



## SHEFFIELD CITY COUNCIL Cabinet Report

---

**Report of:** Eugene Walker

---

**Date:** 15 January 2014

---

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

---

**Author of Report:** Allan Rainford; 35108

---

**Summary:** This report provides the month 7 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 99 of the main report for the recommendations.

---

**Category of Report:** OPEN/CLOSED

## Statutory and Council Policy Checklist

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

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31 OCTOBER 2013

### Purpose of the Report

- This report provides the Month 7 monitoring statement on the City Council's Revenue Budget and Capital Programme for October. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 70.

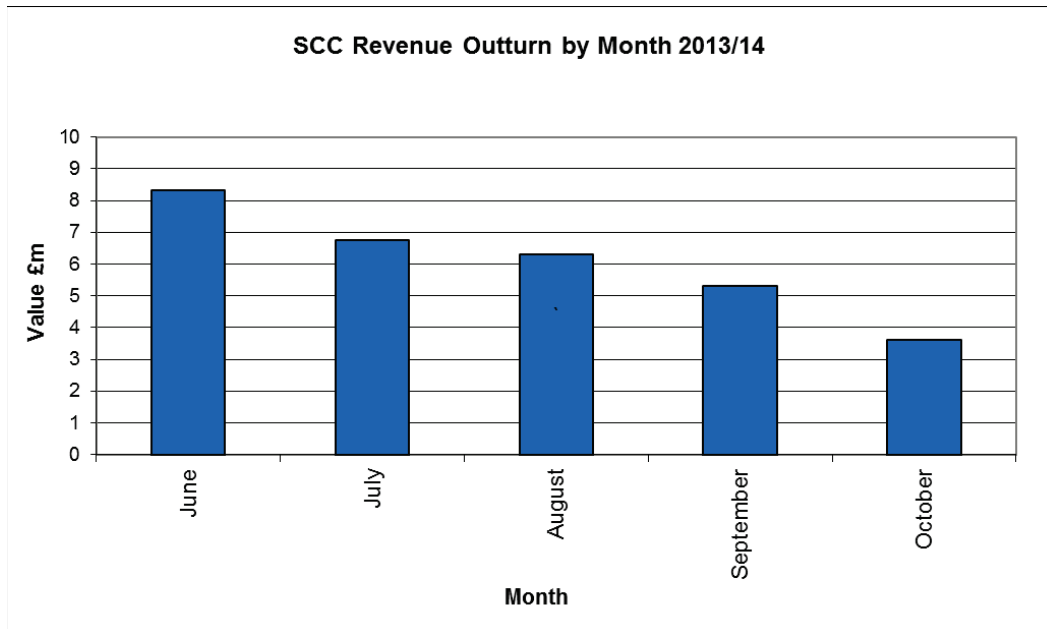
### Revenue Budget Monitoring

#### Summary

- The budget monitoring position at month 6 indicated a forecast overspend of £5.3m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 7 shows a forecast overspend of £3.6m to the year end: i.e. a forecast improvement of £1.7m since last month. This is summarised in the table below:

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 6
CYPF	88,649	88,629	20	↔
PLACE	181,518	181,040	478	↔
COMMUNITIES	181,450	170,742	10,708	↓
POLICY, PERFORMANCE & COMMUNICATION	2,679	2,617	62	↔
RESOURCES	62,301	63,816	(1,515)	↓
CORPORATE	(512,974)	(506,844)	(6,130)	↔
<b>GRAND TOTAL</b>	<b>3,623</b>	<b>-</b>	<b>3,623</b>	<b>↓</b>

- The forecast outturn shows a reducing overspend from the £8.3m overspend reported in month 3 to £3.6m in month 7. 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 7 overall forecast position of £3.6m overspend, the key reasons are:

- Place are showing a forecast overspend of £478k, due to an estimated £317k associated with contract negotiations to deliver the waste management savings, additional forecast costs within commercial estate of £164k, a reduction in anticipated markets income of £270k and a potential deficit arising from difficult trading conditions within Sheffield International Venues of £800k . These overspends are partly offset by reductions in forecast spend on the contract and street lighting costs within the Highways Department of £679k.
- Communities are showing a forecast overspend of £10.7m, due predominately to a £8.7m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care and a £3m overspend on Mental Health purchasing budgets.
- Resources are showing a forecast reduction in spending of £1.5m, due to £1m savings on the housing benefits subsidy adjustments, £1m of insurance fund savings and £224k 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 £467k overspend in Business Information Solutions ICT costs, £303k of unfunded E-Business project costs and a £226k overspend within HR on employee costs.

- Corporate budgets are showing a forecast reduction in spending of £6.1m, due predominantly to savings against the redundancy budget of £2m and the receipt of additional grant income totalling £3.7m.
5. The key reasons for the movement from month 6 are:
- Communities are forecasting an improvement of £1.2m, due mainly to £945k additional income received from the Health Clinical Commissioning Group (CCG). This includes recognition of full life costs of the residential placements made under Home of Choice as well as reapportionment of costs previously funded by Sheffield City Council for care packages.
  - Resources are forecasting an improvement of £397k, due mainly to a reduction in spending on supplies and services of £115k within Commercial Services and a £84k improvement in NNDR reliefs due to the change in status of Don Valley Stadium.

### Public Health

6. Public Health activity transferred from the CCG is covered by a ring-fenced grant. The total grant in 2013/14 is £29.7m and the current forecast commitments against this grant are £27.6m, £2.1m underspent.
7. The grant conditions state that any underspend on the grant should be carried forward into the following year. However there is activity currently funded from general fund that contribute towards the public health agenda, and it is recommended that the £2.1m underspend is applied in 2013/14 to cover these costs. The allocation of this will be considered as part of the Month 8 report.

## Individual Portfolio Positions

### Children Young People and Families (CYPF)

#### Summary

8. As at month 7 the Portfolio is forecasting a full year outturn of an overspend of £20k and is shown in the table below. The DSG forecast is an overspend of £247k. These forecasts are consistent with the month 6 position. The key reasons for the forecast outturn position are:
- **Business Strategy:** £184k forecast reduction in spend, due to a £372k 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 £363k forecast overspend in legal fees, £318k forecast overspend on residential homes, £130k overspend in Adoption, £400k forecast underspend on fieldwork services and £416k forecast underspend on Placements.
- **Inclusion and Learning Services:** £184k forecast overspend, due to £120k forecast overspend on faith travel passes, £260k forecast overspend on travel passes due to an increase in demand. Offset by a forecast reduction in spend of £47k in the Learning and Achievement Service and a forecast reduction in spend £71k in Inclusion and Targeted Services.

