

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31st March 2015

Purpose of the Report

- This report provides the Financial Outturn statement on the City Council's Revenue Budget and Capital Programme. The first section summarises the position and the detailed Revenue Budget Monitoring and the Capital Programmes are reported in the Appendices.

REVENUE BUDGET MONITORING

Movements from Month 11

- At month 11 the overall Council position was a forecast reduction in spending of £121k. The outturn position for 2014/15 is a balanced budget (following approval of carry forward requests). This is an adverse movement of £120k from month 11.
- The outturn by portfolio is summarised in the table below:

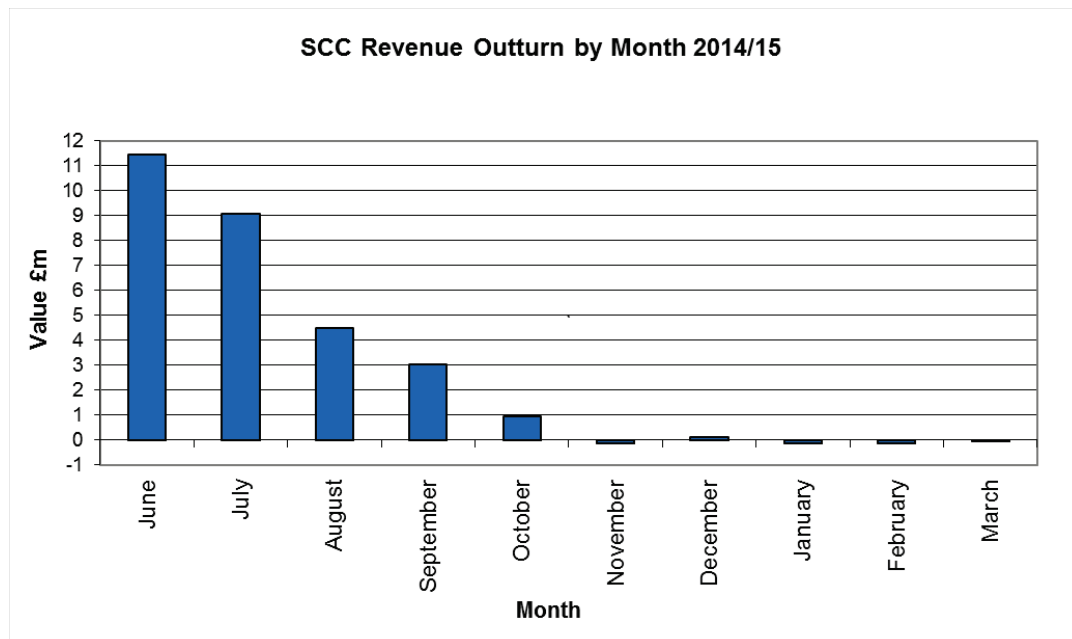
Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 10
CYPF	74,599	75,381	(782)	↔
COMMUNITIES	160,898	158,933	1,965	↔
PLACE	165,287	164,320	967	↔
POLICY, PERFORMANCE & COMMUNICATION	1,459	1,430	29	↓
RESOURCES	62,432	63,070	(638)	↓
CORPORATE	(465,323)	(463,134)	(2,189)	↑
TOTAL	(648)	-	(648)	↓
PORTFOLIO CARRY FORWARD REQUESTS			47	
2015/16 PRIORITY PROJECTS CARRY FORWARD REQUESTS			600	
GRAND TOTAL			(1)	

- The main portfolio variations since month 11 are:
 - The Resources outturn is an improvement of £675k from the month 11 forecast and is mainly due to increased income within Legal Services of £157k, savings on former employee pension costs of £212k, and greater than anticipated income from rent rebates of £119k.

- Corporate budgets outturn is an adverse movement of £423k, which is mainly due to a temporary £1.5m contribution towards the pension deficit early payment required to deliver £2.6m of savings over the next two years. These funds will be fully repaid during 2015/16. This adverse movement has been partly offset by a £431k improvement on the redundancy budget as a result of lower than expected VER/VS applications in March, and a £571k improvement within capital financing costs, which is predominantly a result of lower Minimum Revenue Provision (MRP) payments than anticipated.

Movements from initial forecasts at month 3

- The forecast outturn over the past 9 months and the final position has shown an improving position from the £11.4m overspend reported in month 3 to the balanced position at year end. The improvement between June and November reflected Portfolios’ attempts to reduce spending but also the receipt of additional grant income within the Corporate budget area to help offset the significant pressures within the Communities and Place portfolios. Since November the aim has been to continue delivering a broadly balanced position by identifying additional savings to meet any emerging in-year pressures. The position month by month is shown in the following chart:



6. In terms of the outturn position of a £648k reduction in spending before carry forwards, the key reasons are:
- Children Young People and Families outturn is a £782k reduction in spending mainly due to additional Education Services Grant (ESG) income of £538k due to a delay in academy conversions, additional income in Information Systems of £193k, additional traded income of £317k within the Inclusion and Learning Service, and overall net savings across the C&F services of £342k, which are made up of gross overspends of £1.5m and underspends of £1.8m, details are given in Appendix 1. These reductions in spending are partly offset by overspends relating to demand increases on SEN Transport of £322k, redundancy costs and under achievement of income against Music Services of £119k, and a £248k overspend on Schools' PFI.
 - Place are reporting an outturn overspend of £967k, due predominantly to delays in delivering the planned cost reductions to the waste contract as a result of protracted negotiations with the provider of £1.3m and £1.0m over budget due to income pressures within the markets activity associated with the difficult economic climate. These over spends are partly offset by £200k of vacancy management savings and £800k of additional income within Regeneration and Development Services.
 - Communities are reporting an outturn overspend of £2.0m, due predominately to a £2.5m overspend in Care and Support relating to Learning Disability Services and the purchase of Older Peoples' care. This overspend has been partly reduced by significant improvements in Adults Long-term Support, which is reporting a reduction in spend of £1.2m. Another reduction in spending within the portfolio includes a savings of £558k as a result of contract negotiation activities on Housing Related Support.
 - Resources outturn position is a reduction in spending of £638k, due mainly to £512k of additional income within the Housing Benefit area which is predominantly as a result of a DWP data-matching initiative identifying a high number over payments which are now recoverable. The amount recovered is greater than the reduced subsidy paid by the DWP and is therefore a gain to the Council. In addition there is an £184k under spend in Human Resources due to increased income from the Moorfoot Learning Centre and vacancy management savings.
 - The outturn position for Corporate budgets is a reduction in spending of £2.2m, due mainly to the receipt of additional grant income

awarded to the Council as compensation for business rates related measures introduced or extended in the 2013 Autumn Statement, the release of a year end provision taken to cover possible Stamp Duty costs for Don Valley Stadium and the aforementioned redundancy and MRP savings. This release of the provision, additional income and budget savings have been partly offset by the aforementioned need to temporarily contribute towards the pension deficit early payment required to deliver savings over the next two years.

7. Further details of the outturn position for services and any movements from the previous month are detailed in **Appendix 1**.

Portfolio Approval Requests

Access to Grants

8. To ensure consistency when dealing with grants which have not been included in portfolios' spending plans for 2014/15, Portfolios have been asked to present business cases via the monthly budget monitoring process for such income to be released and/or carried forward to 2015/16. A summary of requests awaiting approval as at Month 12 is summarised below. Further details of each request can be found in **Appendix 1.1**. It is recommended that these requests be approved.
9. Portfolios are requesting approval for the following grant to be released:
 - **Resources:** £55k FERIS 2014/15 – This is a ring fenced grant given by the DWP to support Local Authorities to tackle Fraud and Error in Housing Benefit.
 - **CYPF:** £305k Special Educational Needs (Reforms) Grant – requested for release to support activity to implement the reforms required by the Children & Families Act in September 2014.

Carry Forward Requests

Portfolios

10. Communities are requesting two carry forwards totalling £47k. These requests relate to £8k of unspent Ward Pots for local improvements and a relatively small underspend within the Libraries Service of £39k. More supporting details can be found in **Appendix 1.2**.

2015 / 16 Priority Projects

11. In addition to the portfolio requests we are recommending that £600k be carried forward into 2015/16 to fund priority projects. It is proposed that the Council Leader in consultation with Cabinet colleagues will decide how specifically to allocate this funding.

Public Health

12. The Public Health ring-fenced grant reported a £1.7m underspend for 2014/15. However it was approved via the month 6, 9 and 10 monitoring reports that £1.3m of this underspend be made available to fund a number of public health related projects in 2015/16. The funding for these approved projects along with the remaining £400k unallocated underspend has been transferred to earmarked reserves for use in 2015/16. Further details on the outturn position can be found in **Appendix 2**.

Housing Revenue Account

13. The 2014-15 budget assumes an in year surplus of £6.9m will be generated which will be used to fund the HRA Capital Investment Programme. In accordance with the HRA's financial strategy any further in- year revenue surplus / savings generated by the account will be used to provide further funding for the future HRA Capital Investment Programme.
14. As at month 12 the full year outturn position is a £8.8m overall improvement from budget. As such, the funding contribution to the capital investment programme has now been revised from £6.9m to £15.7m. This is in line with the HRA Business Plan which sets out the Council's ambitious plans and priorities for council housing over the next five years. Capital investment is to be made on improving council housing with a focus on works such as replacement heating systems, insulation and energy efficiency, new roofs, improvements to communal areas as well as building or buying new/replacement council housing. Further details of the HRA forecast outturn can be found in **Appendix 3** of this report.

Non-earmarked and earmarked reserves

15. Within the existing statutory and regulatory framework, it is the responsibility of the Interim Executive Director of Resources to ensure that the Council has an adequate level of reserves and that there are clear protocols for their establishment and use.
16. Work on the reserves balances as at 31 March 2015 is still being undertaken and is dependent on the completion of the statement of accounts. However, the estimated balance of revenue reserves as at 31 March 2015 is £88.8m. This is shown in **Appendix 4**.
17. Included in the total is a figure of £11.3m of non-earmarked reserves, which is considered to be low but not inadequate based on the requirements of the Council. The 2012 Audit Commission report ‘Striking a Balance’ indicated that:

“most Chief Finance Officers in our research regarded an amount between 3 and 5 per cent of the council’s net spending as a prudent level for risk-based reserves...”

18. Sheffield’s level of general fund reserves at 2.5% of the 2015/16 net revenue budget is below these benchmarks but as aforementioned is still believed to be adequate based on the requirements of the Council.
19. Although the overall balance on reserves of £88.8m seems significant, it is worth noting that this is well below the national average as a proportion of net revenue expenditure for Single Tier and County Councils. The National Audit Office Report 2014 ‘The impact of funding reductions on local authorities’ highlighted that:

“There has been a marked increase in levels of both types of reserve. For single tier and county councils most growth has been in earmarked reserves. These have increased from 19% to 27% of net revenue expenditure in real terms. Unallocated reserves have remained stable at 6% of net revenue expenditure.”

20. This report shows that on average Single Tier and County Councils have set aside 33% of their net revenue expenditure budget in reserves. The comparable figure for Sheffield City Council in 2014/15 is only 20%.
21. Earmarked reserves are set aside to meet known or predicted liabilities, such as equal pay claims, but ones that are not certain enough to create an exact provision in the accounts. The liabilities are, however, likely

enough to say that the earmarked reserves are not normally available to fund the budget or other measures.

22. Earmarked reserves also exist because of the need to smooth the significant payments made on programmes such as the Major Sporting Facilities (MSF) and PFI schemes over the 20 year plus terms of the underlying agreements. In both cases we currently have a temporary surplus. However, over time this position will change, and future payments will be higher than our resources, so the reserves will be needed to support their primary purpose (from around 2016/17 onwards).
23. The Council has made significant use of the money from these reserves to fund expenditure on a temporary basis, and it is part of the financial plan to have the reserves refunded by the time the call on them is required. The main temporary use has been to support investment in key change projects through Invest to Save which will be fully repaid in 2015/16. During 2014/15 £18.4m has been used to support the Pension Deficit early payment to deliver £2.6m of savings. These funds will be fully repaid in 2015/16.
24. Further details on reserves and their use can be found in **Appendix 4**.

Insurance Funds

25. An independent review of the Insurance Account has been undertaken to identify the level of fund required. This includes:
 - Known outstanding liabilities.
 - Incurred but not reported liabilities (IBNR), and residual IBNR
 - Claims previously paid by Municipal Mutual Insurance (one of the Council's Insurers who went in to a form of receivership in the 1990's)
 - Emerging claims
 - Uninsured asbestos related claims.
26. The Directors of MMI 'triggered' the scheme of arrangement under section 425 of the Companies Act 1985 (now section 899 of the Companies Act 2006). Ernst Young are now responsible for the management of the MMI's business, affairs and assets in accordance with the terms of the Scheme.

