be particularly important in the early stages that this is carefully kept under review

- 6.9 Provision for regular monitoring, backed up by support and advice will be provided. A clear priority will be to ensure adequate heating for vulnerable households and that households don't cut back on heating because of insufficient understanding of how to use the new controls or payment arrangements.
- 6.10 An established priority for the housing service is to ensure a wide range of options for payment are available, however, the metering service will also need a fallback option for a 'pre-payment' facility that some households may prefer for budgeting reasons. Pre-payment meters also ensure there remains an option for any debt to be collected whilst ensuring provision for heat is still available. In this instance (as with current equipment) there will also be a requirement for an emergency heat supply to be available to manage any situations when payments can't practically be made to the meter.
- 6.11 It is envisaged that the option to choose either pre-payment, or weekly payments that are monitored and adjusted against usage will be taken by each household, rather than set one way from the start.
- 6.12 **Price per kWh:**
Current arrangements for heat metering that are in place at most tower blocks, have been established on the principle that each site achieves a balance of costs and income, in other words that administrative costs and the gas, electricity or Veolia heat charges are ring-fenced to that particular site.
- 6.13 This means that there are currently different kWh and standing charges set for different sites, rather than these being pooled or averaged out across all sites together.
- 6.14 For this wider roll out, it is proposed that the kWh and standing charges are instead based on pooling of costs across all sites. This is felt to be a fairer approach as it means any differences in operating efficiencies from different boiler plant, different fuels etc are averaged out across all users.
- 6.15 Detailed work has been carried out to model how these charges will be set. The price per kWh will need to be set at the time meters are installed however, the principles proposed for this are:
- Charges will be set to ensure overall income would balance all fuel, operational and administrative costs if the rates were replicated across all sites.
 - A standing charge broadly sufficient to cover any standing losses (ie heat that is used by transferring hot water around the system) as well as fixed administrative costs would be applied in addition to a kWh charge for actual usage. This is similar to how most households with individual heating equipment pay for their energy bills and is the way most community heating schemes with metering operate.

- The community heating account is carefully managed to iron out large increases in gas/electricity prices. Under this arrangement, community heating charges to tenants for 2012/13 were kept low to absorb the increase in external fuel prices. However, it is likely the charges for community heating will need to increase in the next few years if as expected the price the Council has to pay externally for gas and electricity continues to rise above inflation. It is proposed that the metered kwh charges for tenants be set at a level comparable with this approach, to ensure consistency and fairness during the roll-out when some properties will be metered and others not.
- Charges would however, need to reflect any increases in gas prices and VAT of 5% that is liable to be paid on metered heat rather than the zero VAT rate that fixed rates attract

6.16 **Initial sites:**

As previously described, heat metering currently installed is predominantly in high-rise flats, along with one installation at a Sheltered Housing Scheme. These flats are generally one-bed flats, and it is in the nature of these buildings that some heat is in effect 'shared' between neighbouring flats as well as those above and below.

6.17 It is therefore proposed for the early stages of the roll-out, that two low-rise developments are chosen – the Westfield estate in the South East of the city, and the Greenland estate in the North East. These will enable more accurate assessments to be made of operational and cost impacts from the installation of metering to a wider range of property and household types.

6.18 In addition to these estates, on some of the tower blocks the prepayment meters have been failing as the equipment there is now becoming obsolete. These will also be a priority for early installations.

6.19 Following these initial sites, it is proposed that the sequencing of the work will be prioritised to those estates where the cost of heating is contributing to higher turnover of properties than would normally be expected. It is hoped then that this project can help sustain tenancies in these areas and reduce the cost of re-letting to the Housing Revenue Account. Clearly lack of heat metering in some properties is only a factor in this but can make a valued contribution to helping to reduce turnover.

6.20 **Programme Timescales:**

A detailed procurement strategy has been agreed with the Council's Commercial Services Directorate in accordance with Sheffield City Council approved process. This work will be competitively tendered which will ensure full compliance with appropriate legislation, the Council's standing orders and financial regulations.

It is anticipated that once approved the procurement process will commence and a start on site could be achieved for spring 2013. This work will then take, it is estimated, between 2-3 years to complete.

7.0 **ISSUES FOR OWNER OCCUPIERS (LEASEHOLDERS AND**

FREEHOLDERS)

- 7.1 **Background:**
There are currently around 460 owner occupiers connected to the Council's district heating scheme ,around_160 of these live in flats and maisonettes (leaseholders)and around 300 live in houses (freeholders)
- 7.2 When a tenant purchases their home under the Right to Buy (RTB) they usually continue to receive district heating. However instead of paying the heating charge along with their rent they receive a separate invoice from the Council. Most take up the option of making monthly instalments to pay their bills.
- 7.3 For owner occupiers who stay on district heating, the terms and conditions for the provision of heat/hot water and the charging arrangements are set out in a district heating contract which forms part of their lease/conveyancing agreement.
- 7.4 The primary difference for owner occupiers is that they pay their share of the cost of the specific boiler house serving their dwelling ,whereas tenants costs are pooled and they pay standard weekly rates that apply across the whole city .The other main difference is that owner occupiers district heating charges includes cost associated with the provision of the heating system itself e.g. serving ,repairs and refurbishment of the boiler plant and equipment whereas for tenants this forms part of their rent
- 7.5 Also following the payment of a one off disconnection charge (as detailed the lease/conveyance agreement) owner occupiers have the option of disconnecting from the district heating network at any time. Likewise, subject to giving notice the Council can also disconnect dwellings from the system .
- 7.6 **Options for owner occupiers:**
All owner occupiers will be fully consulted about the planned changes and they will be offered the option to have the heat meters/ controls installed. They will also have the option to disconnect from the system and fit their own boiler /central heating system instead.
- 7.7 The disconnection /disconnection loss charges which would normally apply i.e. where owner occupiers proactively choose to disconnect, would not apply if they disconnect before installation . They will be able to leave the system at no cost.
- 7.8 For those who would like to remain on the district heating system they will be able to do so by agreeing to a new district heating contract which will reflect the revised terms of conditions relating to the upgraded system and the new pricing structure of a metered supply. The legal process to facilitate this will entail the Council effectively disconnecting the dwelling from the system under the existing district heating contract and then immediately reinstating it under the new district heating contract. Most of the disconnection notices to initiate this process have already be sent to owner occupiers, although there are a small number still to go out in respect to the more recent sales under RTB.

- 7.9 **Legal costs:**
For those wishing to stay on the system there will be additional legal costs associated with the drafting of the new district heating contract, undertaking conveyancing work to vary the lease/conveyance agreement and to register the change with the Land Registry. It is intended that these costs will form part of the overall scheme costs.
- 7.10 Home owners will be advised that they may wish to seek their own independent legal advice.
- 7.11 **Cost for owner occupiers:**
Owner Occupiers will pay for heating at the same rates as tenants in that both tenants and owner occupiers will incur consumption charges (a unit cost per kwt hour charge for the energy they use in their home) in addition to a weekly standing charge.
- 7.12 In addition to the above however there are costs for the provision of the system itself which are covered by rent for tenants .Owner occupiers no longer pay rent so these costs will need to be recovered through an additional standing charge (systems charge) .This will cover the owner occupiers share of the repairs and maintenance cost of the boiler plant and equipment and loan charges on the refurbishment costs .Owner occupiers already pay for these costs as part of the district heating charges but charges will need to be uplifted to reflect the new metering/controls installations.
- 7.13 This means that owner occupiers choosing to remain on the system will not have to pay large bills up front for the installation of the meters /control etc. Instead the Council will recover these sums over the life of the plant and equipment through the weekly charges. *(by way of comparison, if owners chose to have their own central heating system instead, similar type costs would be incurred by them in sourcing the purchase of a boiler and in servicing and maintaining the system thereafter)*
- It is important to note as with tenants, owner occupiers remaining on the district heating system, with a metered supply, will have greater control/choice over the volume of heat they take and will have the capability to make savings on their heating bills.
- 7.14 Again in accordance with Customs and Excise regulations VAT (current at a rate of 5%) applies.
- 7.15 **Leaseholder consultation:**
In addition to the general scheme consultation that will take place with both tenants and owner occupiers prior to the works commencing, formal statutory consultation will need to take place with owner occupiers (leaseholders) in compliance with the Landlord and Tenant Act 1985. This consultation will take place with in the prescribed timescales prior to the a) tendering/awarding of the contract b) prior to installation works commencing on site.

These statutory consultation requirements only apply to leaseholders, however appropriate arrangements will be made for freeholders also .

- 7.16 These statutory consultation requirements will be built into the project schedule.
- 7.17 Also as owner occupiers will have a choice as to whether they remain on the district heating system or not the Council is committed to providing them with all relevant information so they can make an “informed choice” about what type of heating they decide upon for the future.