### Financials (Non – DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 6
BUSINESS STRATEGY	4,442	4,626	(184)	↔
CHILDREN & FAMILIES	67,097	67,077	20	↔
INCLUSION & LEARNING SERVICES	5,181	4,997	184	↔
LIFELONG LEARN, SKILL & COMMUN	11,929	11,929	0	↔
<b>GRAND TOTAL</b>	<b>88,649</b>	<b>88,629</b>	<b>20</b>	<b>↔</b>

### Commentary

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

### Non DSG Budgets

#### Children and Families

10. As at month 7, the overall position for Children and Families is consistent with the month 6 position. However, there have been some significant movements in individual budget areas as follows:

- **Legal Fees:** adverse movement of £114k from the month 6 position. This reflects the spend profile to date on legal fees. Work is ongoing with legal service to review the legal charges and identify if there are possible efficiencies within the existing practices to manage costs.
- **Adoption:** adverse movement of £126k on inter-agency fees as a result of using longer term care arrangements outside Sheffield.
- **Placements:** Leaving Care budget – an adverse movement of £348k from the month 6 position. This is particularly in relation to costs per individual placements which are greater than budgeted. The service are currently investigating the current level of spend in this area and

to assess the demand for the remainder of the year. Independent Residential Block Placements – a forecast reduction in spend of £614k, an improvement of £399k from the month 6 position. This is mainly due to demand for these placements being lower than anticipated.

### **DSG Budgets**

11. As at month 7, DSG is forecast to overspend by £247k, which is consistent with the position reported at month 6.

### **Place**

#### **Summary**

12. As at month 7 the Portfolio is forecasting a full year outturn of a £478k overspend, an adverse movement of £66k from the month 6 position. The key reasons for the forecast outturn position are :
  - **Business Strategy & Regulation:** £317k 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.
  - **Culture and Environment:** £553k forecast overspend due to the position now including provision for a potential deficit arising from difficult trading conditions within Sheffield International Venues of £800k, offset to some extent by savings across the overall service area of £247k.
  - **Capital & Major Projects:** £418k forecast overspend arising from additional cost and income pressures within the markets service of £270k and additional forecast costs within commercial estate of £164k.
  - **Regeneration & Development Services:** £830k forecast reduction in spend on the contract and street lighting costs within the Highways Department of £679k.

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 6
BUSINESS STRATEGY & REGULATION	29,371	29,054	317	↔
CAPITAL & MAJOR PROJECTS	1,217	799	418	↔
CREATIVE SHEFFIELD	3,658	3,662	(4)	↔
CULTURE & ENVIRONMENT	54,720	54,167	553	↑
MARKETING SHEFFIELD	924	900	24	↔
PLACE PUBLIC HEALTH	(0)	0	(0)	↔
REGENERATION & DEVELOPMENT SER	91,628	92,457	(830)	↓
<b>GRAND TOTAL</b>	<b>181,518</b>	<b>181,040</b>	<b>478</b>	<b>↔</b>

## Commentary

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

### Business Strategy & Regulation

14. The current forecast for this activity is a £317k overspend, an improvement of £72k 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.
15. The key risk is in 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.

### Culture & Environment

16. The current forecast for this activity is an overspend of £553k, an adverse movement of £688k this period.
17. The forecast position now includes provision for a potential deficit within Sheffield International Venues (SIV) arising from difficult trading conditions of £800k, offset to some extent by savings across the overall Culture and Environment service of £247k. The position is under review and the Director is working with SIV to confirm / develop a mitigation plan to address this potential deficit.

### Regeneration & Development Services

18. The forecast for this activity is a £830k reduction in spending, an improvement this period of £510k. The improvement is due to further forecast spend reductions in street lighting costs of £200k and transport costs of £200k and local growth funded projects.



## Communities

### Summary

19. As at month 7 the Portfolio is forecasting a full year outturn of £10.7m overspend, an improvement of £1.2m from the position in September.

The key reasons for the forecast outturn position are:

- **Business Strategy:** forecast reduction in spend of £347k. Executive and Portfolio-Wide Services report a forecast £94k reduction in spend mainly due to reduction in pay costs but also due to some restrictions on non-pay expenditure. Improvement and Development Services report a forecast £94k reduction in spend due to holding of staff vacancies. Quality and Safeguarding is forecasting reduction of spend of £159k mainly due to reduced costs of the Moorfoot Learning Centre.
- **Care and Support:** significant overspend forecast of £8.7m. 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 2012/2013 activity, and anticipated continued growth in 2013/2014. This position includes the use of the corporate contingency, identified in the budget process, for Adult Social Care.
- **Commissioning:** a forecast £2.3m overspend due to Mental Health purchasing budgets forecasting an overspend of £3m, as a result of an increase in the number of people coming to us for care provision (predominantly using SDS Personal Budgets); alongside a Substance Misuse purchasing overspend of £48k. 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. These are, to some degree, offset by the target underspend of £462k on Housing Related Support Programme (formerly Supporting People) and net underspends on Social Care and Housing Commissioned Services of £390k as a result of termination of third party contracts, maintaining staff vacancies, restrictions on non-pay spend and commission income from collection of water rates from Council Tenants.

**Community Services:** forecast overspends of £71k. Community Safety reports a forecast reduction in expenditure against budget of £72k due, primarily, to staff vacancies. Locality Management shows an over spend of £148k, due to part year (rather than full year) implementation of the Community Assemblies budget saving.

20. There are a range of actions being taken to reduce the forecast over spends in Communities. These include:
- Tight control over all spending.
  - Holding staff vacancies open where they are not absolutely necessary to deliver safe and effective services.
  - Providing direct support to help people maintain and regain their independence.
  - Making sure that we have an up-to-date understanding of peoples eligible needs, and that these needs are met in the most cost effective way.
  - Making sure that costs are not transferred to the Council as a result of decisions taken by other organisations.

### Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 6
BUSINESS STRATEGY	11,636	11,983	(347)	↑
CARE AND SUPPORT	122,397	113,709	8,689	↓
COMMISSIONING	36,889	34,594	2,295	↔
COMMUNITY SERVICES	10,528	10,457	71	↔
<b>GRAND TOTAL</b>	<b>181,450</b>	<b>170,742</b>	<b>10,708</b>	↓

### Commentary

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

#### Business Strategy

22. A forecast £347k reduction in spend against budget. This is an adverse movement of £115k compared to the previous month and is mainly due to additional cost to the Portfolio vacancy and controlled spend budget and staff costs transferring into this Service from other areas.