27. The Scheme provides that following the occurrence of a Trigger Event, a levy may be imposed on all those scheme creditors who have paid amounts exceeding £50,000 since the record date. Additionally, payments made after the imposition of a levy in respect of established scheme creditors will be made at a reduced rate (the payment percentage).
28. Ernst Young have carried out a review of assets and liabilities of MMI and concluded that the initial rate of the levy would be 15%, which has now been paid. The levy will be reviewed at least once every 12 months.
29. The Council has a potential claw back of £4.1m with MMI in respect of its own liabilities, and a further £553k relating to its share of the liabilities of South Yorkshire Residuary Body (SYRB).
30. The Insurance Account as at 31 March 2015 has £21.7Million; outstanding liabilities as at 31 March 2015 are £25.6 Million. The Insurance Account is therefore 85% funded as at 31 March 2015. Given the likely levels of repudiation of claims, we are satisfied that this account is adequately funded.

Corporate Risk Register

31. 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 **Appendix 5** along with any actions being undertaken to manage each of the risks.

New Homes Bonus Fund

		£m
Income	Reserves as at 1/04/14	-5.1
	2014/15 NHB Grant Received	-6.4
	Total Income	<u>-11.5</u>
Expenditure	2014/15 Total Spend	4.2
	Future Years' Commitments	6.4
	Total Expenditure	<u>10.6</u>
	Funds Available for Investment	<u><u>-0.9</u></u>

32. The full year outturn for spend on New Homes Bonus remains in line with the month 11 forecast of £4.2m. During the year the New Homes Bonus fund supported housing and regeneration projects including:

- £1.0m remediating the site of the Don Valley Stadium as part of the regeneration strategy for the Lower Don Valley
- £0.8m to the Sheffield Housing company to build new homes;
- £0.6m improving local centres particularly Darnall and Spital Hill;
- £0.8m building a cycle path from Park Square to Norfolk Park to encourage development in the area; and
- £0.3m in enhancing hard to develop sites and bringing long term empty houses back into use.

Annual Treasury Management Review

33. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2014/15. It was intended that the Annual Treasury Management Review would be attached to this outturn report as **Appendix 6**. However due to the shortened timetable for this report to ensure earlier visibility on the revenue outturn position, it has not been possible to include the Treasury Management Review at this stage. It is intended that the Annual Treasury Management review will now be presented to Cabinet in July 2015 as part of month 2 Budget Monitoring.

Capital Summary

2014/15 Performance

34. At the end of March 2015, the end of year position is £19.5m (12%) below the approved Capital Programme. Project managers have delivered a capital programme of £145.3m. This is £8.5m lower than the Month 11 forecast of £153.8m. This compares to a variance of £1.7m last year for the same period.
35. A number of significant projects have been delivered including:
- Completion of two new primary schools providing additional school places.
 - £2.5m invested in acquiring existing or building new council owned homes.
 - 80% of the next 5 years Housing programme has been procured.

- The Bus Rapid Transit North project is well underway despite the contamination of the site, unchartered buried services and unexploded bombs from World War Two.
- £13m invested in New Retail Quarter land purchases and development work.
- Preserving the city's heritage by repairing historic buildings such as the Abbeydale Industrial Hamlet.

2015/16 Challenges

36. The approved programme in 2015/16 currently stands at £262m plus £21m of slippage and another £7m - £8m being worked up for approval, taking the total towards £300m. It is also possible that more SCRIF funded schemes may come on stream. The Council has not delivered a similar sized programme since 2010/11, and this would be double the value delivered in 2014/15 as highlighted above.
37. The implementation of the new Gateway approval process aims to remedy many of the causes of potential reduced delivery through greater intervention by supervising programme boards earlier in the approval process. It is hoped that his new approval process will streamline planning and delivery practices to enable the delivery of the ambitious 2015/16 programme.
38. Further details of the Capital Programme monitoring and projects for approval are reported in **Appendices 8 to 8.2**.

Implications of this Report

Financial implications

39. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2014/15 and, as such it does not make any recommendations which have additional financial implications for the City Council.

Equal opportunities implications

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

Legal implications

41. There are no specific legal implications arising from the recommendations in this report.

Property implications

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

Recommendations

43. Cabinet are asked to:
- (a) Note the updated information and management actions provided by this report on the 2014/15 Revenue Budget Outturn.
 - (b) Approve requests in respect of Access to Grants and Portfolio Carry Forwards as shown in **Appendix 1.1** and **Appendix 1.2** respectively.
 - (c) Approve £600k of the 2014/15 underspend to be carried forward into 2015/16 in order to be used on a number of priority projects, and note that the Leader will decide specifically how the amount carried forward will be allocated, in consultation with Cabinet colleagues.
 - (d) Approve the project to replace the Finance and eProcurement System, as detailed in **Appendix 7**.
 - (e) In relation to the Capital Programme:
 - (i) Approve the proposed additions to the Capital Programme listed in **Appendix 8.1**, including the procurement strategies and delegations of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
 - (ii) Approve the proposed variations and slippage in **Appendix 8.1**;
 - (iii) Delegate to the Director of Finance and the Director of Legal Services the authority to finalise, and if satisfactory, accept, the conditions of the grant listed on **Appendix 8.2**;

- (iv) Delegate to the Director of Finance in consultation Cabinet Member for Finance & Resources the authority to finalise the approved budget amounts to be slipped forward into 2015/16;

and note;

- (v) The Outturn position on the Capital Programme; and
- (vi) The emergency approvals under delegated authority.

Reasons for Recommendations

- 44. To record formally 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

- 45. 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.

Dave Phillips
Interim Director of Finance

Portfolio Outturn Budget Monitoring Reports

Children Young People and Families (CYPF)

Summary

1. The Portfolio has a full year outturn of a reduction in spending of £782k on cash limit, an improvement of £68k from the month 11 position and DSG is underspent by £1.8m:
 - **Business Strategy:** £109k reduction in spending, additional Education Services Grant (ESG) income to that budgeted of £538k and additional income in Information Systems of £193k. This under spend is partly offset by a £322k over spend on SEN Transport due to demand increase, redundancy costs and under achievement of income against Music Service £119k and £248k overspend on Schools PFI.
 - **Children and Families:** £342k reduction in spending. Under spent areas are:- Contact Contracts £501k due to more efficient management using contact centres, Placements £729k due to positive trends in the numbers and the costs of placements, Prevention and Early Intervention £272k due to reduced expenditure on Contracts and Hosting and Premises, Provider Services £185k in Fostering Staffing, Corporate Parenting and Bail and Remand combined due to numbers reducing, Legal Fees £147k due to lower than anticipated legal costs on care proceedings. These under spends are offset by over spending areas which are: - Management and Business Support £117k due to delay in the Business Support MER, Fieldwork Service Areas and Permanence and Throughcare £781k net overspend mainly due to difficulties in achieving vacancy monitoring targets and recruitment of social workers, Direct Payments £270k due to parents accessing their own care arrangements and Short Breaks £280k due to increased applications for grant and higher number of holidays 2014/15 in comparison to prior year, Children's Disability Team £106k which appears to be due to increased costs to a private provider.
 - **Inclusion and Learning Services:** £317k reduction in spending due to £219k as a result of additional traded income in Educational Psychologists and £55k in Pupil Admissions, £85k in Advocacy and Challenge and £189k in SEN Placement Team due to vacancies. These are partly offset by an over spend in In City SEN Provision £140k due to additional High Risk Learners identified and an overspend of £77k on LAC Pupil Premium due to less grant income than anticipated.

- **Lifelong Learning and Skills:** £14k reduction in spending due to £242k under spend in Youth Teams partly offset by over spends in the Training Units £281k, due to less income than anticipated.

Financials (Non-DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 11
BUSINESS STRATEGY	(1,595)	(1,486)	(109)	↓
CHILDREN & FAMILIES	60,409	60,751	(342)	↓
INCLUSION & LEARNING SERVICES	5,910	6,227	(317)	↔
LIFELONG LEARN, SKILL & COMMUN	9,875	9,889	(14)	↑
GRAND TOTAL	74,599	75,381	(782)	↔

DSG Budgets

2. These budgets are funded via Dedicated Schools Grant (DSG) which is ring-fenced to schools activity. These funds are therefore not available to support General Fund activity and hence are not discussed in the main body of the report.
3. Overall the DSG outturn is underspent by £1.8m, this is shown in the table below:

Service	DSG			Overall Change £000
	Month 12 £000's	Month 11 £000's	Variance £000's	
Business Strategy	(2,305)	(426)	(1,879)	(1,995)
Children & Families	(123)	(144)	21	(178)
Inclusion & Learning	643	737	(94)	(1)
Lifelong Learning	(16)	23	(39)	114
	(1,801)	190	(1,991)	(2,060)

- **Business Strategy** – an overall underspend of £2.3m, made up as:
Underspends of:
 - 2 year old Free Early Learning £1.4m due to the level of programme delivery achievable in year to meet the Governments ambitious target.

The level of activity reflects the demand and supply for the service which is expected to increase in 2015/16;

- Routine Claims for Contingency £123k due to the level of claims paid to schools being reduced; and
- £1m contingency on DSG grant that is required to fund the 2016/17 DSG budgets, so this amount has been added to the DSG reserve.

Offset by overspends against:-

- SEN Transport £334k due to level of demand; and
 - Significant Growth School Budget £637k due to level of demand.
- **Children and Families** - £123k overall underspend due to a reduction in expenditure in MAST expenditure.
 - **Inclusion and Learning** - £643k overall overspend mainly due to:-
 - Banded Funding £350k due to level of demand;
 - Independent Placements £315k due to level of demand; and
 - In City SEN Provision £386k due to level of demand.

Offset by underspends against:-

- Sensory Services £89k due to reduced expenditure against staffing and transport plus increased income to that budgeted;
 - Inclusion and Learning Services £154k due to staff vacancies;
 - Pupil Admissions £82k due to additional academy income to that budgeted; and
 - Looked after children education service (LACES) £60k due to reduced expenditure and additional income to that budgeted, Pupil Premium and Fellowship payment.
- **Lifelong Learning and Skills** £16k overall underspend mainly due to:-
 - Post 16 High Needs £135k due to level of demand.

Offset by an under spend against:-

- Not on School Roll £127k due to improved processes to place children.

DSG Reserves

	Balance Brought Forward At April 2014	Underspend on DSG in 2014/15	Balance Carry Forward At March 2015
	£000	£000	£000
DSG reserve	(3,728)	(1,801)	(5,529)
Sickness Insurance Scheme	(159)	-	-
Maternity Insurance Scheme	(143)	(8)	(151)
Total	(4,030)	(1,809)	(5,680)

4. The balance on the DSG reserve at 31 March 2015 is £5.7m, this amount is required to balance the 2015/ 16 budget with a small contingency of £1m which will carry forward in to 2016/17 and may be required to assist in balancing the DSG budget for that year.

Place

Summary

5. The Portfolio's revenue outturn is an overspend of £967k, which is in line with the previous month. The key reasons for the outturn position are :
- **Business Strategy & Regulation:** £1.3m overspend due to delays in delivering the planned cost reductions to the waste contract as a result of protracted negotiations with the provider.
 - **Capital & Major Projects:** £1.0m over budget due to income pressures within the markets activity associated with the difficult economic climate.
 - **Regeneration & Development Services:** £1.0m under budget due to reductions in spend through vacancy management of £200k and additional income across a number of activities of £800k.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 11
BUSINESS STRATEGY & REGULATION	30,435	29,178	1,257	↔
CAPITAL & MAJOR PROJECTS	1,700	661	1,039	↑
CREATIVE SHEFFIELD	1,008	1,192	(184)	↔
CULTURE & ENVIRONMENT	44,626	45,046	(420)	↔
MARKETING SHEFFIELD	1,051	815	236	↔
PLACE PUBLIC HEALTH	(1)	0	(1)	↔
REGENERATION & DEVELOPMENT SER	86,468	87,428	(960)	↓
GRAND TOTAL	165,287	164,320	967	↔

Commentary

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

Business Strategy & Regulation

7. The revenue outturn for this activity is £1.3m over budget, broadly in line with the previous period.
8. The position reflects an assumed £1.4m risk pending agreement with the Contractor on new terms to reflect the revised waste collection arrangements. Work is progressing on developing further the range of options for negotiation with the contractor with a view to implementation for the commencement in the new financial year.
9. Other cost pressures have to a large extent been mitigated, through one-off savings / additional income including the finalisation of the prior year sale of heat income due to the Council.