8.0 GENERAL CONSULTATION ARRANGEMENTS

- 8.1 A detailed consultation and communication plan will be for this project. A new project group will be established that brings together Sheffield Homes, tenants, leaseholders and freeholders to manage this project. Individual consultation will also take place with customers as part of the planning and delivery of the improvements. Sheffield Homes will also be providing energy assessments and providing advice as part of the project to help individual householders make simple changes that may help them reduce their household bills. A key priority will also be to make sure that all households fully understand how to operate the new temperature controls and programming equipment, thermostatic radiator valves and the new meters. Based on Sheffield Homes customer profiling data there are a number of vulnerable households where we will work closely with to make sure their health and well-being is taken into account when delivering this project. This will also include working closely with the Council and support agencies. This project also links closely with the debt advice service currently provided by Sheffield Homes.

9.0 IMPLEMENTATION APPROVAL

- 9.1 Cabinet is asked to give approval to the broad approach set out in this report for the use of heat meters as the method for paying for heating at community heating sites rather than through the payment of a fixed flat rate payment.
- 9.2 Until the results of the tendering process have been completed, full details of the technical equipment and billing arrangements won't be established. There are likely to be a number of complex issues around this which are better dealt with through Cabinet Member consultation and delegated approval arrangements.

10.0 ALTERNATIVE OPTIONS CONSIDERED

- 10.1 **Option 1 ‘Do Nothing other than modernise existing metered sites’:** An alternative approach to maintain the current heat metered sites was also considered. This would have the advantage of keeping an arrangement that households are currently used to, and it would have reduced the capital costs required for metering as only the older metered sites would have required investment. Feedback from tenant meetings was strongly in support of metering to help households reduce bills so this option would not provide households with an opportunity to do this or for the associated reductions in carbon emissions to be achieved.

- 10.2 **Option 2 ‘ Introduce heat meters, but with an initial pilot’:**
This approach was initially thought to be a strong option as it would allow for equipment to be tested, and for the effects on bills to be assessed before a wider roll out. The assessment of this option however, was that we would gain better competitive interest from the market for a full roll out. The scale of the programme would achieve better unit prices, and the cost of the billing and communication equipment would be spread over a larger number of installations. In addition, it was felt that the pilot process would have extended the programme too long, when feedback was generally in support of metering. The recommended approach for a full roll out is similar to that adopted in other cities which have switched to full heat metering. It will however, be possible to allow for a review period within the install programme to adjust any details, and in particular to ensure communications with affected households is effective in minimising any negative impacts from these changes.

11.0 REASONS FOR RECOMMENDATIONS

- 11.1 Installing heat meters will enable households served by community heating to have the same facility to control their heating costs and comfort levels as households with individual boilers. This will also support the wider Council strategy to modernise community energy provision, reduce environmental impacts and fuel poverty, and is recommended as a fairer way to control heating costs.
- 11.2 Officers working on this modernisation programme are recommending a full roll out of the next generation of heat metering and billing arrangements. Initially a pilot ahead of a full roll-out had been considered however, the procurement of a larger contract was assessed as representing better value for money.

12.0 ENVIRONMENTAL IMPLICATIONS

- 12.1 Community heating in general has good potential to deliver low carbon energy, by sourcing this heat from low carbon and renewable sources as well as through efficient centralised boiler plant. This is recognised in national and local policy and has already been demonstrated through connections to the heat from waste network and with conversions to biomass etc. outlined earlier in the report. Sheffield already has a strong national reputation in this area.
- 12.2 Use of heat metering combined with good internal controls is however, important to ensure maximum efficient operation in individual homes. Without this, wasted heat is produced that isn't needed, and in the worst situations is controlled by households 'opening windows' to let heat escape rather than controlling this through programmers, thermostats and heat metering.
- 12.3 The proposed metering programme has therefore been assessed as having positive environmental impacts by offering good potential for reductions in carbon emissions. These carbon savings arising will be assessed and monitored as part of the Council's energy management

work.

13.0 FINANCIAL IMPLICATIONS

- 13.1 Budget provision of £5.761m has been provided in the Sheffield City Council Place 2012/13 – 2015/16 Housing Investment Programme. This budget is currently profiled based on initial estimates in the Asset Management Plan which was incorporated into the 2012 HRA Business Plan which was approved by Cabinet on the 25th January 2012. Detailed work is taking place to refine the budget profile based on the recommendations in the report and the procurement timetable. A revised approval is being sought from the Council to the revised profile through the agreed Capital approval process which is tabled elsewhere on this agenda.

14.0 LEGAL IMPLICATIONS

- 14.1 The charge imposed by the Council under its community heating scheme, detailed in this report, constitutes a service charge. The Council, in line with the Landlord and Tenant 1985 and the Housing Act 1985, is empowered to impose the service charge.
- 14.2 In respect of RTB properties, the Council and owner occupier's duties and responsibilities relating to the service charge are detailed in the District Heating Contract, which forms part of the lease/conveyance. The District Heating Contract requires revision, to reflect the new arrangements under the Community Heating Heat Metering Project. In those circumstances the Council, in agreement with the owner occupier, is required to amend the lease/conveyance, by a deed of variation and to register the change at the Land Registry. The arrangements detailed in this report comply with those requirements.
- 14.3 The Council, in respect of leasehold RTB properties, is required to carry out a consultation process, in accordance with the Landlord and Tenant Act 1985, before it carries out works valued above £250 or enters into long term agreements for the provision of services where the amount payable by the leaseholder exceeds £100 in any one year. If the Council fails to carry out the required consultation, the amount it may charge under the service charge is significantly restricted. In respect of each leaseholder, it is expected the service charges will exceed the above amounts. Further the contract with the service provider, selected in accordance with the procurement process detailed in this report, falls within the definition of long term agreement. The Council is therefore required to carry out a consultation process in respect of leasehold RTB properties affected by this scheme. The consultation process detailed in this report complies with those requirements.

15.0 RECOMMENDATIONS

- 15.1 Cabinet is recommended:-

(1) to approve the approach set out in this report to install individual

property heat metering and implement associated billing arrangements at the Council's community heating sites and set the Community Heating charges; and

- (2) to delegate to the Director of Housing, Enterprise and Regeneration and the Director of Commissioning, Communities authority to put in place detailed arrangements to implement the matters approved in (1) above as follows:-
- (a) the Director of Housing, Enterprise and Regeneration is authorised to finalise procurement processes and evaluate tenders on such terms as he considers appropriate;
 - (b) the Director of Commissioning, Communities is authorised to conduct a consultation programme, set the Community Heating charges (in accordance with the arrangement set out in the HRA Business Plan and the budget setting process for 2013/14) and make proposals to leaseholders and freeholders affected by the changes on such terms as he considers appropriate;
 - (c) the Director of Housing, Enterprise and Regeneration and the Director of Commissioning, Communities are each individually authorised generally to take such further steps within the scope of their own service areas as they consider appropriate to progress the Community Heating Heat Metering Project, or to safeguard the Council's interests in relation to it;

Provided that:-

- (i) the Director of Housing, Enterprise and Regeneration and the Director of Commissioning, Communities must, where appropriate, exercise this delegated authority in consultation with the Cabinet Member for Homes and Neighbourhoods, the Cabinet Member for Environment, Waste and Streetscene, and each other; and
- (ii) further Cabinet approval must be obtained prior to the letting of any contract or contracts for the installation heat metering, controls and payment equipment, and any associated billing and communication services connected with these.



EQUALITY IMPACT ASSESSMENT

Name of EIA	Community Heat Metering Full Roll Out
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Completed By	Richard Hawson
Date of Completion	6 th July 2012

Section One:

1) What are you trying to achieve?

There are just over 6,000 dwellings managed by Sheffield Homes connected to the District Heating network. Over the last 5 years new community boilers have been installed on many sites and currently heating controls are being fitted. The final stage is for residents to be provided with heating meters to allow the amount of energy used to be measured and residents charged for what they use rather than a standard charge for all. Such a change will effect all residents. The heat meters will be provided via a new contract commencing in April / May 2013 with a three year duration.

2) Who will be affected?

All residents will be effected by this change to the way community heating is charged. We will be moving from a standard weekly amount e.g. average £12 per week to a new charging method which will consist of a standing charge per week and a rate per Kilowatt hour. This use of heat metering is being proposed as a fairer way to pay for heat, and in support of Sheffield Council commitments to reduce fuel poverty as well as impacts on climate change.

3. How will they be affected?

The current method of charging for heating is simple. It is a weekly charge which is paid as part of the rent. Many will consider the rent and heating charge as one payment. We are moving to completely separating the rent element from the heating charge element. The heating charge will consist of a standing charge to be connected to the system and a charge for the actual energy used per KWH. Tenants who presently enjoy heating and hot water 24/7 and are at home most of the time pay exactly the same as a tenant who spends considerable periods away from the tenancy e.g. out all day working. The new charging system will charge for the amount of energy used so it is clear that a frequent user will pay more than an infrequent user. It is possible some bill payers may therefore see an increase in their bills if they use the change arrangements to increase their heating pattern or temperatures. However the new heating controls currently being rolled out do allow residents to control their heating by turning down the thermostat and using the programmer to turn the heating on and off which previously was not possible. Most tenants will therefore be getting used to using less energy, and the expectation that most tenants will achieve lower bills as currently heating is provided for 16/17 hours (plus a night setback).