#### Care and Support

23. A forecast £8.7m overspend. This is an improvement of £1.2m from the previous month which is due predominantly to:
- **Older People:** £558k is due to additional income received from the Health Clinical Commissioning Group (CCG) in recognition of full life costs of the residential placements made under Home of Choice. We are still in discussions with the CCG re the nursing element. In

addition there was an improvement in the packages and vacancy forecasts.

- **Contributions to Care (income):** Quarter 2 invoices to CCG for placements procured on their behalf have now been raised. The value of these invoices totalled £387k more than previously forecast as a result of the reassessment and subsequent reapportionment of some care cost. Some invoices relate to 2012/13 placements and will not be repeated in 2014/15.
- **Joint Learning and Disability Service:** £64k due to small improvements across a number of budget heads and the purchasing budget has stabilised.
- **Provider Services:** £53k due to a continued downwards forecast on adult family placements plus improvements on front line services.

## Resources

### Summary

24. As at month 7 the Portfolio is forecasting a full year outturn of a reduction in spending of £1.5m, an improvement of £397k from the month 6 position. The key reasons for the forecast outturn position are:

- **Business Information Solutions:** £467k overspend due in the main to reduced income from project recharges of £326k.
- **Commercial Services:** £161k overspend due to E-Business project costs of £303k, offset by vacancy management savings and savings income.
- **Human Resources:** £226k overspend due to forecast overspend in employee costs due to delayed MER.

Offset by:

- **Housing Benefit:** approx. £1m reduction in spending.
- **Central costs:** £1.1m reduction in spending owing to a transfer of £1m from the Insurance Fund.
- **Finance:** £224k 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 6
BUSINESS INFORMATION SOLUTIONS	1,220	753	467	↔
COMMERCIAL SERVICES	799	638	161	↓
COMMERCIAL SERVICES (SAVINGS)	(820)	(820)	0	↔
CUSTOMER FIRST	3,057	3,057	0	↔
CUSTOMER SERVICES	2,837	2,793	44	↔
FINANCE	1,984	2,208	(224)	↔
HUMAN RESOURCES	1,118	892	226	↔
LEGAL SERVICES	5,159	5,235	(76)	↔
RESOURCES MANAGEMENT & PLANNING	1,246	1,219	27	↔
TRANSPORT AND FACILITIES MGT	32,715	32,785	(70)	↔
<b>TOTAL</b>	<b>49,315</b>	<b>48,760</b>	<b>555</b>	<b>↓</b>
CENTRAL COSTS	12,983	14,054	(1,071)	↓
HOUSING BENEFIT	3	1,002	(999)	↔
<b>GRAND TOTAL</b>	<b>62,301</b>	<b>63,816</b>	<b>(1,515)</b>	<b>↓</b>

## Commentary

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

### Business Information Solutions

26. A forecast £467k overspend. This is an improvement £78k from the previous month. The improvement this month is due to £47k improvement in traded income for BIS core business and the transformation team and £31k due to vacancy management.

### Commercial Services

27. A forecast £161k reduction in spending. This is an improvement of £115k from the previous month due to a reduction in supplies and services forecast following a review of spend. Additional £30k savings income from Commercial Services (savings) has been used to offset the costs of the E-Business project.

### Central Costs

28. A forecast £1.1m reduction in spending. This is an improvement of £118k from the previous month due to £84k improvement in NNDR reliefs due to the change in status of Don Valley Stadium.

## Policy, Performance and Communications

### Summary

29. As at month 7 the Portfolio is forecasting a full year outturn of an overspend of £62k, an improvement of £44k from the month 6 position. This overspend is due to increasing Election canvassing costs.

### Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 6
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,814	2,752	62	↔
PUBLIC HEALTH	(135)	(135)	0	↔
<b>GRAND TOTAL</b>	<b>2,679</b>	<b>2,617</b>	<b>62</b>	<b>↔</b>

### Commentary

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

### Policy, Performance and Communications

31. A forecast £62k overspend. This is an improvement of £44k from the previous month due to favourable movement in the Communications forecast outturn due to revisions in forecast income and external spend on communication activity.

## Corporate items

### Summary

32. The month 7 forecast position for Corporate budgets is a £6.1m reduction in spending which is an improvement of £88k on the month 6 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

	<b>FY Outturn</b>	<b>FY Budget</b>	<b>FY</b>
	<b>£'000</b>	<b>£'000</b>	<b>Variance</b>
			<b>£'000</b>
Corporate Budget Items	55,352	57,745	-2,393
Savings Proposals	-450	-450	0
Income from Council Tax, RSG, NNDR, other grants and reserves	-567,875	-564,139	-3,736
<b>Total Corporate Budgets</b>	<b>-512,974</b>	<b>-506,844</b>	<b>-6,130</b>

33. Corporate Budget items are showing a forecast reduction in spending of £2.4m, due mainly to the reassessment of the budget requirement for redundancy cost of £2m, other miscellaneous income of £258k 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 6 position.
34. 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 consistent with the month 6 position.

## Local Growth Fund

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

### LOCAL GROWTH FUND

		<b>£m</b>
Income	Reserves as at 31/03/13	-3.0
	13/14 NHB Grant	-4.6
	<b>Total Income</b>	<b>-7.6</b>
Expenditure	13/14 Spend to date at Month 7	1.1
	Forecast to Year End	4.3
	Future Years' Commitments	3.4
	<b>Total Expenditure</b>	<b>8.8</b>
	<b>Funding Requirement</b>	<b>1.1</b>

36. Expenditure of £200k in the period predominantly on planning works associated with developing places to live.

## Housing Revenue Account

37. As at month 7 the full year outturn position is a forecast in-year surplus of £9.9m. At this stage, this represents a projected improvement of £4m 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.
38. The main reason for the variation in the overall improved position reported above relates to a predicted reduction in capital financing costs of £2.5m. This is primarily a result of reduced interest costs arising from the Councils on-going active Treasury Management Strategy.
39. 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.
40. Other main areas contributing to the yearend forecast position include a revised forecast re service charge income of £396k and a £1.9m forecasted reduction in running costs mainly as a result of staff vacancies and various underspends on other budget heads. This is offset by a forecast increase of £614k in the cost of council tax on vacant properties and provision for rent arrears and a £255k reduction in overall rental income.