Capital & Major Projects

10. The revenue outturn for this activity is £1.0m over budget, an adverse movement of £400k this period following a review of provisions held relating to the markets service, given the current economic climate.
11. The outturn position largely reflects income pressures within the markets service arising from the level of stalls being let and provisions for potential debt. The business model for the market is currently under review balancing lower rents against the need for more flexibility in location to ensure let space is

maximised. External agents have been engaged to promote the letting of vacant stalls and recover monies due to the Council.

Culture & Environment

12. The revenue outturn for this activity is £420k under budget, broadly in line with the previous period.
13. The key variances included additional income within bereavement services of £220k and city centre management of £83k, together with reductions in spend across a number of activities across the whole service.

Marketing Sheffield

14. The revenue outturn for this activity is £236k over budget, broadly in line with the previous period and largely reflects not securing planned reductions in subsidy for major events.

Public Health

15. The revenue outturn for this activity is balanced, since spend is covered from Health grant. However, it should be noted that spend at £2.9m is £1.0m below budget, which largely reflects reduced spend arising from below target performance on the on the Stop Smoking Contract.

Regeneration & Development Services

16. The revenue outturn for this activity is £960k under budget, an improvement of £273k this period largely due to additional income across a range of activities of £571k, offset to some extent by additional capital contributions to fund overspending in the Highways programme of £350k.
17. The key variances include reductions in spend through vacancy management of £200k and New Homes Bonus funded projects of £500k, additional income of £800k offset to some extent by additional capital contributions of £500k.

Communities

Summary

18. As at month 12 the full year outturn of the Portfolio is an over-spend of £2.0m, an improvement of £71k from the month 11 position. This outturn position is before taking into account carry forward requests of £47k within Community Services.

- **Business Strategy:** The outturn for the year was an overspend of £46k against the full-year budget. This is mainly due to one-off expenditure of £300k used for business improvement activity and £177k for Business Intelligence work, offset by a reduction in spend on the mail/insurance and legal SLAs of £148k and savings on employee related costs and contracted expenditure combined of £281k.
- **Care & Support:** The year-end outturn for Care & Support was an over-spend of £2.5m. This was primarily as a result of ongoing pressures and issues in Adult Social Care primarily relating to increased demand on care purchasing budgets. Recovery action has helped improve the position by over £2.2m from the Month 4 forecast position.
- Significant improvements have been made in Long Term Support where the year-end position was a reduction in spend of £1.2m, arising from savings in staffing of £660k savings in purchasing of £260k, savings in premises costs £110k and greater income received of £180k.
- Contributions to Care is showing a small increases in expenditure of £44k, with the main offsetting factors being: a shortfall in income of £1.4m due to numbers of contributing service users being less than had been forecast because of business demand management and appliance of eligibility criteria, a one-off provision of £550k for repayments where there has been an overcharge and a surplus in income from CHC of £1.8m due to more joint funded cases where services are commissioned by the Council. Other areas, including the Social Care Accounts Team, collectively have reduced spending by £130k.
- **Commissioning:** Reporting a full year outturn of a reduction in spending of £418k against the full year budget. The reduction in spend can be attributed to the following main changes: a reduction in expenditure on Housing Related Support Contracts of £558k as a result of contract negotiation activities; surplus income from Water Rates collection services of £76k and reduced spending on gypsy and traveller sites of £44k.

- This reduction is offset by an overspend of £152k relating to the agreed sharing of SHSCT unachieved savings dating back to 2013/14. It has been agreed the cost-sharing of the Sheffield Better Care Fund Programme Costs for 2014/15, which are £119k. There was an increase in staffing costs across Commissioning, but these were offset by increased cost recovery income.
- **Community Services:** the outturn for the service is reduction in spend for the year of £161k. There was a reduction in spending in Library Services of £58k, primarily due to planned savings on supplies and services, including the book fund. There is also a reduction in spend of £101k, mainly due to savings in employee related costs in Locality Services as a result of vacancies not being filled during the financial year.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 11
BUSINESS STRATEGY	5,069	5,023	46	↔
CARE AND SUPPORT	114,046	111,548	2,498	↓
COMMISSIONING	32,298	32,716	(418)	↑
COMMUNITY SERVICES	9,486	9,647	(161)	↔
GRAND TOTAL	160,898	158,933	1,965	↔

Commentary

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

Business Strategy

20. Increased SLA Legal Cost recharges within Business Strategy, arising from support in the year for Adult Social Care, including the Care Act and the Better Care Fund, were incurred in the month.

Care & Support

21. A provision of £400k for overcharging clients was taken in month 11. This provision was reviewed in month 12 and resulted in a £145k increase.
22. Further reductions in demand in the Local Assistance Scheme within Housing Related Services reduced the outturn position by £194k.
23. LD Purchasing budgets showed a favourable movement of £67k arising from the realignment of budgets, due to increased CHC Income.

Commissioning

24. There was a further £26k reduction in Housing Commissioning relating to Gypsy and Traveller expenditure, primarily as a result of delays in the purchasing of security equipment
25. Mental Health Purchasing reported an adverse movement of £83k, arising from increased purchasing activity

Community Services

26. Community Services have requested two Carry Forwards as a result of failing to fully commit libraries expenditure of £39k and Ward Pot expenditure of £8k by the end of the financial year.

Cross-Portfolio Movements

27. Across the portfolio there has been a further reduction of £17k in the month relating to employee related costs.

Resources

Summary

28. The Portfolio outturn is a reduction in spending of £638k, an improvement of £674k from the month 11 position. The key reasons for the outturn position are:
 - £184k underspend in Human Resources due to increased income in the Moorfoot Learning centre and vacancy management.
 - £512k underspend in Housing Benefit due to high value over payments as a result of a DWP data-matching initiative.Offset by:
 - £158k overspend in Commercial Services (Savings) due to reduced income from cashable procurement savings.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 11
BUSINESS CHANGE & INFORMATION SOLUTIONS	(8,156)	(8,151)	(5)	↔
COMMERCIAL SERVICES	1,093	1,104	(11)	↔
COMMERCIAL SERVICES (SAVINGS)	(1,293)	(1,451)	158	↔
CUSTOMER SERVICES	4,451	4,400	51	↔
FINANCE	2,103	2,179	(76)	↔
HUMAN RESOURCES	2,308	2,492	(184)	↔
LEGAL SERVICES	3,812	3,895	(83)	↓
RESOURCES MANAGEMENT & PLANNING	185	205	(20)	↔
TRANSPORT AND FACILITIES MGT	34,642	34,642	(0)	↔
TOTAL	39,144	39,315	(171)	↓
CENTRAL COSTS	23,074	23,028	46	↓
HOUSING BENEFIT	215	727	(512)	↓
GRAND TOTAL	62,432	63,070	(638)	↓

Commentary

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

Legal Services

30. An outturn of £83k reduction in spending. This is an improvement of £156k from the previous month and is due to higher income recovery than forecast.

Central Costs

31. An outturn of £46k overspend. This is an improvement of £277k from the previous month and is due to reduced expenditure on former employee pensions .

Housing Benefit

32. An outturn of £512k reduction in spending. This is an improvement of £119k from the previous month and is due to reduced rent rebate benefits paid out.

Policy, Performance and Communications

Summary

33. The Portfolio full year outturn is an overspend of £29k, an improvement of £105k from the month 11 position. The key reasons for the outturn position are:

- £211k overspend in Communications mainly due to reduced recharges for portfolio communications activity.
- £23k overspend in CEX office mainly due to unbudgeted LGYH membership costs.

Offset by:

- Savings through vacancy management, recovery of salary costs from the LEP & reduced supplies & services spend across other business units.
- £86k underspend in Electoral Registration because of reduced canvass activity due to reprioritisation of staff for the PCC election.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 11
ACCOUNTABLE BODY ORGANISATIONS	38	38	0	↔
POLICY, PERFORMANCE & COMMUNICATION	3,561	3,532	29	↓
PUBLIC HEALTH	(2,140)	(2,140)	0	↔
GRAND TOTAL	1,459	1,430	29	↓

Commentary

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

Policy Performance and Communication

35. An outturn of a £29k overspend. This is an improvement of £105k from the previous month. The improvement this month is due to:

- Month 12 recharge income in Communications being higher than forecast;
- Reduced canvass activity in month 12 in Electoral Registration.

Corporate items

Summary

36. The table below shows the items which are classified as Corporate and which include:

- **Corporate Budget Items & Corporate Savings:** (i) corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs, and; (ii) the budgeted saving on the review of enhancements and the budgeted saving from improved sundry debt collection.
- **Corporate income:** Revenue Support Grant, locally retained business rates and Council tax income, some specific grant income and contributions to/from reserves.

Financials

	<u>FY Outturn</u>	<u>FY Budget</u>	<u>FY</u> <u>Variance</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Corporate Budget Items & Savings Proposals	72,924	71,928	996
Income from Council Tax, RSG, NNDR, other grants and reserves	(538,248)	(535,062)	(3,186)
Total Corporate Budgets	(465,323)	(463,134)	(2,189)

Commentary

- Corporate budgets outturn is an adverse movement of £423k from month 11, which is mainly due to a temporary £1.5m contribution towards the pension deficit early payment required to deliver £2.6m of savings over the next two years. These funds will be fully repaid during 2015/16. This adverse movement has been partly offset by a £431k improvement on the redundancy budget as a result of lower than expected VER/VS applications in March and a £571k improvement within capital financing costs which is predominantly a result of lower Minimum Revenue Provision (MRP) payments than anticipated.

CYPF

Service	Grant	Request Amount £'000	What will the grant be spent on	Implications if grant is not released to the portfolio
Children & Families	Special Educational Needs (Reforms) Grant	305	This funding will be used to support activity to implement the reforms required by the Children & Families Act in September 2014. Specific activity is likely to include project resource, Education, Health & Care Plans, IT platform, Local Offer, workforce development and communications.	<p>The risks associated with non-investment include, but are not limited to:</p> <ul style="list-style-type: none"> - Failure to fulfil the Council's legal duties arising from the reforms - Inability to make financial savings through pooled budgets, joint commissioning and more focussed deployment of resource. - Continuation of disjointed provision failing to meet the expectations of learners and their families - Continued wastage of resource on tribunal and judicial processes
	Total	305		

RESOURCES

Service	Grant	Request Amount £'000	What will the grant be spent on	Implications if grant is not released to the portfolio
Central Costs	Fraud and Error Reduction Incentive Scheme (FERIS)	55	The grant is a start-up fund which will be used to support the tackling of Fraud and Error in Housing Benefit with the aim of encouraging the Council to find more changes of circumstances which reduce Housing Benefit entitlement. The grant will fund staffing, review forms and communication materials and monitor, develop and review the claims process.	FERIS is the DWP's new incentive scheme that offers a financial reward to local authorities who find reductions in Housing Benefit entitlement as a result of claimant error or fraud. The grant enables the local authority to provide additional resources required to deliver the scheme. If the grant is not released there is a significant risk that the LA will not be able to achieve the results necessary to gain the reward. Also, as the grant is ring-fenced to this activity, the LA cannot use it elsewhere.
	Total	55		

Overall Value of Requests = £360k

Appendix 1.2

Ward Pots - Carry Forward Requests 2014/15.

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
Libraries and Community Services	South Rd cycle stand (Walkley Ward)	£3704	Due to relatively small value of this underspend it was not identified until late in the year which did not provide sufficient time to maximise its use.	These funds are allocated for the improvement of local communities and as such any underspend not carried forward could affect local improvement plans.
Libraries and Community Services	Litter Bin (Broomhill Ward)	£619	Underspend in ward budget identified late. Cllrs. decided to allocate to item on their 'reserve list'. The late decision meant an order form wasn't able to be placed in time for year end. If carry forward agreed the order will be placed in 2015/16.	As above
Libraries and Community Services	Memorial trees in Frecheville (Birley Ward)	£2,000	Due to relatively small value of this underspend it was not identified until late in the year which did not provide sufficient time to maximise its use	As above
Libraries and Community Services	Childrens activities (Mosborough Ward)	£2000	As above	As above
	Total	8,323		

Libraries, Archives & Information Services - Carry Forward Requests 2014/15.

