



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Eugene Walker

Date: 21 August 2013

Subject: Revenue and Capital Budget Monitoring 2013/14 – As at 31 August 2013

Author of Report: Allan Rainford; 35108

Summary: This report provides the month 6 monitoring statement on the City Council's Revenue and Capital Budget for 2013/14.

Reasons for Recommendations To formally record changes to the Revenue Budget and gain Member approval for changes in line with Financial Regulations.

Recommendations:

Please refer to paragraph 113 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
Overview and Scrutiny Management Committee
Is the item a matter which is reserved for approval by the City Council? NO
Press release
YES/NO

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30 SEPTEMBER 2013

Purpose of the Report

- This report provides the Month 6 monitoring statement on the City Council's Revenue Budget and Capital Programme for September. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 89.

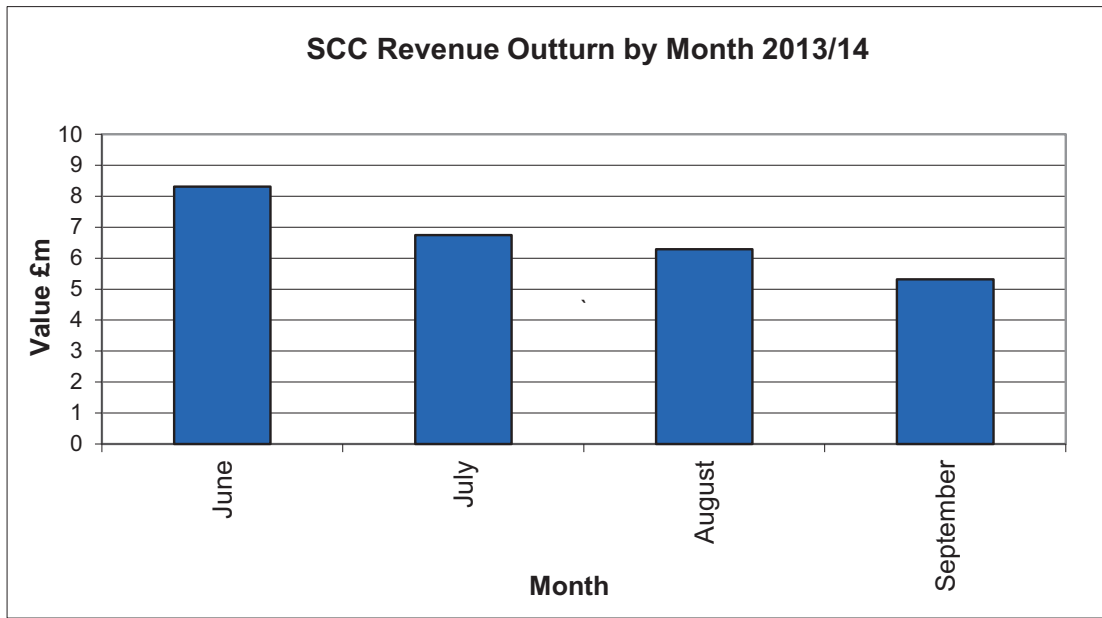
Revenue Budget Monitoring

Summary

- The budget monitoring position at month 5 indicated a forecast overspend of £6.3m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 6 shows a forecast overspend of £5.3m to the year end: i.e. a forecast improvement of £970k since last month. This is summarised in the table below:

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
CYPF	88,985	88,904	81	↑
PLACE	150,318	149,906	412	↓
COMMUNITIES	182,757	170,876	11,881	↓
POLICY, PERFORMANCE & COMMUNICATION	2,722	2,617	105	↔
RESOURCES	62,850	63,968	(1,118)	↔
CORPORATE	(482,313)	(476,271)	(6,042)	↔
GRAND TOTAL	5,319	-	5,319	↓

- The forecast outturn shows a reducing overspend from the £8.3m overspend reported in month 3 to £5.3m in month 6. This improvement reflects Portfolios attempts to reduce spending but also the use of one-off grants to offset the significant pressures with the Communities portfolio. Further work is being undertaken to deliver a balanced position at year end. The position month by month is shown in the following chart:



4. In terms of the month 6 overall forecast position of £5.3m overspend, the key reasons are:

- Place are showing a forecast overspend of £412k, due to an estimated £389k associated with contract negotiations to deliver the waste management savings, additional forecast costs within commercial estate of £215k and a reduction in anticipated markets income of £170k. These overspends are partly offset by a number of small forecast reductions in spending within Development and Regeneration Services totalling £319k.
- Communities are showing a forecast overspend of £11.9m, due predominately to a £9.9m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care and a £2.8m overspend on Mental Health purchasing budgets .
- Resources are showing a forecast reduction in spending of £1.1m, due to £992k savings on the housing benefits subsidy adjustments, £954k of insurance fund savings and £200k reduction in spending within the Finance Service as a result of early staff savings for the 2014/15 budget. These savings are partly offset by a £545k overspend in Business Information Solutions ICT costs, £276k of unfunded E-Business project costs and a £257k overspend within HR on employee costs.
- Corporate budgets are showing a forecast reduction in spending of £6m, due mainly to savings against the redundancy budget of £2m and the receipt of additional grant income totalling £3.7m.

5. The reasons for the movement from month 5 are:
- Children Young People and Families are forecasting an adverse movement of £176k, due to the removal of £276k City Skills ringfenced / Partnership funding, which was carried forward from 2012/13 and was showing in the budget at month 5. This funding is required to cover future years commitments. This adverse movement is partly offset by receipt of £150k additional Education Support Grant as a result of delayed Academy conversions.
 - Place are forecasting an improvement of £206k, due to small savings against the Waste Management contract of £414k and £248k relating to number of small savings within the Development and Regeneration Services. These improvements are partly offset by the adverse movement arising from increases in the forecast cost of repairs, valuations and disposals within commercial estate of £215k and the aforementioned reduced forecast income within markets of £170k.
 - Communities are forecasting an improvement of £721k, due primarily to a review of the Hostels Re-Provision Programme costs and timetable, resulting in £534k of savings and vacancy control savings declared in Business Systems and Information of £95k.
 - The month 5 monitoring report highlighted a number of management actions being taken by the Communities portfolio to reduce the forecast overspend. The full impact of implementing these measures is not currently reflected in the forecast outturn and should result in further improvements in coming months.

Individual Portfolio Positions

Children Young People and Families (CYPF)

Summary

6. As at month 6 the Portfolio is forecasting a full year outturn of £81k overspent, an adverse movement of £176k from the month 5 position (See table below). DSG is forecast to overspend by £232k which is an adverse movement of £182k from last months reported position. The key reasons for the forecast outturn position are:
- **Business Strategy:** £142k forecast reduction in spend, due to a £392k forecast overspend in Children's Public Health, offset by increased income of £630k on the Education Services Grant (ESG).

- **Children and Families:** forecasting an overall net balanced budget, which includes £249k forecast overspend in legal fees, £303k forecast overspend on residential homes, £317k forecast reduction in spend on fieldwork services and £297k forecast reduction in spend on Placements.
- **Inclusion and Learning Services:** £214k forecast overspend, due to £126k forecast overspend on faith travel passes, £268k forecast overspend on travel passes due to an increase in demand and a reduction in spend of £85k in the Learning and Achievement Service.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY	4,484	4,626	(142)	↓
CHILDREN & FAMILIES	67,087	67,077	9	↔
INCLUSION & LEARNING SERVICES	5,211	4,997	214	↔
LIFELONG LEARN, SKILL & COMMUN	12,204	12,204	(0)	↑
GRAND TOTAL	88,985	88,904	81	↑

Commentary

- The following commentary concentrates on the key changes from the previous month.

Non DSG Budgets

Business Strategy

- As at month 6, Business Strategy is currently forecasting a reduction in spend of £142k (shown in the table above). This is an improvement of £118k from the previous month and is due to an increase in the forecast income for Education service Grant of £150k to £630k, as a result of slippage in the Academy conversion programme, with some Academies converting later than originally anticipated.

Lifelong Learning and Skills

- As at month 6, LLSC is currently forecasting a net balanced budget (shown in the table above). This is an adverse movement of £276k from the previous month and is due to the removal of ringfenced Partnership funding in order to cover future commitments but also in recognition that if this funding was not spent, the Council would be required to refund its partners.