HOUSING REVENUE ACCOUNT	FY Outturn £000's	FY Budget £000's	FY Variance £000's
1.RENTAL INCOME	(142,324)	(142,579)	255
2.OTHER INCOME	(5,157)	(4,761)	(396)
3.FINANCING	52,098	54,581	(2,483)
4.OTHER CHARGES	3,778	3,164	614
5.REPAIRS	33,006	33,091	(85)
6.TENANT SERVICES	48,693	50,647	(1,954)
<b>Grand Total</b>	<b>(9,906)</b>	<b>(5,857)</b>	<b>(4,049)</b>

## Community Heating

41. The budgeted position for Community Heating is a draw down from Community Heating reserves of £670k. Due to a reduction in energy consumption compared to budget and a reduction in the number of vacant properties, the required contribution from reserves has reduced to £360k, an improvement of £310k. The use of reserves in the District Heating account is to ensure a smoothing of heating costs for tenants.

COMMUNITY HEATING	FY Outturn £000's	FY Budget £000's	FY Variance £000's
INCOME	(3,515)	(3,548)	33
EXPENDITURE	3,875	4,218	(343)
<b>Grand Total</b>	<b>360</b>	<b>670</b>	<b>(310)</b>

### Year to Date

42. We are constantly challenging Services to review budgets and budget profiles so that there is a clearer relationship between the position to date and the forecast outturn.

### Corporate Financial Risk Register

43. 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.

### Corporate

#### Medium Term Financial Position

44. In the future the Council's financial position will be significantly determined by the level of Business Rates and Council Tax income. Each of these may be subject to considerable volatility and will require close monitoring. Based on the Spending Review in June, the funding position is especially difficult from April 2015 and will require a focus on delivering economic growth to increase our income and on delivering outcomes jointly with other public sector bodies and partners.

#### Pension Fund

45. Following the triennial valuation of the South Yorkshire Local Government Pension Scheme, current estimates are that the increase required in 2014/15 for deficit payments may be over £12m (in addition to the £5m which has already been assumed in the Medium Term Financial Strategy) on top of £3.6m for ongoing pension costs i.e. £17m in total. Negotiations with SYPA are continuing as this figure is something of a surprise to all South Yorkshire Councils. In addition, a surplus on the Kier pension pot set up to manage pension risk may be available at the contract end to smooth the impact to some extent.
46. 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.



**Contract Spend**

47. 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**

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

**Trading Standards**

50. 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**

51. The Council utilises many different grant regimes, for example central government and EU. Delivering projects that are grant funded involves an element of risk of grant claw back where agreed terms and conditions are not stringently adhered to and evidenced by portfolios. Strong project management skills and sound financial controls are required by project managers along with adherence to the Leader's Scheme of Delegation in order to minimise risk.

**Treasury Management**

52. The ongoing sovereign-debt crisis continues to subject 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 risk that the Eurozone crisis will impact upon the UK's recovery and would in turn lead to higher borrowing costs for the nation. Whilst this is still a possibility, the UK recovery is beginning to take hold and the associated risk is beginning to ease.
53. 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.

54. Over the next few months, we will be developing the Treasury Management and Investment Strategies, as part of the 2014/15 budget process, and will be discussing our risk appetite with members and senior officers as part of this process. This will include a review of our counter-party risk to ensure it is reflective of the relative risks present in the economy without being unduly conservative for the improving UK economic position.
55. The Co-op Bank have notified us that they will be withdrawing from the Local Authority banking market with effect from the ending of their contract with us, which is due to end in March 2015. Despite the well-publicised issues with the bank, we do not believe, given the above timescales, there is anything preventing a full and proper tender process being undertaken. Work has begun to scope our requirements in preparation for the tender process.

### Welfare Reforms

56. 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 with a local scheme of Council Tax Support from April 2013. The Council approved the replacement scheme, based on the reduced funding available from Government, and set up a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund which are being closely monitored.
  - **Housing Benefit changes:** there have been a number of changes, including the implementation of the 'bedroom tax', from April 2013 where the impacts are that a significant number of claimants are now receiving fewer benefits, thereby impacting on their ability to pay rent.
  - **Introduction of Universal Credit:** originally scheduled from October 2013 but now delayed, awaiting further update from DWP who will administer it. 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.

## **Children, Young People and Families**

### **Education Funding**

57. In 2013/14 it is anticipated that 29 of the Council's maintained schools will become independent academies (24 primary / 5 secondary). To date 10 primary schools and 2 secondary schools have converted in 2013/14. 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 £1.75m of DSG funding will be deducted from the Council and given to academies to fund support services.
- up to £2.62m will be deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies.

58. 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 £545k based on current projected academy conversions during 2013/14.

59. 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.

## **Communities**

### **NHS Funding Issues**

60. 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.

61. 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, but there are risks to programme delivery at the same time as delivering funding cuts.

## **Resources**

### **Digital Region**

62. At the time of making the decision to close the company and migrate its business (including the Council's) to other networks, the cost to the shareholders was estimated at £83.3m, with SCC's share of this being £14.3m. This was a lower cost than the likely cost of continuing with the procurement and also less risky. The SCC cost of £14.3m is within the amount of money set aside to cover DRL costs in the 2012/13 accounts (£15m was set aside).
63. All these figures were based on estimates and some costs cannot be firmed up until existing contracts are terminated and negotiations on new ones commence. However, since the decision was made to close, progress has been good and costs now look like they will come in lower than was estimated. The key issue remaining is that value may result from a sale of the assets and whether that reintroduces risk.

### **Electric Works**

64. 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.
65. A full review of the options for the future is underway and will be reported to Members as soon as possible.

## **Housing Revenue Account**

### **Housing Revenue Account (HRA)**

66. 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.
- **Repairs and Maintenance:** existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

## Capital Programme

### Capital Receipts and Capital Programme

67. Failure to meet significant year on year capital receipts targets due to reduced land values reflecting the depressed market and the impact of the Affordable Housing policy. This could result in over-programming / delay / cancellation of capital schemes.

### Building Schools for the Future Programme Affordability

68. Latest projections indicate that the affordability gap in the capital programme for the secondary schools estate, which must be underwritten by the Council, is in the order of £4m, a significant reduction on the previous gap. This requirement has now been identified in the Council's Capital Programme planning, and will therefore be removed from the risk register next month.

### Housing Regeneration

69. 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 which would fall to the HRA to meet.

## The Capital Programme for 2013/14

### Summary

70. At the end of October 2013, the end of year position shows a variance of £19.2m which is an improvement of £3.7m on the month 6 variance which was £22.9m below budget. Work continues to refine the spending profiles of projects and in this month's investment submission proposals in Appendix 1, £800k of slippage requests have been put forward plus a further £4.1m reduction to the BSF programme. If approved, this will bring the Budget down by £4.9m and make the reduction against budget still smaller in the Month 9 report.