4. What measures if any are in place to address this?

The project to install heat meters will only be successful if we communicate successfully with residents. Whereas the physical installation of the heating meters is an important part of the project, of more importance is the resident understanding of the change in the way their heating and hot water needs will be charged in future. Some residents, if they do not change their heating lifestyle, may pay more. But small changes to heating lifestyle such as turning down the thermostat, keeping windows and doors closed during cold weather and not expecting heating to be on at a high level during the night will result in most of such residents paying any more than present. We believe most will pay considerably less.

Our concerns surround residents who refuse to take advice or do not understand the advice and this leads them to receive significantly higher heating and hot water bills. We are also particularly concerned about any resident who has a medical reason for having a consistently high indoor temperature who have specifically chosen a home connected to the community heating system. Any increase in their heating charges in such circumstances may be met with resistance. We must therefore identify residents who may be affected before the project commences and consider the options.

Individual and regular consultation will take place with all residents and help and support will be available for any vulnerable households. This is to help them manage their future heating bills, provide additional energy efficiency advice, debt management support and to make sure that they are receiving any Government support and assistance as part of this project.

Section 2

5) Please complete the following impact table and give reasons for each impact.

Profile group	Impact N°	Positive impact	Negative impact	Reason
Black and Minority Ethnic People			No	
Disabled people	1		Yes	Potentially disabled people may spend more time at home requiring their homes to be heated to consistent temperature for longer than other groups of people
Women			No	
Men			No	
Lesbian, Gay men, bisexuals			No	
Gender Re-assignment			No	
Marriage & Civil Partnership			No	
Pregnancy & Maternity	2		Yes	Potentially pregnant women and those looking after young children people may spend more time at home requiring their homes to be heated to consistent temperature for longer than other groups of people
Older people (60+)	3		Yes	Potentially people 60+ may spend more time at home as they are retired or working part time requiring their homes to be heated to consistent temperature for longer than other groups of people
Other age groups	4		Yes	Persons unemployed may spend more time at home and require their homes to be heated for longer periods than those in full time or part time employment
Religion/Belief			No	
Impact on Community Cohesion.			No	

Impact on Social Inclusion			No	
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Notes: Religions/belief covers a wide range of groupings the most common of which are Muslim, Buddhist, Jew, Christian, Sikh and Hindu. Consider Religion/Belief categories individually and collectively when considering positive and negative impacts.

6. What actions will be taken if there are negative impacts?

We will be trying to preempt any negative impacts by communication with people about the positive aspects of the changes such as a considerable reduction in the carbon emissions , a real opportunity for the majority of users to reduce their heat and hot water charges if used sensibly. However some residents will be effected and we must treat them sensitively whilst explaining in full the new charging system, which may cost them more. VAT will be charged at 5% as advised by Customs and Excise regulations. It could cost more if tenants continue to use the system as at present and do not make use of the heating programmer, thermostat and keep their doors and windows closed during spells of cold weather.

7. What communication / consultation process will be used to deal with the negative impacts identified?

We aim to:

Bring together a support team comprising income management staff supported by technical staff from HME

Identify vulnerable customers in advance

Identify customers in arrears

Identify customers who may struggle to meet their heating bills

Explain why we are changing

Explain the benefits of the change

Utilise letters, leaflets, telephone support, resident meetings

Opportunity for users to reduce their heating and hot water costs

8) If you have highlighted any negative impacts on the table above, please complete the action plan below - clearly stating the following:-

- The impact number (as identified on the impact table above)
- What action you will take
- Who will manage the task
- A date in which the task will be completed.

Equality Impact Assessment Action Plan

Please list below any recommendations for action that you plan to take as a result of this impact assessment.

Impact N°	Action required	Lead Officer	Timescale Resource	Comments
Page 34 3 and	<p>To support vulnerable people in general who may spend considerable periods of time at home and may be high demand users of heating and hot water. Specifically the disabled, those pregnant or on maternity, older 60+ people and others such as the unemployed who may be at home longer than average.</p> <p>We will: Provide options for payment and fully explain these options Ensure people understand the risks of non payment Inform people exactly how the new system works Use a variety of methods to inform such as face to face visits, drop in sessions, leaflets, follow up visits Specialist team to be available to carry out above Offer advice on energy reduction measures using specialist staff Ensure tenants homes are well insulated wherever possible Offer benefit advice to ensure tenants are claiming correctly The use of language line or staff with suitable language skills to tailor the service delivery</p>	Richard Hawson	Resources to provide this support will be available three months in advance of the first meter installation to ensure adequate preparation time	
All	A detailed Communication Plan for all tenants, leaseholders and freeholders affected by the changes.		On going with immediate effect.	Keep updating any changes to any communication that is required - this will be more needed when dealing with customers who do not have English as their first language.

Completed By	Richard Hawson
Date of Completion	9 th July 2012

Signed off Authorised	
Richard Hawson	
Project Manager	

Signed off Authorised	
Louise Nunn	
Equality & Diversity Manager	



SHEFFIELD CITY COUNCIL Cabinet Report

10

Report of: Eugene Walker

Date: 12 Sept 2012

Subject: Revenue Budget & Capital Programme Monitoring
2012/13 – As at 30 June 2012

Author of Report: Allan Rainford; 35108

Summary: This report provides the month 3 monitoring statement on the City Council's Revenue and Capital Budget for 2012/13.

Reasons for Recommendations To formally record changes to the Revenue Budget and 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.

Recommendations:

Please refer to paragraph 97 of the main report for the recommendations.

Category of Report: OPEN/CLOSED

Statutory and Council Policy Checklist

Financial implications
YES/NO Cleared by: Eugene Walker
Legal implications
YES/NO Cleared by:
Equality of Opportunity implications
YES/NO Cleared by:
Tackling Health Inequalities implications
YES/NO
Human rights implications
YES/NO :
Environmental and Sustainability implications
YES/NO
Economic impact
YES/NO
Community safety implications
YES/NO
Human resources implications
YES/NO
Property implications
YES/NO
Area(s) affected
Relevant Scrutiny Board if decision called in
Strategic Resources and Performance
Is the item a matter which is reserved for approval by the City Council? YES/NO
Press release
YES/NO

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 30TH JUNE 2012

PURPOSE OF THE REPORT

1. This report provides the Month 3 monitoring statement on the City Council's Revenue Budget and Capital Programme for 2012/13.

SUMMARY

2. The budget monitoring position at month 2 indicated a forecast overspend of £4.6m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 3 shows a forecast overspend of £3.5m to the year end: i.e. a forecast reduction in spending of £1.1m since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 2
CYPF	69,246	70,205	(959)	↓
PLACE	158,551	157,582	969	↓
COMMUNITIES	160,148	157,881	2,267	↑
DEPUTY CHIEF EXECUTIVE	9,783	9,931	(148)	↓
RESOURCES	87,984	87,245	739	↓
CORPORATE	(482,256)	(482,844)	588	↑
GRAND TOTAL	3,455	-	3,455	↓

3. In terms of the month 3 overall forecast position of £3.5m overspend, the key reasons are:
 - Children Young People and Families (CYPF) are showing a forecast underspend of £959k, due to two areas (Phase 1 & 2 Apprenticeship Schemes and City Skills) where funding has been received in 2012/13 which relates to future year activities. Requests to carry forward this funding into future years would, if approved, reduce the CYPF forecast underspend by £1m.
 - Place are showing a forecast overspend of £969k, due mainly to £267k on Business Strategy & Regulation and £568k on Culture and Environment.
 - Communities are showing a forecast overspend of £2.3m, due to a £4m overspend on Care and Support, which is offset by reductions in spending on Business Strategy £1.2m and Commissioning £567k.

- Resources are showing a forecast overspend of £739k, due to £294k on Business Information Solutions, £144k on procurement savings and £345k on Property and Facilities Management.
 - Deputy Chief Executive's are showing a forecast reduction in spend of £148k, predominantly due to salary savings in Policy, Partnership and Research.
 - Corporate budgets are showing a forecast overspend of £588k, due to a reduction on the savings proposals in relation to improved sundry debt collection.
4. The reasons for the movement from month 2 are:
- Children Young People and Families are forecasting an improvement of £871k, due to the receipt of funding relating to future year activities, as referred to above.
 - Place are forecasting an improvement of £163k, due mainly to an upgrade in the forecast capital delivery service income within Housing Enterprise & Regeneration Service.
 - Communities are forecasting an increase in spending of £150k, due to a number of movements across all service areas. The most significant movements are an increase in spending on Care and Support of £1.3m which is partly offset by a £1m reduction in spending within the Commissioning service.
 - Resources are forecasting an improvement of £434k, due to movements across a number of service areas. Reductions in spending have been forecast in Commercial Services £309k, Commercial Services (savings) £143k, Finance £42k, Human Resources £59k and Legal Services £202k. These reductions have been partly offset by an increased forecast in spending within Central Costs of £318k.
 - Deputy Chief Executive's are forecasting an improvement of £318k, due mainly to more accurate forecasting on employee costs within Performance & Corporate Planning £105k and an improved position of £144k within Policy, Partnership and Research.
 - Corporate budgets are forecasting an increased overspend of £490k, due to a reduction in anticipated income from sundry debt collection.

