REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31st AUGUST 2016

Purpose of the Report

1. This report provides the Month 5 monitoring statement on the City Council's Revenue Budget and Capital Programme for August 2016. The first section covers Revenue Budget Monitoring, and the Capital Programmes are reported from paragraph 18.

REVENUE BUDGET MONITORING

Summary

2. For the purpose of this report, we have presented the Council's financial position in two elements, namely the underlying position on the services commissioned/provided by the Council, and the position on services that are commissioned and funded jointly with the health service. This is on the basis that the approach to achieving a balanced outturn for 2016/17 will require parallel strategies.

3. The latest monitoring position at month 5 for the services commissioned/provided by the Council shows the potential for a forecast overspend of £5.3m to the year end. It should be stressed that this is the forecast position before any additional mitigating savings are found, and that an ongoing process to identify mitigating savings is taking place. It is therefore considered to be the worst case scenario and does not represent an overspend currently incurred. The position is summarised in the table below:

Portfolio	FY Variance: £000s
CYPF	5,019
COMMUNITIES	3,239
PLACE	(89)
POLICY, PERFORMANCE & COMMUNICATION	314
RESOURCES	145
CORPORATE	(3,379)
GRAND TOTAL	**5,250**

4. In terms of the month 5 overall forecast position of £5.3m overspend, the key reasons are:

   - **Children, Young People and Families (CYPF**) based on trends to date are forecasting to overspend by £5.0m. Placements are reporting a £3.0m overspend; this reflects the full year impact on the current number of placements and the costs for the remainder of the year, Fieldwork Services forecast overspend of £1.0m resulting from pressures on social workers as a result of increased number of caseloads. Additional pressures within the service include delayed savings of £663k on Short Break and Direct Payments and £534k on integrated residential and disability services with health.
   - **Communities** based on trends to date are forecasting an overspend of £3.2m, due primarily to demand pressures in Care and Support relating to Learning Disability Services and Long Term Support.
   - **Policy, Performance and Communications** are forecasting an overspend of £314k due to lower than anticipated advertising income as a result of contract delays.
   - **Resources** are forecasting an overspend of £145k due mainly to the additional employee costs of £262k as a result of the Customer Engagement Programme being unachievable in this financial year and £297k of additional pressure within Transport and Facilities Management arising from additional costs on Burngreave New Deal for Communities Property and reduced income to support the Voluntary Registration of Land project. These overspends are partly offset by £231k reduction in spending within Central Costs due mainly to lower than anticipated former employee pensions costs and £206k on Commercial Services due to confirmation of all the early payments discounts and project savings.
   - **Corporate** are showing a forecast underspend of £3.4m due predominantly to an anticipated £2.7m pressure relating to the Independent Living Fund not materialising in 2016/17, an increase in cash balances available for investment, and reduced borrowing costs..

5. In parallel to the above position, the Council faces a series of significant challenges in delivering savings in conjunction with the health care system. Since the 2016/17 revenue budget was set, various cost pressures and risks to funding levels have emerged. These challenges are as follows.

- **Children, Young People and Families (CYPF**) are showing a forecast overspend of £750k as a result of not yet securing agreement to joint contributions with the CCG for Children's Services.

- **Communities** are showing a forecast overspend of £4.0m, due mainly to an emerging overspend against Commissioned Mental Health Services of £3.5m and £500k of pressures arising from CCG activity in the Learning Disability Service, as the profile of demand has shifted to costs funded by SCC and not the NHS. A more integrated approach is being urgently explored.

- **Corporate** are showing a forecast overspend of £5.8m, which is due to an anticipated shortfall in the Better Care Fund (BCF). We and the CCG agreed when the BCF was set up that £9.3m of funds would be made available in total by the two partners. The NHS would fund £5m, and the Council would fund £4.3m as a one-off in 2015/16, with the aim that the BCF would identify savings to eliminate the need for this contribution after 2015/16, or the CCG would identify a source of funds for it. However we now have a significant concern that slippage on this approach is occurring without the underlying savings yet emerging on a joint budget of £280m. SCC is the junior financial partner in this arrangement. Consequently the £4.3m is now a corporate pressure, and in addition the CCG is currently only able to guarantee £3.5m of the £5m of its share of the funding. We and the CCG continue to discuss the funding and management of the BCF.

6. The combined impact of the forecast potential overspends in Council-run services and in services run jointly with the NHS is that the latest monitoring position at month 5 is showing a forecast overspend of £15.8m. This is an improved position of £1.8m since the month 3 monitoring report. The combined position is summarised in the table below.

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 3
CYPF	72,774	67,005	5,769	⇩
COMMUNITIES	144,358	137,119	7,239	⇩
PLACE	144,857	144,946	(89)	⇧
POLICY, PERFORMANCE & COMMUNICATION	2,281	1,967	314	⇔
RESOURCES	53,814	53,669	145	⇔
CORPORATE	(402,285)	(404,706)	2,421	⇩
TOTAL	**15,800**	**(0)**	**15,800**	⇩

7. The cumulative effect of funding cuts due to the national austerity programme, combined with emerging social care pressures and the challenge of securing funding from Health are making the Council's current financial predicament extremely difficult. Based on the current trajectory, it would appear highly likely that the Council is going to overspend this year. Although emergency measures are being considered, and plans are being put in place to balance the budget for 2017/18, the strategy to bring social care pressures under control will take at least a year to implement.