71. Analysis of the revised forecasts shows that whilst considerable progress has been made – this month saw the highest monthly spend to date of £12m driven by Place - further reductions in both the budget and forecast are required to ensure an accurate year end estimate of spend. The basis for this assertion is:
- The actual spend at the end of month 7 is £55.8m which is £20.5m (27%) below budget; and
  - The forecast capital spend for 2013/14 at £132.6m is £17.8m above that delivered in 2012/13 but the current rate of spend is below that seen last year.
72. 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 averaging around £7-8m per period, and allowing for expected increases in some Highways programmes such as Streets Ahead and Better Buses, an outturn in the range of £100 – £120m looks a more likely year end position with the final position being closer to £100m rather than £120m. Finance continues to challenge unrealistic project manager forecasts and the necessary adjustments will be brought forward for approval in future reports.
73. The Highways programme shows the biggest forecast acceleration in spend. £9.2m of spend is forecast in five months at an average of £1.6m per month compared to £1.9m in the first seven months of this year. The main accelerants are BRT North (£2.7m), bus route schemes (£1.8m) and the Streets Ahead programme (£500k).
74. Capital Programme Group continues to challenge the delivery plans from Project Managers when submitting requests to include new projects in the programme. Similarly, slippage requests must show a credible, revised programme rather than be an attempt to roll over unused budgets. Several submissions have failed these tests and been rejected.

## Financials 2013/14

<b>Portfolio</b>	<b>Spend to Date</b>	<b>Budget to Date</b>	<b>Variance</b>	<b>Full Year Forecast</b>	<b>Full Year Budget</b>	<b>Full Year Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CYPF	11,454	24,354	(12,900)	36,424	40,954	(4,530)
Place	13,169	13,321	(152)	25,245	32,443	(7,198)
Housing	23,444	24,009	(566)	44,516	49,984	(5,468)
Highways	1,877	6,815	(4,938)	11,069	9,694	1,375
Communities	561	587	(27)	2,111	2,914	(804)
Resources	5,305	7,260	(1,956)	13,284	15,879	(2,595)
<b>Grand Total</b>	<b>55,809</b>	<b>76,348</b>	<b>(20,538)</b>	<b>132,649</b>	<b>151,868</b>	<b>(19,220)</b>

75. The outturn forecast is £19.2m (13%) below the budget. This improvement reflects the impact of the review programme referred to above and subsequent approval of project slippage. Since the production of this report, the Cabinet Member for Finance has approved slippage of £2.2m which will further reduce the budget in the Month 8 report.

76. The table below shows that the improvement in defining a realistic budget continues. The revised budget for the year of £151.9m is £6.7m below the position at Month 6 after additions of £400k:

<b>Capital Programme</b>				
	2013-14	2014-15	Future	Total
	£m	£m	£m	£m
Month 6 Approved Budget	158.6	77.2	236.8	472.6
Additions	0.4	1.2	0.3	1.9
Improved accuracy of the Budget	-5.7			-5.7
Slippage	-1.4	1.4		0
Month 7 Approved Budget	151.9	79.8	237.1	468.8

77. The variation in the year to date position arises mainly from operational delays (£6.7m), projects awaiting approval (£6.1m), projected underspends (£1.5m) and slippage of (£1.8m). The operational delays are due to lengthy contract negotiations on the Fisk Risk Assessment project (£950k) and (£2.2m) on the BSF Programme which is due to re-profiling. A further (£2.5m) on the BRT North project which is due to delays in land purchases and specialist materials required for the Supertram crossing.

78. The increase in the year-to-date variance on Month 6 report is not unexpected. Previous reports have identified the inaccurate profiles in the system (especially the two spikes in October 2013 and at the end of March 2014). A considerable amount of work has been done to re-profile budgets – as the year end position shows - however the year to date position reflects that not all slippage has been re-profiled creating a larger variance this month.
79. The forecast for the year shows that with the exception of Highways all portfolios are below profile against the approved programme. The key variances are detailed below:
- **CYPF:** £4.5m below budget this is due to £2.8m reduction in the current years BSF programme, plus £400k slippage which is included as part of the proposals put forward this month. The overall reduction in the BSF programme, including future years is (£4.1m). This reduction now incorporates a provision of £3.8m for the potential VAT liability on the BSF programme.
  - **Place:** £7.2m 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 but a revised position will be forecast and reported at Month 8. A further £1.5m is due to expected project slippage on the Lower Don Valley Flood Defence project and approval to slip this into 2014-15 is included in Appendix 1.
  - **Housing:** £5.5m below budget of which £2.5m 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 slippage on the LTE's Repair and Refurbishment and £360k slippage on the Energy Programme – Green Deal both of which are currently within the approvals process. In addition there is a further £2.1m relating to the environmental improvement programmes at South West Abbeybrook, South East and North New Parson Cross. On all 3 schemes the estimates put forward by the contractor were over estimated by around 400 heating installations.
  - **Highways:** £1.4m above budget of which £1m relates to projects which have been submitted for approval.
  - **Communities:** £804k below budget: this is mainly due to projects which have slipped behind schedule and into future years.



- **Resources:** £2.6m below budget of which £1.8m relates to projects have slipped behind schedule and into future years.

80. Further detail can be found below at paragraphs 82 – 92

81. Internal and external reviews of capital management practice have identified a number of weaknesses primarily around the behaviours of project management. A number of actions are now in place to remedy the situation principally:

- Ensuring project managers have the appropriate experience for the scale of the project for which they are responsible;
- Stronger review and challenge of project plans to stop those with unrealistic delivery plans entering the capital programme; and
- Stronger central management and delivery of projects from the Capital Delivery Service where this make sense.

## Commentary

### Children, Young People and Families Programme

82. CYPF capital expenditure is £12.9m (53%) below the profiled budget for the year to date and forecast to be £4.5m (11%) below the programme by the year end for the reasons set out in the table below.

<b>Cause of Change on Budget</b>	<b>Year to Date £000</b>	<b>Full Year Forecast £000</b>
Slippage to be carried forward	0	-378
Operational delays in projects due to planning, design or changes in specification	-4,918	0
Revised Profile on Building Schools for the Future programme	-6,424	-94
Incorrect budget profiles	22	0
No forecast entered by project managers	0	187
Projects submitted for Approval	0	-2,538
Underspending on project estimates	-266	-308
Other variances	-1,315	-1,400
	<u>-12,900</u>	<u>-4,530</u>
Spend rate per day	76.4	143.4
Required rate to achieve Outturn	240.1	
Rate of change to achieve forecast	214.4%	

83. Of the £12.9m variance to date £6.4m relates to BSF in respect of reductions in the BSF Programme which are included within this month's proposals.
84. The forecast variance of £4.5m relates to reductions to the BSF programme of £2.7m, these are included within this month's proposals and a further £400k of programme slippage. There is a further £800k of proposed slippage on the Grace Owen Nursery project which is due to issues with the current contractor.

