

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31 JANUARY 2014

### Purpose of the Report

1. This report provides the Month 10 monitoring statement on the City Council's Revenue Budget and Capital Programme for January. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 73.

### Revenue Budget Monitoring

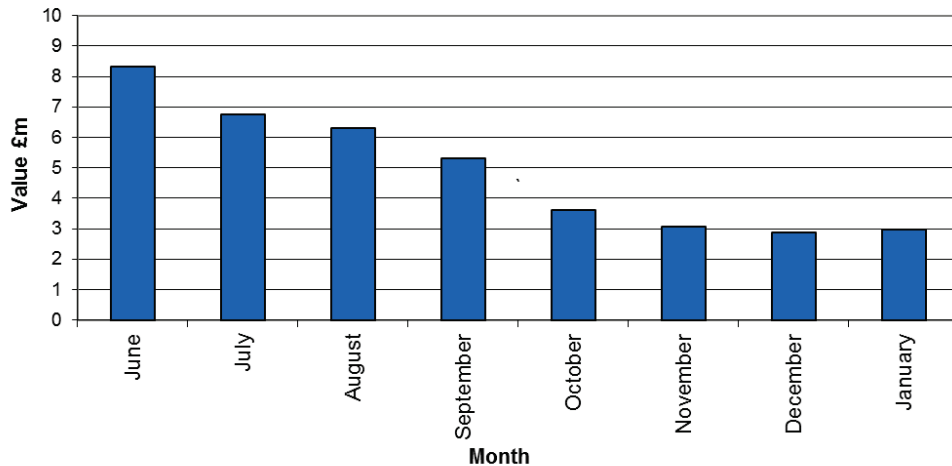
#### Summary

2. The budget monitoring position at month 9 indicated a forecast overspend of £2.9m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 10 shows a forecast overspend of £3.0m to the year end: i.e. a forecast adverse movement of £81k since last month. This is summarised in the table below:

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
CYPF	86,473	86,497	(24)	↔
PLACE	180,220	179,619	601	↑
COMMUNITIES	183,055	173,510	9,545	↓
POLICY, PERFORMANCE & COMMUNICATION	2,699	2,650	49	↔
RESOURCES	64,334	65,297	(963)	↑
CORPORATE	(513,812)	(507,573)	(6,239)	↓
<b>GRAND TOTAL</b>	<b>2,969</b>	<b>-</b>	<b>2,969</b>	↔

3. The forecast outturn shows a reducing overspend from the £8.3m overspend reported in month 3 to £2.9m in month 9. This improvement reflected Portfolios' attempts to reduce spending but also the use of one-off grants to offset the significant pressures within the Communities portfolio. Further work is being undertaken to deliver a balanced position at year end, however as aforementioned, month 10 has seen a slight adverse movement. The position month by month is shown in the following chart.

SCC Revenue Outturn by Month 2013/14



4. In terms of the month 10 overall forecast position of a £3.0m overspend, the key reasons are:
- Place are showing a forecast overspend of £601k, mainly due to £330k associated with contract negotiations to deliver the waste management savings, additional forecast costs within commercial estate of £331k, a reduction in anticipated markets income of £357k caused mainly by low rental levels at the old Castle Market and a potential deficit arising from difficult trading conditions within Sheffield International Venues of £400k. These overspends are partly offset by reductions in forecast spend on the contract and street lighting costs within the Highways Department of £864k and savings on Local Growth Funded Projects of £395k.
  - Communities are showing a forecast overspend of £9.5m, due predominately to a £7.7m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care and a £3.1m overspend on Mental Health purchasing budgets.
  - Resources are showing a forecast reduction in spending of £963k, due to £1m savings on the housing benefits subsidy adjustments, £1m of insurance fund savings and £226k 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 reduced income from project recharges of £330k and a £600k provision for EU grant clawback within Business Information Solutions, £213k of unfunded

E-Business project costs and a £132k overspend within HR on employee costs.

- Corporate budgets are showing a forecast reduction in spending of £6.2m, due predominantly 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 9 are:

- Place are forecasting an adverse movement of £149k, due to a £126k forecast increase in the cost of waste management as a result of higher volumes of waste and £345k additional forecast spending primarily on professional services relating to key property projects within Capital and Facilitates management. These adverse movements have been partly offset by a reduction in spend against Local Growth Funded projects.
- Communities are forecasting an improvement of £280k, due mainly to a £163k reduction in forecast spending on Legal Services SLA costs and £175k resulting from additional funding for winter pressures and a reduced overspend within the equipment service.
- Resources are forecasting an adverse movement of £341k, due predominately to an additional provision of £200k taken this month in respect of EU grant claw back for historic European projects within BIS.
- Corporate budgets are forecasting an improvement of £109k, due mainly to the recovery of previous years' National Non-Domestic Rates (NNDR) overpayments.

## Individual Portfolio Positions

### Children Young People And Families (CYPF)

#### Summary

6. As at month 10 the Portfolio is forecasting a reduction in spending of £24k which is consistent with the month 9 position and is shown in the table below. The DSG forecast is an overspend of £181k, an improvement of £16k from the month 9 position. The key reasons for the forecast outturn position are:

- **Business Strategy:** £25k forecast reduction in spend, due to a £167k forecast overspend in Children's Public Health, forecast overspend in Children's Commissioning Unit £261k, Contract

Services overspend £108k, Organisational Development overspend £111k offset by increased income of £630k on the Education Services Grant (ESG) .

- **Children and Families:** £90k forecast reduction in spend, which includes £388k forecast overspend in legal fees, £320k forecast overspend on residential homes, £125k overspend in Fostering, £149k forecast reduction in spend on fieldwork services, £369k forecast reduction in spend on Early Years and £164k forecast reduction in spend on Placements.
- **Inclusion and Learning Services:** £192k forecast overspend, due to £111k forecast overspend on faith travel passes, £267k 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 of £34k in Inclusion and Targeted Services.
- **Lifelong Learning, Skills & Communities:** £101k forecast reduction in spend, due to a forecast overspend of £26k in the 14-19 Service, offset by a forecast reduction in spend of £47k in Strategic Support and a forecast reduction in spend of £78k in Youth.

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY	6,506	6,531	(25)	↑
CHILDREN & FAMILIES	63,282	63,372	(90)	↔
INCLUSION & LEARNING SERVICES	4,976	4,784	192	↔
LIFELONG LEARN, SKILL & COMMUN	11,709	11,810	(101)	↓
<b>GRAND TOTAL</b>	<b>86,473</b>	<b>86,497</b>	<b>(24)</b>	<b>↔</b>

## Commentary

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

### Non DSG Budgets

#### Children and Families

8. As at month 10, the overall position for Children and Families is consistent with the month 9 position. However, the Early Years budgets have improved by £55k from the month 9 position to a forecast reduction in spend of £369k and the forecast position of the Adoption Service has also improved by £47k due to the maximisation of the use of the

Adoption Reform Grant. The forecast position of Fieldwork Services shows an adverse movement of £214k which is a result of the re-alignment of Successful Families Grant.

### DSG Budgets

9. As at month 10, DSG is forecast to overspend by £181k, an improvement of £16k from the position reported at month 9.
10. The only significant movement to report in DSG is an improvement of £75k in ILS on Banded Funding due to pupils being placed out of city or in Special schools.

### Place

#### Summary

11. As at month 10 the Portfolio is forecasting a full year outturn of an £601k overspend, an adverse movement of £150k from the month 9 position. The key reasons for the forecast outturn position are:

- **Business Strategy & Regulation:** £330k overspend due to 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:** £983k overspend largely arising from cost and income pressures within the markets service of £357k and additional forecast costs within commercial estate for professional services of £331k. During the year, the service has undertaken work on key property projects which are considered essential to the continued strategic development of the city as a major commercial and leisure destination. By its nature this work is unplanned and reactive to opportunities and there is no general funding available. Without compensating prioritisation of spend this will inevitably lead to the overspend as forecast in the Month 10 results.
- **Culture & Environment:** £431k over budget due to the forecast including a £400k provision for difficult trading conditions for Sheffield International Venues (SIV) specifically a reduction in profits for the Arena. This was identified as a potential risk when the 2013/14 budget was compiled. The portfolio undertook to mitigate this risk in 2013/14 and future years rather than increase the budget and reduce services elsewhere to compensate.
- **Regeneration & Development Services:** £1.2m under budget largely due to reductions in forecast spend on contract and street

lighting costs within the Highways Department of £864k and Local Growth Funded Projects in Sustainable Cities and Planning of £395k.

### Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY & REGULATION	29,663	29,333	330	↑
CAPITAL & MAJOR PROJECTS	1,782	799	983	↑
CREATIVE SHEFFIELD	3,403	3,412	(9)	↔
CULTURE & ENVIRONMENT	54,662	54,231	431	↔
MARKETING SHEFFIELD	960	915	45	↔
PLACE PUBLIC HEALTH	(0)	0	(0)	↔
REGENERATION & DEVELOPMENT SER	89,750	90,928	(1,179)	↓
<b>GRAND TOTAL</b>	<b>180,220</b>	<b>179,619</b>	<b>601</b>	<b>↑</b>

### Commentary

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

#### Business Strategy & Regulation

13. The current forecast for this activity is £330k overspent, an adverse movement this period of £126k. The adverse movement this period arises from a small increase in the forecast cost of waste management, largely due to higher volumes of waste.
14. The key risk remains 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 £983k overspent, being an adverse movement of £345k this period. The adverse movement is due to additional forecast spending primarily on professional services relating to key property projects.

#### Regeneration & Development Services

16. The forecast for this activity is £1.2m underspend, an improvement of £224k on the previous period, largely arising from further reductions in forecast spend on Local Growth Funded projects.
17. The outturn variance is primarily due to reductions in forecast spend on contract and street lighting costs within the Highways Department of £864k and Local Growth Funded projects of £395k.
18. The forecast excludes the impact of the outcome of a recent European Community Audit (ECA) on the Sheffield Cultural Improvement Project (Tudor Square). The Council has defended its actions, but there is a

very high probability that the European Court of Auditors may recover part of the grant (clawback) and even impose a further penalty for non-compliance. The Department of Culture and Local Government as the UK Managing Authority for the grant have suggested a minimum claw back of £300k but the final number is for the ECA to decide. There is no set timeframe for the ECA decision.

## Communities

### Summary

19. As at month 10 the Portfolio is forecasting a full year outturn of £9.5 million overspend, an improvement of £280k from the month 9 position. The key reasons for the forecast outturn position are:

- **Business Strategy:** Forecast reduction in spend against budgets of £453k. Executive and Portfolio-Wide Services report a forecast £135k 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 of £89k reduction in spend due to holding of staff vacancies. Quality and Safeguarding is forecasting reduction of spend of £230k mainly due to reduced costs of the Moorfoot Learning Centre.
- **Care and Support:** Significant overspend forecast of £7.7m. 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 2012/13 activity, and continued growth in 2013/14 offset by action and interventions implemented to date. There are a number of "one-off" actions supporting this position.
- **Commissioning:** A forecast £2.3m overspend due to: Mental Health (MH) Commissioning Service forecasting an overspend of £3.1m, mainly as a result of an overspend in MH Purchasing Budgets due to an increase in the number of people coming to us for care provision (predominantly using Self Directed Support Personal Budgets). Housing Commissioning is reporting an underspend of £598k mainly on the Housing Related Support Programme (formerly Supporting People). Social Care Commissioning is reporting an underspend of £230k as a result of termination of third party contracts, maintaining staff vacancies and restrictions on non-pay spend.

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 9
BUSINESS STRATEGY	10,793	11,246	(453)	↓
CARE AND SUPPORT	124,929	117,227	7,703	↓
COMMISSIONING	36,844	34,565	2,278	↔
COMMUNITY SERVICES	10,489	10,473	16	↔
<b>GRAND TOTAL</b>	<b>183,055</b>	<b>173,510</b>	<b>9,545</b>	<b>↓</b>

### Commentary

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

#### Business Strategy

22. A forecast £453k reduction in spend against budget. This is an improvement of £163k on last month due, mainly, to Legal Services SLA cost being held to the “core” level.

#### Care and Support

23. A forecast £7.7m overspend. An improvement of £175k on last month due to the additional funding for winter pressures and the reduced overspend now anticipated in the equipment service.

#### Commissioning

24. A forecast £2.3m overspend. This is an adverse movement of £85k due to increase in Mental Health Care Purchasing costs.



## Resources

### Summary

25. As at month 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £963k, an adverse movement of £342k from the month 9 position. The key reasons for the forecast outturn position are:

- **Business Information Solutions:** £1.1m overspend due in the main to reduced income from project recharges of £330k and £600k of EU grant claw back .
- **Commercial Services (savings):** £213k overspend in Commercial services due to E-Business project costs of £245k offset by vacancy management savings and surplus cashable savings.
- **Human Resources:** £132k overspend due to forecast overspend in employee costs due to delayed MER.

Offset by:

- **Housing Benefit:** £1m reduction in spending.
- **Central Costs:** £1m reduction in spending owing to a transfer of £1m from the Insurance Fund.
- **Finance:** £226k reduction in spend on Finance due to vacancy management.

**Transport & Facilities Management:** £161k reduction in spend mainly from an increase in income from the school minibus service

### Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS INFORMATION SOLUTIONS	1,891	770	1,121	↑
COMMERCIAL SERVICES	862	649	213	↔
COMMERCIAL SERVICES (SAVINGS)	(820)	(820)	0	↔
CUSTOMER FIRST	3,117	3,117	0	↔
CUSTOMER SERVICES	2,758	2,739	19	↔
FINANCE	1,883	2,109	(226)	↔
HUMAN RESOURCES	1,813	1,681	132	↔
LEGAL SERVICES	5,234	5,265	(31)	↔
RESOURCES MANAGEMENT & PLANNING	1,232	1,219	13	↔
TRANSPORT AND FACILITIES MGT	33,022	33,183	(161)	↔
TOTAL	50,992	49,912	1,080	↑
CENTRAL COSTS	13,339	14,383	(1,044)	↔
HOUSING BENEFIT	3	1,002	(999)	↔
<b>GRAND TOTAL</b>	<b>64,334</b>	<b>65,297</b>	<b>(963)</b>	<b>↑</b>

## Commentary

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

### Business Information Solutions

A forecast £1.1m overspend. This is an adverse movement of £223k from the previous month, due to an additional provision of £200k taken this month in respect of EU grant claw back for historic European projects within BIS. This has been raised previously as a financial risk.

## Policy, Performance and Communications

### Summary

27. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £49k, an improvement of £20k from the month 9 position. The key reasons for the forecast outturn position are:

- £92k overspend in Electoral registration due to the costs of canvas staff and IT support costs.
- £35k overspend in CEX office due to LGYH subscription costs paid in month 7.
- £90k overspend in Communications due to forecast under achievement in income.

Offset by:

- Business Support £98k, Equalities and Involvement £25k, Policy & Improvement £35k due to vacancy management and reduction in supplies & services and training spend.
- National Elections £18k due to income from Elections Claims unit for Police & Crime Commissioner election being higher than forecast.

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
ACCOUNTABLE BODY ORGANISATIONS	39	39	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,795	2,746	49	↔
PUBLIC HEALTH	(135)	(135)	0	↔
<b>GRAND TOTAL</b>	<b>2,699</b>	<b>2,650</b>	<b>49</b>	<b>↔</b>

## Corporate items

### Summary

28. The month 10 forecast position for Corporate budgets is a £6.2m reduction in spending which is consistent with the month 9 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

	<u>FY Outturn</u>	<u>FY Budget</u>	<u>FY</u>
	<u>£'000</u>	<u>£'000</u>	<u>Variance</u>
			<u>£'000</u>
Corporate Budget Items	48,532	51,024	-2,492
Savings Proposals	-450	-450	0
Income from Council Tax, RSG, NNDR, other grants and reserves	-561,895	-558,147	-3,748
<b>Total Corporate Budgets</b>	<b>-513,812</b>	<b>-507,573</b>	<b>-6,239</b>

29. Corporate Budget items are showing a forecast reduction in spending of £2.5m, due mainly to the reassessment of the budget requirement for redundancy cost of £2m, other miscellaneous income of £367k 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 broadly consistent with the month 9 position.
30. 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 9 position.

## Local Growth Fund

31. 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
	Earned Future NHB Grant	_____
	<b>Total Income</b>	<b>_____ -7.6</b>
Expenditure	13/14 Spend to date at Month 10	2.4
	Forecast to Year End	0.7
	Future Years' Commitments	_____ 5.9
	<b>Total Expenditure</b>	<b>_____ 9.0</b>
	<b>Funding Requirement</b>	<b>_____ 1.4</b>

32. £0.4m spend in the month mainly on the Spital Hill public realm works and the redevelopment of the Arbourthorne estate. Current year spend has fallen and been transferred to future years following slippage on the Claywood Green Links scheme, and delays in the delivery of new homes by Sheffield Housing Company.

## Housing Revenue Account

33. As at month 10 the full year outturn position is a forecast in-year surplus of £10m. At this stage, this represents a projected improvement of £4.1m from the revised budget. 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.

34. 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.