Capital Programme

5. The Capital Programme monitoring is reported in paragraph 75.

INDIVIDUAL PORTFOLIO POSITIONS

CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

Summary

6. As at Month 3, the Portfolio is forecasting a reduction in spending of £959k to the year end: an improvement of £871k from the month 2 position. The majority of this variation is in Lifelong Learning, Skills & Communities where there is a forecast £934k reduction in spending, due to resources that will be used to fund future year activities. This relates to funding for Apprenticeship Schemes (phase 1 £200k, phase 2 £450k) and grant funding for City Skills of £350k. It is recommended that these resources be carried forward provided the Portfolio maintains a balanced budget position.

Financials (Non – DSG activity)

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY	1,525	1,526	0
CHILDREN & FAMILIES	54,321	54,351	(30)
INCLUSION & LEARNING SERVICES	5,738	5,732	5
LIFELONG LEARN, SKILL & COMMUN	7,662	8,597	(934)
GRAND TOTAL	69,246	70,205	(959)

Commentary

DSG and Non DSG Budgets

7. The following commentary concentrates on the changes from the previous month.

Lifelong Learning and Skills

8. Members are requested to approve carry-forwards totalling £1.0m. These are due to the planned phasing of the expenditure of the programmes or schemes which is not in line with the funding approvals and are therefore not due to under-spending. Apprenticeship Schemes: phase 1 £200k, phase 2 £450k, and City Skills £350k.

PLACE

Summary

9. As at Month 3, the Portfolio is forecasting a full year outturn of an overspend of £969k, an improvement of £162k from the Month 2 position. The key reasons for the forecast outturn position are:
- **Business Strategy and Regulation** – are forecasting £267k overspend, due to delays in agreement with the Contractor on planned waste management savings. One-off savings have been secured from the resolution of contractual negotiating (£374k) as well as some additional income in to the service, which mitigates this delay. This forecast has improved by £15k from the previous month.
 - **Culture and Environment** – a forecast £568k overspend, due to additional grant payments being made as part of a wider stabilisation programme for Museums Sheffield. This has improved by £62k from the previous month.
 - **Development Services** – are forecasting £55k overspend due to reduced fee income offset by staff cost savings, This represent an increase in spending of £42k from the previous month.
 - **HERS** – a forecast £26k overspend. This has improved by £164k from the previous month following a robust review undertaken of the Capital Delivery Service anticipated income.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY & REGULATION	30,197	29,930	267
CULTURE & ENVIRONMENT	40,559	39,991	568
DEVELOPMENT SERVICES	82,684	82,629	55
CREATIVE SHEFFIELD	3,836	3,836	0
HERS	923	897	26
MARKETING SHEFFIELD	1,033	1,017	16
STREET FORCE	(1,037)	(1,055)	18
SUSTAINABLE DEVELOPMENT	357	337	20
GRAND TOTAL	158,551	157,582	969

Commentary

10. The following commentary concentrates on the changes from the previous month.

Culture and Environment

11. A forecast £568k overspend, due to additional grant payments being made to Museums Sheffield with a small improvement of £62k on last month due to additional income within bereavement services (£89k under budget), offset by additional costs / lost income within Parks events including the recent impact of cancelling the 'Cliffhanger' event due to the heavy rain.

Development Services

12. The service is forecasting a full year outturn with an overspend of £55k, which is an increase in spending of £42k from the Month 2 position.
13. The key risk is around securing £10.0m planned external fee income from car parks, building regulations and planning. The table below summarises the latest position with management forecasts projecting a £313k (3%) shortfall by year end.

Summary of Key External Fee Income			
Budget	Fee Type	Variance to Budget	
		Year to Date	Forecast
£'000		£'000	£'000
7,562	Car Parking	369	226
2,084	Planning	48	76
822	Building Reg	11	11
10,468	Total	428	313

14. At this stage building regulation fees are broadly on target. The scale of risk on planning fees is reducing with increased activity of late and a recent government announcement to increase planning fees in the autumn. The projected shortfall (£76k) is planned to be met from re-prioritising staff to work on Local Growth Fund projects.
15. The key issue is car parking where income is forecast to be £226k below target. Further work is planned in this area to review the robustness of the forecast and any remedial actions that may be required.

HERS

16. A forecast £26k over budget, an improvement of £164k on the previous period. This arises from an upgrade in the forecast capital delivery service income following work undertaken on projected business income for the rest of the year.
17. Whilst income is now forecast at £3.8m, this remains 5% below the £4m target. However, this is largely offset by one off staff savings from

implementing the recent restructure earlier than had been planned in the budget.

COMMUNITIES

Summary

18. As at Month 3, the Portfolio is forecasting a full year outturn of £2.3m over budget, an adverse movement of £150k from the month 2 position. The key reasons for the forecast outturn position are:

- **Business Strategy:** Forecast £1.2m reduction in spending, due to a contingency held to offset overspends on care purchasing budgets (especially in Learning Disability (LD) Services).
- **Care and Support:** Forecast £4.0m overspend, due, predominantly, to LD Purchasing (£2.5m), Provider Services (£903k) and some slippage on budget savings (as previously reported). Care & Support forecast outturn position shows an increase in spending of £1.3m from the previous month.
- **Commissioning:** Forecast £567k reduction in spending compared to budget, due to movement of £1.0m of Learning Disabilities Ex-Pool Reserves from the Balance Sheet into revenue. This has improved the forecast position by £1.0m from the previous month.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY	3,148	4,365	(1,216)
CARE AND SUPPORT			
ASSESSMENT & CARE MANAGEMENT	71,460	70,856	605
HOUSING RELATED SERVICES	3,320	3,419	(99)
JOINT LEARNING DISABILITY SERV	37,914	35,340	2,574
PROVIDER SERVICES	(5,706)	(6,609)	903
COMMISSIONING	38,779	39,346	(567)
COMMUNITY SERVICES			
COMMUNITY SAFETY	1,772	1,787	(15)
LIBRARIES	6,364	6,306	58
LOCALITY MANAGEMENT	3,098	3,071	27
GRAND TOTAL	160,148	157,881	2,267

Commentary

19. The following commentary concentrates on the changes from the previous month.

Business Strategy

20. Forecast £1.2m under budget in the contingency, held to off set care purchasing costs. This is consistent with the previous month.

Care and Support

21. Forecast £4.0m overspend, due, predominantly, to LD Purchasing (£2.5m), Provider Services (£903k) and some slippage on budget savings (as previously reported). C&S forecast outturn position shows an increase in spending of £1.3m from the previous month due to increasing impact of these factors.
22. **Housing Related Services** – are forecasting a small reduction in spending of £99k. There has been some slippage in the MER and other savings but this is being offset by vacancies pending the reorganisation. A small (£86k) improvement from last month.
23. **Joint Learning and Disability Service** – are forecasting an overspend of £2.6m:
- Of this, £2.4m relates to Purchasing. This is partially consistent with the 2011/12 overspend of £1.2m with an ongoing upward trend reflecting increased demand in number of care packages. There have been 80 new clients to purchasing this financial year and the reasons for this need further analysis. The over spend is likely to increase if the growth in numbers continues. The forecast level of spending has increased by £800k since last month.
 - The transport contract and travel solutions team are forecasting an overspend of £196k because of delays in implementing travel plans and reducing use of white buses. The current approach has been reviewed to ensure specific areas and routes are targeted. This is consistent with last month's report.
24. **Assessment and Care Management** – are forecasting an overspend of £605k. This relates to care purchasing and reflects the delay in implementing savings particularly the implementation of homecare reablement. The citywide rollout of Community Access and Reablement services (CARs) in July will, based on the pilot, deliver reduced weekly costs. There has been a slight (£61k) improvement on last month.
25. **Provider Services** – are forecasting an overspend of £903k. This is made up of the following, and has seen an adverse movement of £710k for the month, as a result:

- 24 Hour Response £460k due to delays in delivering 2012-13 budget savings. These are in respect of introducing city wide care alarm (CWCA) charges where existing Supporting People funding does not cover costs, and clarity about whether this can be done under former Supporting People guidance is being sought. There have also been delays in making savings with regard to night care visiting due to service demands from the PCT and clarity about TUPE regulations.
- There is a shortfall in residential and nursing contributions of £415k which relates predominantly to Sheffield Health and Social Care Trust (SHSCT) mental health residential homes and this reflects the occupancy levels.
- There has been a month's delay in the closure of two resource centres pending Cabinet approval and this has meant an estimated overspend of £232k.
- The overspends have been offset by reduced expenditure on transport (£140k).
- Previously assumed staffing savings (£704k) due to lower activity levels have been removed. This is a result of delays in the MER, numerous withdrawals of VER applications, and difficulties managing the reduction in staffing numbers which assumes the non use of supply arrangements.

Community Services

26. Overall this area is forecasting an overspend of £70k compared to last month's position of £105k, an improvement of £35k from last month.
27. **Community Safety** – Forecast £15k reduction in spending. This is an improvement of £56k from the previous month.
28. **Libraries** – Forecast £58k over budget, which is £39k better than last month.
29. **Locality Management** – Forecast £27k over budget, which is £59k worse than last month.