### Place Programme

85. The Place portfolio programme (excluding Housing and Highways) is £152k (1%) below the profiled budget for the year to date and forecast to be £7.1m (22%) below the programme by the year end for the reasons set out in the table below.
86. The Other variance for the forecast position in the table below £4.9m 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 to be carried forward	-111	-1,572
Incorrect budget profiles	-134	0
No forecast entered by project managers	0	-309
Projects submitted for Approval	106	0
Overstatement of budgets		
Other variances	-13	-5,316
	-152	-7,198
Spend rate per day	87.8	99.4
Required rate to achieve Outturn	116.1	
Rate of change to achieve forecast	32.3%	

### Transport & Highways Programme (Place Portfolio)

87. 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.

<b>Cause of Change on Budget</b>	<b>Year to Date £000</b>	<b>Full Year Forecast £000</b>
Slippage to be carried forward	0.0	-356
Operational delays in projects due to planning, design or changes in specification	-3,117	0
Incorrect budget profiles	-105	0
Projects submitted for Approval	0	1,037
Overstatement of budgets		
Overspending on project estimates	0	125
Other variances	-1,716	569
	<b>-4,938</b>	<b>1,375</b>
Spend rate per day	12.5	43.6
Required rate to achieve Outturn	88.4	
Rate of change to achieve forecast	606.4%	

### Housing Programme (Place Portfolio)

88. The Housing capital programme is £566k (2%) below the profiled budget for the year to date and forecast to be £5.5m (11%) below the programme by the year end for the reasons set out in the table below.

<b>Cause of Change on Budget</b>	<b>Year to Date £000</b>	<b>Full Year Forecast £000</b>
Slippage to be carried forward	-130	-1,943
Operational delays in projects due to planning, design or changes in specification	-223	0
Incorrect budget profiles	-156	0
Projects submitted for Approval	-4,745	-517
Home Improvement grants held on behalf of other local authorities	-24	-260
Items under investigation		
Underspending on project estimates	-1,170	-2,481
Other variances	5,883	-267
	<b>-566</b>	<b>-5,468</b>
Spend rate per day	156.3	175.3
Required rate to achieve Outturn	202.6	
Rate of change to achieve forecast	29.6%	

89. The main reason for the forecast variance is due to £2.5m of expected savings to the Housing programme, of which £2.1m sites across South West Abbeybrook, South East and North New Parson Cross. All 3 schemes are in connection with the Environmental Programmes within each area and are due to deliver among others new heating installations. The estimates put forward by the contractor covering all 3 schemes were overestimated in total by around 400 heating installations.

### Communities

90. The year to date spend on the Communities portfolio capital programme is £27k (5%) below the profiled budget and the forecast £804k (19%) below budget.
91. The main reason for the forecast variance is £804k of project slippage relating to ICT Infrastructure and Mobile Working Solutions both of which are currently within the approvals process.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-721
Other variances	-27	-83
	-27	-804
 Spend rate per day	 3.7	 8.3
Required rate to achieve Outturn	14.9	
Rate of change to achieve forecast	298.6%	

### Resources

92. The year to date spend is £1.9m (27%) below the programme and forecast to be £2.6m (16%) below the approved budget for the whole year.

<b>Cause of Change on Budget</b>	<b>Year to Date £000</b>	<b>Full Year Forecast £000</b>
Slippage to be carried forward	-1,557	-1,765
Operational delays in projects due to planning, design or changes in specification	-213	0
Incorrect budget profiles	645	0
Projects submitted for Approval	0	-432
Overstatement of budgets		
Overspending on project estimates	-20	-20
Other variances	-810	-379
	<u>-1,956</u>	<u>-2,595</u>
Spend rate per day	35.4	52.3
Required rate to achieve Outturn	76.7	
Rate of change to achieve forecast	117.0%	

### **Approvals**

93. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
94. 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 £2.8m;
  - 25 variations to the capital programme creating a net decrease of £5.3m; and
  - 7 slippage requests with a total value of £2.8m.
95. Further details of the schemes listed above can be found in Appendix 1.

### **Implications of this Report**

#### **Financial implications**

96. 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**

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

**Property implications**

98. 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**

99. Members are asked to:

- (a) Note the updated information and management actions provided by this report on the 2013/14 Revenue budget position.
- (b) Consider the use of the Public Health underspend highlighted in paragraph 7 to either support the current budget pressures or be carried forward to support the 2014/15 budget.
- (c) In relation to the Capital Programme, Members are asked to approve:
  - (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 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**

100. 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**

101. 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															
<b>GREAT PLACE TO LIVE</b>																			
<b>Highways</b>																			
<p><b>Zone Projects (multiple Business Units - Variations)</b>                      These projects are funded from LTP and the primary aim is to improve accessibility to local facilities for example; pedestrian crossings, footway links.</p> <p>This year's allocation has recently been reviewed along with the project costs and as a result, a number of budget adjustments are required to the 2013/14 allocation. The movements are outlined below:-</p>		Addition (multiple projects)  Cabinet Member Variation (multiple projects)	662  -140	Schedule 7 Streets Ahead Contract  Schedule 7 Streets Ahead Contract															
<table border="1"> <thead> <tr> <th>Description</th> <th>Approved Budget 2013/14</th> <th>Revised Budget</th> <th>Variation</th> <th>Reason</th> </tr> </thead> <tbody> <tr> <td>Zone B65</td> <td>77</td> <td>0</td> <td>-77</td> <td>Scheme will now be delivered through work on the Streets Ahead project and funded from the Streets Ahead Opportunities schemes in 2013/14</td> </tr> <tr> <td>Zone A04</td> <td>225</td> <td>240</td> <td>15</td> <td>Increase in original estimated costs</td> </tr> </tbody> </table>		Description	Approved Budget 2013/14	Revised Budget	Variation	Reason	Zone B65	77	0	-77	Scheme will now be delivered through work on the Streets Ahead project and funded from the Streets Ahead Opportunities schemes in 2013/14	Zone A04	225	240	15	Increase in original estimated costs			
Description	Approved Budget 2013/14	Revised Budget	Variation	Reason															
Zone B65	77	0	-77	Scheme will now be delivered through work on the Streets Ahead project and funded from the Streets Ahead Opportunities schemes in 2013/14															
Zone A04	225	240	15	Increase in original estimated costs															