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
Libraries, Archives & Information Services	Materials Fund	£39,000	A delayed decision from DCMS (due Dec 2014, arrived mid-March 2015), as to whether an enquiry was to be carried out by DCMS into the transfer of Libraries. Reserves in the materials fund were held back to cover contingencies associated with a negative decision.	Due to the delayed decision from DCMS it impacted on the ability to utilise the funds for materials within the FY 2014/2015.
	Total	£39,000		

PUBLIC HEALTH BUDGET OUTTURN 2014/15

Purpose of the Report

1. To report on the 2014/15 Public Health grant spend across the Council for the year ending 31 March 2015.
2. The report provides details of the full year spend of Public Health grant compared to budget. Key variances are explained and any financial risks are discussed in the risk section.
3. The net reported position for each portfolio/service area would normally be zero as public health spend is matched by a draw down of public health grant. For the purposes of this report and in order to identify where corrective action may be necessary, we have shown actual grant draw down compared to budget.

Summary

4. The final outturn position was a under spend of £1.7m. The position shows a further reduction in spend of £66k on the previous month. This is summarised in the table below.

All figures £000s

Portfolio	Forecast full year expenditure	Full year expenditure budget	Full year variance	FY variance forecast at month 11	Movement from prior month
CYPF	11,281	11,281	0	15	(15)
COMMUNITIES	13,071	13,455	(384)	(435)	51
PLACE	2,833	3,728	(895)	(842)	(53)
DIRECTOR OF PUBLIC HEALTH (inc PH Intelligence)	2,370	2,789	(419)	(370)	(49)
TOTAL EXPENDITURE	29,555	31,253	(1,698)	(1,632)	(66)

5. Key reasons for the under spend by Portfolio are:

Policy, Performance and Communication.

- Contract slippage and unbudgeted income in Director Public Health Office of £238k;
- Lower than budgeted take up on GP Health checks of £95k;
- Unallocated vacant post budget and vacancy management in DPH office of £65.

Place

- £613k under spend on Stop Smoking Service contracts
- £103k staff savings due to vacancy management.
- £179k underspend on new weight management contracts due to delays in procurement

Communities

- £384k underspend in Communities mainly due to staff savings in Private Sector Housing of £22k; PH Communities Staffing of £84k; PH Communities third party payments of £48k; DACT Team and DACT infrastructure reduction in costs of £42k; Non Contract Treatment of £11k; Residential rehab reduction in costs of £164k and miscellaneous £13k.
6. The outturn is an decrease in spend of £66k from the month 11 forecast and the key reasons by portfolio for the movement are:

Place

- Anticipated £53k spend on the new weight management and food contracts not used;

Policy, Performance and Communication.

- Reduction in spend in DPH Office of £49k;

Offset by:

Communities

- Communities net increase in spend of £51 is mainly as a result of adverse movement of £43k relating to various contracts / projects for PH Communities and DACT and salary recharges in Housing Commissioning of £23k. This adverse movement is partly offset by a reduction in spend on Residential Rehab of £15k.

HRA Revenue Budget Monitoring 2014/2015 – as at 31 March 2015

Summary

1. The HRA Business Plan is based on the principle of ensuring that investment and services required for council housing is met by income raised in the HRA.
2. The 2014-15 budget assumes an in year surplus of £6.9m will be generated which will be used to fund the HRA Capital Investment Programme. In accordance with the HRA's financial strategy any further in- year revenue surplus / savings generated by the account will be used to provide further funding for the future HRA Capital Investment Programme.
3. As at month 12 the full year outturn position is a £8.8m overall improvement from budget. As such, the funding contribution to the capital investment programme has now been revised from £6.9m to £15.7m (shown in the table). This is in line with the HRA Business Plan which sets out the Council's ambitious plans and priorities for council housing over the next five years. Capital investment is to be made on improving council housing with a focus on works such as replacement heating systems, insulation and energy efficiency, new roofs, improvements to communal areas as well as building or buying new/replacement council housing.
4. Main areas contributing to the outturn include higher than budgeted net dwelling income (£1.2m) mainly as a result of year end profiling of the bad debt provision, and a saving of (£1.8m) on repairs and maintenance which is partly due to a reduced volume and cost of responsive repairs. This is in accordance with the HRA's Business plan of increasing capital investment in properties which would result in savings on responsive repairs. Other savings include a (£5.4m) forecasted saving on overall running costs primarily due to staff vacancies and turnover, re-profiling of pension costs, delays in some projects and underspends on other budget heads and a reduction of £274k for interest on borrowing due to continued favourable interest rates.

Financial Results

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's	FY Budget £000's	FY Variance £000's	Movement from Month 11
1.RENTAL INCOME	(147,139)	(145,894)	(1,245)	↓
2.OTHER INCOME	(6,388)	(6,321)	(67)	↓
3.HOMES-REPAIRS & MAINTENANCE	35,177	36,998	(1,821)	↓
4.DEPRECIATION-CAP FUND PROG	37,974	37,967	7	↑
5.TENANT SERVICES	49,641	55,047	(5,407)	↑
6.INTEREST ON BORROWING	15,003	15,278	(274)	↓
Total	(15,733)	(6,925)	(8,808)	↑
7. CONTRIBUTION TO CAP PROG*	15,733	6,925	8,808	↑

* To fund future capital investment programme.

Community Heating

The budgeted position for Community Heating is a draw down from Community Heating reserves of £347k. As at month 12 the position is a draw down from reserves of £97k resulting in a decrease in expenditure of (£250k). This is a movement of £4k from last month.

COMMUNITY HEATING	FY Outturn £000's	FY Budget £000's	FY Variance £000's	Movement from Month 11
INCOME	(3,496)	(3,440)	(55)	↓
EXPENDITURE	3,592	3,788	(195)	↑
Total	97	347	(250)	↓

Reserves

Appendix 4

Description	Balance at 31/03/14 £000	Movement in 2014/15 £000	Balance at 31/03/15 £000	Movement in 2015/16 £000	Balance at 31/03/16 £000	Explanation
Non-earmarked Reserves						
General Fund Reserve	10,816	448	11,264	640	11,904	The Council's working balance: used as a last resort for emergency spend. Level at just over 2.5% of net spending benchmarks low compared to most Local Authorities. This reserve includes the 2014/15 underspend of £648k.
	10,816	448	11,264	640	11,904	
Earmarked Reserves						
Invest to Save Reserve:						
Projects	(782)	3,896	3,114	(3,114)	0	This reserve is in deficit because it has funded up front investment in the Capita contract (mainly ICT investment) and various Transformation projects (e.g. procurement savings; changes in finance including replacement of the council's finance system and Customer First). These projects have been funded on an invest-to-save basis with savings being used in two ways, to repay the reserve by 2015/16 and an annual contribution, now £3.5m to support the revenue budget.
Capita Contract	(8,798)	4,394	(4,404)	4,404	0	
Customer First	(9,940)	26	(9,914)	9,914	0	
Investment Fund	3,259	700	3,959	(3,959)	0	
Total Invest to Save Reserve:	(16,261)	9,016	(7,245)	7,245	0	
PFI Reserve	17,367	(9,776)	7,591	9,388	16,979	The PFI reserve represents grant we have received in advance of the need to make payments. It is set aside to ensure we can cover the cost of contracts in future years. The Deficit on Highways PFI as at 31/03/2014 represents project costs incurred prior to the start of the programme which have now been fully repaid. During 2014/15 £9.9m has been used to fund the Pension Deficit early payment required to deliver £2.6m of savings. These monies will be fully repaid in 2015/16.
Highways PFI Reserve	(5,192)	8,766	3,574	7,110	10,684	
Total PFI Reserve	12,175	(1,010)	11,165	16,498	27,663	
Major Sporting Facilities	33,226	(18,162)	15,064	(661)	14,403	This Reserve is required to fund the future costs of the Major Sporting Facilities (re Ponds Forge, Don Valley Stadium and Hillsborough Leisure Centre). However, these funds have been made available on a temporary basis to support Invest to Save projects as described above and £8.5m has been used to fund the Pension Deficit early payment in 2014/15. Both of these temporary funds will be fully repaid in 2015/16.
New Homes Bonus	1,555	367	1,922	918	2,840	This reserves is earmarked to support economic development across the City.
Insurance Fund Reserve	9,394	2,125	11,519	(3,000)	8,519	This reserve is set aside to cover potential insurance claims made against the council.
Public Health	0	2,005	2,005	(2,005)	0	During 2013/14 the DoH allocated Public Health Grant to enable local authorities (LA) to discharge their new public health responsibilities. Grant conditions for this funding requires the LA to transfer any unspent funds to reserves for use in future years.
Other earmarked	29,237	13,825	43,062	1,281	44,343	Various earmarked funds including Equal Pay Provisions, Redundancies, Social Care Pressures, Business Rate Appeals and portfolio reserves as agreed by Cabinet in previous years for service specific issues e.g. Troubled Families Support.
Total Earmarked Reserves	69,326	8,166	77,492	20,276	97,768	
Total Revenue Reserves	80,142	8,614	88,756	20,916	109,672	

CORPORATE RISK REGISTER

This Appendix provides a brief overview of the main financial risks facing the Council in 2015/16. A more detailed schedule of these risks will be monitored by the Executive Management Team to ensure that the risks are mitigated.

Corporate Risks

2015/16 Budget Savings & Emerging Pressures

1. There will need to be robust monitoring in order to ensure that the level of savings required for a balanced budget in 2015/16 are achieved, especially given the cumulative impact of £300m of savings over the last five years (2011-16), and furthermore the backdrop of continuing reductions in Government grant from 2016/17 onwards.
2. Whilst preparing the budget, officers have identified numerous pressures which, if left unchecked, could lead to significant overspends in 2015/16 and beyond. The following pressures have been highlighted because they present the highest degree of uncertainty.

Capital financing costs

3. Corporate savings of £3.4m from capital financing costs have been offered up to help balance the 2015/16 budget, on the assumption that market conditions will not be materially different to those assumed in the approved Treasury Management Strategy.
4. The Council currently maintains a substantial but prudent under borrowed position to help support the revenue budget and mitigate residual counterparty default risk on cash investments. In operating with an under borrowed position the Council exposes itself to interest-rate risk. Recognising this, Treasury maintain a regular dialogue with the Director of Finance and the Executive Director of Resources to monitoring the risk and review mitigation opportunities.

Business Rates

5. 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 as far back as the 2005 rating list is the greatest risk causing concern across all authorities.

6. As at mid-March 2015, there were properties with a rateable value of £120m under appeal in Sheffield. On the 1st April 2015 new government legislation was introduced to cut off any further backdated appeals prior to the 31st March 2015. The impact of this announcement has resulted in a significant number of claims being made in March 2015, which we believe to be equivalent to the amount currently under appeal. In addition, a significant national appeal is under investigation for Virgin Media which would have a significant impact for Sheffield.
7. Due to the uncertainty around these factors a prudent provision has been carried forward into 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 2015/16 budget process. The risk from appeals will be significantly lower in future years once the backdated element has been finalised.

Implementation of savings proposals

8. The risk of delivering savings in 2015/16 in specific areas such as adult social care and waste management is considerable, given that the Communities and Place portfolios overspent by £2.0m and £967k respectively in 2014/15. To mitigate this, officers are working on the safe and legal implementation of budget proposals by:
 - Ensuring that there is a thorough understanding of the impact of proposals on different groups and communities, including undertaking Equality Impact Assessments for budget proposals and discussed with Cabinet Members
 - Carrying out appropriate, meaningful consultation activity with affected communities and stakeholders, and ensuring that where the proposal affects a supplier or provider, that they undertake appropriate consultation and equalities work with service users.
 - Discussing budget proposals with affected members of staff in advance of them being made public, and putting in place MER processes where required, in consultation with HR.

One-off funding

9. There is a significant risk about the high level of one-off funding and reserves to balance the budget, particularly with regard to the Better Care Fund. At £9.3m, this is the highest level of one-off funding that the Council has had to use in recent years. However, officers will continue to work with colleagues at the CCG to find more sustainable ways to generate the required level of savings or income, by the end of this

financial year and throughout next year so that real savings are identified to replace the one-off use of resources.

Medium Term Financial Position

10. The savings target for 2016/17, as indicated in the MTFS in October 2014, is £14.3m, and will increase (by £9.3m) to £23.6m if the Council is unable to find more sustainable options to replace the one-off use of BCF reserves. This savings target was predicated on the assumption that RSG is only cut by a further 10% per annum from 2016/17. A number of think tanks have come to the conclusion that it is likely that local authorities can expect to see further reductions in RSG in the order of 20% per annum. For this reason the Council has revised its assumptions within the MTFS to the RSG cut of 20% and is working towards identification of savings to meet this target.
11. The Finance Settlement for local authorities for 2016/17 and beyond will be affected by the outcome of the General Election in May 2015. To enable the Council to publish a revised Medium Term Financial Strategy 2016-21, officers are in the process of formulating planning proposals which will be put forward for Members early in the 2015/16 financial year. The indicative savings target for 2016/17 as referred to above is therefore subject to review.
12. The Council's financial position is 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 and a focus on delivering economic growth to increase our income and on delivering outcomes jointly with other public sector bodies and partners.