35. 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.

36. Other main areas contributing to the projected improvement include revised forecast leaseholder and service charge income of £511k, £173k forecasted underspend on repairs and a £2m forecasted reduction in running costs mainly as a result of staff vacancies, delayed expenditure on Going Local projects and various underspends on other budget

heads. This is offset by a forecast increase of £684k in the cost of council tax on vacant properties and provision for rent arrears and a £297k reduction in overall rental income.

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *
1.RENTAL INCOME	(142,281)	(142,579)	297
2.OTHER INCOME	(5,273)	(4,762)	(511)
3.FINANCING	52,098	54,581	(2,483)
4.OTHER CHARGES	3,847	3,164	684
5.REPAIRS	32,919	33,092	(173)
6.TENANT SERVICES	48,693	50,647	(1,954)
Grand Total	(9,997)	(5,857)	(4,140)

\*subject to roundings

### Community Heating

37. The budgeted position for Community Heating is a draw down from Community Heating reserves of £670k. As at month 10 the forecast position is a draw down from reserves of £171k resulting in a reduction in spending of £499k. This is largely due to a revised forecast to reflect lower expenditure on gas and a reduction in the number of vacant properties.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *
INCOME	(3,520)	(3,548)	28
EXPENDITURE	3,691	4,218	(527)
<b>Grand Total</b>	<b>171</b>	<b>670</b>	<b>(499)</b>

\*subject to roundings

### Year to Date

38. We are constantly challenging and working with 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

39. 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

**2014/15 Budget Savings & Emerging Pressures**

40. There will need to be robust monitoring in order to ensure that the savings agreed for 2014/15 are delivered and fully implemented. Officers have put in place a RAG reporting process which will result in regular reports being submitted to EMT and corrective action will be taken where required.
41. There are a number of issues that will require close monitoring as part of the RAG process. The following have been highlighted because they present the highest degree of uncertainty.
42. The Council intends to implement a new Pay and Reward Strategy in 2014/15, along with a policy regarding the removal of enhancements to pay based on working patterns. By implementing the new strategy, the Council avoids the need to unfreeze increments, which would have cost £5m. Instead, the additional cost of the new strategy is estimated at £1.6m per annum, which will be partially offset by savings of £1.3m resulting from the revised enhancements policy.
43. The position on pension costs remains a significant risk and increasing cost in 2015/16 when we face an even higher reduction in grant than in 2014/15. The amounts that the Council will have to pay beyond April 2015 to recover its share of the deficit on the scheme are unclear at the present time and further work will be required in the coming months. An additional budget provision of £9m has been made to cover pension costs in 2014/15 although £4m of this amount is a contribution from reserves. Obviously, this only provides a short-term solution, so further work is being undertaken to look at longer term options.
44. Corporate savings of £4m in capital financing costs were agreed as part of the 2014/15 budget. This will require that market conditions continue to remain favourable to the Council, i.e. that interest rates and borrowing requirements will not exceed those stated in the Treasury Management Strategy in the 2014/15 revenue budget.
45. Following the advent of the Government's Business Rates Retention Scheme in April 2013, a substantial proportion of risk has been 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. As at the end of December 2013, there were properties with a rateable value of £158m under appeal in Sheffield, with an allowance for £5m of refunds next year. Actual trends on appeals are monitored in year, and revised estimates of the impact of

appeals have been made as part of the 2014/15 budget process. The Government has made various amendments to business rates regulations in order to support local businesses and stimulate the economy. One such measure is the extension of small business rates relief, for the cost of which the Government has promised to compensate all billing authorities.

46. The risk of delivering adult social care savings in 2014/15 is considerable, given that the Communities portfolio is forecasting an overspend of around £8m for care and support services in 2013/14. This position will be re-assessed as part of the RAG process referred to earlier.

### **Medium Term Financial Position**

47. 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**

48. 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.
49. 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**

50. 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**

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

### **Trading Standards**

53. 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**

54. 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**

55. 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.
56. 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.
57. 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.

58. 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

59. 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 Risks

### Education Funding

60. 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.

61. 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.

62. 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 Risks

### NHS Funding Issues

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

64. 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 Risks**

### **Digital Region**

65. 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).
66. 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**

67. 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.
68. A full review of the options for the future is underway and will be reported to Members as soon as possible.

## **Housing Revenue Account Risks**

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

69. 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 Risks

### Capital Receipts and Capital Programme

70. 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

71. 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

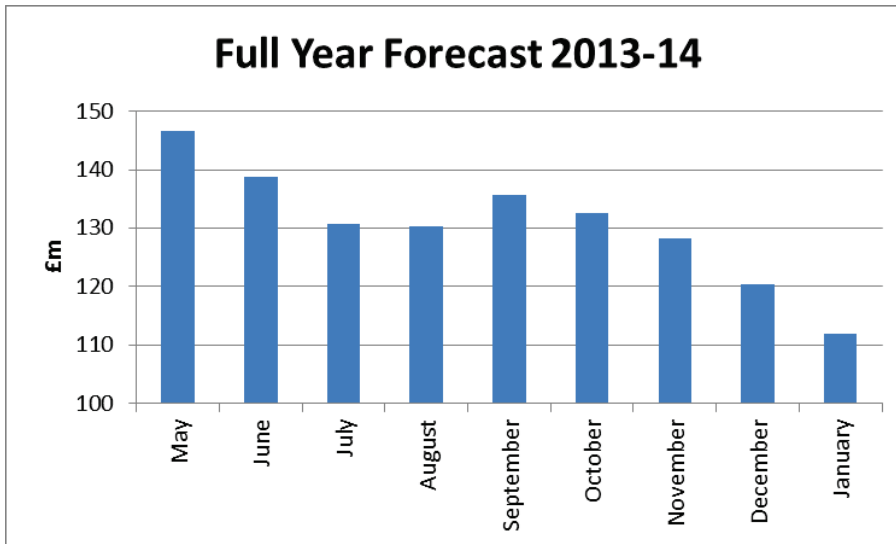
72. There is a risk to delivering the full scope of major schemes such as Parkhill and SWaN because of the severe downturn in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved, and in the case of SWaN, potential exposure to termination payments which would fall to the HRA to meet.

## The Capital Programme for 2013/14

### Summary

73. At the end of January 2014, the end of year position shows a variance of £20.1m compared to the Month 9 variance which was £13.4m below budget. This is an adverse movement of £6.7m on the previous month which is attributable to further reductions in the committed forecasts. £3.1m (15%) of the £20.1m underspend arises from delivering projects at less than the anticipated cost. £2.8m of this is in the Housing Programme.
74. The graph below shows the trend of forecast adjustments which have come very late in the year. The forecast has been revised downwards

by £34.8m since May with almost £20m (60%) coming in the last three months.



75. In order to achieve the forecast level of spend, £27.6m needs to be spent in the next eight weeks at an average rate of £3.45m per week. The average weekly spend for the previous ten months has been £2.33m (and that is with a major project like the new Indoor Market in full swing). However, a £7m+ technical accounting adjustment in respect of the Streets Ahead programme to be added in Month 11 should result in an outturn in the range of £110 – £115m.

### Financials 2013/14

<u>Portfolio</u>	<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	20,952	23,873	(2,921)	27,846	30,907	(3,060)
Place	18,082	18,11	(228)	21,234	25,909	(4,675)
Housing	31,734	33,133	(1,399)	41,959	46,445	(4,486)
Highways	5,843	9,106	(3,263)	10,557	12,394	(1,837)
Communities	747	1,078	(330)	1,337	1,901	(564)
Resources	6,515	10,021	(3,506)	8,580	14,111	(5,531)
<b>Grand Total</b>	<b>83,874</b>	<b>95,521</b>	<b>(11,647)</b>	<b>111,513</b>	<b>131,667</b>	<b>(20,154)</b>

76. The outturn forecast is £20.1m (15%) below the budget. This is an adverse movement of £6.7m on last month. The main reason for this is the late amendment to the forecasts (which are now being committed only 6 weeks from the end of the financial year).

77. The budget has been reduced by (£2.2m) from Month 9 in response to lower forecasts at month 9. In month 10 project managers have revised the forecast down further to £111.5m, a reduction of £8.9m giving a net movement of £6.7m.
78. The table below shows that the improvement in defining a realistic budget continues. The revised budget for the year of £131.7m is £2.2m below the position at Month 9 after additions and variations of £0.9m.