Zone	28	25	-3	Reduction in design costs
Zone A05	28	25	-3	Reduction in design costs
Zone A11	95	100	5	Increase in original estimated costs
Zone B17	139	70	-69	Over-estimated initial costs. Change in scope to exclude a second pedestrian crossing
Zone B57	35	24	-11	Build cost was less than estimated
	<b>599</b>	<b>459</b>	<b>-140</b>	

	<p><b>Little Don Link (Cycle Route)</b></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 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>	Addition	450	Preliminary Design – AMEY  Detailed Design and Build – Tender
--	--	----------	-----	---

<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:- Wharncliffe Woods from Oughtibridge, Deepcar to Stocksbridge and Stocksbridge to Underbank Lane/Barnsley Metropolitan Borough boundary</p>				
<p><b>School Keep Clear Review</b> The scheme is delivering the Council's endorsed strategy from March 2012 to help reduce the number of road accidents by implementing traffic regulation orders on a total of 134 school entrances (subject to a funding review next financial year and increase in funding from the 2014/15 LTP allocation). The aim is to complete 42 schools by March 2013 with this year's allocation of funding.</p> <p>This project was initially included within the Citywide 20MPH Zone project but for easier financial management it will now be managed as a separate project.</p> <p>The project is funded by £199k LTP and £24k contribution from the Police and Crime Commission (note: £135k was approved LTP funding previously included within the Citywide 20 MPH project).</p>	<p>Addition</p>	<p>223</p>	<p>Schedule 7 Streets Ahead Contract</p>	
<p><b>Citywide 20MPH Zone</b> Refer to the above entry (93632 School Keep Clear Review).</p> <p>The objective of this project is to establish 20mph as the maximum reasonable speed in suitable residential areas of Sheffield. Seven sign-only 20mph speed limit areas are being implemented by March 2014.</p> <p>This originally included scope to deliver the School Keep Clear Review which will now be managed as a separate project, as a result the LTP funding element has been reduced by £135k</p>	<p>Variation</p>	<p>-135</p>	<p>N/A</p>	
<p><b>Woodseats Road Railway Bridge Reconstruction</b></p>	<p>Variation</p>	<p>184</p>	<p>N/A</p>	

<p>The overall project was to replace and strengthen the bridge deck. The bridge belongs to Network Railway but due to it carrying a public highway over the tracks, the highway authority (SCC) are responsible for funding the works.</p> <p>The original programme was severely disrupted by high winds which caused unavoidable delays leading to increased costs as it was necessary to remove and re-establish heavy plant on site on more than one occasion (including bringing in the heavy cranes) due to the time limits on track possessions from Network Rail.</p> <p>Contractor costs also increased due to having to change the method of working as a result of the revised programme and a bus service was operated to take pedestrians around the inaccessible bridge during the period of delay.</p> <p>The project funding is to be increase to enable the final invoice to be paid. The variation will be funded from LTP. The overall cost of the project is £1622k</p>		
<p><b>Malin Bridge Job Connector</b></p> <p>This project covers the development of improvements to the bus/tram interchange at Malin Bridge, Hillsborough to relocate the bus stop from its current roadside position to one that reduces interference with traffic flow.</p> <p>The initial CAF covered option development &amp; preliminary design up to £21k. This variation covers detailed design &amp; implementation, through to completion, resulting in additional works scheduled of £146k in 13/14 and £1k in 14/15. These works comprise an additional bus lane and a permanent bus stop that is nearer to the tram stop than the current temporary one.</p> <p>The project is funded from LSTF (Local Sustainable Transport Fund) main bid award. There is a potential revenue impact of up to £25k for the next 25 years,</p>	<p>Variation (Scope of works)</p>	<p>147</p> <p>Detailed Design &amp; Works by Arney (Schedule 7 –Streets Ahead contract)</p>

<p>which is to be mitigated by cost reduction plans as the detailed design is worked up, to cover future maintenance. This is to be covered by a commuted sum from the Highways Maintenance Division Budget.</p>			
<p><b>Homes</b></p>			
<p><b>Spital Hill Shop Front Improvements</b>                  The Spital Hill Shop Front Improvement Scheme forms part of a programme of activities that will deliver the already approved Successful Centres Strategy (previously known as Thriving District and Local Centres) improving the viability, use and appearance of neighbourhood centres to establish a successful and thriving network of centres across the city.</p> <p>The centre has a poor environment, with the majority of buildings in a poor state of repair.</p> <p>The Scheme will help to address this image through the funding and delivery of physical improvements to the front elevations of existing independent businesses to create an attractive centre that people are proud of and encourage further investment by the existing businesses themselves.</p> <p>The proposed scheme will :-</p> <ul style="list-style-type: none"> <li>• Improve the front elevations of the shops,</li> <li>• Improve the street scene,</li> <li>• Consolidate the other public sector investment in the area of around £1.04m</li> </ul> <p>Increase confidence in the area and encourage other private investment increasing potential job opportunities</p>	<p>Addition</p>	<p>300</p>	<p>Full Competitive Tender</p>

<p>Funding for the Scheme is from the Local Growth Fund and has been secured as part of the successful centres programme. The total funding available is £300,000 and will cover delivery of the project and also any professional and project management fees. The estimated fees are around 10% of the project at £30,000, with the remaining £270,000 on construction works.</p>			
<p><b>INFRASTRUCTURE :-</b></p>			
<p><b>City Road Cemetery Roof</b>                  This project is to re-roof the North Columbarium at City Road Cemetery due to the existing roof being prone to regular water ingress which often leads to areas of the building having to be cordoned off. Action is required now and investment in a replacement roof has proved to be the most financially viable option compared with the cost of on-going yearly repairs to the existing roof. The work, necessary for health and safety reasons, will maintain the (Grade 2) listed building in good condition and is a priority on Transport &amp; Facilities Management's list for compliance works. The work satisfies community wishes for a more secure /watertight facility and therefore user-friendly environment within the North Columbarium. The project is to be funded from the Block Allocation for Health &amp; Safety Compliance, which is itself funded from the Corporate Resource Pool.</p>	<p>Addition</p>	<p>130</p>	<p>Competitive tender process</p>
<p><b>Health &amp; Safety Compliance Block Allocation</b>                  This block allocation was set up as a £3.9m (Corporate Resource Pool) fund, to procure the delivery of Health &amp; Safety compliance in properties and to more effectively manage the users of buildings. This variation is to apply £130k to the City Road Cemetery Roof project noted above and to slip the remaining 2013/14 balance of £798k into future years</p>	<p>Variation &amp; Slippage</p>	<p>-130 -798</p>	<p>N/A</p>