Commissioning

30. This area includes the mental health, adult social care and housing commissioning functions of the portfolio and is forecasting £567k reduction in spend, compared to last month's position of £447k overspend, an improvement in forecast expenditure of £1.0m.

31. **Housing Commissioning** – A new reduction in forecast spending of £18k in the Private Sector Registration and Regulation Team due to receipt of new income (Capital Team contribution).
32. **Mental Health Commissioning** – A forecast £70k increase in spending in the month due to increases in Substance Misuse Purchasing and Partnership Contract expenditure.
33. **Social Care Commissioning** – A reduction in overall expenditure of £1.07m due to £1.03m of funding previously held in Learning Disabilities reserves (previously Section 75 Health and SCC Pool) moving to revenue, also net £40k reduction in pay spend in the Strategic Commissioning and Partnerships Team.
34. **Public Health** – 2012-13 is the shadow running year for the public health services transferring from the PCT to SCC responsibility. It is proposed that monthly updates, for information only, will be contained as part of this report once the format has been agreed.
35. In overall terms the PCT is currently forecasting a yearend reduction in spending of £77k on a £28.1m budget, compared with £90k reported in month 2.

RESOURCES

Summary

36. As at Month 3, the Portfolio is forecasting a full year outturn of an overspend of £739k, an improvement of £433k from the month 2 position. The key reasons for the forecast outturn position are:
 - Business Information Solutions: a forecast £294k overspend, due to an MER process on BIS and Programmes and Projects that has not yet been completed. This forecast is an increase in spending of £25k from the previous month.
 - Commercial Services (savings): a forecast £144k overspend, due to the projected under achievement of savings. This has improved by £144k from the previous month.
 - Property and Facilities Management: a forecast £345k overspend, due to overspends on PFI and Kier Asset Partnership Service (KAPS). This has slightly improved by £16k from the previous month.
 - Central costs: a forecast £492K reduction in spending, attributable to a reduction in benefits spending as a result of additional subsidy,

offset by some overspends on the CAPITA contract budgets. This forecast is an increase in spending of £318k from the previous month.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS INFORMATION SOLUTIONS	1,003	709	294
COMMERCIAL SERVICES	1,386	1,415	(29)
COMMERCIAL SERVICES (SAVINGS)	(676)	(820)	144
CUSTOMER FIRST	5,853	5,853	0
CUSTOMER SERVICES	2,236	2,228	8
FINANCE	6,485	6,568	(83)
HUMAN RESOURCES	2,572	2,512	60
LEGAL SERVICES	1,558	1,046	512
PROPERTY AND FACILITIES MGT	40,101	39,756	345
TRANSPORT	29	106	(77)
TOTAL	60,546	59,373	1,173
CENTRAL COSTS	25,961	26,453	(492)
PROGRAMMES AND PROJECTS	1,476	1,419	57
GRAND TOTAL	87,984	87,245	739

Commentary

37. The following commentary concentrates on the changes from the previous month.

Commercial Services

38. A forecast £29k reduction in spending. This is an improvement of £308k from the previous month due to more accurate income forecasting.

Commercial Services (Invest to Save – savings)

39. A forecast £144k increase in spending. This is an improvement of £144k from the previous month due to more accurate savings forecasting.

Legal Services

40. A forecast of £512k increase in spending. This is an improvement of £202k from the previous month due to more accurate income forecasting.

Central Costs

41. A forecast £492K reduction in spending. However, this represents an increase in spending of £318k from the previous month.

42. This increase in spending is due to the impact of repayment to the Invest to Save fund relating to up front payments to support the set up of the CAPITA contract.

Central Costs	Forecast Variance	Forecast Variance
	Month 3	Month 2
	£ 000	£ 000
Capita – Control Account	451	0
Capita – ICT BIS	76	69
Capita - Finance	282	313
Capita - HR	469	471
Benefits subsidy	(1,297)	(1,191)
Sub total Capita	(19)	(338)
Other Costs	(473)	(472)
Total	(492)	(810)

DEPUTY CHIEF EXECUTIVE'S

Summary

43. As at Month 3, the Portfolio is forecasting a full year outturn of a reduction in spending of £148k, an improvement of £318k from the month 2 position. The key reasons for the forecast outturn position are:

- Policy, Partnership and Research: a forecast £103k reduction in spending, due to salary savings. This has improved by £144k from the previous month.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
ACCOUNTABLE BODY ORGANISATIONS	0	0	0
BUSINESS DEVELOPMENT	1,487	1,579	(92)
HEALTH IMPROVEMENT	162	162	0
MODERN GOVERNANCE	3,812	3,730	82
PERFORMANCE AND CORP PLANNING	977	1,013	(36)
POLICY, PARTNERSHIP, AND RESEARC	3,344	3,447	(103)
GRAND TOTAL	9,783	9,931	(148)

Commentary

44. The following commentary concentrates on the changes from the previous month.

Performance and Corporate Planning

45. A forecast £36k reduction in spending. This is an improvement of £105k from the previous month.

46. The improvement this month is due to more accurate employee cost forecasting.

Policy, Partnership and Research

47. A forecast £103k reduction in spending. This is an improvement of £144k from the previous month.

48. The improvement this month is due to additional budget transferred and an error of £88k in forecasting which will be corrected in month 4.

CORPORATE ITEMS

Summary

49. The month 3 forecast position for Corporate budgets is a £588k overspend, which is a £490k increase from last month. The table below shows the items which are classified as Corporate and which include:

- Corporate Budget Items: corporate wide budgets that are not allocated to individual Services/portfolios, including capital financing costs and the provision for redundancy/severance costs.
- Corporate Savings: the budgeted saving on review of management costs and budgeted saving from improved sundry debt collection.
- Corporate income such as Formula Grant and Council tax income, some specific grant income and contributions from reserves.

Financials

	<u>FY Outturn</u> <u>£'000</u>	<u>FY Budget</u> <u>£'000</u>	<u>FY</u> <u>Variance</u> <u>£'000</u>
Corporate Budget Items	48,950	48,953	-3
Savings Proposals	-1,159	-1,750	591
Income from Council Tax, RSG, NNDR, other grants and reserves	-530,047	-530,047	0
Total Corporate Budgets	-482,256	-482,844	588

50. The overspend consists of a £591k reduction on the savings proposals in relation to improved sundry debt collection. This forecast overspend has increased by £490k from the previous month.

51. The increased overspend from month 2 is due to reassessment of the sundry debt collection rates and subsequent revision, based upon quarter one actuals, thus demonstrating the success of the initiative to put greater focus on this issue. The target for 2013/14 will be revised as a result of the latest monitoring position.

HOUSING REVENUE ACCOUNT

52. The budgeted position for the **HRA** is a draw down from reserves of £1.1m (excluding District Heating). As at month 3 the position is contribution of £3.7m into reserves, a reduction in spending of £4.8m on the budgeted position. This is broadly consistent with month 2.
53. **Community Heating** – the budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 3 the position is a draw down of £900k from reserves, a reduction in spending of £100k. This was not reported in month 2 but is primarily due to a reduction in the level of gas consumption due to the milder weather.

CORPORATE FINANCIAL RISK REGISTER

54. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The most significant risks are summarised in this report for information together with a summary of the actions being undertaken to manage each of the risks.

Digital Region

55. The Council is providing £4m in loans to the Company and as a shareholder carries further rights and responsibilities. The Company's sales are proving slow to take off, leading to changes in the Business Plan and to Contract changes with its private sector partner. The Council faces risks on its direct investment, as well as on guarantee clauses to key contractors.

Capital Receipts & Capital Programme

56. Failure to meet significant year on year capital receipts targets due to depressed market and reduced Right-to-Buys, resulting in potential over-programming / delay / cancellation of capital schemes.
57. Building Schools for the Future Programme Affordability – The £18m affordability gap in the capital programme for the secondary schools estate which must be underwritten by the Council. This requirement has been identified in the Council's Capital Programme.

Pension Fund

58. Bodies whose Pension liability is backed by the Council are likely to find the cost of the scheme a significant burden in the current economic

context. If they become insolvent the resulting liability may involve significant cost to the Council.

Electric Works

59. The running costs of the business centre are not covered by rental and other income streams. The approved business plan set-aside contingency monies to cover potential deficits in its early years of operation. However, there remains a risk that the occupancy of units within Electric Works might be slower (lower) than that assumed within the business case, such that the call on the contingency is greater (earlier) than planned. A refresh of the financial model was undertaken for 2011/12 budgeting purposes and again for 2012/13. The assumed level of occupancy for 2011/12 was 68% and the actual achieved was 64%. Most of the income shortfall was made up from conference lettings and virtual services. A target of 78% has been set for 2012/13.

Contract Spend

60. The high and increasing proportion of Council budgets that are committed to major contracts impairs the Council's flexibility to reduce costs or reshape services. This is exacerbated by the fact that in general these contracts carry year-on-year inflation clauses based on RPIx which quite probably will not be available to the Council's funding streams e.g. Council Tax and RSG.