DSG Budgets

10. As at month 6, DSG is forecast to overspend by £232k. This is an adverse movement of £183k from the previous month. This adverse movement is in Business Strategy which has recognised consultancy costs from Oasis Management of £140k, for developing plans for two new schools in Sheffield.

Place

Summary

11. As at month 6 the Portfolio is forecasting a full year outturn of a £412k overspend, an improvement of £206k from the month 5 position. The key reasons for the forecast outturn position are:

- **Business Strategy & Regulation:** £389k forecast overspend arising from risks associated with contract negotiations with the Contractor on the new service to deliver the full £2.1m waste management savings in the 2013/14 Budget.
- **Capital & Major Projects:** £440k forecast overspend arising from additional forecast costs within commercial estate of £215k and a reduction in anticipated markets income of £170k.
- **Regeneration & Development Services:** £319k forecast reduction in spending arising from a small net reduction in costs over the whole service area.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY & REGULATION	29,455	29,066	389	↓
CAPITAL & MAJOR PROJECTS	1,137	696	440	↑
CREATIVE SHEFFIELD	3,662	3,662	0	↔
CULTURE & ENVIRONMENT	22,869	23,004	(135)	↔
MARKETING SHEFFIELD	937	900	37	↔
PLACE PUBLIC HEALTH	(0)	0	(0)	↔
REGENERATION & DEVELOPMENT SER	92,259	92,577	(319)	↓
GRAND TOTAL	150,318	149,906	412	↓

Commentary

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

Business Strategy & Regulation

13. The current forecast for this activity is £389k over budget, an improvement of £414k this period. The improvement arises from a further relatively small reduction in net waste contract management costs, largely attributable to lower than planned waste treatment volumes.
14. The key risk is around securing agreement with the Contractor to deliver the full £2.1m waste management savings included in the 2013-14 Budget. Negotiations are on-going with a view to seeking resolution.

Capital & Major Projects

15. The forecast for this activity is £440k overspent, an adverse movement of £381k this period. The adverse movement arises from increases in the forecast cost of repairs, valuations and disposals within commercial estate of £215k and reduced forecast income within markets of £170k, against which mitigating actions are to be identified.

Regeneration & Development Services

16. The forecast for this activity is a £319k reduction in spending, an improvement this period of £248k, arising from a number of small savings across the whole service.

Communities

Summary

17. As at month 6 the Portfolio is forecasting a full year outturn of £11.9m overspend, an improvement of £725k from the month 5 position. The key reasons for the forecast outturn position are :
 - **Business Strategy:** forecast reduction in spending of £462k. A small element of vacancy control savings target still held in BS of £125k to reflect anticipated vacancies that may occur in the second half of the year. The remainder is due to savings initiatives identified in BS including control of other vacancies and thorough reviews of non-pay expenditure.
 - **Care and Support:** a significant forecast overspend of £9.9m. This overspend is across Older People's / Physical Disabilities (together, known as "Adults") / Learning Disabilities (LD) care purchasing budgets, and is due to the full year effect of 2012/13 activity, and anticipated continued growth in 2013/14. This position includes the use of the corporate contingency, identified in the budget process, for Adult Social Care.

- Commissioning:** a forecast £2.4m overspend due to: Mental Health purchasing budgets forecasting an overspend of £2.8m, due to an increase in the number of people requiring care provision (predominantly using SDS Personal Budgets); alongside a Substance Misuse purchasing overspend of £70k. Other areas forecasting an overspend in this Service are; Mental Health Commissioning £152k, relating to savings on the S75 Agreement with SHSCT not being achieved and £66k unrecovered income relating to MH Resource Centres. These are, to some degree, offset by the target reduction in spending of £491k on Housing Related Support Programme (formerly Supporting People) and net reduction in spend on Social Care and Housing Commissioned Services of £197k.
- Community Services:** forecast overspends of £84k. Locality Management show an overspend of £177k, due to part year (rather than full year) implementation of the Community Assemblies budget saving. Library, Archive and Information Services are reporting a small overspend of £17k on utility costs and Community Safety has a reduction in spend of £28k due to new income and reduced expenditure on staffing. Public Health is reporting a reduction in expenditure of £82k although this will be subject to review and is expected not to recur.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY	11,704	12,167	(462)	↓
CARE AND SUPPORT	123,606	113,709	9,897	↓
COMMISSIONING	36,956	34,594	2,361	↔
COMMUNITY SERVICES	10,490	10,407	84	↓
GRAND TOTAL	182,757	170,876	11,881	↓

Commentary

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

Business Strategy

19. A forecast £462k reduction in spend against budget. This is an improvement of £100k compared to the previous month and is mainly due to Vacancy control savings declared in Business Systems and Information of £95k.

Care and Support

20. A forecast £9.9m overspend. This is an improvement of £534k from the previous month which is due primarily to a review of the Hostels Re-Provision Programme costs and timetable. An increase in cost had been anticipated but recent work has suggested that in fact we could deliver these services at a slightly reduced rate.

Community Services

21. A forecast £84k overspend, which is an improvement of £144k on the previous month due to further analysis of staffing costs and income in Community Safety budgets resulting in a reduction of forecast spend in month of £63k. Public Health Domestic Abuse budgets are reporting a move of £88k in month but Finance and Service will be undertaking detailed work within the next month and it is not expect that this reduction in spending will recur.

Resources

Summary

22. As at month 6 the Portfolio is forecasting a full year outturn of a reduction in spending of £1.1 million, an improvement of £75k from the month 5 position. The key reasons for the forecast outturn position are:

- **Business Information Solutions:** £545k overspend due in the main to reduced income from project recharges of £348k.
- **Commercial Services:** £276k overspend due to E-Business project costs.
- **Human Resources:** £257k overspend due to forecast overspend in employee costs due to delayed MER.

Offset by:

- **Housing Benefit:** £992k reduction in spending as a result of subsidy adjustments. This subsidy adjustment represents a 0.5% movement on a demand led £191m budget.
- **Central Costs:** £954k reduction in spending owing to a transfer of £1m from the Insurance Fund.
- **Finance:** £200k reduction in spending in Finance as a result of early staff savings for the 2014/15 budget.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS INFORMATION SOLUTIONS	1,265	720	545	↑
COMMERCIAL SERVICES	902	626	276	↑
COMMERCIAL SERVICES (SAVINGS)	(820)	(820)	0	↔
CUSTOMER FIRST	3,057	3,057	0	↔
CUSTOMER SERVICES	2,753	2,793	(40)	↔
FINANCE	2,120	2,320	(200)	↔
HUMAN RESOURCES	1,399	1,142	257	↑
LEGAL SERVICES	5,235	5,235	0	↔
PROGRAMMES AND PROJECTS	1,284	1,219	65	↔
TRANSPORT AND FACILITIES MGT	32,524	32,599	(75)	↓
TOTAL	49,719	48,891	828	↔
CENTRAL COSTS	13,121	14,075	(954)	↔
HOUSING BENEFIT	10	1,002	(992)	↓
GRAND TOTAL	62,850	63,968	(1,118)	↔

Commentary

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

Business Information Solutions

24. A forecast £545k overspend. This is an adverse movement of £112k from the previous month due to reduced traded income on the core business as only commissioned work is now being forecast. The Open Data Project was previously included in the forecast as a potential source of income but indications are that this is no longer going ahead.

Commercial Services

25. A forecast £276k overspend, of which £291k is due to the write off of expected income to the E-Business project. The rest of the service is forecasting an underspend of £15k, although additional income subsequently identified will improve this to a £65k reduction in spend. This is an adverse movement of £129k from the previous month. Efforts are being taken to recover costs, in order to reduce the overspend, although this is not included in the forecast at this time.

Human Resources

26. A forecast £257k overspend. This is an adverse movement of £129k from the previous month due to the delay of an MER implementation and revised forecasts of the savings achievable in this financial year.

Policy, Performance and Communications

Summary

27. As at month 6 the Portfolio is forecasting an overspend of £105k, an improvement of £45k from the month 5 position. This overspend is due to increasing Election canvassing costs.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,857	2,752	105	↔
PUBLIC HEALTH	(135)	(135)	0	↔
GRAND TOTAL	2,722	2,617	105	↔

Commentary

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

Policy, Performance and Communications

29. A forecast £105k overspend. This is an improvement £45k from the previous month due to reduced forecasts of supplies and services spend.