pending development of a project plan.				
<p><b>Staniforth- Darnall FRA Works</b>                  This project is to address compliance issues raised following fire risk assessments at the Staniforth Road depot &amp; the Darnall Education (Star Works). Works are to include new Fire Alarms, Emergency Lighting, Fire Doors and Compartmentalization at both sites.                  The Capital Delivery Service (CDS) is to design and procure via a formal tender process, to be managed as one programme covering both sites.                  Funds are to be drawn down from the Health &amp; Safety Compliance block allocation, which is funded from the Corporate Resource Pool.</p> <p><b>Health &amp; Safety Compliance Block Allocation</b>                  The above block allocation is to be reduced by £1.1m to enable the funds to be allocated to the proposed Staniforth-Darnall FRA Works project noted above.</p>	Addition	1,100	Formal tender process	
	Variation	-1,100	N/A	
<p><b>SUCCESSFUL CHILDREN &amp; YOUNG PEOPLE :-</b></p> <p><b>BUILDING SCHOOLS FOR THE FUTURE (BSF)– PROGRAMME REVISION</b>                  The BSF Wave 4 programme was originally set up as a £221m programme, to modernise the secondary school provision within Sheffield City Council's area.</p> <p>The project is now reaching completion and a revised assessment of costs shows that a net reduction of £4.1m in the anticipated cost can be forecasted with some certainty. This approval seeks to adjust the approved spend to reflect the latest forecast whilst providing for £3.8m VAT liability on the works at Faith schools.</p>	Variation	-4,132	N/A	

<b>EMERGENCY APPROVALS:- (Note only)</b>			
<b>GREAT PLACE TO LIVE</b>			
<b>Homes</b>			
<b>CCTV Tower Blocks In North West</b>	Emergency Approval	72	Competitive tender
<p>This emergency approval is to approve the installation of CCTV and Wireless connection to the local housing office on ten tower blocks in the North West area of the City. An emergency approval is requested Completing this work will improve personal safety in the local area. The work is going to be undertaken to the same timescales as was planned originally. However officers incorrectly believed that the items were revenue expenditure which they clearly are not. Consequently the project plan did not allow sufficient time for the full Capital The budget and tender for this work is £72k.and is funded by Revenue contribution to capital from the Going Local Funding pot. The total of the approved amount for the contract will be £94k, £22k for the sheltered and £72k ,for the ten tower blocks.</p>			
<b>Bannerdale Service Relocation</b>	Emergency Approval	200	Kier (Sheffield) LLP Jobs Compact
<p>This project is to cover the decant of the School Music &amp; Library Services from the Bannerdale site to Stadia Works and will involve provision of new specialist racking and other such equipment. The site is to be vacated for marketing by March 2014.</p> <p>The work will be funded from the capital receipt from the sale of the Bannerdale site. The receipt will go to pay for Accommodation Efficiency Strategy programme costs first, with any remaining surplus going to the Corporate Resource Pool.</p> <p>Emergency approval was sought in order to meet the timescale for clearing the</p>			



<p>Bannerdale site for redevelopment. The original plan was to relocate the two services to the former Sharrow Junior School but extensive fire damage would require circa £500k of repair work as opposed to £200k at the partially vacant Stadia building.</p>	<p>Emergency Approval</p>	<p>218</p>	<p>Kier (Sheffield) LLP Jobs Compact</p>
<p><b>Norfolk Park Community School Heating</b></p> <p>This project will ensure replacement heating plant is installed at the school in time to provide a stand-alone heating system following the termination of this element of the city-wide (Sheffield Heat &amp; Power) contract. Work is to be completed in the Autumn term, but will not impact on the delivery of education as it will occur in a separate plant room area. It is fully funded from the DFE Maintenance Grant - Block Allocation.</p> <p>Emergency approval was sought as works need to be commenced as soon as possible to enable a new independent heating system to be installed and fully operational before the Sheffield Heat &amp; Power contract expires and so ensure the continuity of heating at the school.</p>	<p>Emergency Approval</p>	<p>240</p>	<p>Kier (Sheffield) LLP Jobs Compact</p>
<p><b>Carfield Primary School Heating</b></p> <p>This project is to replace the school's heating plant and control system following it being condemned beyond repair after a recent service visit by Kier Sheffield LLP. The work is to be completed by February/March 2014 latest but will not impact on the delivery of education, nor be affected by bad weather as it will occur in a plant room area, separated from the teaching areas of the school. To maintain heating to the school a temporary boiler has been deployed. Emergency approval is being sought to ensure the school has an operating heating plant that is safe and fit for purpose. Without heating the school would be at extreme risk of closure which would impact on the delivery of education.</p>	<p>Emergency Approval</p>	<p>240</p>	<p>Kier (Sheffield) LLP Jobs Compact</p>

<p>The project is 100% funded from the DFE Maintenance Grant block allocation.</p>				
<p><b>DIRECTOR VARIATIONS:- (Note only)</b></p>				
<p><b>A Great Place to Live</b></p>				
<p><b>Rivelin Valley Playbuilder</b></p> <p>Rivelin Valley was identified as a site in need of investment through the play project. Enhancements to the existing facility have been specifically designed to improve accessibility and inclusivity.</p> <p>The variation is to re-profile the project budget to align with the income received.</p>	<p>Director Variation</p>	<p>-6</p>		<p>N/A</p>

Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Conditions and Obligations	Value £000
National Centre for Sports & Exercise Medicine / Sports England	Not Confirmed	94104 – Active North	To date no terms & conditions of the NCSEM & Sport England funding have been seen by Finance. Therefore an acceptance of Accountable Body status recommendation cannot be made.	2,300 + 1,000
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"> <li>○ The Grant may only be used for capital expenditure - signed declaration from Internal Audit to be provided as confirmation</li> <li>○ Monitoring and Evaluation of the Project to be completed in line with “Cycling in National Parks Guidelines”</li> <li>○ DfT reserve the right to allow internal or external auditors to review the scheme</li> </ul> <p>Clawback</p> <ul style="list-style-type: none"> <li>• Failure to comply with any of the grant conditions may result in the grant being reduced, suspended, withheld or repaid.</li> </ul>	350

			<p>Risks</p> <ul style="list-style-type: none"> <li>The Grant has been awarded to Derbyshire CC who will act as accountable body:             <ul style="list-style-type: none"> <li>- To date there is no formal agreement in place between SCC &amp; DCC guaranteeing the funding to SCC</li> </ul> </li> </ul> <p>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.</p> <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>	
--	--	--	---	--