Commentary

8. The main variations since Month 3 are:

- **CYPF** are forecasting an adverse movement of £2.4m since Month 3. This is due predominantly to £2.3m of additional costs on placements; this reflects the full year impact on the current number of placements and the cost of these placements for the remainder of the year.

- **Place** are currently forecasting an improvement of £873k, which is due predominantly to budget savings with the Streets Ahead contract.

- **Policy, Performance & Communications** are forecasting an improvement of £211k due to the renegotiation of a payment from the advertising income to the City Centre Events Strategy down from £232k to £150k, increased income from schools, and an increase in the mark-up on print brokerage services from 5% to 10%.

- **Resources** are forecasting an improvement of £212k due to early payment discounts and project savings income which have now been confirmed and re-profiled.

- **Corporate** are showing a forecast improvement of £3.3m due predominantly to an anticipated £2.7m pressure relating to the Independent Living Fund not materialising in 2016/17, an increase in cash balances available for investment, and reduced borrowing costs..

9. Full details of all reductions in spend, overspends and movements from the previous month within Portfolios are detailed in **Appendix 1**.

Approval Requests

Budget Virements

10. **Communities** are requesting to repurpose an obsolete budget line used to fund previous contract provision (Forge Centre) to cover pressure within the social worker staffing budgets in Adult Social Care £60k. It should be noted if the virement is approved, this will have a nil impact on the overall Communities position.

Public Health

11. The Public Health ring-fenced grant is currently forecasting a £230k underspend against the original grant allocation. Further details of the forecast outturn position on Public Health are reported in **Appendix 2**.

Housing Revenue Account

12. The 2016/17 budget is based on an assumed in year surplus of £13m which is to be used to fund the ongoing HRA Capital Investment Programme. In accordance with the HRA's financial strategy any further in-year funds generated by the account will be used to provide further funding for the future HRA Capital Investment programme.

13. As at month 5, early indications suggest an improved full year outturn position of £4m. As such, the funding contribution to the capital investment programme will be revised from £13m to £17m. Further details of the HRA forecast outturn can be found in **Appendix 3** of this report.

New Homes Bonus Fund

		£m
Income	Reserves as at 1/04/16	-7.1
	Anticipated 16/17 NHB Grant	-9.3
	Total Income	-16.4
Expenditure	2016/17 Spend to Date	0.6
	Forecast to Year End	0.9
	Future Years' Approved Commitments	2.5
	Total Expenditure	4.0
	Funds Available for Investment	**-12.4**

14. Most of the expenditure to date has been on capital schemes improving London Road shop fronts and redeveloping the Arbourthorne area. Officers are working on a number of substantial projects which will utilise the unspent balance and accelerate housing development and regeneration. These will be brought forward for approval by Members when ready.

15. A review is currently being undertaken of the application of NHB so that it is directed to the Council's strategic priorities, especially the promotion of growth within the city. One option would be to add the unallocated NHB to other capital funds to create a Growth Investment Fund with the capacity to fund substantial projects which would enable, and drive growth forward.

Collection Fund

16. Collection Fund monitoring will be reported in month 6 and will include the second quarter results. **Appendix 4** has been retained for the Collection Fund as blank for continuity for future months.

Corporate Risk Register

17. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The Corporate Risk Register is reported quarterly and will be reported in month 6. **Appendix 5** has been retained for the Corporate Risk Register as blank for continuity for future months.

Capital Summary

18. The forecast for 2016/17 has been increased by £11.1m on the Month 3 forecast to £246.5m. The Approved programme budget is £255.2m, a difference of £8.7m. This represents a slippage rate of 3.4% which if delivered would be the best performance to date. The majority of the difference is in the Housing programme which is forecasting an underspend of £4.2m split equally between acquiring or building new council housing stock and refurbishment of existing properties.

19. Further details of the Capital Programme monitoring are reported in **Appendices 6 to 6.2**.

Implications of this Report

Financial implications

20. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2016/17, and as such it does not make any recommendations which have additional financial implications for the City Council.

Equal opportunities implications

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

Legal implications

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

Property implications

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

Recommendations

24. Members are asked to:

(a) Note the updated information and management actions provided by this report on the 2016/17 Revenue Budget position.

(b) Approve the budget virement proposed by Communities detailed in paragraph 10;

(c) Approve additional funding to support the delivery of the Local Plan detailed at paragraph 39 subject to delivery of specific milestones. The project will be funded from Reserves and repaid from future efficiencies to be identified by the Director of Development Services as part of the Council's Business Planning process in the Place portfolio. The profile of funding support and repayment is to be delegated to the Director of Finance and Commercial Services in consultation with the Head of Planning. Should alternative funding become available e.g. central government grant, this could be used instead.