### Capital Programme

	2013-14 £m	2014-15 £m	Future £m	Total £m
Month 8 Approved Budget	133.9	104.6	236.7	475.2
Additions	0.9	2.7	0.0	3.6
Improved accuracy of the Budget	-1.7	8.3	-6.0	0.6
Slippage	-1.4	1.4		0.0
Month 9 Approved Budget Request	131.7	117.0	230.7	479.4

79. The variation in the year to date position of £11.6m arises mainly from operational delays £3.4m, projects awaiting approval £1.4m, and slippage of £3.0m. The operational delays are due to lengthy contract negotiations on the Fisk Risk Assessment project (£0.8m), (£0.6m) on the Foster Carer Housing Enhancement.
80. The forecast for the year shows that all portfolios are below profile against the approved programme. The key variances are detailed below.
- **CYPF:** £3.1m (10%) below budget this is due mainly to slippage of £1.0m on Free Early Learning Capital and £0.5m on Foster Carer Housing Enhancement.
  - **Place:** £4.7m (18%) below budget of which £3.1m relates to the Westfield Sports Village project which has been cancelled due to difficulties with the securing the funds from the Football Association. A formal request has already been submitted and is due to be approved at Cabinet on the 19<sup>th</sup> March.

- **Housing:** £4.5m (10%) below budget of which £2.8m relates to a under spend on 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.
- **Resources:** £5.5m (39%) below budget of which £4.1m relates to projects which have slipped behind schedule and into future years.

81. Further detail can be found below in the following sections.

### Commentary

#### Children, Young People and Families Programme

82. CYPF capital expenditure is £2.9m (12%) below the profiled budget for the year to date and forecast to be £3.1m (10%) 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	15	-1,512
Operational delays in projects due to planning, design or changes in specification	-1,238	0
Revised profile for Building Schools for the Future programme	-23	0
Incorrect budget profiles	-15	0
No forecast entered by project managers	0	-11
Projects submitted for Approval	0	-79
Underspending on project estimates	-301	-568
Other variances	-1,358	-891
	<u>-2,921</u>	<u>-3,060</u>
Spend rate per day	98.4	109.6
Required rate to achieve Outturn	168.1	
Rate of change to achieve forecast	70.9%	

The main changes in the portfolio's forecast have been explained above in paragraph 80.

**Place Programme**

83. The Place portfolio programme (excluding Housing and Highways) is £0.23m (1%) below the profiled budget for the year to date and forecast to be £4.7m (18%) 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	-165	-605
Operational delays in projects due to planning, design or changes in specification	-489	0
No forecast entered by project managers	0	-876
Projects submitted for Approval	106	-3,108
Overstatement of budgets		
Overspending on project estimates	0	272
Other variances	320	-358
	<u>-228</u>	<u>-4,675</u>
Spend rate per day	84.9	83.6
Required rate to achieve Outturn	76.9	
Rate of change to achieve forecast	-9.4%	

**Transport & Highways Programme (Place Portfolio)**

84. The Transport & Highways programme is £3.3m (36%) below the profiled budget for the year to date and forecast to be £1.8m (15%) below the programme by the year end for the reasons set out in the table below.

85. The £1.5m movement between the year to date and forecast variances is mainly due to £0.9m on the BRT programme. The original £3m budget for BRT is being removed and replaced with the full programme value of £24.0m. The budget adjustments are part of the approvals for this month and included within Appendix 1.



<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	-100.0
Operational delays in projects due to planning, design or changes in specification	-636.2	-924.1
Incorrect budget profiles	-1252.1	0
No forecast entered by project managers	0	-402.2
Projects submitted for Approval	0	-281.3
Other variances	-1,375	-129
	<b>-3,263</b>	<b>-1,837</b>
Spend rate per day	27.4	41.6
Required rate to achieve Outturn	115.0	
Rate of change to achieve forecast	319.2%	

### Housing Programme (Place Portfolio)

86. The Housing capital programme is £1.4m (4%) below the profiled budget for the year to date and forecast to be £4.5m (10%) 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	-725	-1,064
Operational delays in projects due to planning, design or changes in specification	-995	0
Incorrect budget profiles	-52	0
No forecast entered by project managers	0	-84
Projects submitted for Approval	0	-185
Home Improvement grants held on behalf of other local authorities	-33	-49
Items under investigation		
Underspending on project estimates	-152	-2,815
Other variances	559	-288
	<b>-1,399</b>	<b>-4,486</b>
Spend rate per day	149.0	165.2
Required rate to achieve Outturn	249.4	
Rate of change to achieve forecast	67.4%	

87. The main reason for the forecast variance is due to £2.8m expected savings across the South West Abbeybrook, South East and North New Parson Cross projects. 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. There is a further £0.4m saving on the Sharrow Almo Works project and £0.3m slippage on the Lansdowne and Hanover Cladding project.
88. In aggregate this is the largest single cause of the underspend in this programme accounting for 63% of the shortfall against budget.

### Communities

89. The year to date spend on the Communities portfolio capital programme is £0.33m (31%) below the profiled budget and the forecast £0.6m (30%) below budget.
90. The main reason for the forecast variance is £0.37m of project slippage relating to Mobile Working Solutions both of which have been submitted for approval.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-377
Other variances	-330	-187
	<u>-330</u>	<u>-564</u>
Spend rate per day	3.5	5.3
Required rate to achieve Outturn	14.4	
Rate of change to achieve forecast	309.5%	

### Resources

91. The year to date spend is £3.5m (12%) below the programme and forecast to be £5.5m (39%) below the approved budget for the whole year.
92. The main cause of the shortfall on budget to date is slippage in the Road Vehicle Efficiency replacement programme of £0.8m, Wincobank

Community centre where a value engineering exercise is in place to keep within the approved budget as the tenders have exceeded the approved amount of £0.2m, and Fire Risk Assessment work of £0.5m where negotiations have been extended to get the best value for money.

93. The main cause of the forecast variance is due to slippage:

- £1.4m on Road Vehicle Efficiency replacement programme;
- £1.2m on the Office Accommodation programme;
- £1.1m on Fire Risk Assessment work;
- £0.3m variance on Broomhill Library;
- £0.2m slippage on CBT Wincobank Community Building; and
- £0.3m slippage on Provision on Disabled Access.

94. In addition there is a further £0.6m slippage variance against contingency allocations for bad weather breakdowns (which at the current point are unlikely to be used), £0.3 on Provision of Disabled Access and £0.3m on Community Buildings Maintenance.

Cause of Change on Budget	Year to date £000	Full Year Forecast £000
Slippage to be carried forward	-2,171	-4,096
Operational delays in projects due to planning, design or changes in specification	-16	0
Incorrect budget profiles	-100	0
No forecast entered by project managers	0	42
Projects submitted for Approval	0	-635
Overspending on project estimates	-125	0
Other variances	-1,093	-842
	-3,506	-5,531
 Spend rate per day	 30.6	 62.7
Required rate to achieve Outturn	229.4	
Rate of change to achieve forecast	649.9%	

**Approvals**

95. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
96. Below is a summary of the number and total value of schemes in each approval category:
- 8 additions to the capital programme with a total value of £30.4m of which £7.8m relates to variations made against existing Q numbers;
  - 18 variations to the capital programme creating a net decrease of £6.5m;
  - 7 slippage requests with a total value of £1.2m;
  - 7 contract awards with a total value of £4.2m;
  - 2 emergency approvals with a net decrease of £2.6m; and
  - 3 director variations with a net value of £5k.
97. Further details of the schemes listed above can be found in Appendix 1.

**Implications of this Report****Financial implications**

98. 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**

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

**Property implications**

100. 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

101. 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 and procurement strategies listed in Appendix 1, and delegate authority to the Director of Commercial Services, or an Officer nominated by him, to award the necessary contracts, on such terms as the Director or nominated Officer shall agree, following stage approval by Capital Programme Group;
  - (ii) approve the proposed variations and slippage in Appendix 1;
  - (iii) note the variations to the programme executed under delegated authorities or emergency approval, and note the latest position on the Capital Programme including the current level of delivery and forecasting performance; and
  - (iv) approve the acceptance of grants listed in Appendix 2 and in doing so approve the Council assuming the role of Accountable Body for those grants, noting the conditions of the grants.