Corporate items

Summary

30. The month 6 forecast position for Corporate budgets is a £6m reduction in spending which is an improvement of £98k on the month 5 position. 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:** Formula Grant and Council Tax income, some specific grant income and contributions from reserves.

Financials

	FY Outturn	FY Budget	FY Variance
	£'000	£'000	£'000
Corporate Budget Items	86,228	88,522	-2,294
Savings Proposals	-450	-450	0
Income from Council Tax, RSG, NNDR, other grants and reserves	-568,091	-564,343	-3,748
Total Corporate Budgets	-482,313	-476,271	-6,042

31. Corporate Budget items are showing a forecast reduction in spending of £2.3m, due mainly to the reassessment of the budget requirement for redundancy cost of £2m, other miscellaneous income of £175k including the recovery of previous years' National Non-Domestic Rates (NNDR) overpayments and £120k saving against the Carbon Reduction Credits budget resulting from more up to date information on the estimated 2013/14 costs. This forecast is consistent with the month 5 position.
32. Additional income accounts for the remaining £3.7m underspend. This additional income includes a £1.1m RSG refund, £1.4m LACSEG refund, £271k additional Council Tax Freeze grant, and two un-ringfenced grants including £947k adoption grant and £98k from the Department of Health (DoH). This forecast is an improvement of £98k from the month 5 position and results from the receipt of the DoH grant.

Collection Fund

33. In 2013/14 approximately £260m of our expenditure will be financed, directly, through locally collected taxation, out of a total of £477m:

	£m
Council Tax	164.2
Business Rates Locally Retained	95.3
	<u>259.5</u>
RSG/Business Rates Top Up Grant	217.9
TOTAL	<u>477.4</u>

34. This taxation is collected by the Council and credited to the Collection Fund. The Government receives 50% of the business rates collected (the "Central Share") and uses this to finance grant allocations to local authorities. The Fire Authority receives 1% of Business Rates collected and the Council retain the remaining 49%.
35. Following the implementation of the Government's Business Rates Retention Scheme on 1 April 2013, steps have been taken to monitor the

Collection Fund more closely. The overall position is subject to change due to the impact of national austerity measures on Business Rates income and the impact of the introduction of the local Council Tax Support Scheme on Council Tax collection rates.

Summary

36. As at the end of quarter two the collection fund is forecasting a surplus of £1m at year end. In accordance with the Business Rates Retention System the Council would retain £0.5m of this. This forecast position is less than the £0.8m council retained share reported at quarter one. This is due to the effect of mandatory reliefs from the new University campus and the increase in businesses seeking charitable relief. However, due to the volatility in several areas of the fund, this surplus should not be assumed to be available for use in 2014/15.

Income Stream	2013/14 Budget	Amounts Collected in Second Quarter	Forecast Year End Position	Forecast Year End Surplus
	£m	£m	£m	£m
Council Tax	164.2	91.3	164.2	0.0
Business Rates Locally Retained	95.3	61.9	95.8	0.5
TOTAL	259.5	153.2	260.0	0.5

Business Rates

37. The following table shows the elements involved in the determination of the business rate position. This examines the current position and then compares the resultant year end forecast with the 2013/14 budget for business rates income.

Collection Fund - Business Rates	Budget 2013/14 £m	Forecast Year End Position £m	Variance £m
Gross Business Rates income yield	(245.5)	(245.5)	0.0
LESS Estimated Reliefs	33.0	32.0	(1.0)
Losses and Cost of Collection	3.3	3.3	0.0
Losses on Appeals in Year	3.2	3.2	0.0
Provision for Future Appeals	11.6	11.6	0.0
Net Business rates	(194.4)	(195.4)	(1.0)
Apportionment of net business rates:			
Sheffield City Council	(95.3)	(95.8)	(0.5)
SY Fire Authority	(1.9)	(1.9)	0.0
Government	(97.2)	(97.7)	(0.5)
Total Apportionment	(194.4)	(195.4)	(1.0)

Gross Rate Yield

38. The Gross Rate Yield (GRY) represents the Rateable Value of the City multiplied by the Business Rates Multiplier. This is a measure of the total business rates billed in the city before taking account of reliefs, discounts and other adjustments.
39. The rateable value of the city is broadly in line with budget. Forecasts still retain some uncertainty, principally because the full effects of the move to the Moor Markets are yet to be fully realised.
40. There are potential increases in the business rates base in the future but the precise level and timing of any additional receipts is uncertain at the present time.

Reliefs and Discounts

	Budget 2013/14	Year to Date Quarter two	Forecast Year-End Outturn	Variance
	£m	£m	£m	£m
Small Business Rates Relief	6.1	5.7	5.9	(0.2)
Mandatory Charity Relief	16.2	16.2	16.9	0.7
Discretionary Relief	0.6	0.5	0.6	0.0
Empty Property / Statutory Exemption	9.0	7.7	7.9	(1.1)
Partly Occupied Premises Relief	1.1	0.3	0.8	(0.3)
	33.0	30.4	32.0	(1.0)

41. Most reliefs and discounts are awarded in full at the point of billing at the start of the year. The total level of reliefs awarded in the first two quarters amounts to £30.4m which is below the £33m assumed in the budget. Actual reliefs are forecast to rise to £32m by the end of the year.
42. There is a high degree of volatility in empty property reliefs. A prudent position was established during budget setting due to the potential for businesses to manipulate this relief. To date, year-end forecasts are below budget for empty properties relief leaving us in a potentially beneficial position.
43. Growth is anticipated in several of the reliefs based on analysis of historic trends. However, the year-end forecast is still £1m below budget.
44. The level of reliefs and discounts awarded can be affected by economic conditions, court rulings and businesses' behaviour and will be closely monitored throughout the remainder of the year.

Appeals

45. The 2013/14 Council budget anticipates £3.2m of refunds in year resulting from appeals. The budget also includes a provision for £11.6m future appeals against bills that have already been issued either in this year or in earlier periods. The first year of the Business Rates Retention System has brought with it a requirement to account for these back dated appeals.
46. So far in year the Council have paid out £1m refunds as a result of appeals but this is expected to rise to £3.2m by year end.
47. Appeals are notoriously difficult to forecast due to the lack of available information. The £3.2m forecast is based on historical trend analysis

and this will continue to be monitored throughout the year. The Valuation Office Agency have recently provided a large amount of data on appeals and work is underway to analyse this to help inform the appeals figures in future forecasts.

Collection Rates

48. The Net Collectable Debit (NCD) is the Gross Rate Yield less any discounts and reliefs applied. The amount of Business Rates collected at the end of quarter two stands at £126.4m or 59.0% of the NCD (£61.9m retained share).
49. The collection rate was 58.0% at the same point in 2012/13 and so considering difficult economic conditions we are well placed to achieve budgeted levels of collection.

Losses and Cost of Collection

50. Write offs to date amount to £0.9m. This is forecast to increase to £2.6m which will bring us in line with the budgeted figure for Losses and Cost of Collection.
51. The figure of £3.3m shown in the table above includes £0.7m Cost of Collection. This is the forecast cost of recovering debts, including legal expenses.

Overall Forecast Outturn for Business Rates

52. Bringing together the elements identified above results in an improvement of £1m compared to budget. If this position materialises it would result in a surplus on the Collection Fund which would be available for use in 2014/15. However, given the inherent uncertainty around appeals and reliefs, no assumptions should be made at this stage about availability of resources in 2014/15.

Council Tax

53. Council Tax is being monitored closely by the revenues and benefits team. This monitoring involves analysis of the discounts and exemptions, movements on the tax base and collection rates. Deductions for elements such as student exemptions can swing the year end forecast significantly from month to month.
54. At quarter two, the overall number of exemptions currently awarded is 9,300, which is below the level of 14,000 assumed in the budget (the majority of which are for households occupied wholly by students). This means there is the potential for more Council Tax income to be collected.

However, it is anticipated that the number of exemptions granted will increase due to student numbers increasing throughout the remainder of the year.