Pension Fund

13. 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.
14. As at March 2013 the triennial review for pensions highlighted the total liability underwritten by the Council for external bodies was £9.3m. However more up to date information from the pension fund seems to suggest that these liabilities may have increased as a result of universally low bond yields in the fund. The full liability will not be known until March 2016 when the next triennial review is complete.

Economic Climate

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

External Funding

17. 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. In order to minimise risk strong project management skills and sound financial controls are required by Project Managers along with adherence to the Leader's Scheme of Delegation to approve external funding bids.
18. As SCC funding reduces, portfolios are increasingly seeking out new sources of external funding, both capital and revenue. EU funding contracts have more complex conditions, require greater evidence to substantiate expenditure claims and are less flexible on timescales and output delivery targets. This increases the inherent risk in projects which are EU funded. Furthermore as the Council reduces its staff resources a combination of fewer staff and less experienced staff increases the risk of non-compliance with the funding contract conditions and exposes the authority to potential financial claw back.
19. Moreover, the pressure on the General Fund means that Service Managers are forced to seek more external funding such that the general level of risk associated with grants is increasing because of the additional workload this creates amongst reduced and potentially inexperienced staff.

Treasury Management

20. The Council has been proactively managing counter-party risk since the credit crunch of 2008. Counterparty risk arises where we have cash exposure to bank and financial institutions who may default on their obligations to repay to us sums invested. Counterparty risk has somewhat diminished over the last financial year as banks have been obliged to improve their capital funding positions to mitigate against future financial shocks. The Council is continuing to mitigate counterparty

risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds.

21. As part of the 2015/16 budget process, we have developed the Treasury Management and Investment Strategies; which was based on discussions with members and senior officers about our risk appetite. 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.
22. The Council is also actively managing its longer term need for cash. Cash flow requirements show that the Council will require new borrowing in the coming years to finance capital investment. With interest-rates expected to rise from their current historic lows the Council is remaining vigilant to interest-rate risk, and will draw down loans in a timely manner to mitigate against borrowing costs rising above our target rates.
23. Over the final quarter of 2014/15 we successfully move to Barclays Bank following the withdrawal of Co-op Bank from the Local Authority banking market. Our relationship with the Co-op effectively ended at the end of March 2015, except for a specific contract to take payments over counters at Post Offices and Pay Point outlets.

Welfare Reforms

24. In April 2013, the government began to introduce changes to the Welfare system, which have had and will continue to have a profound effect on Sheffield residents including council taxpayers and council house tenants. The cumulative impact of these changes is significant. They include:
 - **The Abolition of Council Tax Benefit:** replaced with a local scheme of local 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. The government is providing financial assistance to support affected claimants through the funding of Discretionary Housing Payments

which are administered by the council, however, this funding does not meet the shortfall in housing benefit created by the bedroom tax and the level of and commitment to ongoing funding is uncertain.

- **Introduction of Universal Credit (UC):** originally scheduled from October 2013 but now delayed and awaiting further updates from the DWP. Along with the impact of reducing amounts to individuals and the financial issues that it might cause, the one of the biggest potential impacts of this change is the impact on the HRA and the collection of rent. Support towards housing costs is currently paid through housing benefit direct to the HRA; in future this will be paid through UC 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

25. In 2014/15 it was anticipated that 25 of the Council's maintained schools would become independent academies (24 primary / 1 secondary). Only 6 primary schools and 4 secondary schools have converted in 2014/15. Academies are entitled to receive a proportion of the Council's DSG which schools forum have decided can be de-delegated back to CYPF to fund central services. Academies can on conversion choose whether to buy into those services thus creating a potential funding gap. Based on academy conversions to date:
 - up to £5m has now been deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies. Currently around £3.5m is still at risk if all schools choose to convert with the council retaining only £1.1m for retained duties only.
 - Up to £500k could be at risk to centrally funded services should Academies choose not to buy back those services funded from de-delegated DSG from the local authority.
26. 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. In 2014/15 this cost the Council £436k and remains a risk for any future conversions.

Communities Risks

NHS Funding Issues 2015/16

27. The Better Care Fund became fully operational on 1 April 2015, bringing together health and social care expenditure across Sheffield. The programme aims to shift pressures and resources from the hospital to community settings over the medium to longer term. This is supported by a couple of joint initiatives that will help keep people well within the community, first of all the additional £1.0m funding made available through the Transformation Challenge Award and the joint tender for the Independent Living Solutions contract, which comes into effect from July 2015, which will pool around £2.5m of equipment budgets.
28. In 2014/15 monitoring of a shadow budget has taken place to determine the amounts expended both within the Sheffield Clinical Commissioning Group (CCG) and the Council. The 2015/16 Better Care Fund for Sheffield has an agreed baseline of £270.5m, of which the contribution by the Council is £105.0m, after pressures and savings. This takes into account of CCG funding of £12.4m, provided to support integration.
29. The Fund is underpinned by a Section 75 agreement signed by both parties, which sets out how the agreement will operate. This agreement sets out the level of funding to be provided in the first year by each party. It also sets out how any under or over spends are to be handled for each section within the overall Fund.
30. As part of the overall requirement to balance the Council's budget for 2015/16, we assumed that £9.3m would be made available through a combination of additional BCF savings and/or funding transfers from the NHS, to be used to reduce the Council's overall budget gap. There is however a significant risk in relation to this and discussions with CCG continue to be ongoing. It is assumed at this stage that the Council will secure £5m of funding from the NHS. A key recommendation of the EMT Report was to match this assumed £5m contribution from the NHS with £4.3m of one-off funding principally from the Council's reserves. This would, on a one off basis, mean that Adult Social care is held at cash standstill in 2015-16 after savings and pressures have been taking into account.
31. A 2-year plan is required, however, to ensure that these one-off funds can be replaced by more sustainable proposals from the Better Care Fund or Health: this £9.3m is not sustainable within the SCC budget. The £9.3m would therefore be shifted to 2016-17, although clearly there

will have to be a re-assessment of options once the 2016-17 funding cuts from Government are known.

Place

2015/16 Revenue Budget savings

32. The Portfolio intends to achieve its target savings in 2015/16 and 2016/17 by reducing the cost of the Streets Ahead Programme and waste management contracts as well as seeking savings in the South Yorkshire Passenger Transport Levy. The portfolio faces a significant challenge in re-negotiating the contract payments which if not achieved will require compensating savings in other services.

Resources Risks

Electric Works

33. 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. By the close of 2014/15 this contingency will have been fully utilised as the occupancy of units within Electric Works has been slower (lower) than that assumed within the business case, such that the call on the contingency has been greater (earlier) than planned. From 2015/16 onwards, responsibility for Electric Works is being transferred to the Place portfolio. The risk of covering any potential deficit for 2015/16 has been addressed as part of Place's business planning process.
34. 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)

35. 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

36. 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.

Housing Regeneration

37. There is a risk to delivering the full scope of major schemes such as Parkhill because of the severe downturn in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved.

Bus Rapid Transit (BRT) North

38. The project is significantly over budget and a year behind schedule due to the discovery of asbestos on land which was previously thought to have been decontaminated, and, an unchartered sewer which has had to be relocated. The latest estimate of the unfunded spend is £6m. A number of options are being pursued, including applying for additional grant litigation against those at fault and allocation of anticipated future planning related development fees.

REPLACEMENT FINANCE AND EPROCUREMENT SYSTEM (REFINE) PROJECT

Purpose of the Report

1. To seek Cabinet approval to implement a full replacement Finance and Procurement System, with enhanced functionality and full e-trading capabilities, with the target system identified as Capita IBS Integra.

Summary

2. The Council's primary finance system, Oracle Enterprise One (OEO), was implemented in 2008 as part of the World Class Financial Management (WCFM) programme.
3. The system has not required an upgrade in the past 7 years, however in order to remain within Oracle premier support, the Council will be required to undertake an upgrade which will cost in the region of £300k very soon. This will unfortunately not provide any significant additional functionality, and Oracle are no longer developing OEO as a core product. With annual running costs of around £1m, OEO is no longer deemed to be affordable. In addition, it is not now fit for purpose in terms of the Council's e-trading requirements.
4. The managed service contract with OEO's system provider runs out in December 2016, and is completely separate to the Council's contract with Capita. The offer of a suitable system from Capita at an affordable price as part of the recent re-tender provides an opportunity to consider whether or not to change finance systems.

Aims and Benefits

5. The replacement of the finance system provides several benefits:
 - To reduce running costs (currently around £1m per annum) – there is potential to reduce by £400k per annum, as well as staff time saved on processing across the Council;
 - To improve system functionality, specifically with respect to electronic trading, allowing Commercial Services to better control spend and drive efficiencies and discounts through approved suppliers, but also making the purchase to pay process more efficient for internal customers;
 - To remove time delays and inefficiencies in the current direct debit process for sundry debt customers.

Strategic Objectives and Corporate Plan

6. This project aims to promote the Corporate Plan priority of being "an in touch organisation" by making the best use of public money and being responsive to changes.

7. The overall objectives of the project are:
- To reduce costs
 - To provide an integrated Finance and Procurement solution
 - To include new and improved technologies
 - To reduce inefficiencies, i.e. smarter procurement, intelligent scanning, electronic direct debit mandates.

Project Scope and Resources

8. The following components are in scope of this project:
- All current functionality provided by OEO
 - System interfaces, including a review of “hand-offs” with Carefirst and consulting with Commissioners
 - Improved activity information
 - Qtier reporting
 - Training
9. The project will be resourced as follows:
- A project team will be set up to include members of Finance, BCIS, Commercial Services and external support;
 - Project implementation costs will be funded from the Invest to Save reserve;
 - Directors of Business Strategy and other portfolio representatives will be included in the governance of the project.

Options for Delivery

10. The following options have been considered:
- Do nothing – this is considered not to be viable because of the ongoing cost as well as there being no return on the one-off upgrade costs required;
 - Minimal replacement – this offers some savings but falls short of achieving full benefits;
 - Full implementation – will achieve the greatest benefits and provide a fit for purpose web solution with modernised processes.
11. The final option – full implementation – is recommended with a phased approach rather than “big bang”. This would work on the basis of modules being released incrementally, thus reducing risk. This approach has been tried and tested and was proven by the implementation of OEO.

High level Costs – 10 year summary

12. Retaining OEO (including required upgrades) will result in a total 10-year net cost of £12.7m.
13. Replacing OEO with Integra is estimated to result in a total 10-year net cost of £7.2m, thus saving £5.5m on system running costs over 10 years.

14. Including staff time saved in portfolios, as well as a contribution from HRA towards project costs, total net savings is estimated to increase to £8.7m over 10 years. Taking this into account, the project effectively pays back at the end of 2017/18.
15. A summary of the costs and benefits of implementing the new system is shown in the table below.

Comparison of costs over a 10 year period										
Costs to retain OEO	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Cost of running OEO - no change	1,013	1,019	1,025	1,031	1,037	1,072	1,078	1,084	1,091	1,097
Additional unavoidable costs	508	118	118	433	118	118	450	119	119	466
Cashable benefit	(40)	(41)	(41)	(42)	(42)	(43)	(44)	(44)	(45)	(46)
Total OEO costs	1,481	1,096	1,101	1,422	1,112	1,147	1,484	1,159	1,165	1,518
Cumulative OEO costs	1,481	2,577	3,679	5,100	6,212	7,359	8,843	10,002	11,167	12,684
Costs to implement and run Integra										
Implementation costs	2,579	0	0	0	0	0	0	0	0	0
Ongoing running costs (15/16 dual running)	1,348	624	632	640	649	659	667	676	685	694
Other cashable benefits - see note below	0	(182)	(218)	(254)	(291)	(327)	(338)	(340)	(341)	(342)
Integra Net costs	3,927	442	414	386	358	332	329	337	344	352
Cumulative Integra costs net of cashable benefits	3,927	4,369	4,782	5,168	5,526	5,858	6,187	6,523	6,868	7,219
Difference between retained OEO and implementing Integra	(2,446)	654	688	1,036	754	815	1,155	822	820	1,166
Cumulative difference between retained OEO and Integra	2,446	1,791	1,104	68	(686)	(1,501)	(2,656)	(3,478)	(4,299)	(5,465)
Non Cashable Benefits - contribution from Portfolios										
	0	(327)	(327)	(327)	(327)	(327)	(327)	(327)	(327)	(327)
Cumulative non cashable benefits	0	(327)	(654)	(981)	(1,308)	(1,635)	(1,962)	(2,289)	(2,616)	(2,943)
Cumulative difference including non-cashable benefits	2,446	1,464	450	(913)	(1,994)	(3,136)	(4,618)	(5,767)	(6,915)	(8,408)
Contribution from HRA	-300									
Cumulative difference including HRA contribution	2,146	1,164	150	(1,213)	(2,294)	(3,436)	(4,918)	(6,067)	(7,215)	(8,708)

Timescales

16. The project will start in April 2015, with the aim of full live implementation at the end of March 2016. This is a very tight timescale to replace the entire Finance system, so the project needs to kick off urgently.