## Reasons for Recommendations

102. 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

103. 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>Capital &amp; Major Projects</b>			
<b>Community Investment Plan: Resource Costs</b> This project will reduce SCC operational buildings to a core estate level, to enable the council to deliver its operational service delivery outcomes more efficiently. It comprises four strands, covered by Business Cases and Asset Class-based Strategies (depots; community hubs; lodges and service tenancy reviews; surplus property), with one year's plan leading into the following year's requirements. It will provide the resource to create a CIP (Community Investment Programme) business case in each of the first three years based on a current priority need basis and deliver the operational programme in the most efficient / cost saving order.	Addition	490	N/A – in-house provider (Capital Delivery Service)
To be funded from revenue savings first, then capital receipts.			
<b>Property &amp; Facilities Management Capital Schemes</b>			
<b>Abbeydale Industrial Hamlet – Structural Defects</b> This project was set up to carry out major repairs to the dam wall to prevent the loss of water resulting from a wall collapse, thereby causing a major incident. Following a tender exercise, the lowest offer is above that estimated in the approval submission. This reflects a revised construction method. At feasibility stage the plan was to drain the dam. Technical advice agreed by the engineers recommends that a coffer dam would provide a better solution to accessing the dam wall to carry out the relevant repairs.  The cost increases are as follows. <ul style="list-style-type: none"> <li>£65k construction (£30k Cofferdam*, £20k pen stock, £15k grouting;</li> </ul>	Variation EMT	96	N/A

<ul style="list-style-type: none"> <li>• £11k fees (£14k general fees, -£3k ecology watching brief no longer required);</li> <li>• £20k contingency to be added to cover for excavation variations.</li> </ul> <p>The £96k variation is funded from additional CRP from the Health and Safety Compliance block allocation.</p>				
<p><b>Health &amp; Safety Compliance block allocation</b></p> <p>This block allocation was established to mitigate current compliance issues not only in funding additional work to bring all properties to an acceptable standard, but also to deal with absorbing some responsibilities from “Fragile Lessees” (those who it could be perceived don’t have the knowledge, resources or skills to complete these duties).</p> <p>As such, using this provision to fund the overspend on Abbeydale Hamlet is an appropriate use.</p>	Variation EMT	-96	N/A	
<p><b>Highways</b></p>				
<p><b>Bus Rapid Transit (BRT)</b></p> <p>Bus Rapid Transit (BRT) North is a high quality and efficient public transport service that has been developed to help people travel into and between the centres of Rotherham and Sheffield. It will provide access to existing leisure, commercial and manufacturing facilities as well as facilitating economic growth by providing links to existing and proposed employment sites in the Lower Don Valley. The project is being delivered in partnership by South Yorkshire Passenger Transport Executive (SYPTe), Sheffield City Council (SCC) and Rotherham Metropolitan Borough Council (RMBC).</p> <p>A Cabinet Report dated 20 November 2013 approved grants from the Department for Transport for £15.4m and ERDF for £8.1m and acknowledged and supported the progression of the Bus Rapid Transit (BRT) North scheme to full construction and authorise the completion of formal contracts with Carillion and North Midland to</p>	Addition	24,200	N/A	



<p>construct the necessary highway infrastructure within Sheffield, inclusive of the Tinsley Link Road. The overall project cost is expected to be £28.2m and will be funded from five principle sources.</p> <p>SYLTE have agreements with Department for Transport (DfT) and ERDF to secure value for money for funding received. SCC has entered into a partnership agreement with SYLTE and RMBC which binds all parties to the terms and conditions of the funders, accepted by SYLTE in the first instance.</p> <p>BRT comprises of a number of Work Packages which are allocated to SYLTE / RMBC / SCC.</p> <p>The WP's managed by SCC are:-</p> <p>WP 21 – The Tinsley Link Road          This element comprises of the construction of the new road link from Meadowhall Way to Sheffield Road. This is being let as a single construction contract which has been formally awarded to Carillion for £11m          A further contract has been awarded, as part of WP 21, to Amey for site supervision for £543k, this includes the site supervision of the SCC work packages.</p> <p>WP 24/25 – Highways Alterations          WP 24 comprises of six junction alterations and general carriageway improvements to facilitate the rapid transport route. the Single construction contract has been let for this package to North Midland Construction for £1.8m          WP 25 comprises of the City Loop Route alterations to bus stops at an approximate cost of £150k.</p> <p>WP14 – Land          This covers the compulsory purchase of land to enable the construction of the route</p>			
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<p>which was confirmed by Cabinet on the 11<sup>th</sup> July 2012.</p> <p>Approval is being sought to add the approved funding for 2013/14 onwards into the Capital Programme as follows:-</p> <table border="1" data-bbox="454 829 665 1890"> <thead> <tr> <th></th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>BRT Hwy's Atern</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>93888 WP24/25</td> <td>435,771</td> <td>2,251,053</td> <td>291,796</td> <td>2,978,620</td> </tr> <tr> <td>93889 BRT Land WP14</td> <td>917,955</td> <td>852,985</td> <td>587,866</td> <td>2,358,806</td> </tr> <tr> <td>93890 BRT Tinsley Link WP21</td> <td>3,637,859</td> <td>12,266,195</td> <td>3,006,879</td> <td>18,910,933</td> </tr> <tr> <td></td> <td>4,991,585</td> <td>15,370,233</td> <td>3,886,541</td> <td>24,248,359</td> </tr> </tbody> </table> <p>Funded by:</p> <table border="1" data-bbox="690 1050 909 1890"> <tbody> <tr> <td>DfT</td> <td>£m</td> </tr> <tr> <td>ERDF</td> <td>15.4</td> </tr> <tr> <td>Developer Contributions **</td> <td>8.1</td> </tr> <tr> <td>Balance LTP</td> <td>2.2</td> </tr> <tr> <td></td> <td>2.5</td> </tr> <tr> <td></td> <td><u>28.2</u></td> </tr> </tbody> </table> <p>** The developer contributions are anticipated to be received after completion therefore a loan facility has been secured from Central Government from Growing Places.</p>		2013/14	2014/15	2015/16	Total	BRT Hwy's Atern					93888 WP24/25	435,771	2,251,053	291,796	2,978,620	93889 BRT Land WP14	917,955	852,985	587,866	2,358,806	93890 BRT Tinsley Link WP21	3,637,859	12,266,195	3,006,879	18,910,933		4,991,585	15,370,233	3,886,541	24,248,359	DfT	£m	ERDF	15.4	Developer Contributions **	8.1	Balance LTP	2.2		2.5		<u>28.2</u>			
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Developer Contributions **	8.1																																												
Balance LTP	2.2																																												
	2.5																																												
	<u>28.2</u>																																												
<p><b>BRT North</b>                  This business unit was initially approved in 2012/13 for £5m with a current year budget of £3m. For ease of financial management and based on the work profiling, the BTR project has been sub-divided into manageable work packages (see above entry).                  As a result, this budget has been reduced from £3m to £54k which is to cover fees. He fees will be funded from LTP.</p>	<p>Variation</p>	<p>-3,000</p>	<p>N/A</p>																																										

<p><b>Homes</b></p>							<p>Competitive tender Strategy to follow</p>
<p><b>Community Heating – Plant Rooms</b>                  The existing boiler house comprises 2 boilers which were converted from coal to gas some years ago, a biomass boiler, which no longer works and a combined heat and power plant which is currently switched off.</p> <p>In February 2013 the maintenance contractor Kier advised that the existing gas boilers were increasingly difficult to service and should be replaced ahead of the current plan. The budget approved for this originally was £215,000. The original estimate was based on a like-for-like replacement. Once actual design commenced it became clear that the original plan would preclude any future plans to provide biomass boilers or combined heat and power plant. Such were the issues it was decided to remodel the boiler house to allow for any future plans rather than remove any new gas boilers at that stage to incorporate future improvements for both Callow and to increase the district heating network to supply potential housing developments in this area of the city. At this stage detailed design work had not been undertaken and based on previous experience of much smaller installations. This is one of the largest heating schemes to be undertaken and has not been done for some 15 – 20 years.</p> <p>Full drawings and specification were completed by Capital Delivery Service and Kier Sheffield LLP provided a price of £466,000 including temporary boiler plant in early September 2013. This was significantly above the expected estimate even taking account of the additional work to remodel the boiler house layout.</p> <p>The installation of the temporary boiler only via Kier Sheffield LLP was approved in. at a</p>		<p>Variation Plus Slippage</p>	<p>422 85</p>				

<p>cost of £99,101 including fees leaving £115,898 for work to install permanent boilers. The increase in actual works costs from £215,000 to £538,043 is largely the result of an unrealistic starting figure. Only £36k of the increase reflects the cost of building in future capacity to fit new CHP and biomass heating. This will save on abortive costs of relocating the gas boilers and remodelling of the boiler house to a new biomass and CHP plant and extension to the network at a later stage.</p> <p>Approval is now sought for the full remodelling of the boiler house and the installation of two new high efficiency gas boilers and for the work to be tendered on the open market. The budget for this work is £538k, £422k from the HRA block allocation and £85k slippage to be moved from 2013/14 to 2014/15.</p>									
<p><b>Block Allocation HRA</b> This variation is to reduce the HRA block allocation to move the funding to the Community Heating – Plant Room project to fund the project as detailed above.</p>		Variation	-422						N/A
<p><b>Council Housing – New Acquisitions</b> This project is for the acquisition of 22 existing properties for Council Housing. This is following the `Delivering more Council Housing `Cabinet Report of Feb 2014. The funding for this is £594k from Capital Receipts 1 - 4- 1 funding and £1.3m from Prudential Borrowing.</p> <p>1 -4-1 funding is the amount of funding the council can keep over the target set in consultation with central government from the Right To Buy sales. This money is available to fund, and must be applied to, replacement affordable rented homes, limited to 30% of the overall cost.</p> <p>The principal benefit of this project, as linked with the New build Council Housing Project, will be the replenishing of the Councils housing stock, which is essential to the health of the self-financing HRA business Plan and to the provision of affordable</p>		Addition	1,980						N/A