55. At the end of quarter two, the number of discounts awarded is 90,600, which is slightly below the budgeted level of 91,000 (the vast majority of which are Single Person Discounts). This is broadly in line with expectations for this point in the year.

Collection Rates

56. The Councils share of Council Tax collected to quarter two of this financial year stands at £91.3m. This represents a collection of 55.6% against the budgeted levels. Overall collection percentages are slightly down on the same point last year, although this was expected given the introduction of Council Tax Support from April 2013.

Overall Forecast Outturn for Council Tax

57. The forecast shows that outturn will be in line with the original budget. Reasonable forecasts have been included for exemptions yet to be awarded and the overall collection rate and will be closely monitored for material movement.

Local Growth Fund

58. The position on the Local Growth Fund is as follows:

LOCAL GROWTH FUND

		£m
Income	Reserves as at 31/03/13	-3.0
	13/14 NHB Grant	-4.6
	Total Income	<u>-7.6</u>
Expenditure	13/14 Spend to date at Month 6	0.9
	Forecast to Year End	4.5
	Future Years' Commitments	<u>3.4</u>
	Total Expenditure	<u>8.8</u>
	Funding Requirement	<u><u>1.1</u></u>

59. The increase on the rate of expenditure from last month's position reflects work on the public realm at Chaucer. The forecast for the year has been maintained with significant projects completing in the next few

months including the payment to the Sheffield Housing company for work on new homes, and purchase of the former Norton Aerodrome.

Housing Revenue Account

60. As at month 6 the full year outturn position is a forecast in-year surplus of £8.7m. At this stage, this represents a projected improvement of £2.8m from the revised budget. Overall, any predicted improvement on the account will be factored into the planned update of the Business Plan and Capital Investment Programme later in the year.
61. The main reason for the variation in the overall improved position reported above relates to a predicted reduction in capital financing costs of £1.5m. This is primarily a result of reduced interest costs arising from the Councils on-going active Treasury Management Strategy.
62. Now that that HRA is self-financing, the Council has to consider the long term risks on interest rates and ensure that its 30 year business plan includes a sustainable level of debt.
63. Other main areas contributing to the year-end forecast position include a revised forecast re service charge income of £398k and a £1.7m forecasted reduction in running costs mainly as a result of staff vacancies and various reduced spending on other budget heads. This is offset by a forecast increase of £620k in the cost of council tax on vacant properties and provision for rent arrears and a £244k reduction in overall rental income.

HOUSING REVENUE ACCOUNT	FY Outturn £000's	FY Budget £000's	FY Variance £000's
1.RENTAL INCOME	(142,335)	(142,579)	244
2.OTHER INCOME	(5,160)	(4,761)	(398)
3.FINANCING	53,059	54,581	(1,522)
4.OTHER CHARGES	3,784	3,164	620
5.REPAIRS	33,027	33,091	(64)
6.TENANT SERVICES	48,900	50,647	(1,748)
Grand Total	(8,725)	(5,857)	(2,868)

Community Heating

64. The budgeted position for Community Heating is a draw down from Community Heating reserves of £670k. As at month 6 the forecast position is a draw down from reserves of £212k resulting in a reduction in spending of £458k. This is largely due to a reduction in energy

consumption compared to budget and a reduction in the number of vacant properties.

COMMUNITY HEATING	FY Outturn £000's	FY Budget £000's	FY Variance £000's
INCOME	(3,527)	(3,548)	21
EXPENDITURE	3,739	4,218	(479)
Grand Total	212	670	(458)

Corporate Financial Risk Register

65. 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.

2013/14 Budget Savings and Emerging Pressures

66. There will continue to be a robust monitoring process to ensure that the agreed budget for 2013/14 is implemented, especially given the cumulative impact of £182m of savings over the last three years. As part of the budget a number of key risk areas were identified which present the highest degree of uncertainty.
67. When the Government's Business Rates Retention Scheme was introduced in April 2013, a substantial proportion of risk was transferred to local government, particularly in relation to appeals, charitable relief, tax avoidance, hardship relief and negative growth. The issue of appeals dating back to the 2005 rating list is the greatest risk causing concern across all authorities. There are properties with a rateable value of £195m under appeal currently in Sheffield, with an allowance for £14.8m of refunds in 2013/14. Officers are still working to estimate the impact of appeals, but in reality the picture will only become clearer when actual trends are monitored in year.
68. Adult social care demand pressures, plus the impact of changes in health i.e. the Right First Time programme and reductions in Continuing Health Care (CHC) funding, are presenting significant challenges on delivering the Communities portfolio budget in 2013/14. As a result of these pressures, the portfolio's forecast outturn position is an overspend of around £12.6m in 2013/14.

69. In Children Young People & Families portfolio, the key area to highlight is the changes to the Criminal Justice System for children on remand which came into effect from April 2013, with a possible impact of £700k built in as a pressure, but the exact impact is very uncertain. The £700k pressures are currently covered by efficiency savings that still have to be firmed up. There is no clarity on any funding from Central Government for this new burden.

Digital Region

70. Following the recent announcement that Digital Region will be closed down, the Council will be required to cover the cost of their share of the estimated closure costs including the potential claw back of the ERDF funding of £27m given for the original investment in the project. The Digital Region Project Group has been tasked to minimise all costs of closure through negotiation over the next 12 months however the Councils share of the maximum estimated closure costs have been provided for in the 2011/12 accounts.

Capital Receipts & Capital Programme

71. 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.

Pension Fund

72. 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

73. 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 report on the future of Electric Works will be brought to Members in 2013.

Contract Spend

74. 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 will not be available to the Council's main funding streams, e.g. Council Tax, RSG and locally retained Business Rates.

Economic Climate

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

NHS Funding Issues

76. 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, on-going 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.

77. The Council is participating in the Right First Time (RFT) programme with the Clinical Commissioning Group (CCG) and Hospital Trust. This programme aims to shift pressures and resources from the hospital to community settings over the longer term, which should assist the Council in managing adult social care pressures. However, there are short-term pressures from the programme changes that are adding costs to the Council.

Housing Regeneration

78. 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 has caused funding pressure on the Council's capital programme, e.g. on site clearance work and in enabling further phases of commenced demolition schemes.

Trading Standards

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

negotiations are in the final stages and there is an expectation that an agreement will be reached.

External Funding

80. 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.

Education Funding

81. In 2013/14 25 academy conversions are anticipated (20 primary / 5 secondary), of which 4 primary schools have already converted.

82. Academies are entitled to receive a proportion of the Council's central education support services budgets. Based on projected academy conversions it is estimated that:

- up to £1.75 million of DSG funding will be given to academies to fund support services.
- up to £3.25 million will be deducted from the Council's allocation of Education Services Grant (ESG), and given to academies.

83. If an academy is a sponsored conversion then the Council will have to bear the cost of any closing deficit balance that remains in the Council's accounts. It is estimated that this may be up to £750k based on current projected academy conversions during 2013/14.

84. Where new independent schools (free schools) or Academies are set up and attract pupils from current maintained PFI schools, then the funding base available to pay for a fixed long term PFI contract would reduce, leaving the Council with a larger affordability gap to fund. There are also further potential risks if a school becoming an academy is a PFI school, as it is still unclear how the assets and liabilities would be transferred to the new academy and whether the Council could be left with residual PFI liabilities.

Treasury Management

85. The on-going 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.

86. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. On-going monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.

Welfare Reforms

87. The government is proposing changes to the Welfare system, phased in over the next few years, which will have a profound effect on council taxpayers and council house tenants in particular. The cumulative impact of these changes will be significant. Changes include:
- Abolition of council tax benefit – replaced by a local scheme with effect from April 2013 which is cash limited and subject to a 10% reduction from previous levels. The Council approved a replacement scheme, including a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund.
 - Housing Benefit changes – with effect from April 2013 social housing tenants have seen their benefits cut if they are considered to have a spare bedroom, thereby impacting on their ability to pay rent.
 - 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.