Recommendation

17. Members are asked to approve this project to implement a full replacement Finance and Procurement system, with enhanced functionality and full e-trading capabilities, with the target system identified as Capita IBS Integra.

CAPITAL PROGRAMME MONITORING AS AT 31st MARCH 2015

Summary

1. At the end of March 2015, the end of year position is £19.5m (12%) below the approved Capital Programme. Project managers have delivered a capital programme of £145.3m.
2. This is £8.5m below the previous Month 11 forecast of £153.8m. This compares to a variance of £1.7m last year. The main changes are discussed below at paragraph 5 below.
3. Project managers are requesting circa £21.2m of slippage to be carried forward bringing to £70.6m the total slippage requested in 2014/15. The applications are being reviewed and, in order to expedite the delivery of schemes, it is proposed that authority to approve these requests is delegated to the Director of Finance in consultation with the Cabinet Member for Finance and Resources.

Financials 2014/15

<u>Portfolio</u>	Full Year Spend	Full Year Budget	Variance	Full Year Forecast as at month 11	Variance of Spend vs. M11 Full Year Forecast
	£m	£m	£m	£m	£m
CYPF	25.9	29.2	-3.2	28.8	-2.9
Place	23.0	29.1	-6.1	24.4	-1.4
Housing	33.5	40.7	-7.2	37.1	-3.6
Highways	27.6	28.6	-1.1	27.1	0.5
Communities	1.5	1.9	-0.4	1.6	-0.1
Resources	3.6	5.0	-1.4	4.6	-1.0
Corporate	30.3	30.3	0.0	30.3	0.0
Grand Total	145.3	164.8	-19.5	153.8	-8.5

Capital Programme

Capital Programme

	2014- 15 £m	2015-16 £m	Future £m	Total £m
Month 11 Approved Budget	178.5	240.4	453.6	872.5
Additions	0.0	9.4	16.7	26.1
Variations	-1.5	2.8	-2.2	-0.9
Slippage	-12.3	9.8	2.5	0.0
Month 12 Approved Budget	164.8	262.4	470.6	897.7

4. The programme has grown by £25.2m following the addition of the major scheme for improvements in the public realm at Brookhill (£7m) and the agreed management fee for the management of the Housing Capital programme funded by the Housing Revenue Account (5 years at £3m per year).

Commentary

Variance to Month 11 Forecast

5. The main changes from the Month 11 Forecast in the Housing programme (£3.6m or 31% below the forecast spend for Month 12) are £1.7m shortfall on the Acquisition of Long Term Empty Houses (£1.7m) due underlying poor supply in the market and delays in completing transactions, £0.9m shortfall on the Arbourthorne clearance project again due to delays in purchasing properties and late mobilisation of the demolition contractor and £0.6m slippage on the building of new Council Homes

6. £2.9m (31%) shortfall in the Schools programme of which the largest item was the re-profiling of schools places expansion into future years. The physical delivery of most projects was within +/-£250k of the individual projects' forecast. The residual variance of £0.5m is spread over 70 projects and is within acceptable tolerance limits.
7. Highways projects went against the general trend and exceeded the forecast by £464k (8%). There were some shortfalls (notably the rail bridge strengthening schemes which under spent against its forecast by £132k) but other schemes exceeded the forecast
8. The Place programme fell £1.4m (24%) short of forecast due to slippage on the new leisure centres at Graves and Thorncliffe (£0.8m) but the target opening dates will be achieved. Lower Don Valley Flood defences (£0.4m below forecast following protracted discussions with the contractor to contain potential cost increases), Grey-to-Green (£140k) and Beighton Landfill site (£94k) were the other projects recording significant slippage.
9. The Resources programme was £1.0m (63%) below forecast due to slippage on essential Road Vehicle replacements (£184k), Path Resurfacing programme (£174k) and the Accommodation Efficiency project to reduce the cost of office space used by the Council (£119k). The project to develop a new community centre at Wincobank has also slipped (£271k) because of the need to redesign and seek planning permission as the tender came in higher than the available funding. The Park Community Centre re-roofing suffered similar problems slipping £77k into next year. This scheme needs reauthorizing (see Appendix 8.1) as the costs have risen by £285k due to the roof being in a much worse state than previously estimated.

Review of Achievements in 2014/15

10. The final position is £19.5m below the approved budget, which had already been reduced by £49.4m during the year to reflect slippage in the programme. It is broadly in line with previous years as paragraph 12 below explains.
11. A number of significant projects have been delivered including:
 - Completion of two new primary schools providing additional school places

- £2.5m invested in acquiring existing or building new council owned homes
 - 80% of the next 5 years Housing programme has been procured.
 - The Bus Rapid Transit North project is well underway despite the contamination of the site, unchartered buried services and unexploded bombs from World War Two
 - £13m invested in NRQ land purchases and development work
 - Preserving the city's heritage by repairing historic buildings such as the Abbeydale Industrial Hamlet
12. The Year End position includes a £30.3m capital contribution to the Streets Ahead project which is a financial transaction driven by the performance of the contractor. Thus the spend delivered internally through the Council's own project management capability is £115m which is consistent with that delivered in 2013/4 (£116.5m) and 2012/13 (£115.6m).

The Challenge for 2015/16 and the Response

13. The approved programme in 2015/16 currently stands at £262 plus £21m of slippage and another £7 - £8m being worked up for approval taking the total towards £300m. It is also possible that more SCRIF funded schemes may come on stream. The Council has not delivered a similar sized programme since 2010-11.
14. The new Gateway approval process aims to remedy many of the causes of the previous year's slippage – unrealistic timescales, weak business cases, inadequate project governance – through greater intervention by supervising programme board's earlier in the approval process.
15. The new process has been briefed and is under implementation. Some programmes are receiving additional assistance to streamline planning and delivery practices which should deliver more cost effective and realistic, affordable projects.
16. Such efficiency savings are essential if the Council is to counter the emerging cost inflation in the construction sector and deliver the necessary infrastructure improvements to support the ambitious plans for the city's economy.

Approvals

17. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
18. Below is a summary of the number and total value of schemes in each approval category:
 - 14 additions of specific projects to the capital programme with a value of £10.9m.
 - 10 variations to the capital programme creating a net decrease of £7.7m.
 - 7 emergency approvals to the capital programme with a value of £2.3m
 - 3 revised procurement strategies with an approximate value of £10.2m.
19. Further details of the schemes listed above can be found in Appendix 8.1.

Finance

May 2015

Scheme Description	Approval Type	Value £000	Procurement Route
GREAT PLACE TO LIVE			
Parks			
<p>Beighton Leachate Treatment The Beighton Leachate Project is an extension of the Beighton Closed Landfill Project. As part of the earlier Beighton project, the consultants Aecom had been appointed, via the YORconsult call-off Framework, to investigate and recommend a design solution to improve the effectiveness of leachate treatment and gas collection on the site</p> <p>The original business case proposed to overhaul and recommission the Leachate plant. However the recommendation from the consultants is to construct a lagoon and wetland on site next to the site's main pumping chamber (MPC). Leachate would be pumped from the site's MPC into a lagoon and flow through a wetland system, removing the leachates contaminants in the process.</p> <p>Aecom will design and prepare tender documents, to be reviewed and approved by Sheffield City Council's Capital Delivery Service who will lead the evaluation of the tenders and appoint a suitable contractor. Aecom will project manage the delivery of the lagoon and wetland under the supervision of CDS.</p> <p>Total Project budget is £570k to be funded with £80k CRP funding from the previous Beighton Closed Landfill Project, with an addition £490k of CRP funding.</p>	Addition	570	Competitive tender through the YORcivils framework YorConsult – extension of AeCom contract
Other			
<p>Park Library /Community Building Roof Renewal This project was originally authorised at an estimated cost of £290k to provide a roof renewal across both the Park Community Building on Samson Street and the Park Library building on Duke Street. Since the original estimate was taken forward, a revised cost has been submitted by the Quantity Surveyor following a more detailed survey of the building. The additional costs identified are for necessary repairs to</p>	Variation Slippage	285.5 -289.6	N/A N/A

<p>internal damage: i.e. ceilings and electrics that have occurred due to water leakage because of the poor condition of the roof.</p> <p>The additional time taken by the detailed investigation and more extensive scope of works have resulted in a re-phasing of the works so it is also proposed to slip £289.9k expenditure into 2015/16.</p> <p>The additional funding of £285.5k is to come from the Health & Safety Compliance Block Allocation.</p>	<p>Variation</p>	<p>-285.5</p>	<p>N/A</p>
<p>Health & Safety Compliance Block Allocation</p> <p>This block allocation exists to support health & safety compliance works at various locations across the city. This variation is to reflect the amount to be drawn down from this block allocation as a result of the Quantity Surveyor's latest cost estimate following detailed investigations at the Park Library/Community Building as noted above.</p>			
<p>INFRASTRUCTURE :-</p>			
<p>Relocation Parking Services</p> <p>This scheme will relocate Parking Services in the first instance to Moorfoot in 2015-16 as an interim arrangement whilst the work is completed at the Town Hall, ultimately allowing the service to co-locate with other complementary services such as the City Centre Ambassadors as originally anticipated in the Town Hall in 2016-17 once a suitable space is made available. The objective of the scheme is reduce property costs by not renewing one lease and earning additional income by releasing Council owned industrial units under the Community Investment Programme (CIP).</p>	<p>Addition</p>	<p>120</p>	<p>CSSR (Corporate Statutory Servicing and Repairs contract – Minor Works Route) or Yorbuild if negotiations prove unsuccessful</p>
<p>The project is funded from the capital receipts generated by earlier disposals in the CIP programme.</p>			

<p>COMPETITIVE CITY:- Millennium Gallery Life Cycle (Awaiting Gateway decision) This project was set up to support Museums Sheffield in maintaining the condition of the Millennium Gallery building to comply with an obligation within the grant funding contract which helped pay for the building. The level of support is now reviewed on an annual basis and the funding is applied towards a detailed schedule of planned Lifecycle maintenance works. Over the last few years this has averaged out at £100k per annum and the Council has invested almost £600k. The project is funded from the Corporate Resource Pool. This project approval request represents an additional £100k funding allocation for the 2015/16 financial year.</p>	<p>Addition</p>	<p>100</p>	<p>Procured by Sheffield Museums Trust:</p>
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE :-</p>			
<p>Aldine House Secure Children's Home This establishment is the only secure accommodation for children within the Sheffield City Council estate and is able to offer places to both Sheffield children and those from other local authorities generating income for the Council. The additional works described below are fully funded from a 2015/16 grant award from the Department for Education (DfE), as part of a successful bid by Aldine House for funding towards Secure Children's Home (SCH) facilities. All works have to be completed by 31st March 2016 and this has been factored into the phasing of the project delivery plans. All seven schemes submitted to the DfE (ranging from medium/large projects involving significant building works to relatively minor upgrade and refurbishment projects) were accepted and are summarised below:</p>			