Economic Climate

61. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.
62. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

NHS Funding Issues

63. There are significant interfaces between NHS and Council services in both adults' and children's social care. The Council has prioritised these services in the budget process, but savings have nevertheless had to be found. Working in partnership with colleagues in the Health Service efforts have been made to mitigate the impact of these savings on both sides. However, ongoing work is required now to deliver these savings

in a way that both minimises impacts on patients and customers and minimises financial risks to the NHS and the Council.

Housing Regeneration

64. There is a risk to delivering the full scope of major schemes such as **Parkhill** and **SWaN** because of the severe downturn in the housing market. This could result in schemes ‘stalling’, leading to increased costs of holding the sites involved, and in the case of SWaN, potential exposure to termination payments. In addition, the ending of the Housing Market Renewal programme is causing funding pressure e.g. on site clearance work and in enabling further phases of commenced demolition schemes, such as Arbourthorne.

Trading Standards

65. There is a low risk that it is not possible to recover outstanding contributions from the other South Yorkshire Authorities.

External Funding

66. The Council makes use of a number of grant regimes, central government and European. Delivering the projects that these grants fund involves an element of risk of grant claw back where agreed outputs are not delivered. Strong project management and financial controls are required.

Academies & Independent Schools

67. Local Authority community schools that choose to become independent academies are entitled, under current DfE finance regulations, to receive a proportion of the local authority’s school related central spending budgets. If all of Sheffield’s Secondary Schools were to become academies it is estimated that around £2.7 million would be deducted from the authority’s central spending budgets and given to the Academies. The risk is that this would leave an inadequate level of funding to maintain the centrally retained school services that support local authority community schools and thus cuts would have to be made to balance the budget.
68. There are also further potential risks if a school becoming an academy is a PFI school, it is unclear how the assets and liabilities will be

transferred to the new academies and whether the authority could be left with residual PFI liabilities.

69. Where new independent schools (free schools) or Academies are set up and attract pupils from current PFI schools, the funding base available to pay for a fixed long term PFI contract would reduce, leaving SCC with a bigger affordability gap to fund.
70. It is not yet known which schools will become academies this year. Current indications suggest that all the secondary schools will transfer with potentially some of the larger primary schools.

Agreed Budget Savings for 2012/13

71. Following a period in which a risk assessment was carried out of the implementation of budget savings and resulted in the preparation of RAG reports, the position from now on will be assessed as part of the budget monitoring process.

Treasury Management

72. The ongoing sovereign-debt crisis is subjecting the Council to significant counterparty and interest-rate risk. Counterparty risk arises where we have cash exposure to banks and financial institutions who may default on their obligations to repay to us sums invested. There is also a real risk that the Eurozone crisis could impact upon the UK's recovery, which in turn could lead to higher borrowing costs for the nation.
73. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. Ongoing monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.

Welfare Reforms

74. The government is proposing changes to the Welfare system, phased in over the next few years. The full detail and impact of the changes are not known at this stage. Changes proposed include:
- Housing Benefit changes – there are a number of proposals where the anticipated impacts are that a number of claimants will receive fewer benefits than they do now, thereby impacting on their ability to pay rent.

- Abolition of council tax benefit – due from April 2013 to be replaced by a local scheme. It will be cash limited and subject to a 10% reduction from current levels.
- Introduction of universal credit – from October 2013 administered by DWP. Along with the impact of reducing amounts to individuals and the financial issues that might cause, the biggest potential impact of this change is the impact on the HRA and the collection of rent. This benefit is currently paid direct to the HRA; in future this will be paid direct to individuals. This will potentially increase the cost of collection and rent arrears. There will also be an impact on the current contract with Capita and internal client teams.

THE CAPITAL PROGRAMME FOR 2012/13

Summary

75. At the end of June 2012, capital expenditure so far to date is £6.8m (26%) below budget. The outturn forecast is £27.3m (13%) below the Approved Capital Programme.
76. The variation in the year to date position arises from accelerated spend on Building Schools for the Future projects in the CYPF portfolio offset by slippage in all the other portfolios.
77. The forecast for the year shows all portfolios underspending against the approved programme.

Financials 2012/13

Portfolio	Spend to date £000	Budget to Date £000	Variance £000	Full Year forecast £000	Full Year Budget £000	Full Year Variance £000
CYPF	9,471	7,839	1,632	73,185	85,510	(12,326)
Place	2,261	4,967	(2,707)	21,038	27,305	(6,267)
Housing	7,381	10,775	(3,394)	67,486	72,060	(4,574)
Communities	60	1,203	(1,142)	2,326	3,010	(684)
Resources	388	1,549	(1,161)	22,429	25,863	(3,434)
Grand Total	19,560	26,333	(6,772)	186,464	213,748	(27,284)

Commentary

78. The CYPF forecast shows a projected reduction in spend against the approved programme of £12.3m of which £8.2m is due to savings on the Building Schools for the Future programme (BSF). This will leave

approximately £10m of the gap to be closed and previous Budget reports have the identified options to so do.

Children, Young People and Families Programme

79. CYPF capital expenditure is £1.6m (21%) above the profiled budget for the year to date but forecast to be £12.3m below the programme by the year end for the reasons set out in the table below.

Cause of change on Budget	Year to date £000	Full Year forecast £000
Operational delays in projects due to planning, design or changes in specification	-143	0
Revised profile for Building Schools for the Future programme	2,726	0
Incorrect budget profiles	-704	0
Delayed forecasts	0	-1,777
Underspending on project estimates	0	-8,369
Other variances	-246	-2,179
	1,632	-12,326

80. The forecast is £9.3m lower than the Month 2 position and reflects the anticipated £8.2m reduction on the BSF programme as referred to above.

81. The variation in the year to date position arises from accelerated spend on Building Schools for the Future.

Place Programme

82. The Place portfolio programme (excluding Housing) is £2.7m (54%) below the profiled budget for the year to date and forecast to be £6.3m below the programme by the year end for the reasons set out in the table below. The majority of the underspend to date is on Highways scheme where the Local Transport Programme and other Highways schemes have only just been approved.

83. The forecast projects £2.6m further slippage during 2012-13 against the approved programme compared to that reported last month.

Cause of change on Budget	Year to date £000	Full Year forecast £000
Operational delays in projects due to planning, design or changes in specification	-1,557	0
Incorrect budget profiles	-224	0
Delayed forecasts	0	-5,274
Other variances	-926	-992
	<u>-2,707</u>	<u>-6,267</u>

Housing Programme (Place Portfolio)

84. The Housing capital programme is £3.4m (31%) below the profiled budget for the year to date and forecast to be £4.6m (6%) below the programme by the year end for the reasons set out in the table below:

Cause of change on Budget	Year to date £000	Full Year forecast £000
Slippage into 2013-14	-123	-4,401
Operational delays in projects due to planning, design or changes in specification	-221	0
Incorrect budget profiles	-4,004	0
Projects submitted for Approval	0	-526
Additional Home Improvement grants	-125	0
Items under investigation	0	250
Other variances	1,080	102
	<u>-3,394</u>	<u>-4,574</u>

85. The forecast shows £1.0m further slippage against the approved programme compared to last month. Schemes forecast to underspend in the year and slip into 2013-14 include:

- District Heat Metering (£1.7m) which is the subject of an investment submission to be brought for approval in the September report but will not incur significant spend until 2013-14;
- Fire Safety (£1.6m);
- Roofing Programme (£400k); and
- Insulation scheme £400k.

Communities

86. The year to date spend on the Communities portfolio capital programme is only £1.1m (95%) below the profiled budget on three key projects:
- £848k on the implementation of the ICT infrastructure project;
 - £250k on Library schemes;
 - £85k on the Climate Change Impact fund which is dependant on proposals from Community Assemblies.
87. The position is expected to recover to be only £684k below budget by the end of the year.

Resources

88. The year to date spend is £1.1m below the programme due to:
- slippage on the Accommodation strategy projects (£477k);
 - Slippage on the new Moor Market (£427k) following late agreement of the details of the contract, and this is expected to continue to the end of the year.
89. The year end forecast is £3.4m (13%) below the approved programme comprising:
- £1.2m Accommodation strategy;
 - £1.0m slippage on the University Technical College;
 - £500k slippage on the Moor market;
 - £300k on roof and lift replacement at the Town Hall; and
 - £200k slippage on the Road Transport fleet spend.

Approvals

90. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
91. Below is a summary of the number and total value of schemes in each approval category:
- 4 additions to the capital programme with a total value of £5.7m;
 - 11 variations to the capital programme with a net reduction of £76k;
 - 8 stage approvals with a total value of £34.5m.

92. The following have been approved since the previous report to CPG in May:
- 8 emergency approvals with a total value of £1.0m;
 - There have been no instances where directors have exercised their delegated powers to vary approved expenditure levels.
93. Further details of the schemes listed above can be found in Appendix 1.

FINANCIAL IMPLICATIONS

94. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2012/13 and, as such it does not make any recommendations which have additional financial implications for the City Council.