Housing Revenue Account (HRA)

88. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. As well as the introduction of Universal Credit, outlined in the risk above, the main identified risks to the HRA are:
- Interest rates: fluctuations in the future levels of interest rates have always been recognised as a risk to the HRA, and;
 - Repairs and Maintenance: existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

The Capital Programme for 2013/14

Summary

89. At the end of September 2013, capital expenditure so far to date is £7.8m (16%) below budget. This is a substantial improvement of £9.2m, on the month 5 variance which was £17m (39%) below budget. This improvement reflects the review work undertaken by project managers to re-profile the budgets to reflect more realistic delivery timescales.
90. The outturn forecast is £22.9m (14%) below the budget. This is an improvement of £3.5m on the month 5 variance which was £26.4m below budget. This improvement is again down to the impact of the review programme referred to above and subsequent approval of project slippage.
91. Analysis of the revised forecasts shows that whilst considerable progress has been made, potentially further reductions in both the budget and forecast are required. The basis for this assertion is:
- The actual spend at the end of month 6 is £43.5m which is £7.8m (16%) below budget; and
 - The forecast capital spend for 2013/14 at £135.7m is £20.9m above that delivered in 2012/13 but the current rate of spend is below that seen last year.
92. In order to achieve the forecast level of spend, a substantial turnaround in performance across all programmes is required. Given the current rate of spend, which is around £7-8m per period, and allowing for expected increases in some Highways programmes such as Streets Ahead and Better Buses, an outturn closer to £100m than £135m looks the more likely year end Outturn position. Finance continues to challenge unrealistic project managers' forecasts and the necessary adjustments will be brought forward for approval in future reports.

Financials 2013/14

Portfolio	Spend to Date	Budget to Date	Variance	Full Year Forecast	Full Year Budget	Full Year Variance
	£000	£000	£000	£000	£000	£000
CYPF	9,359	13,453	(4,094)	36,309	47,373	(11,065)
Place	9,470	12,450	(2,981)	36,610	42,799	(6,189)
Housing	19,556	19,844	(288)	46,444	49,609	(3,165)
Communities	425	441	(16)	2,348	2,914	(566)
Resources	4,656	5,085	(429)	13,995	15,879	(1,884)
Grand Total	43,466	51,273	(7,807)	135,706	158,575	(22,869)

93. Of the £7.8m underspend against profile in the year to date position, £2m is due to operational delays and a further £2.5m will be removed if Cabinet approves amendments to project profiles which will be presented in November. The operational delays are due to lengthy contract negotiations on the Fire Risk Assessment project (£850k) and £1m on the BRT North project which is due to delays in land purchases and specialist materials required for the Supertram crossing.
94. The 2013-14 budget has increased slightly from £158.3m last month to £158.6m this month as a result of new approvals such as the Lower Don Valley Flood Defence scheme and Streets Ahead works offset by further slippage adjustments.
95. The forecast for the year shows that all portfolios are below profile against the approved programme. The key variances are detailed below:
- **CYPF:** £11.1m below budget due to a £5m reduction in the BSF programme which has been submitted to Cabinet for approval on 20th November. There is an additional £4.7m reduction required to the BSF programme and this reduction now incorporates a provision of £3.8m for the potential VAT liability on Notre Dame. The project manager has revised the project cost for this year and will be submitting a revised profile in the Month 7 report for approval by Cabinet.
 - **Place:** £6.2m below budget of which £4.9m relates to the CPO acquisitions for the New Retail Quarter. This project is currently on hold pending a review of the options for taking the development forward. A further £1.5m is due to expected project slippage on the Lower Don Valley Flood Defence project. Formal approval will be sort once the level of slippage has been identified by the project manager.
 - **Housing:** £3.2m below budget of which £1.9m is due to delivering projects at lower cost. These savings are mainly as a result of reductions in elements of work following detailed project surveys. A further £180k is due to LTE's Repair and Refurbishment, which has been submitted to cabinet for approval on the 20th November. A further £360K relates to slippage request for the Energy Programme – Green Deal project which has been submitted for approval on appendix 1.

- **Communities:** £600k below budget: this is mainly due to projects which have slipped behind schedule and into future years.
- **Resources:** £1.9m below budget: this is due mainly to £1.1m variance within Health & Safety Compliance programme. Detailed building assessments have been completed to identify the specific measures to be undertaken. A capital approval form will be brought forward in the Month 7 report to seek approval to apply part of the programme budget to Staniforth & Darnall Fire Risk Assessment project which will cover works at Staniforth Road Depot and Darnall Education (Starworks) centre.

Commentary

Children, Young People and Families Programme

96. CYPF capital expenditure is £4.1m (30%) below the profiled budget for the year to date and forecast to be £11.1m (23%) 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	-850	0
Revised profile for Building Schools for the Future programme	-2,274	0
Incorrect budget profiles	115	0
No forecast entered by project managers	0	-494
Projects submitted for Approval	0	-5,020
Underspending on project estimates	0	-181
Other variances	-1,085	-5,370
	-4,094	-11,065
 Spend rate per day	 73.7	 142.9
Required rate to achieve Outturn	212.2	
Rate of change to achieve forecast	188.0%	

97. The forecast variance of £11.1m mainly arises from variations affecting the BSF programme. A £5m reduction has been submitted to cabinet for approval on the 20th November. A further £4.7m reduction is required to the BSF programme, this reduction now incorporates a provision of

£3.8m for the potential VAT liability on Notre Dame. The project manager has revised the project cost for this year and will be submitting a revised profile in the Month 7 report for approval by Cabinet.

Place Programme

98. The Place portfolio programme (excluding Housing) is £3m (24%) below the profiled budget for the year to date and forecast to be £6.2m (14%) below the programme by the year end for the reasons set out in the table below.
99. The main reason for the year to date variance relates to operational delays expected on the BRT North project, this is due to delays in land purchases and specialist materials required for the Supertram crossing.
100. The Other variance for the forecast position in the table below relates to the New Retail Quarter CPO scheme which is on hold pending a review of the project.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2012/13		
Slippage to be carried forward	-280	-1,724
Operational delays in projects due to planning, design or changes in specification	-1,181	0
Incorrect budget profiles	-345	0
No forecast entered by project managers	0	-6
Projects submitted for Approval	106	203
Overstatement of budgets		
Overspending on project estimates	0	-232
Other variances	-1,280	-4,429
	<u>-2,981</u>	<u>-6,189</u>
Spend rate per day	74.6	144.1
Required rate to achieve Outturn	213.7	
Rate of change to achieve forecast	186.6%	

Housing Programme (Place Portfolio)

101. The Housing capital programme is £288k (1%) below the profiled budget for the year to date and forecast to be £3.2m (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 to be carried forward	-362	-127
Projects submitted for Approval	-4,745	-172
Home Improvement grants held on behalf of other local authorities	-22	0
Items under investigation		
Underspending on project estimates	-278	-1,878
Other variances	5,119	-988
	<u>-288</u>	<u>-3,165</u>
Spend rate per day	154.0	182.9
Required rate to achieve Outturn	211.7	
Rate of change to achieve forecast	37.5%	

102. The main reason for the forecast variance is due to £1.9m of expected savings to the Housing programme, of which £740k relates to North Parson Cross project and a further £490k relates to the South West Abbey Brook project. These savings are mainly as a result of reductions in elements of work following detailed project surveys.

Communities

103. The year to date spend on the Communities portfolio capital programme is £16k (4%) below the profiled budget and the forecast £566k (19%) below budget.

104. The main reason for the forecast variance is £481k of project slippage. This relates to ICT Infrastructure and Mobile Working Solutions both of which have been submitted for approval on appendix 1.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-481
Other variances	-16	-85
	<u>-16</u>	<u>-566</u>
Spend rate per day	3.3	9.2
Required rate to achieve Outturn	15.1	
Rate of change to achieve forecast	351.9%	

Resources

105. The year to date spend is £429k (8%) below the programme and forecast to be £1.9m (12%) below the approved budget for the whole year.
106. The main reason for the forecast variance is due mainly to £1.1m variance within Health & Safety Compliance works programme. Detailed building assessments have been completed to identify the specific measures to be undertaken. A capital approval form will be brought forward in the Month 7 report to seek approval to apply part of the programme budget to Staniforth & Darnall Fire Risk Assessment project which will cover works at Staniforth Road Depot and Darnall Education (Starworks) centre.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-231	0
Other variances	-197	-1,884
	-429	-1,884
 Spend rate per day	 36.7	 55.1
Required rate to achieve Outturn	73.5	
Rate of change to achieve forecast	100.6%	

Approvals

107. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
108. Below is a summary of the number and total value of schemes in each approval category:
- 10 additions to the capital programme with a total value of £2.9m;
 - 11 variations to the capital programme creating a net decrease of £0.4m;
 - 8 slippage requests with a total value of £1.4m;
 - 3 emergency approvals for a value of £0.45m;
 - 1 director variation of £7k.
109. Further details of the schemes listed above can be found in Appendix 1.