<p>Aldine House – Extension An Education Advisory Board inspection identified the need for additional vocational education at the facility. A feasibility study identified an undercroft in the building which could be converted into a classroom. This will provide additional teaching capacity at the home without going outside of the existing footprint of the home to be used for a music studio / recording area. This will allow Sheffield to compete with new build facilities which have this capability and help engage young people in gaining accreditation to enhance their future career prospects.</p> <p>Aldine House – 2 Bed Extension This project will design to RIBA stage 4, a two bedroom extension corridor. It will be largely self-contained, with kitchenette /living area included. This will be useful for managing both very high risk young people in the estate who cannot always mix with the other residents, or alternatively to teach independence and life skills (e.g. self-catering). The project will look at the technical building aspect of the work, along with the complicated planning permission agenda, building regulations and the long standing covenant which exists on the grounds of Aldine House. The study will attempt to predict future service requirements and how these can be managed without increasing operating costs. Assuming the feasibility study is successful and additional funding can be secured, construction work would follow once funding has been secured.</p> <p>Aldine House – Security Upgrades:</p> <ul style="list-style-type: none"> • Garage door interlock (£7.0k) <p>This is an upgrade to the security of the garage. This will all be controlled by electronic locks and sensors, in effect creating an “airlock” system (already present in the main front door entrance) to ensure the integrity of the building is maintained.</p>	<p>Addition</p> <p>Addition</p> <p>Addition</p>	<p>131</p> <p>28.5</p> <p>18.0</p>	<p>Competitive Tender - YORbuild</p> <p>In-house (CDS)</p> <p>Waiver – Stanley Tools (specialist supplier)</p>
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<ul style="list-style-type: none"> • Key monitoring system (£7.6k) <p>This is for a key security system to tag all sets of keys and install a detection device in the airlock area. Should keys then mistakenly be taken through the first door it will be detected, sound an alert via the Coretech security system and prevent the final door from opening. This will help ensure the integrity of the building and security keeping Aldine House as a leader in secure children's placement increasing the probability of success when bidding for national contracts.</p> <ul style="list-style-type: none"> • Additional 10-way key Trakka system (£3.4k) <p>An additional Trakka cabinet (secure key cabinet) will be located in the secure garage, which will ensure that staff can easily store and then efficiently retrieve keys. This will lead to increased operating efficiency without compromising on security.</p> <p>Aldine House – Internal Refurbishments</p> <ul style="list-style-type: none"> • Lounge refurbishment (£15.1k) <p>To remove redundant false chimney breasts and fitted concrete cupboards. The refurbishment will ensure that Aldine House is seen as a modern, child friendly home which can compete with recent new-build SCH's across the estate.</p> <ul style="list-style-type: none"> • Office refurbishment (£28.6k) <p>This is a refurbishment project for the education staff room and the professional's office. A previous bid has already brought all other office spaces up to a modern and comfortable standard and this will complete the piece of work. Both spaces are currently adapted from previous uses and a full refurbishment is required to ensure</p>		<p>Addition</p> <p>43.7</p>	<p>Minimum 3 competitive Quotations</p>
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<p>maximum efficiency from them. This also fits with Aldine House's push on improving staff morale and stress management over the past 15 months.</p>				
<p>Adaptations This project will address any capital alterations / adaptations required in 2015/16 to meet Disability Discrimination Act (DDA) requirements at various sites across the CYPF portfolio schools estate. The works are of an unpredictable nature and the resultant demand will have to be addressed as it arises. All works are funded from the Department for Education Building Maintenance block allocation.</p>	<p>100</p>	<p>Addition</p>	<p>CSSR (Corporate Statutory Servicing and Repairs contract), competitive quotes or framework as appropriate to the circumstances</p>	
<p>Primary Maintenance – Emergency Works This project will permit a rapid response to unforeseen and unexpected plant and building failures including uninsured elements. The works aim to meet the requirement to provide warm, safe and dry school environments and reduce the number of school days lost due to maintenance issues. This variation provides for an allocation of £300k funding, from the Department for Education Building Maintenance block allocation, to cover estimated expenditure for 2015/16.</p>	<p>300</p>	<p>Variation</p>	<p>CSSR (Corporate Statutory Servicing and Repairs contract), competitive quotes or framework as appropriate to the circumstances</p>	
<p>Capital Maintenance Block Allocation This block allocation exists to support planned maintenance work required at Sheffield schools and is funded from an annual Department of Education Capital Maintenance allocation. This variation is to draw down funds from this block allocation to support the projects as noted above, being:</p> <ul style="list-style-type: none"> • Adaptations: £100k • Primary Maintenance - Emergency Works: £300k 	<p>-400</p>	<p>Variation</p>	<p>N/A</p>	
<p>STAGE APPROVALS:-</p>				
<p>PROCUREMENT STRATEGY</p>				
<p>A Great Place to Live</p>				

<p>Grey to Green Public Art This project will provide Public Art as part of the Grey to Green Phase 1 – Sheffield Riverside Business District project. The inclusion of Public Art was always envisaged as part of the Grey to Green Phase 1 project but was not included in the Grey to Green Phase 1 Procurement Strategy due to funding pressures. Following a competitive tender on the Grey to Green Phase 1 project sufficient savings have been made to confidently allow this part of the project to proceed. European Regional Development Funding have now confirmed that they will allow their portion of the remaining budget to be used for this project and a variation will be submitted to seek approval to use part of the remaining budget for the Public Art project. The total budget for this part of the project is £160k split as follows: Construction Cost - £65k Client Costs Capital - £85k (£20k Foundations; £40k Artists Commissions; £25k Committed Sums (Amey Maintenance) Fees - £10k Funded by £64k of ERDF which is included as an approved variation to the original Grey to Green Phase 1 – Sheffield Riverside Business District funding agreement.</p>			
<p>EMERGENCY APPROVALS:- (Note only)</p>			
<p>Safe and Secure Communities</p>			
<p>CBT Wincobank Community Building This project will partially refurbish the communal block of a former Sheltered Home to create a fit for purpose community facility at Newnan Court, Wincobank, compliant with current legislation, in line with the Community Buildings Strategy. It will enable a variety of activities supporting the delivery of key aspects of the Council's Corporate Plan.</p>	<p>Variation</p>	<p>49.1</p>	<p>N/A</p>
<p>An Emergency Approval request for £49.1k additional funds was made to expedite the</p>			

<p>issue of the Contract Award to complete the project following delays already experienced in securing appropriate funding, value engineering and related planning permissions.</p>			
<p>Health & Safety Compliance Block Allocation This block allocation exists to support health & safety compliance works at various locations across the city. This variation is to reflect the amount to be drawn down from this block allocation to fund the increase in costs at the CBT Wincobank Community Building as noted above.</p>	Variation	-49.1	N/A
<p>Dobcroft Infants – 1 Year Expansion This project will expand Dobcroft Infant School to allow for a one year temporary expansion of pupils in September 2015. The works will include internal remodelling, some external alterations and the provision of equipment (such as fold-down dining furniture and laptops / netbooks) to make best use of the existing internal space.</p> <p>This temporary expansion will create a 30 pupil, one year expansion. Spaces will be refurbished and improved. The additional temporary accommodation must be available for the extra intake of pupils by September 2015 hence the need for the emergency approval in order to be ready for the new academic year. . The scheme is compatible with a proposed permanent expansion, going for Cabinet approval in principle in May 2015. There will be no abortive costs from the temporary expansion should a future permanent solution be sanctioned.</p> <p>The project will be funded from the Department for Education grant for Basic Need as held in the block allocation noted below.</p>	Addition	299	YORbuild
<p>Basic Need Block Allocation This block allocation exists to support the demand on pupil place provision and is funded from an annual Department of Education Basic Need allocation. The variation here is to reflect the amount to be drawn down from this block allocation to support Dobcroft Infants expansion as noted above.</p>	Variation	-299	N/A

<p>Hallam Reconfiguration (Primary Expansion) This project will reconfigure and redesign buildings at Hallam Primary School to meet the pupil place demand in the Hallam Area. Feasibility and scope of works have now been completed to design solution to these requirements. The additional places need to be available from September 2015.</p> <p>The total budget for construction works, design and project management fees was originally approved at £3.1m based on estimates from the Council's internal design service and funded from the CYPF Basic Need block allocation. However, the tenders for the construction works came back much higher than the £2.5m previously estimate figure, at £3.2m, as described below:</p> <p>The higher construction costs are as a result of:</p> <ul style="list-style-type: none"> • creation of a temporary haul road for all site traffic to meet planning requirements; • associated increased costs; • capping to the road is required due to ground conditions being worse, which requires the removal of more materials from site. • additional car parking;; • resultant out-of-sequence working, particularly in relation to the retaining wall construction to allow access to the construction location within the site; • extension of construction period by 9 weeks and additional site personnel welfare facilities are required for the duration of the haul road construction period; • a degree of re-surfacing to existing hard paving, due to increases as a result of anticipated damage by construction/demolition traffic; • poor site/ground conditions requiring additional capping material below vehicular bearing hard paving surfaces. This has increased the excavation and spoil disposal costs; 	<p>Variation</p>	<p>579</p>	<p>N/A</p>
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<ul style="list-style-type: none"> inclusion of an additional allowance to cover work to the retained Children's Centre block to allow for potential alterations to allow community use of the Multi Use Games Area (MUGA); and additional work within the kitchen, which was previously outside the scope of this scheme <p>A value engineering process, together with a reduction in fees and other costs of £0.1m, has been undertaken to reduce the overall cost as far as possible, resulting in the net variation increasing the total project budget costs from £3.0m to £3.6m.</p> <p>Emergency approval was required in order to meet a revised project plan to complete the works by December 2015 rather than February 2016 to avoid construction work taking place during term time.</p> <p>Basic Need Block Allocation</p> <p>This block allocation exists to support the demand on pupil place provision and is funded from an annual Department of Education Basic Need allocation. The variation here is to reflect the amount to be drawn down from this block allocation to support the Hallam Primary Reconfiguration as noted above.</p>			
	-579	Variation	N/A

MARCH CAPITAL PROGRAMME APPROVALS

Scheme Description	Approval Type	Value £000	Procurement Route
GREAT PLACE TO LIVE			
Highways			
Parking Meter Replacement The Parking Services revenue Budget contains an annual provision for the replacement of a number of parking meters. The correct procedure is to submit the scheme for approval to Cabinet but on this occasion the purchase has been made direct from revenue and retrospective authority is sought for the investment.	Addition	133	Framework Contract
Culture & Environment			
M1 Gateway In recognition of the historical significance of the Tinsley Cooling Towers at the former Blackburn Meadows power station to the City of Sheffield, EON UK Ltd pledged £0.5m to Sheffield City Council for a public art project on the former site. The project is to create a major work of public art, taking advantage of the current development in the area and is an integral part of the regeneration plans to encourage people to visit, especially on foot and cycle. Recent developments have attracted £65k section 106 planning charges specifically for public art and this submission seeks approval to add these sums to the project, bringing the total value to £565k. The increase will be increasing the money available for the main artwork. The Procurement strategy for the project will be as below:	Variation	65	Stage 1; Pre- Qualification Questionnaire by email Stage 2; tenders via YORtender

<p>Stage 1 will involve the submission of a Pre-Qualification Questionnaire by email which will be evaluated to shortlist between 3 -5 potential artists to go through to Stage 2</p> <p>Stage 2 –the shortlisted potential artists will submit detailed tenders through YORtender framework. These will be evaluated to select a preferred bidder who will work with the project team to develop a design. Following completion of the design this will be submitted to the Project Board and Cabinet for approval prior to full contract award.</p>			
<p>Parks</p>			
<p>Woodside Open Space This project is central to the regeneration of the Woodside area of Sheffield and is to create a new open space on land which is unsuitable for development. This in turn will replace the current open space on the Stanley Fields site to be developed for approximately 110 new homes.</p> <p>The project will be delivered in two phases at an approximated cost of £750k funded from New Homes Bonus.</p> <p>Phase 1 - will deliver the design / feasibility stage. This will give confidence to potential developers of the new homes on Stanley Fields and to the local community that the proposed replacement open space will make the area a more attractive place to live.</p> <p>Phase 2 – will commence once a developer has contracted to deliver the site. This will be the construction of the proposed open space park using the findings / recommendations of phase 1. A separate approval will be sought in due course.</p> <p>This submission seeks approval for phase 1 of the project procurement to be effected through in-house Council departments.</p>	<p>Addition</p>	<p>48</p>	<p>In-house provider</p>
<p>Other</p>			
<p>Ellesmere Centre Roof and Fire Risk Assessment</p>	<p>Variation</p>	<p>57</p>	<p>N/A</p>