EQUAL OPPORTUNITIES IMPLICATIONS

95. There are no specific equal opportunity implications arising from the recommendations in this report.

PROPERTY IMPLICATIONS

96. Although this report deals, in part, with the Capital Programme, it does not, in itself, contain any property implications, nor are there any arising from the recommendations in this report.

RECOMMENDATIONS

97. Members are asked to:
- (a) Note the updated information and management actions provided by this report on the 2012/13 budget position.
 - (b) Approve the carry-forward requests as detailed in paragraph 10 within the Children Young People and Families section.
 - (c) In relation to the Capital Programme:
 - (i) the proposed additions to the capital programme listed in Appendix 1, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;

- (ii) the proposed variations in Appendix 1; and note.
- (iii) that there were no variations approved by Directors under their delegated authority;
- (iv) the Emergency Approvals in Appendix 1.
- (v) the latest position on the Capital Programme.

REASONS FOR RECOMMENDATIONS

98. To formally record changes to the Revenue Budget and 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.

ALTERNATIVE OPTIONS CONSIDERED

99. 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

Eugene Walker
Director of Finance

Appendix 1

Capital Schemes

Scheme Description	Approval Type	Value £000	Procurement Route
<p>ADDITIONS:-</p>			
<p>PCT/SCC Reconfiguration Accommodation Strategy This project is part of the Health Reconfiguration Programme, to re-organise a group of services which transferred from the PCT, to modernise the current services, improve outcomes for 270 individuals and ensure sustainability of future service models.</p> <p>While SCC are not expected to identify any capital for the modernisation of these services (the Housing Associations will provide the bulk of this) many of the buildings are subject to a Legal Charge from the PCT and it is envisaged that a number of buildings may be sold with the plan to reinvest the equity in other buildings in the service.</p> <p>As part of the programme of modernisation - an agreement has been reached with the PCT to transfer any sale proceeds from 3 Dimension's properties (which are subject to Health Authority legal charges) through the Council to Dimensions for reinvestment in their modernisation programme.</p> <p>Andrea Simpson in Legal services has confirmed that SCC's role in this scheme is to receive the money from the PCT and transfer it to Dimensions. The money will be secured by a new legal charge between Dimensions and SCC. SCC will have nominations rights to the tenancies in the remodelled properties.</p> <p>This addition is seeking approval to receive and passport the money on to Dimensions with no SCC own capital spend from its own funds.</p>	Addition	740	3 Dimensions internal policy

Appendix 1

Capital Schemes

<p>Clay Wood Green Links The aim of this project is to create a new 'green link' in the Sheaf Valley Park area, running from Fitzwalter Road to Shrewsbury Road and through Clay Wood via the Cholera Monument. It will complete the link from Sheffield railway station to Norfolk Park.</p> <p>This project is the first phase of a programme which will create a green setting for over 1,000 proposed dwellings. The wider Local Growth Fund (LGF) scheme for this area will include delivery of new housing, creation of the Park Hill Green Link, and improvements to South Street Park. However these aspects are not included in the Clay Wood Link project but will follow in a subsequent scheme</p> <p>The scheme will involve the construction of 600m of new ramped shared cycle-footpaths through the former Clay Wood Flats site to link South Street Park at Shrewsbury Road to Monument Gardens. It will also include seating, bins, new planting, art features and new boundary treatments. The section from Fitzwalter Road to the Cholera Monument will involve the construction of a brand new path through the site of the former Clay Wood flats, opening up access where none currently exists. It will also provide access points to new housing developments, currently in planning for the land adjacent to the site.</p> <p>The capital project is fully funded by the Local Growth Fund (LGF); and in addition there is a £62.7k LGF allocation towards maintenance at the site for five years.</p>	Addition	460	Competitive Tender In – House Provider for approximately £12k Client Capital Costs
<p>Asset Enhancement – Abbeydale/Bannerdale The aim of Asset Enhancement project is to secure outline planning permission for development of the Abbeydale/Bannerdale site. The first phase of the project involves carrying out work at the site of the former Abbeydale Grange School.</p>	Addition	418	Existing contract with KAPs

Capital Schemes

<p>Phase 2 will cover the playing fields located at the former school, the area of open space, the ancient woodland, and the Bannerdale Centre and car park and this element will be presented to Cabinet in the future for approval in a separate report.</p> <p>The phase 1 capital costs (£418k) include carrying out consultation, planning processes and site investigations, all necessary to acquire outline planning permission at the site of the former Abbeydale Grange school. £35k is to be spent on on-site works (site investigations, topographical surveys etc), with the remainder for professional and project management fees and planning application tasks.</p> <p>Securing appropriate planning permissions for the developable area will enhance site values, help facilitate developer access to funding and ensure that the site can be brought to market quickly at the appropriate time. In the current market and without the asset enhancement project any capital receipt could be substantially reduced and may take a significant time to achieve. This approval does not take into consideration costs associated with disposing of the site, which are assumed to be dealt with under existing contract arrangements.</p> <p>The timing of any future receipt is uncertain and therefore the short term proposal is to use Prudential Borrowing to fund this scheme. The interest payable is broadly estimated at £23k, using the expenditure and income profiled in the project plan. The assumption is that this will be the only impact on revenue budgets, as the principal repayment will be covered by the capital receipt generated on sale of the land.</p>		
<p>Local Transport Plan (LTP) Schemes</p> <ul style="list-style-type: none"> • 2+ Lanes <p>This scheme will explore the potential for using High Occupancy Vehicle (HOV)</p>	<p>Addition</p>	<p>80</p> <p>PFI Contractor (Amey) subject to approval of a</p>

Appendix 1

Capital Schemes

<p>Lanes, “No Car” lanes – making best use of existing and new bus lanes to accommodate lorries and cars with more than one occupant during the main PFI contract, to help minimise disruption during the ‘Streets ahead’ project</p> <p>It is fully funded by Local Transport Plan funds.</p>			<p>procurement strategy, waiver of Standing Orders and agreeing a Value for Money contract with Amey.</p>
<p>VARIATIONS:-</p>			
<p>Local Transport Plan (LTP) Schemes</p> <ul style="list-style-type: none"> • HGV Routing Strategy This scheme will continue the current HGV routing study - encouraging larger vehicles to use the most appropriate routes, and implementing road traffic intervention to assist. • Coach Parking This scheme will carry out a study to see how we can relieve coach parking congestion and then provide a location/locations for short stay city centre pick up and drop offs and longer stay coach parking on the periphery of the city centre. • Car Club Solutions The Car Club solutions project will enable work to be undertaken to determine the viability of car club options in Sheffield. 	<p>Variations</p>	<p>40</p> <p>20</p> <p>3.5</p> <p>30</p>	<p>For work being completed before mid-August, prior to the transfer of Streetforce to Amey, the, works to be undertaken by Streetforce.</p> <p>For works after the transfer of Streetforce to the PFI contractor subject to approval of a procurement strategy,</p>

Capital Schemes

<p>to Sheffield Road, Rotherham, comprising the design and construction of substantial piling and a large reinforced earth embankment, construction of a new roadway, pavements and kerbs, substantial earthworks, 2 bridges, traffic signals, junction works and sundry other works. The project also comprises general carriageway, footpath and junction improvements between the City Centre and Meadowhall Way including alterations to traffic signalling and signage and sundry other works.</p> <p>Financial Position: - The project is to be funded from Department for Transport Major Scheme funding, ERDF, LTP Capital and private sector developer contributions. However, not all of this funding has been secured or approved by Cabinet. There is currently only £2.5m approved in the Capital Programme for compulsory land purchases along the route.</p> <p>However, in order to meet the build out plan, the OJEU tender process needs to commence in August 2012, hence the submission of the procurement strategy before financial approval. In undertaking procurement work of final approval there is a risk of incurring abortive SCC officer costs but there is no financial liability to interested tenderers if the scheme does not proceed.</p> <p>The procurement strategy outlines a £31.8m budget for the construction work packages of the scheme to be undertaken by SCC. It is proposed that the project will be part funded by almost £10m of ERDF grant so a full OJEU compliant route is required.</p> <p>Procurement Route:- Separate procurement strategies are proposed for the different work packages.</p> <p>There are two work packages:</p>		<p>Rotherham and YORCivils Framework for City Centre to Meadowhall Way.</p>
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Capital Schemes

<p>1. Meadowhall Way to Sheffield Road, Rotherham (bridges, roadways etc.) (£28.7m) For the main construction work, a full OJEU compliant competitive tender process will be carried out. This package is of a specialist technical nature and neither the current in-house providers nor the YORcivils Framework offer access to appropriate skills for a project of this scale. In addition the BRT North scheme is proposed to be ERDF funded and so a full, robust OJEU process is required to ensure compliance with European funding conditions.</p> <p>1. City Centre to Meadowhall Way (£3.1m) Due to the relatively low value and risk of this contract (compared to the Tinsley Link Road contract which forms part of the same project), it is proposed to pilot the use of the YorCivils Framework. There are 8 contractors on the relevant value band (Civils Works over £1m) who will be invited to participate in the mini-competition. ERDF auditors have confirmed that they are content for the YOR suite of framework contracts to be used on ERDF funded schemes, and there is an appropriate mix of suitably skilled contractors to ensure these works are delivered efficiently and effectively.</p>		
<p>Spital Hill/ Ellesmere Green</p> <p>Project Background: - The two projects to revitalise Spital Hill and Ellesmere Green and re-establish it as the focal point for the local community have been amalgamated into one to simplify project management and a revised procurement strategy to supersede both previous reports is now submitted for approval. . Improvements will be made to the</p>		<p>Full competitive tender for works, and for the Highways PFI contractor to provide the Highways element of the detailed design works (subject to a Waiver of Standing Orders).</p>