Implications of this Report

Financial implications

110. 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

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

Property implications

112. 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

113. Members are asked to:

- (a) Note the updated information and management actions provided by this report on the 2013/14 Revenue budget position.
- (b) In relation to the Capital Programme Members are asked to.
 - (i) approve 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 his nominated officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
 - (ii) the proposed variations and slippage in Appendix 1;
 - (iii) the acceptance of the grants in Appendix 2 and to note the condition and obligations attached to them and note;
 - (iv) the latest position on the Capital Programme and the additions and variations approved under delegated authorities.

Reasons for Recommendations

114. 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

115. 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

Scheme Description	Approval Type	Value £000	Procurement Route
GREAT PLACE TO LIVE			
Transport			
<p>Better Buses 2 Schemes</p> <p>Better Buses 2 funding (“BB2”) is a grant awarded by the Department of Transport (DFT) to South Yorkshire Passenger Transport Executive (SYLTE) on behalf of the Sheffield Bus Partnership (SCC, SYLTE, First and Stagecoach). Over a five year period, this will phase out the existing Bus Service Operators Grant (BSOG) provided by Government to bus operators. The total funding for five years is agreed at £18m (£11m capital and £7m revenue), the overall aim being to improve journey times for buses leading to reduced operating costs and fares and thereby reduce the need for the BSOG “subsidy”.</p> <p>SYLTE is the accountable body for this funding and are already in receipt of £2m.</p> <p>Works carried out under this grant are agreed in partnership with a number of key stakeholders, formally approved by the SYLTE management board and subsequently endorsed by SCC Cabinet Highways Committee.</p> <p>The table below shows proposed schemes including those currently approved by the SYLTE management board. The schemes listed were all referenced in the 2013/14 transport capital programme procurement strategy endorsed by CPG in April 2013.</p> <p>Note: a number of schemes have received part approval to enable preliminary works to be undertaken this financial year.</p>	Addition	1,188	Schedule 7 Streets Ahead Contract

Description	Estimate	Approved by SYPT
BB2 Chesterfield Road (Meadowhead) (Ph1)	843	843
BB2 Chesterfield Road (Heeley) (Ph2)	740	
Sheffield Bus Partnership (hotspots)	50	50
BB2 North Sheffield	1,490	50
BB2 Sheffield - Gleadless	745	245
City Centre Package	466	
BB2 Penistone Road	1,024	50
Sheffield Parkway	4,190	
	9,548	1238

Below briefly describes the works to be carried out under the four approved projects.

Chesterfield Road Key Bus Route (£843k): - Part approved to carry out essential works this year at Meadowhead roundabout, and to allow design of a package of measures including road widening (near Heeley Bottom), two further improved junctions, bus lanes in two locations plus minor alterations.

North Sheffield Key Bus Route (phase 2) (£50k): - Initial approval to enable scheme feasibility and design work to commence. The overall scheme will include a package of measures such as road widening along Barnsley Road, a new bus lane, bus stop upgrades and real-time customer information provision plus other minor improvements.

Sheffield - Gleadless Key Bus Route (£245k): - Part approved to enable construction of agreed works this financial year, and enable development of other measures. The overall scheme will deliver three improved junctions and a new bus terminus on Blackstock Road, new bus lanes at two locations, a series of bus stop improvements

<p>and corridor-wide real-time customer information provision.</p> <p>Penistone Road Key Bus Route (£50k):- Initial approval to enable scheme feasibility and design work to commence, very closely tied into the adjacent “Pinch Point” project approved at CPG in September. The “BB2” scheme will provide additional road widening, bus lanes and real-time passenger information in addition to the junction improvements and road widening / re-alignment work planned in the Pinch Point project.</p>			
<p>CNG (Compressed Natural Gas) Refuelling Infrastructure</p> <p>This project is to identify a viable location for the infrastructure of a permanently sited high-volume gas refuelling infrastructure in Sheffield, carry out desk top surveys and impact assessments and undertake all necessary preparatory work for the installation which is estimated to be February 2014. The variation will add £131,500 to the existing approved budget of £81k to increase the budget to £211,500. The funding is from LTP for the CNG refuelling project.</p>	<p>Cabinet Member Variation</p>	<p>131</p>	<p>KAPS</p>
<p>Highways</p>			
<p>Sheffield Bus Partnership – BN962 Bus Agreement (Hot Spots)</p> <p>This covers sites identified for interventions developed in discussion with SYPTE (South Yorkshire Passenger Transport Executive) & bus operating companies and is tied into the Sheffield Bus Partnership. It is part of the third SYLTP (South Yorkshire Local Transport Plan) (2011-2026), and the 2013/14 outline LTP ITA (Integrated Transport Authority) programme was approved on 07/02/13.</p> <p>The project is financed by central funds held by SYITA, with Districts drawing down cash grant as expenditure is incurred (in arrears). Additional funding, totalling £440k for</p>	<p>Variation</p>	<p>440</p>	<p>N/A</p>

<p>the project plan going forward are from three main strands as follows:</p> <ul style="list-style-type: none"> • £172,309 LSTF (Local Sustainable Transport Fund): comprising £131,075 total for 13/14 less £90,370 slipped from 12/13 = £40,705; plus a new allocation for 13/14 and £131,604 allocation for 14/15. • £217,490 SYLTP (South Yorkshire Local Transport Plan): comprising £291,550 total for 13/14 less £74,060 slipped from the 12-13 SCC LTP allocation = £217,490 new allocation, itself made up of £106,550 from SYPTE LTP allocation in 13/14, plus £110,940 from SCC LTP allocation in 13/14. • £50,000 Better Buses 2: new allocation awarded by the DfT (Department for Transport) to SCC, SYPTE and the local bus operators. <p>The additional funding will enable 13 local traffic management schemes, RID (real-time intelligent detection) at 4 locations & STM strategies (Strategic Toolkit Module) at 5 locations.</p>			
<p>Little Don Link (cycle route)</p> <p>The project is to create a new cycle route along the Little Don River to link Stocksbridge and Deepcar to Barnsley, Northern Sheffield and the Peak District.</p> <p>Works will improve surfacing of the strategic network, provide a cycle and pedestrian crossing at Oughtibridge, general footpath improvements and will link into the Trans Pennine Trail at Wharnccliffe Woods. The majority of the route will be off road (less than 2km will be on quiet roads), making use of existing permissive and public rights of way.</p> <p>This project is part of a larger £1.1m scheme for South Yorkshire, funded by a Department for Transport (DfT) grant awarded to Derbyshire County Council. The total</p>	450	Addition	Schedule 7 Streets Ahead Contract

<p>grant award is £5m and will develop routes in surrounding urban areas into the Peak District as part of the Pedal Peak District II - Moving up a gear Strategy</p> <p>Sheffield City Council have been allocated £350k from the DfT grant and £100k LTP (Local Transport Plan) funding to carry out works in the following areas:- Wharnccliffe Woods from Oughtibridge, Deepcar to Stocksbridge and Stocksbridge to Underbank Lane/Barnsley Border</p>				
<p>Permit Parking : Hillsborough</p> <p>The project is part of the Traffic Management block of the Integrated Transport Plan and the aim is to deliver parking restrictions in the Hillsborough area following public consultation and currently has approved slippage of £15k.</p> <p>The variation is to add the 2013/14 LTP funding allocation which will be used to introduce new road markings, new signs and post on various streets in the Hillsborough area (based on consultation with local residents) with the intention of improving traffic management in the area.</p>	<p>EMT Variation</p>	<p>55</p>	<p>Schedule 7 Streets Ahead Contract</p>	
<p>A57 Manchester Road, Crookes, Nile Street Junction Improvements</p> <p>The overall aim of the project is to improve control and operation of a strategic traffic junction including a controlled pedestrian crossing. Advance works, ahead of the main contract are being carried out this financial year to divert telephone cables etc. The main contract will commence in 2014/15 in conjunction with the Streets Ahead maintenance works.</p> <p>Approval is being sought to slip into 2014/15 the 2013/14 LTP allocation of £176k for the main contract works.</p>	<p>Slippage</p>	<p>176</p>	<p>Schedule 7 Streets Ahead Contract</p>	