<p>housing.</p> <p>Other benefits include:</p> <ul style="list-style-type: none"> <li>• Increasing the supply of well-managed, affordable, decent homes</li> <li>• Increasing choice in size and location of affordable housing</li> <li>• Bringing long term empty properties back into use</li> <li>• Potential to provide accommodation for adults with learning disabilities</li> <li>• Increased environmental sustainability through investment in existing properties.</li> </ul> <p>The council housing acquisitions Project aims to deliver approximately 451 additional council homes, for either social or affordable rent, over a six year period of acquisitions from 2014 to 2020. Properties will be refurbished up to the Sheffield Standard and brought into the HRA as Council Housing. In 23014/15 this project aims to deliver 22 homes via acquisition.</p> <p>The project is part of a wider stock increase programme that aims to deliver around 600 additional homes.</p> <p>Over time the Councils housing stock is being reduced by the sale of properties under the right to buy scheme. In order to sustain the self-financing HRA business plan and continue to meet the affordable housing need in the city it is necessary to replenish the Councils housing stock.</p> <p><b>Average Scheme acquisition cost per property for 2014/15</b>  Purchase cost - £75k  Refurbishment cost - £12k  On costs - £3k  <i>Total acquisition costs for 14/15 for 22 properties = £1,980k</i></p>			382	N/A
<p><b>Balfour House Refurbishment</b></p>			Variation	

	<p>This is for an additional £382k needed for the Balfour scheme to make it fully accessible and increase the accommodation on the scheme. Capital funding of £875k from the HRA BU 97412 was originally set aside to refurbish the scheme and also to convert 12 bedsit properties into 6 one bedroom flats improving the overall quality of accommodation in the area. This budget provision was based on an August 2011 desk top estimate of the scheme by a QS based on prices obtained on similar sized schemes delivered on a design and build basis through the DH programme. At this stage no feasibility or design work was commissioned as members wanted to explore a range of options for the sheltered accommodation at Stocksbridge. In August 2013 the procurement strategy for Balfour was agreed to encompass the refurbishment, conversion work and improving scheme accessibility through improved lift access for which a separate budget of £98,825 BU 97371 has been approved in 2014/15. CDS were subsequently commissioned to produce a feasibility report for the scheme and develop options for improving access on the scheme. The outcome of this work was provided to the Council Housing Service in December 2013. Detailed design work started in January with the intention of procurement of the work commencing in February 2014.</p> <p>Existing One Bed Flats(22 units) – The average unit cost of the additional work is estimated at £22,000 which is £6,000per unit higher than the 2011 costing which had not accounted for the need for extensive heating works or any remodelling.</p> <p>Wardens Flat –The original proposal was to retain the existing flat. Designs have been produced which allow for the creation of 2 one bedroomed flats. The additional cost associated with this work is £65,000. The estimated rental income associated with these flats excluding any supported housing service charge is £7500 per annum. A simple payback calculation would indicate therefore that the capital costs would be repaid in around 9 years.</p>	
	<p>Studio Flats- The designs that have been developed for the studio flats are to convert 2</p>	

<p>adjacent bedsits into one bedroomed accommodation. This will require new electrics, heating system and plastering as well as the standard Sheffield decent homes works. The reconfiguration also requires the electrical sub-mains to be renewed. The average unit cost of a conversion is estimated at £37,000 which is comparable with other schemes.</p> <p><u>Communal Area Works</u> Following a similar scope of works to other sheltered schemes loft insulation, kitchen fittings, laundry and communal bathroom facilities will also be upgraded. The corridor communal windows are timber and single glazed and although in good condition in order to reduce heat loss and reduce long term maintenance costs it is recommended that the windows are replaced at a cost of £50,000. A number of communal fire doors are also in need of repair. The total cost of communal works is £89,000.</p> <p>The investment work identified through the condition assessments will ensure that no major capital investment is required on the scheme for 10 years. The revised scheme provides two additional units of accommodation which will benefit the local community and will generate a substantial surplus to the HRA over a 30 year period.</p> <p>This work is to be funded by additional HRA resources which have been approved at the HRA Board meeting on 14<sup>th</sup> February 2014.</p>			
<p><b>Long Term Empties – Purchase and Repair</b> This variation is to request the acquisition of two additional properties funded by £32k of HCA Grant and £124k of Prudential borrowing. These properties will become Council assets. This funding has been agreed at the HRA Board on 14<sup>th</sup> Feb 2013 and is within the declared amount in the programme.</p>	Variation	156	N/A
<p><b>Long Term empties – Refurbishment</b> This variation is for an additional £24k to spend on the above two properties to renovate</p>	Variation	24	N/A

<p>them to decent homes standards. This funding will be provided by Prudential Borrowing which has been agreed at the HRA Board on 14<sup>th</sup> Feb 2013 and is within the declared amount in the programme.</p>			
<p><b>Chaucer</b> This variation is to remove the saving made from the main tender on this project and use it to fund the overspend on the Clay Wood Green Links Project in the Parks Section of this report, below, which shows further detail. This is Local Growth Fund monies and has been agreed By the LGF Board to transfer the saving to the Clay Wood Project. This scheme has only the final contract payment to make before closure of the project.</p>	Variation	-64	N/A
<p><b>Parks</b></p>			
<p><b>Barbers Field Lighting</b> This project is to deliver four new lighting columns to a footpath running through Barbers Field.  The footpath was completed in 2008 but there was not sufficient funding to light the path at that time. As the footpath is used frequently to cut through the site and there is a flight of steps halfway down the path, local people are keen to see it lit so it can be used more safely when dark.  The total project cost is £18.8 and will be funded from two S106 agreements totalling £11.3k Capital and £7.5k revenue contribution to Capital.</p>	Addition	18.8	N/A
<p><b>Sheaf Valley Park Green Links</b> This project is for a new shared pedestrian and cycle path, with lighting, in the Sheaf Valley Park. It will run from the railway station to Park Square. This forms part of Phase 2 of the Sheaf Valley Park Master plan. This variation is for slippage of £117,583 and a reduction in the budget on this part of the project to be used for the Clay Wood Green Links Project as detailed below. The reduction in budget is due to the original budget</p>	Slippage Variation	118 -28	Competitive tender



<p>being an estimated cost with the slippage being due to a later start in the project than originally envisaged because of the need to contain overspends on the Claywood Green links project.</p>			
<p><b>Clay Wood Green Links</b>                  This Project is to create a new `Green Link` as part of Phase 2 of the Sheaf Valley Park Master plan. It will complete the link from Sheffield railway station to Norfolk Park via the cholera monument and clay wood. This project and the project above Sheaf Valley Park Green Links are being treated as parallel work streams within one project and let as one contract.                  This submission is for:</p> <ul style="list-style-type: none"> <li>• slippage from 2014 to 2015 of £180k due to a delayed start to the Project; and</li> <li>• an increase in budget of £92k, funded by £28k from the above project Sheaf Valley Park Green Links and £64k saving from the Chaucer Project (97241) in the section on homes above, the saving made on that project is detailed in that section. The additional funding on this project is required because                         <ul style="list-style-type: none"> <li>• Tenders came in higher than expected.</li> <li>• Final design of re-grading and retaining structures at Clay Wood meant a costlier specification than was anticipated.</li> </ul> </li> </ul> <p>However the cost of remediation of any contamination is still unknown; therefore an allowance (estimated) has been included in the contract. (This is required to discharge planning conditions).</p>	<p>Slippage Variation</p>	<p>180 92</p>	<p>Competitive tender</p>
<p><b>Edward Street</b>                  This project was originally approved in February 2011 to provide a new open space for public use and provide activity /event space for local community groups by improving the original, under-used and dilapidated ball games court.                  A number of project outputs have slipped due to the need to obtain further public consultation, these are:- Construction of steps, park entrance, walling, fencing, lighting</p>	<p>Slippage &amp; Variation</p>	<p>Slippage 201 Variation -41</p>	<p>n/a</p>