Capital Schemes

<p>Green to create an attractive small new park including a number of art features and minor highways improvements.</p> <p>The previous strategy was to use the Council's in-house provider, Streetforce. However, estimates provided could not demonstrate value for money and the decision has been taken to go to competitive tender for the works but use the Highways PFI design team for the design work.</p> <p>Financial Position: - The total project budget is £971.5k, and this is funded by Section 106 contributions £371.5k and Local Growth Fund £600k.</p> <p>Procurement Route: - The proposed procurement route for construction is a full competitive tender process and for the Highways PFI company to provide the Highways element of the detailed design works (subject to a waiver of SO)..</p>		
<p>Edward St - Park Public Art Project</p> <p>Project Background: - The project is for the recruitment of an artist(s) to work with the local community in the design and delivery of artworks as an integral part of the Edward Street Park open space improvements.</p> <p>There will be two artist commissions which require the artist(s) to work closely with the local community to design and deliver distinctive work that reflects the ambition for the area</p> <p>LOT 1 The design, manufacture and installation of physical elements as part of the works to the Park – entrance gateposts, 36 m long fence to form perimeter to new</p>		<p>Full competitive tender process</p>

Capital Schemes

<p>performance/activity space, decorative elements to in-situ stone plinths. Total value £38k.</p> <p>LOT 2 Public consultation and engagement leading to the development of sustainable management of activities for local people in the new park. Total value £8k.</p> <p>The tenders will be issued on a 'fixed fee' basis with a ceiling of £46k. It is usual in this market to offer a fixed price tender as:</p> <ul style="list-style-type: none"> • The tender is design and build • Products are unique and not directly comparable between tenderers. <p>Financial Position: - The funding for this project is ERDF Value+ and a full competitive tender process will ensure all costs are eligible for this funding.</p>			
<p>EMERGENCY APPROVALS:-</p> <p>Warminster Road Refurbishment The Joint Learning Disability Service provides overnight short breaks at Rutland Road and Warminster Road utilising a small area of 2 large sites. The aim of this project is to co-locate the services at a re-furnished Warminster Road site. This will also see a reduction in overall capacity of the service from 8 to 6 bookable beds and 1 'emergency' bed space.</p>	Emergency	£100K	Competitive Tender

Capital Schemes

<p>It would be impossible to achieve a recurrent revenue cost saving of £100k without the co-location taking place. This saving forms part of the Communities' portfolio budget plans for this financial year approved by Cabinet in the 12/13 Budget.</p> <p>By continuing to operate over 2 sites there will be a requirement to continue to purchase additional security for the site at Rutland Road, which is currently costing approx £3,000 per month. The Rutland Road site will initially be used as a decant site for the Health Reconfiguration Programme which requires suitable short term accommodation for service users while their existing homes are re-furnished or re-developed</p> <p>This scheme is being approved under the Emergency Approval provisions to minimise the risk of vandalism, theft and fire whilst the redundant buildings are unoccupied.</p> <p>The project will be funded from Capital Receipts, using part of the £738k sale of Bland Street-crown Hill works which was originally earmarked for the short breaks hotel project which was cancelled when it failed to win the necessary PFI credits.</p>			
<p>Sustrans: Halfway to Killamarsh The project involves work to a multi-user route between Holbrook, Sheffield and Forge Lane, Killamarsh adjacent the recently constructed Phase 1 and Phase 1A (2A) works. The project will provide a safe route for pedestrians, cyclists, disabled people and horse riders.</p> <p>The project budget has been varied upward by £250k to facilitate this final phase of works. This is to be funded by South Yorkshire Local Transport Plan (LTP) £200k and an additional £50k Big Lottery funding.</p> <p>The Big Lottery funding must be spent by October 2012, hence the necessity to go</p>	Emergency	250	In House Provider

Capital Schemes

<p>through the emergency route.</p>			
<p>Penistone Road, Livesey-Lowther The Penistone Road cycle route scheme will eventually link the city centre with Oughtibridge; and various phases of work have already been carried out. An emergency variation is required, as cycle signage to the value of approximately £34k is being held by the supplier. There was no facility for Streetforce to store this equipment as they are running down their supplies ahead of the PFI contract. Therefore, the proposal is to install these signs along the route in July.</p>	<p>Emergency</p>	<p>206</p>	<p>In House Provider</p>
<p>The £206k variation is funded by Local Transport Plan £85k and Local Sustainable Transport Fund £121k.</p>			
<p>Driving Me Crazy Schemes The purpose of this scheme is to carry out small traffic alterations at various locations around the city to improve the general traffic flow. The £50k emergency variation will allow a right turn lane extension from Penistone Road to Owlerton Green to be progressed.</p>	<p>Emergency</p>	<p>50</p>	<p>In-House Provider</p>
<p>An emergency variation is necessary as this work has been scheduled for July by Streetforce. The proposed works are to be completed in conjunction with maintenance works at the site. Streetforce have confirmed that they have capacity to carry out these works prior to the commencement of the PFI contract.</p>			
<p>Better Buses - Upgrading Existing Signs and Lines The Better Buses scheme will upgrade existing signs and lines at five bus sites in the city to allow camera enforcement. This scheme requires emergency approval to allow work to start on Bolsover St, in conjunction with other work being carried out as part of the CCTV Parking Enforcement scheme. The scheme is fully funded by an allocation from 'Better Buses'.</p>	<p>Emergency</p>	<p>46.5</p>	<p>In-House Provider</p>
<p>Community Assembly South</p>	<p>Emergency</p>	<p>40</p>	<p>In-House Provider</p>

Capital Schemes

<p>Emergency Approval is required to complete a scheme on Psalter Lane that was committed to and agreed with the Community Assembly during 2011-12. Streetworkforce will undertake this work prior to the commencement of the PFI contract. The variation is fully funded by Local Transport Plan (LTP).</p>	<p>Emergency</p>	<p>217</p>	<p>Kier LLP Jobs Compact</p>
<p>Kitchens Rivelin Rivelin Primary School is based in Lower Walkley. The meals at Rivelin are currently produced in one building and then transported across the site to be served in another building – a change that was prompted by the need to vacate the existing dining room due to a health & safety risk to pupils and staff. This project aims to relocate the current kitchen into an area currently used as a nursery, to create a purpose built space accommodating both kitchen and dining room, bringing the preparation and serving of food together in the same space. This will provide many benefits to the school and create further space vacated by the current kitchen, which in turn will be developed into a nursery area.</p> <p>Emergency approval is necessary to ensure that the scheme can proceed during the summer holidays. The capital expenditure is funded by DFE Capital Maintenance Grant and a revenue contribution to capital.</p>	<p>Emergency</p>	<p>2</p>	<p>Kier LLP Jobs Compact</p>
<p>Kitchens Hucklow Emergency approval is being sought to enable the introduction of a production kitchen at Hucklow Primary School. Hucklow Primary School is situated in Firth Park with school meals being imported from St Patricks (Sheffield Lane Top). The introduction of a production kitchen on site will remove the need to deliver between 180 and 200 meals per day and will therefore improve meal quality and nutritional value of the food, benefitting the pupils and encouraging healthy eating. It will also alleviate a significant risk to both health and safety and food safety by bringing to an end the daily packing and transporting of such a high proportion of meals from St Patrick's. This meets with Sheffield City Councils policy on improving the delivery, improvement and increase of school meals within the primary sector.</p>	<p>Emergency</p>	<p>2</p>	<p>Kier LLP Jobs Compact</p>

Capital Schemes

<p>Cabinet approved the non-school specific kitchen programme in March 2012 to the value of £150k. The kitchen scheme at Hucklow is to be carried out during the summer holidays and will cost £152k. The scheme will now be funded by DFE Capital Maintenance Grant and revenue contribution to capital.</p>	<p>Emergency</p>	<p>200</p>	<p>Competitive Tender</p>
<p>Primary Maintenance Dore Dore Primary School is situated in the Dore and Totley area of Sheffield which has this year experienced unusual fluctuations in demand for future year pupil places for a number of reasons. Emergency approval is being sought for a variation to the existing scheme, to provide a new mobile classroom unit at Dore Primary School. This is a pro-active solution to the Basic Need legal requirement to respond to the increase in pupil number demand in the Dore area. Emergency Approval was necessary to ensure that the work was carried out during the 2012 summer break. This would otherwise have major implications with Health and Safety (major construction scheme in a live school environment). The £200k variation is to be funded by DFE Basic Need Grant.</p>			
<p>DIRECTOR VARIATIONS:-</p>			
<p>None</p>			

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