Parks				
Manor Fields Toddler Play		Slippage	48	n/a
<p>The project aims to address one of the gaps highlighted in the Manor Fields master plan, namely the lack of play provision in the park for younger children and toddlers, at the City Road end of the site. The project will also bring the pond / wetland area back into use as a safe ecological and educational feature. The scheme also intends to create a link between the play area, wetland and York House.</p> <p>Initially separate projects, the play and pond works were combined to be developed together as they both complement one another and greater value for money could be achieved.</p> <p>Slippage has occurred as a result of work involved in combining the projects largely due to the need to go to full external tender for the scheme. The main project works are now due to commence February 2013 to April 2014.</p> <p>The project is solely funded from Section 106 monies.</p>				
Homes				
Living With Nature (LWN)		Addition	177	N/A
<p>The Living with Nature project is a partnership with Sheffield Wildlife Trust (SWT), University of Sheffield and SCC (Parks and Countryside and Housing Services). SWT will deliver the project for the Council including undertaking community engagement to</p>				

		<p>offer opportunities to tenants and residents to influence the design, development and management of their local community spaces. SWT is the accountable body for the external grant funding which is the main source of funding for this project.</p> <p>The project aims to improve green open spaces and play areas situated within Sheffield's Council Housing Estates on land owned by SCC. The designs will incorporate natural play and encourage bio-diversity. The project also aims to help communities benefit by increasing opportunities to meet more people within their community, developing new skills, spending more time outdoors and feeling safer.</p> <p>Eight sites will have selected elements of the overall design</p> <p>The following eight Sites will be developed:</p> <ul style="list-style-type: none"> • Dyke Vale Road (£63.9k) • Tannery Park (£7.5k) • Burnaby Crescent (£15k) • Grammar Street (£36k) • Philadelphia Gardens (£21.8k) • Jericho Street (£12k) • Edward Street (£11.5k) • Randall Place (£10k) <p>Funding for this project comes from the following:</p> <ul style="list-style-type: none"> • £45k big Lottery Reaching communities • £35k EU Seeds • £9.5k Sheffield Homes contribution made in 2012/13
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<ul style="list-style-type: none"> • £2k Community First Funding • £500 Community Group contribution • £39.4k Veolia • £25k Britvic Its your Patch <p>The Council will contribute £21.3k directly to the project. Just under £9k from s.106 agreements and £12.5k from Going Local Fund. Plans are being formulated to attract other funding to enlarge the scope of the project and further approvals will be sought as appropriate.</p>				
<p>BETTER HEALTH & WELLBEING:-</p>				
<p>Mobile Working Solutions</p>				
<p>This project will enable assessment and care management staff to record clients details straight on to the clients record in the field and improve the time spent in the office. This will enable staff savings to be made. It has been estimated to produce a saving of £3.7m over five years. The project is funded by Department of Health grant which has already been received.</p> <p>The slippage request is due to it taking from June to September for commercial services to resolve the query's with the contract submitted by Capita. The proposal is to slip the budget into 2013-14 as spend on the project will be delayed until this date. The approved budget for this project is £925k</p>	Slippage	232	Capita	
<p>ICT Infrastructure</p>				
<p>This project is to improve the ICT facilities used by the services delivered by the Communities portfolio to improve delivery to clients in the most efficient way. The Business Systems and Information has/will deliver a range of technology to Adult Social</p>	Slippage	192	Capita	

<p>Care that will make it easier for staff to do their jobs and save the organisation money. Alongside this, following detailed business analysis, a number of service improvements have been made that will enable the business to deliver cashable savings. Delays in recruitment to key posts and slow progress in identifying a Secure Data Exchange (SDE) solution has resulted in the project falling behind schedule This has had no impact on the saving made as these have already been actioned in the appropriate budgets.. This request is for slippage of £192k for 2014/15.</p>				
<p>Hurfield View Extension</p> <p>This project is for the extension of Hurfield View Care Home to include an additional 4 beds. The projected savings from the closure of Norbury and Bolehill view care homes with the addition of the extra beds in Hurfield is £729k over 2 years The approved budget for this project is £250k, this request is for an addition of £50k due to the reconfiguration of the dining room and an additional on suite facility being added to the original plans. The additional cost is to be covered by a contribution from Sheffield Health and Social Care (NHS)</p>	<p>Variation</p>	<p>50</p>	<p>Yor Build Framework</p>	
<p>Due to delays of about one month caused by problems with the drainage and topographical surveys and the need to re-configure the floor plan at the request of the Care Home manager as she was concerned the dining room extension was inadequate for resident's needs. Slippage is requested to move £124.8k to 2013/14. The approved budget for this project is £250k</p>	<p>Slippage</p>	<p>125</p>	<p>Yor Build Framework</p>	
<p>PCT /SCC –Reconfigure Accommodation Strategy</p> <p>This Project is to receive funds from the sale of 2 Housing Association properties and passport the money via the PCT back to the Housing Association. The sale of one property has been delayed due to lack of interest from potential purchasers and will now not take place this financial year, slippage has now been requested to reflect this.</p>	<p>Slippage</p>	<p>230</p>	<p>N/A</p>	

<p>COMPETITIVE CITY:-</p>					
<p>Millennium Gallery Life Cycle</p>	<p>This project covers the anticipated life-cycle capital works at the Millennium Gallery, which are covered by Sheffield City Council funds from the Corporate Resource Pool but for which the Council has no procurement responsibility as all procurement is done by the Museum Trust.</p> <p>The on-going works are necessary for the maintenance of the gallery to enable the gallery to remain open, however it now looks like approximately £60k will not now be spent this year but instead will be required for next.</p>	Slippage	60	N/A	
<p>Energy Programme Green Deal</p>	<p>This project is to build on the earlier Affordable Warmth scheme as well as lessons learnt from both the Low Carbon Pioneer and Fuel Poverty Projects to prepare for the Green Deal Programme and covers the cost of the project team and set up costs such as legal, procurement and marketing. The budget has been re-profiled to ensure we are spreading the work to establish the major partnership we envisage over a longer period, but keeping momentum going with these interim ECO focussed projects and Sustainable Development Service costs in 2013/14. The first stage of the work – the appointment of an SCC ECO partner, will hopefully be confirmed in early November. Further re-profiling will then be done once it is clearer what the mix of income and SCC resources are needed for 2014/15.</p>	Slippage	355	N/A	
<p>Don Valley Stadium Phase 2 Demolition of Don Valley Stadium</p>		Addition Variation	205 -155		

<p>In April 2013 Cabinet approved a sum of £250k to demolish the Don Valley Stadium as part of its 2013-14 Revenue Budget strategy to remove subsidy from high cost facilities. Due to a favourable recycling market, and the competitive tendering process required by the Capital Approvals process, the Council has been able to secure the demolition contract for the stadium at a cost much lower than forecast creating a £155k saving. The demolition project is funded from the Corporate Resource Pool.</p> <p>It is proposed to use this saving to fund the next stage (Phase 2) of the redevelopment of the site by undertaking the necessary ground investigation (£51k) and feasibility studies (£124k) to prepare the site for future use. The total cost of this work, including a contingency sum for unforeseen works) is £205k of which £155k will be funded from the saving on the demolition project and £50k from the Director of Capital & Major Projects revenue budget.</p>			
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE :-</p> <p>EXPANSION OF SCHOOL CAPACITY:</p>			
<p>The Council has a statutory duty to ensure that there are enough, suitably located primary school places within the city to meet the expected demand. Current forecasts of demand in parts of the city show it is necessary to build additional teaching capacity at certain primary schools.</p> <p>The Council is proposing to meet its statutory duty in the areas identified below by building extensions and remodelling:</p> <ul style="list-style-type: none"> • Longley - Two Classroom Extension This project will create a new two-classroom extension at Longley Primary 	<p>Addition</p>	<p>400</p>	<p>Constructionline</p>