<p>and planting. As a result, approval is being sought to slip £201k into 2014/15 and reduce the approved amount which incorrectly included the Commuted Sum for future maintenance obligations.</p>			
<p><b>COMPETITIVE CITY</b></p>			
<p><b>Vibrant City</b></p>			
<p><b>Woman of Steel</b> This project will deliver a memorial to recognise and celebrate the contribution of thousands of local women to the war effort in the form of a bronze sculpture.</p>	<p>Slippage</p>	<p>40</p>	<p>n/a</p>
<p>Approval is being sought to slip £40k into 2014/15 as the artist is not at the appropriate stage to enable a stage payment this financial year. This delay in the programme will not affect the final delivery.</p> <p>The project is funded by donations raised by the South Yorkshire Community Foundation.</p> <p><b>Porter Brook Remedial Works</b></p> <p>This project combines regeneration, flood risk improvements and the creation of a small area of riverside public open space on the Porter Brook in the Cultural Industries Quarter. The site is located at the junction of Sidney Street and Matilda Street in the Cultural Industries Quarter in Sheffield.</p> <p>The project objectives are to:-</p> <ul style="list-style-type: none"> <li>• Reduce flood risk through the removal of the unstable riverside wall and existing loose riverbank material and steelwork</li> <li>• To provide the first stages of a public open space and improve the river environment for fish and wildlife</li> </ul>	<p>Addition</p>	<p>200</p>	<p>YORCivils Framework – single stage mini competition</p>

<ul style="list-style-type: none"> <li>• General riverbank maintenance</li> <li>• Preparing the site for marketing in summer 2014</li> </ul> <p>The project is fully funded by the Environment Agency.</p>			
<p><b>INFRASTRUCTURE :-</b></p>			
<p><b>Moorfoot Building Maintenance</b>                  During the re-commissioning of the Moorfoot building (as part of the Council's Accommodation Efficiency strategy to reduce office costs) additional work was undertaken to the emergency lighting and alarm systems to make them fully compliant. The deficiencies in the systems were highlighted during a fire evacuation exercise.</p> <p>The variation is to move the costs from the main Workstyle Programme contract so the true cost and benefits of the Accommodation Strategy can be measured.</p> <p>Works undertaken include:</p> <ul style="list-style-type: none"> <li>• £45k: replacement of emergency lighting installations in stairwells, new LED lighting installation in Reception.</li> <li>• £100k : major overhaul of air conditioning installations (particularly serving Level 2), replacement of intruder alarm installations, new fire alarm installation to car park, alterations to pipework installations.</li> </ul> <p>The funding for this project will be:</p> <ul style="list-style-type: none"> <li>• £100k CRP (Corporate Resource Pool) from T&amp;FM Environmental Programme block allocation – see below;</li> <li>• £45.47k from Revenue Contribution to Capital from the Transport and Facilities Revenue Budget</li> </ul>	145	Variation (EMT)	N/A (The project went out to tender in line with SCC procurement guidelines).
<p><b>Environmental Programme block allocation</b>                  This block allocation was set up to provide for building services upgrades, due to the</p>	-100	Variation (EMT)	N/A

<p>existing buildings being beyond their life expectancy. The programme also shows its commitment to the council's priority of Improving the reduction in energy usage. Funding of £100,000 is required to be transferred to the Moorfoot Planned Maintenance capital project above to part meet £146k of Moorfoot Legacy costs. This would then fully exhaust the funding available from this block allocation.</p>			
<p><b>Westfield Asset Enhancement</b></p> <p>The key project objective is to develop the site for prospective developers and funders and the key output is a comprehensive planning and design brief. The site will then be marketed for sale. The scheme was part of a wider proposal to develop sports facilities in the vicinity.</p> <p>Owing to the County Football Association withdrawing from the sports facilities scheme, there has been a review of the enhancement project including extensive consultation with local stakeholders, planning authority and other Council officers which has delayed the delivery of the project.</p> <p>As a result, approval is being sought to slip £106k into 2014/15.</p>	Slippage	106	n/a
<b>BETTER HEALTH &amp; WELL BEING:-</b>			
<p><b>Mobile Working Solutions</b></p> <p>This is a project to provide an offline mobile working solution for assessment and care management in care and support. This project is a key part of the Council's strategy to reduce the cost of delivery of Adult Social Care as increasing demand puts pressure on the budget.</p> <p>This submission is seeks additional approval of £369k to provide new software to</p>	Slippage Variation	377 369	

<p>integrate the system with the Council's K2 Workflow engine and develop a Windows 8 build for the existing software. Technology has developed such that the latest ranges of mobile tablets do not run on Windows 7 and will not be supported by the manufacturer.</p> <p>This submission also seeks approval for slippage of £377k. Delays in the production of the functional specification and logical design caused by timescales to complete the work plus changes in current form of design in Adult Assessment and Care Management compounded by the Christmas change freeze on all systems development work (16/12/13 - 6/1/14) will result in a further 2 months delay for the next stage of the project. Project payment milestones have been slipped accordingly. It is expected that this delay will extend the delivery of the project by a month.</p> <p>The additional cost will be funded from the Corporate Resource Pool.</p>			
<p><b>SUCCESSFUL CHILDREN &amp; YOUNG PEOPLE :-</b></p> <p><b>Primary School Expansion Work to Address Basic Need Requirements:</b>                  The Council has a statutory duty to secure sufficient suitable pupil places. The following two schools are put forward for major construction work variations, following on from initial feasibility and design work, both to be funded from the DfE (Department for Education) Basic Need block allocation grant, and are described below. Having completed the feasibility &amp; design work, the Council now has sufficient information to estimate the cost of the two new schools and these are being added to the programme, being funded from the Basic Need Population Growth Phase 2 Block Allocation. A full consultation with the school has taken place.</p> <p>Continued monitoring of future pupil place demand has identified need in two areas of the city. Feasibility and scope of works have been completed to design solution to these requirements. Additional places are required by September 2015.</p>			

<ul style="list-style-type: none"> <li> <p><b>Greystones Primary School Expansion</b> Proposed works will include demolition of 3 existing temporary buildings, remodelling and refurbishment of the school main entrance and adjoining accommodation, extension and refurbishment of the school dining room and the construction of a 6 classroom new block with staffroom, toilets, offices, music room and library. By careful management of pupil accommodation, the new accommodation is not required until September 2016. Phase 1 would see the main entrance refurbished in the summer of 2014, with a Phase 2 Kitchen/dining area refurbishment taking place after that, having allowed for interim movement of classes allowing the work to take place.</p> </li> <li> <p>This variation is required to reflect the costs of increasing pupil places at Greystones from 60 to 90 per year on a permanent basis.</p> </li> <li> <p><b>Hallam Primary School Reconfiguration</b> This project covers the reconfiguration and redesign of buildings at Hallam Primary School. The scheme comprises the demolition of the existing infant block at Hallam primary school and the construction of a new classroom block of approximately 900m2 together with associated external works.</p> </li> </ul> <p>The Council has received a block allocation for the two year period 2013-2015 of £13.3m for primary school expansion and this will be used to fund the above two projects.</p> <ul style="list-style-type: none"> <li> <p><b>Basic Need Population Growth Phase 2 Block Allocation</b> This block allocation was set up to manage and control the funds supplied from the DFE (Department for Education) to enable the council to address the demand placed on future pupil places as a result of planned reaction to changes in monitored demand.</p> </li> </ul>	<p>Addition (Cabinet)</p>	<p>3,105</p>	<p>Constructionline framework – competitive tender</p>
	<p>Addition (Cabinet)</p>	<p>2,980</p>	<p>YORBuild competitive tender framework</p>
	<p>Variation (Cabinet)</p>	<p>-6,085</p>	<p>N/A Variation</p>

<p><b>Capital Maintenance Programme Works – Primary Schools</b>                  The following four additions are to be funded from the Building Maintenance Primary Prioritisation Programme block allocation’s DFE (Dept. for Education) £4.53m 2014/15 grant. They are all to be procured using a formal tender process:</p>	<ul style="list-style-type: none"> <li>• <b>FRA (Fire Risk Assessment) Works Programme - 14/15</b>                      This project will address works to schools in 2014/15, following recommendations received from fire risk assessments; being the second phase of schools targeted as part of the programme. The work will include installation of Automatic Fire Alarm Detection equipment at Shooters Grove, Malin Bridge, Woodseats and Acres Hill primary schools, to ensure a safe and fit for purpose working environment for the provision of educational services.</li> </ul>	<p>Addition</p>	<p>1,079</p>	<p>YORBuild framework – competitive tender</p>
	<ul style="list-style-type: none"> <li>• <b>Lydgate Infants – Mechanical</b>                      A replacement heating system is required at Lydgate Infant School. This boiler and heating system was identified for replacement under the condition and gas servicing programme of 2011/12. A repair cannot be carried out due to the boiler being over 80 year’s old and unavailability of replacement parts and the system is now moving from oil fired to gas fuelled. By installing a new heating system it will reduce future liabilities for the school’s repairs and maintenance costs.</li> </ul>	<p>Addition</p>	<p>550</p>	<p>Constructionline framework – competitive tender</p>
	<p>The works will be funded from the <b>Building Maintenance Primary Prioritisation Programme Block Allocation (Q00060)</b> which will be reduced accordingly to leave £753k of the 2014/15 cumulative position unused</p> <p>This block allocation was created to cover the primary school building maintenance programme requirements for a number of years, with the CYPF Commissioners having overall control of the allocation of funding to individual</p>	<p>Variation</p>	<p>-1,629</p>	<p>N/A</p>