<p>Ellesmere Children's Centre provides private day-care and nursery school places in the Burngreave / Attercliffe area of Sheffield. This project encompasses construction works following a Fire Risk Assessment (FRA) and roof repairs at the Centre. The FRA identified the need for a full audible fire detection system and emergency lighting, plus compartmentalisation to key areas to improve the fire integrity of the partition walls and protect escape routes.</p> <p>A tender exercise was recently carried out to invite the best price for the work and this resulted in the best tender taking the total expenditure above the initially approved budget by £56.6k. Due to this projected overspend, it is proposed to seek authorisation for additional funding to bridge the gap between the estimated construction cost and tendered construction cost, with the extra funding coming from the Health & Safety Compliance Block Allocation, being the same source as is used on the existing approved project.</p>				
<p>Health & Safety Compliance Block Allocation</p> <p>This block allocation exists to support health and safety works required to reduce exposure to potentially significant future claims against the council and is funded from the corporate resource pool.</p> <p>The variation here is to reflect the amount to be drawn down from this block allocation to support the Fire Risk Assessment works to be carried out at the Ellesmere centre.</p>	Variation	-57	N/A	
INFRASTRUCTURE :-				
<p>Woodhouse Hub</p> <p>Following a marketing exercise, at the March 2012 Cabinet approval was given delegating authority to the Chief Property Officer to progress with the re-development proposal of the Tannery Lodge site in Woodhouse with a preferred developer. Since then, the Council has remained committed to provide a hub facility for the co-location for council services alongside Woodhouse Community Forum.</p>	Addition	450	Phase 1 – n/a	Phase 2 – to be submitted at a later stage

<p>As part of the previous Woodhouse Retirement Village development, a capital sum of £450k has remained in the capital programme for the redevelopment of the Tannery Lodge site.</p> <p>The proposal involves the disposal of the site to a developer, in return providing the Council with a new hub facility which will enable the co-location of the Council's Library Service and Woodhouse Community Forum in line with the principles of the Community Investment programme outlined in the Hillsborough scheme above.</p> <p>The project will be in two phases;</p> <p>Phase 1 will include a £250k contribution to the developer for the construction of the new hub facility. This is to address the short fall in the development proposal for providing the hub facility.</p> <p>Phase 2 will include the fit-out of the new development for £200k. This will include but is not limited to carpeting, decoration, furniture and fees for future property management arrangements.</p>			
<p>Woodhouse Tannery Lodge As part of the Woodhouse Retirement Village development, a capital sum of £450k has remained in the capital programme for the redevelopment of the Tannery Lodge site.</p> <p>This amount is now being used to fund the Woodhouse Hub project</p>	variation	(450)	n/a
<p>Hillsborough Hub This project is to provide office facilities in the vacant first and second floor space of Hillsborough Hall, the ground floor of which is currently occupied by the Library Service. It is part of the Community Investment programme (CIP) which is reducing the Council's building running costs by consolidating services and resource centres into fewer</p>	Addition	160	Full Competitive Tender

<p>buildings. In this case, the Council will move out from leased premises into underused space in its own buildings</p> <p>Works comprise of refurbishment of the vacant space to make it fit for purpose and provide office furniture and equipment. The existing electrical, ICT and heating systems will be upgraded and extended where necessary to suit the new building use</p> <p>The project value is £160k and will be funded from capital receipts realised from properties declared surplus by the CIP initiative.</p> <p>The procurement will be via a full competitive tender process involving an open advert on YORtender</p>				
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE :-</p>				
<p>Tinsley Primary</p>	<p>This project will provide for the replacement and expansion of the existing separate Nursery Infant and Junior schools. Increasing pupil numbers in the Tinsley area, combined with poor existing accommodation create the opportunity to provide a single, replacement school. A replacement school would also relocate the school from its proximity to the M1 Motorway and therefore create a better environment for the school and its pupils.</p>	<p>The scheme comprises remodelling of the existing Tinsley Green community building and a new build extension to provide the required accommodation for a three-form-entry primary school and 78 place nursery. The project will replace the existing school buildings and offer a long-term, sustainable answer to the issues identified with the growing population, the current buildings, and the impacts of pollution.</p>	<p>Addition</p>	<p>9,000</p>
				<p>Competitive Tender - YORbuild</p>

<p>The scheme progressed through local consultation and was given approval in principle to go ahead on the Tinsley Playing Fields site by way of a <u>Leader's Decision</u> on 23rd January 2015.</p> <p>Thus, in accordance with the Leader's Decision authorisation is now being sought to progress the scheme through the capital approvals process. The scheme is funded by £1.844m Targeted Basic Need (TBN) direct funding and £7.156m Basic Need funding drawn from the Department for Education Block Allocation.</p>			
<p>Basic Need Block Allocation This block allocation exists to support the demand on pupil place provision and is funded from an annual Department of Education Basic Need funding allocation. The variation here is to reflect the amount to be drawn down from this block allocation to support the relocation of Tinsley Primary school as noted above, with the remaining balance being directly funded from Targeted Basic Need funding.</p>	Variation	-7,156	N/A
<p>Manor Lodge Structural This submission is to request approval for the pilot scheme stage, to determine the structural integrity of the Manor Lodge Primary school hall. The initial scope of work involves isolated removal of 2 lintels and windows to the hall to enable an assessment of the site and facilitate the design for the most practicable and safest method of construction for the main works. Knowledge of the existing structural condition of the building will enable a technical design to be achieved offering a higher level of cost and programme certainty for the main project works.</p>	Addition	50	Competitive Tender – YORTender (3 Quotes)
<p>The works are to be funded from the Capital Maintenance Block Allocation funding for 15/16 and are to be undertaken in the school holidays to minimise risk to students and staff.</p>	Variation	-50	N/A
<p>Capital Maintenance Block Allocation This block allocation exists to support planned maintenance work required at Sheffield schools and is funded from an annual Department of Education Capital Maintenance</p>			

funding allocation. This variation is to drawn down funds from this block allocation to support the pilot stage of the Manor Lodge Structural project as noted above.					
SLIPPAGE / ACCELERATED SPEND:-					
None to report this period					
PROCUREMENT STRATEGY					
SUCCESSFUL YOUNG PEOPLE					
Gleadless Primary - Rebuild Approval for this project was given in July 2013, using a procurement strategy stating that the design work was to be tendered via the YORconsult regional framework and construction works were to be via competitive tender following the design. The chosen contractor's proposed cost was higher than the approved sum and following a period of protracted negotiations the Council and the contractor have failed to come to an agreement at an affordable cost to the Council. As a result of this, a change to a YORBuild or Open Tender procurement strategy is proposed. The authorised budget for this project stands at £2.3m.	Revision to Procurement Strategy	2,300		YORBuild or Open Tender as appropriate	
HIGHWAYS					
The estimated value of additions to the Highways programme for 2015-16 is £7.5m Please note if there are any further variations /new additions to the 2015/16 programme this procurement strategy will cover those schemes, subject to the scheme being approved at CPG and normal approval route and is within the scope of the Waiver. The proposed strategy is single source tenders in accordance with Schedule 7 of the Highways PFI contract, Amey are issued tender documents and Amey are required to	New procurement strategy	7,500			

<p>submit prices and provide a work programme for the delivery of the schemes. New Works Team to prepare contracts (NEC) for each scheme and send part 1 to Amey for completion</p> <p>Recommendation: - To approve the procurement strategy seeking approval to enter into a single source tender using Amey Hallam Highways Ltd for highway design and highway construction projects that are not part of the Streets ahead projects for the period 01 April 2015 to 31st March 2016 subject to:</p> <ul style="list-style-type: none"> • CPG being satisfied that there is clear evidence that the Waiver does demonstrate value for money recognising the outcome of competitively tendered projects; • Two specific cycling infrastructure schemes over £200k to be competitively tendered; • Highways schemes following the Gateway process and Financial Regulations; and • Contract awards to be made through CPG in line with the Cabinet delegation. 			
<p>HOUSING</p> <p>Council Housing Acquisitions Programme refurbishments</p> <p>Sheffield City Council is experiencing a reduction in its housing stock, largely by the sale of properties under Right to Buy. In order to sustain the self-financing HRA and Business Plan and continue to meet affordable need in the city, it is necessary to replenish the Council's housing stock. The Council has embarked on a programme to replenish its stock through 2 programmes - Purchase and Repair Programme and General Acquisitions.</p> <p>There is a budget of £642k for 2015-16 to undertake any repairs to properties</p>		<p>New Procurement Strategy</p>	<p>Negotiation through existing Contract</p>

<p>purchased</p> <p>Recommendations: That the approval of the procurement options are agreed which leaves H&NS the options to deliver this work under a best value route utilising an existing R & M contract but negotiating separate rates based on the current contract conditions, having the option to use a framework or a one of 50k order when and if required.</p>				
<p>EMERGENCY APPROVALS:- (Note only)</p>				
<p>COMPETITIVE CITY</p>				
<p>North Active The North Active project will provide a new 25m pool, learner pool, 40-station gym, an exercise studio and changing facilities in the High Green area. The new centre will serve the north of the city and replace the former Stocksbridge Leisure Centre Pool and the current Chapeltown Pool. The project supports the “Great Place to Live” and “Better Health & Wellbeing” strategic objectives of the Council, as the new activity centre forms part of the city’s sports facilities strategy whereby expensive and ageing stock is replaced by new and low cost facilities. The project is procured by a competitive tender process. The best tender was some £400k above the originally approved budget. The total cost has increased from £7.1m to £7.5m, with the extra £400k being funded from prudential borrowing. In order not to delay the construction programme, an emergency approval variation of £400k was</p>	<p>Emergency Approval</p>	<p>400</p>	<p>N/A - variation</p>	

<p>made. A contract award has now been issued to Kier Construction Ltd.</p> <p>Millennium Gallery – Café Fixtures & Fittings The Millennium Gallery is operated by Museums Sheffield on behalf of the city Council. The building was funded through a Millennium Commission grant and the Council is obliged to maintain the building in good order.</p> <p>Outside of this agreement, the Director of Culture and Environment supports a proposal from Museums Sheffield to invest in new lighting, furniture and accessories for the Millennium Gallery café. The café was last decorated in 2001, so all existing furniture and fittings are now very tired/obsolete. Museums Sheffield has worked with local furniture and lighting specialist Nest.co.uk to design a completely new layout and look for the café. The Director of Culture and Environment is supporting Museums Sheffield through a £40k contribution to capital from the Culture revenue budget.</p> <p>There is no procurement strategy for this project as the contract is already in place with Museums Sheffield.</p>	<p>Emergency Approval</p>	<p>40</p>	<p>Museums Sheffield is responsible for procurement for this project.</p>
<p>SUCCESSFUL CHILDREN AND YOUNG PEOPLE</p> <p>Oughtibridge Primary Extension The works comprise the construction of a two storey modular extension to the existing Infants block of Oughtibridge Primary School and some alterations to the Kitchen/dining areas to meet increased resultant demand. Part of the existing lower ground space will be converted into a Kitchenette and Laundry area. The new ground floor space will be utilised as two new Classrooms with adjoining toilets and cloak areas. The upper floor will be a new staff area including a Head Teachers office, Staff Room with toilet facilities, a PPA and an Intervention Room.</p> <p>The project variation was authorised to cover a higher than envisaged returned tender price (£446k) and minor scope change to include kitchen/dining works to support resultant increased school meal demand (£120k). The Emergency Approval route was</p>	<p>Emergency Approval</p>	<p>566</p>	<p>N/A - variation</p>

<p>taken to avoid delaying the letting of the contact, to ensure completion of the new accommodation by September 2015. It is funded from the Department for Education Basic Need block allocation.</p>			
<p>Greystones Primary Expansion Continued monitoring of future pupil place demand has identified need for extra provision in the Greystones Area. Feasibility and scope of works have already been completed to design a solution to meet these requirements. Additional places are required by September 2015, although the phasing of entry means the capital works themselves need to be completed by September 2016.</p>	<p>Emergency Approval</p>	<p>415</p>	<p>N/A - variation</p>
<p>The works include the 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 a library. Tenders were £145k above the approved amount so an emergency approval was sought to avoid delaying the time critical programme. It is funded from the Department for Education Basic Need block allocation.</p>			

Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Conditions and Obligations	Value £000
Department for Education	Secure Accommodation Capital Programme 2015-16	Feasibility costs, security upgrades and refurbishment	<p>Main Conditions The funder will pay a maximum amount of £221.3k in the funding year up to 31st March 2016. Detailed fixed asset records to be kept. HM Treasury guidelines are to be followed for procurement or where a single tender procedure is followed detailed reason why this was deemed to be appropriate. The Department is to be informed immediately if Aldine House is sold or ceases to be used as secure accommodation. All records to be kept for seven years for possible inspection.</p> <p>Claw back Enforceable if grant terms and conditions are not met e.g.</p> <ul style="list-style-type: none"> • Grant used for ineligible expenditure, • Where Aldine House is sold or ceases to be used as secure accommodation. • Any grant unspent on 31st March 2016 <p>Risks Terms and conditions need to be adhered in order to ensure that grant can be validly claimed. There appears to be no expiry date on the funding conditions, therefore, potentially, these could be considered to be in perpetuity.</p>	221

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