<p>School. The project will secure sufficient suitable classroom accommodation enabling the school to maintain and improve standards and forms part of CYP's strategy to manage the growth in local pupil populations and create additional places at local primary schools.</p> <p>The project is 100% funded from the Department for Education (DFE) Basic Need Grant block allocation.</p> <ul style="list-style-type: none"> Acres Hill Primary This variation covers an internal remodel to allow for increased student numbers as part of the second phase of the Primary Population Growth (PPG2) scheme and will deliver two double mobiles on site for January 2014. Pupil numbers are to be increased by 30 (representing a one year only increase in approved admission numbers). This is a remodelling solution as opposed to an extension, saving the council potential higher capital and unitary charge costs. The project is 100% funded from the DFE Basic Need Grant block allocation. <p>DFE Basic Need Grant - block allocation</p>	<p>Variation</p> <p>400</p>	<p>New Procurement for mobiles via Kier Jobs Compact</p>
<p>The above block allocation is to be reduced to fund the expansion of primary school capacity at Longley and Acres Hill primary schools as noted above.</p> <p>SCHOOL CONDITION MANAGEMENT:</p> <p>The Council has a responsibility to ensure that the facilities within the schools across its estate are maintained to a minimum standard. This has led to a managed programme of works being developed following a detailed survey, resulting in the prioritisation of works on an existing condition basis, and thus creates better teaching and learning environments for pupils with the aim of increasing outcomes for children.</p> <p>The Council is proposing to meet its obligations by carrying out works in the areas identified below as part of its priority led, managed programme of works:</p>	<p>Variation</p> <p>(800)</p>	<p>N/A</p>

<ul style="list-style-type: none"> Mobile Replacements The two projects below will replace the existing mobile classrooms with a traditional build extension to the school. Replacement of the existing mobile classroom accommodation is required due to its dilapidated condition. The projects will also cover the demolition and removal of the existing mobiles. The projects are both 100% funded from the DFE Maintenance Grant block allocation. <ul style="list-style-type: none"> Stocksbridge – Mobile Replace Nether Green – Mobile Replace Primary Maintenance – Replacement of Toilet facilities This variation is to allocate an extra £160,402 to the WC replacement programme within priority assessed schools for 2013/14. School toilets were completed in 2012/13 at Walkley, Woodseats, Hillsborough, Greenland Nursery & Infants, Greenland Junior and Pipworth (6). The school toilets to be completed in 2013/14 are at Rainbow Forge, Concord and Stocksbridge Juniors (3). The project is 100% funded from the DFE Primary Maintenance Grant block allocation. 	<p>Addition</p> <p>Addition</p> <p>Variation</p>	<p>300</p> <p>190</p> <p>160</p>	<p>Constructionline</p> <p>YORbuild</p> <p>N/A</p>
<p>DFE Maintenance Grant - block allocation</p> <p>The above block allocation is to be reduced to fund the proposed replacement of the mobile classrooms at Stocksbridge and Nether Green and the replacement of toilet facilities at 7 schools as noted above:</p> <p>OTHER ACTIVITY:</p>	<p>Variation</p>	<p>(650)</p>	<p>N/A</p>
<p>Schools Access Initiative</p>	<p>Variation</p>	<p>100</p>	<p>N/A</p>

<p>This project enables the purchase of specialist equipment to assist in improving pupil access within schools. The upward variation of £100k will be used to fund further expenditure during 2013/14 to facilitate children and young people with disabilities in accessing mainstream education across the Sheffield City Council educational estate. The project is 100% funded from the DFE Primary Maintenance Grant block allocation.</p>									
<p>DFE Maintenance Grant - block allocation</p> <p>The above block allocation is to be reduced by £100k to fund the proposed Schools Access Initiative project noted above.</p>		Variation	(100)					N/A	
<p>EMERGENCY APPROVALS:- (Note only)</p>									
<p>GREAT PLACE TO LIVE</p>									
<p>Highways</p>									
<p>PFI Streets Ahead Opportunities</p>									
<p>Three projects have received emergency approval from the LTP (Local Transport Plan) allocation split by geographical area. These are:-</p>									
<p>93104 Streets Ahead Opportunities South East Sheffield</p>									
<p>93105 Streets Ahead Opportunities North West Sheffield</p>									
<p>93105 Streets Ahead Opportunities South West Sheffield</p>									
<p>Each project has a value of £150k and proposed works include dropped kerbs, guardrails, signing and lining changes</p>									
		Emergency Approval	450					Schedule 7 Streets Ahead Contract	

<p>The emergency approval was required due to a delay in agreeing how the works should be divided to enable the best financial management within geographical areas.</p>				
<p>DIRECTOR VARIATIONS:- (Note only)</p>				
<p>GREAT PLACE TO LIVE</p>				
<p>Crookes Valley Park</p>				
<p>The Crookes Valley Park project has received additional funding of £7k, £5k grant from the Environment Agency (EA) which will be used to provide aquatic planting and improvements to the lake and £2k from the Friends of Crookes Valley Park to install interpretive signage.</p>	<p>Director Variation</p>	<p>7</p>	<p>N/A</p>	

Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Conditions and Obligations	Value £000
Department Of Transport (Awarded to Derbyshire CC)	Cycling In National Parks Grant	92913 Little Don Link (Cycle Route)	<p>Main Conditions to fulfil</p> <ul style="list-style-type: none"> o The Grant may only be used for capital expenditure - signed declaration from Internal Audit to be provided as confirmation o Monitoring and Evaluation of the Project to be completed in line with "Cycling in National Parks Guidelines" o DfT reserve the right to allow internal or external auditors to review the scheme <p>Clawback</p> <ul style="list-style-type: none"> • Failure to comply with any of the grant conditions may result in the grant being reduced, suspended, withheld or repaid. <p>Risks</p> <ul style="list-style-type: none"> • The Grant has been awarded to Derbyshire CC who will act as accountable body: <ul style="list-style-type: none"> - To date there is no formal agreement in place between SCC & DCC guaranteeing the funding to SCC • The funding has been allocated over 2 financial years with a separate allocation for each year. Unspent funding from year one will not be available for carry over to year 2. 	350

			<p>As the majority of SCC spend is expected in Year 2 there is a risk that if Year One allocation is underspent a decision may be made to re-prioritise year 2 funding on projects other than SCCs</p>	
<p>Department Of Transport (Awarded to SYPTE)</p>	<p>BSOG Reform – Better Bus Areas</p>	<p>93110 Chesterfield Road Key Bus Route (£843k</p> <p>93111 North Sheffield Key Bus Route (phase 2) (£50k):-</p> <p>93112 Sheffield - Gleadless Key Bus Route (£245k):-</p> <p>93114 Penistone Road Key Bus Route (£50k):-</p>	<p>Main Conditions to fulfil</p> <ul style="list-style-type: none"> o The proportion of the grant awarded for capital purposes must only be used for capital expenditure - signed declaration from Internal Audit to be provided as confirmation <p>Clawback</p> <ul style="list-style-type: none"> • Failure to comply with any of the grant conditions may result in the grant being reduced, suspended, withheld or repaid. <p>Risks</p> <ul style="list-style-type: none"> • The Grant has been awarded to South Yorkshire PTE rather than SCC. <p>Approval for use of the funding is governed by a tiered structure of:</p> <ul style="list-style-type: none"> A) Operations Group B) Steering Group 	<p>1,188</p>

<p>Environment Agency</p>	<p>Pond Habitat Improvements Project</p>	<p>93412 Crookes Valley Park</p>	<p>C) PTE Management Board The groups are made up of reps from SYPTE, SCC, First and Stagecoach As a result full decision making power as to the use of the grant does not rest with SCC</p>	<p>5</p>
<p>Main Conditions to fulfil</p> <ul style="list-style-type: none"> - use the Contributing Partner's Contribution solely for the Project unless otherwise agreed in writing - retain project records for not less than seven (7) years after the Termination Date. 			<p>Clawback</p> <ul style="list-style-type: none"> • Failure to comply with any of the grant conditions allows for termination of the agreement and recovery of the grant. 	<p>Risks</p> <ul style="list-style-type: none"> • Risks minimal due to low value and close partnership working with Environment Agency as provided for in the grant agreement

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