<p>projects on a prioritised basis and the Capital Delivery Team to act as project manager for the purposes of delivery of the funded Business Units. This variation seeks to apply the necessary funds to enable the following two projects (noted above) to progress to procurement and then build stage: FRA Works (£1.079m) and Lydgate Infants (£0.55m).</p>			
<p><b>Stocksbridge – Mobile Replace</b>                  This project was approved to replace existing mobile classrooms with a traditional build extension to Stocksbridge Primary school as part of CYPF’s strategy to replace standard mobile classrooms across the school estate on a priority led basis. The project is funded from a DfE (Department for Education) Capital Maintenance grant. The original approved budget stood at £300k and the £79k variation is being requested for Contracted works (£58k), Equipment (£5k), additional fees (£3k) and a recently added Contingency element (£13k). The cost has increased mainly as a result of additional costs for difficult ground conditions. Contingency previously included in construction costs now shown separately. The construction contract element is now to be let as a joint contract, for operational and cost efficiency reasons.</p>	<p>Variation (EMT)</p>	<p>79</p>	<p>The construction contract element is to be let as a joint contract with the Longley Extension detailed below</p>
<p>Q00060 Building Maintenance Primary Prioritisation Programme Block Allocation</p>	<p>Variation (EMT)</p>	<p>-79</p>	
<p><b>Longley – Two Classroom Extension</b>                  This project was set up to create a new 2 classroom extension at Longley Primary School as part of CYPF’s strategy to manage the growth in local pupil populations and create additional places at local primary schools. The project is funded from a DfE (Department for Education) Basic Need population</p>	<p>Variation (EMT)</p>	<p>12</p>	<p>The construction contract element is to be let as a joint contract with the Stocksbridge</p>



<p>growth grant. The original approved budget stood at £400k and the £12k variation is being requested for Contract work (-£4k), Equipment (£3k), additional fees (£3k) and a recently added Contingency element (£10k). The construction contract element is now to be let as a joint contract, for operational and cost efficiency reasons.</p> <p><i>Q00061 Basic Need Population Growth Phase 2 Block Allocation</i></p>	<p>Variation (EMT)</p> <p>-12</p>	<p>Mobile, detailed above</p>
<p><b>SAFE &amp; SECURE COMMUNITIES:-</b></p>		
<p><b>Norbury/Bolehill Demolition</b> This project was approved to demolish two Care Homes: - Norbury (closed March 2013) and Bole Hill View (closed October 2013). The demolition is no longer required as the Norbury site has been sold and Bolehill is now going to be used as a decant accommodation property for 18 months, with a strong likelihood of continued use or ultimate sale and the project is thus requested to close.</p> <p>This will release £120k of Communities' Corporate Resource Pool funding back into the pot, of which £20k is requested to be added to the Hurfield View Care Home Extension project to cover higher than anticipated build costs as noted in the Director Variations section below.</p>	<p>Variation (Cabinet: project cancellation)</p> <p>-120</p>	<p>N/A</p>
<p><b>PROCUREMENT STRATEGY</b></p> <p><b>Homes</b></p> <p><b>Housing Demolition Programme 2014/2016 97271 - Swan/97294 – Park Hill/97414 – Arbourthorne 5Ms/97413 – Sweeney/97269 – Emergency Demolitions</b></p>		
	<p>Strategy</p> <p>9,548</p>	<p>Full Competitive Tender</p>

<p>The Works comprise the decommissioning of the properties, capping off gas and water supplies, removal of the main electricity fuses, gas appliances, radiators, surface mounted pipework, sinks and all other salvageable materials; a second visit to remove concealed pipework and the boiler, if not previously removed. An asbestos survey will have been carried out prior to the work. The controlled demolition and removal from site of properties within the Sheffield City Council boundaries. This will include the erection of temporary perimeter security fences/hoardings; erection of temporary scaffolding and protective dustproof sheeting, if required, clearing all asbestos and domestic waste from the buildings, stripping out the buildings and the demolition of the buildings to the underside of ground floor slabs or to the levels as instructed by the Contract Administrator; the removal of associated external works and redundant drainage; the adjustment of the site(s) levels to give maximum 1:3 falls, the filling of the areas of demolition and external works removal and topsoil coverings.</p> <p>This Contract will allow for decommissioning of dwellings at Park Hill, and the decommissioning and demolition of 5M properties at Arbourthorne, Sweeney Sheltered Scheme, the completion of the Vic Hallam SWAN estates and small numbers of garages. No guarantee of the actual number of properties in the contract will be given and no continuity of work can be guaranteed. Some properties identified in the Tender Document may not be handed to the Contractor due to them having been previously demolished prior to the commencement of the Contract, or withdrawn from the Contract.</p> <p>It is intended to issue the tenders on 8<sup>th</sup> May 2014, with submission for approval around 21<sup>st</sup> July CPG with the start of the contract 15<sup>th</sup> September finishing 9<sup>th</sup> September 2016. The actual contract value is £3.235m with a total budget of £9.548m. This submission will follow the existing procurement strategy and the contract ends in 2014.</p>				

<b>EMERGENCY APPROVALS:- (Note only)</b>				
<b>Competitive City</b>				
New Retail Quarter (CPO) New Retail Quarter 2	The Council and Hammerson Plc have mutually agreed to end their agreement to develop a new retail offer for the city (the New Retail Quarter project). This submission amends the existing approvals to reflect the new strategy to deliver the NRQ. The authority to acquire properties under compulsory purchase order powers will be cancelled and a new budget for the development of an alternative proposal will be created. The bulk of the spend will be on specialist legal, property and commercial advice and project management.	Variation Addition	-4,242 1,667	
<b>DIRECTOR VARIATIONS:- (Note only)</b>				
<b>Better Health &amp; Well Being</b>				
<b>Short Breaks - Communities</b>	This project is to provide short breaks and respite care for people with learning disabilities by co-locating two existing facilities at Warminster Road. This will result in revenue saving of £100k annually. This project has now completed and has resulted in a saving of £15k to the Corporate Resource Pool. The refurbishment went well, was completed on time, and to a high standard. The services moved and have been operational from the newly refurbished Warminster Road building for a number of months now.	Director Variation	-15	N/A
<b>Hurfield View Extension</b>	This project was initially set up to provide for the addition of 4 bedrooms and associated refurbishment work at Hurfield View care home. The Variation is required to provide	Director Variation	20	N/A

<p>additional contingency for asbestos removal not included in the original estimate. This will be funded from deferring the demolition of Bolehill/Norbury care home.</p>			
<p><b>GREAT PLACE TO LIVE</b></p>			
<p><b>Chapelton Park Playground</b> This project is now complete and no costs are to be incurred this financial year. The Director Variation is to approve the reduction of the budget to nil and remove the remaining S106 funding.</p>	<p>Director Variation</p>	<p>-9.6</p>	<p>N/A</p>

Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Conditions and Obligations	Value £000
Environment Agency	Environment Agency Local Levy	Porter Brook Remedial Works	<p>Subject to receipt of the final formal offer from the Environment Agency. Current terms and conditions below.</p> <p>Main Conditions to fulfil</p> <ul style="list-style-type: none"> <li>○ The Grant may only be used for capital expenditure .</li> <li>○ Works cannot commence until a formal offer letter has been received.</li> <li>○ Full and proper maintenance of any works must be agreed. Failure to do so may affect future grants.</li> </ul> <p>Clawback</p> <ul style="list-style-type: none"> <li>• There are no provisions for clawback as the grant is given as not ring-fenced. However, any payments not paid may be withheld if the project is not delivered.</li> </ul> <p>Risks</p> <ul style="list-style-type: none"> <li>• EA must be kept informed of any change to grant profile over financial years in order to ensure full grant remains available for duration of project.</li> </ul>	200

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