(d) In relation to the Capital Programme:

(i) Approve the proposed additions to the Capital Programme listed in **Appendix 6.1**, 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, deletions and slippage in **Appendix 6.1**;

(iii) Approve the acceptance of the grant detailed on **Appendix 6.2:**

and note

(iv) the variations authorised by directors under the delegated authority provisions and the latest position on the Capital Programme: and

(v) the latest position on the Capital Programme.

Reasons for Recommendations

25. 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

26. 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
Head of Strategic Finance

PORTFOLIO REVENUE BUDGET MONITORING AS AT 31st AUGUST 2016

Children Young People and Families (CYPF)

Summary

1. As at month 5 the Portfolio is forecasting a full year outturn of an overspend £5.8m, an adverse movement of £2.4m from the month 3 position. The key reasons for the forecast outturn position are:

- **Business Strategy -** £115k forecast overspend, the key reason is a forecast overspend of £106k on Transport, due to increased demand.
- **Children and Families -** £5.7m forecast overspend, the key reasons are:
- Fieldwork Services - a forecast overspend of £1m, this is mainly due to a forecast overspend on fieldwork staffing budgets of £342k, due to pressures on social workers and an increase in the number of caseloads, the planned tapering down model of social workers has been delayed and a number of temporary staff have been recruited to meet this increase in demand. £429k forecast overspend on non-staffing budgets, due to increased transport costs and contact time for Looked After Children. £206k forecast overspend on legal fees, due to an increase in the number of cases.
- Health Strategy – a forecast overspend of £663k on Short Break and Direct Payments, due to the delay in anticipated savings due in year.
- Provider Services – a forecast overspend of £534k, due to delays in anticipated savings on integrated residential and disability services with health, due in year.
- Early Intervention and Prevention – a forecast overspend of £570k due to anticipated savings of £246k on uncommitted contracts, offset by a reduced expected contribution of £750k from the CCG, leaving a net overspend of £570k.
- Placements – forecast overspend of £3m, this reflects the full year impact on the current number of placements and the costs of these placements for the remainder of the year. Also includes £250k overspend due to a reduction in the expected contribution from the CCG.
- **Inclusion and Learning Service –** A forecast reduction in spend of £119k which is a number of small underspends across the service.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY	2,488	2,373	115	⇔
CHILDREN & FAMILIES	63,641	57,939	5,702	⇧
INCLUSION & LEARNING SERVICES	(142)	(23)	(119)	⇩
LIFELONG LEARN, SKILL & COMMUN	6,787	6,716	71	⇔
GRAND TOTAL	**72,774**	**67,005**	**5,769**	⇧

DSG

2. The following is a summary of the position on DSG budgets at month 5:

	Month 3 £000	Month 3 £000
Business Strategy	(172)	(173)
Children and Families	42	149
Inclusion and Learning Services	679	1,060
Lifelong Learning, Skills and Communities	16	334
	565	**1,370**

Commentary

3. The following commentary concentrates on the changes from the month 3 position

Business Strategy

4. A forecast £115k overspend (shown in the table above) relating to cash limit and £173k forecast reduction in spend on DSG. Both cash limit and DSG are consistent with the month 3 position.

Children and Families

5. A forecast £5.7m overspend (shown in the table above) relating to cash limit and £149k forecast overspend on DSG. This is an adverse movement of £2.7m on the cash position and an adverse movement of £107k on the DSG position from the month 3 position.

6. The adverse movement on the cash position is due to an increase of £2.3m in Placements, this reflects the full year impact of the current number of placements and the cost of these placements for the remainder of the year. The forecast assumes that any further demand increases can be managed to within he current numbers. There is also an adverse movement of £645k due to delays in anticipated savings; these include £250k health income, £75k for Short Breaks, £170k for transition to independent living and £150k for an integrated approach to Health and Social Care.

7. The adverse movement on the DSG position of £107k is a £90k movement on Children with Disabilities (CWD) Placements, where the anticipated contribution from health, for shared cases, has been reduced, therefore, increasing the Council's contribution.

Inclusion and Learning Service

8. A forecast £119k reduction in spend (shown in the table above) relating to cash limit and £1.1m forecast overspend on DSG.
9. The cash limit position is an improvement of £167k from the month 3 position. This is an improvement in a number of areas across the service following a review of all budgets.
10. The DSG is an adverse movement of £381k from the month 3 position. The main reason for the movement is due to delays in the anticipated savings from the redesign of education services of £368k.

Lifelong Learning Skills and Communities

11. A forecast £71k overspend (shown in the table above) relating to cash limit and £334k forecast overspend on DSG.
12. The cash limit is consistent with the month 3 position.
13. The DSG is an adverse movement of £318k from month 3. The main reason for the movement is an increase in costs of Post 16 High Needs of £321k. This is due to an increase in demand of £180k and additional learners for the Sheaf Training Unit of £140k.

Communities Portfolio

Summary

14. As at month 5, the Portfolio is forecasting a full year outturn of an over spend of £7.2m. The key reasons for the outturn position are:

Performance, Information and Planning underspend of £259k:

- The underspend position for Performance, Information and Planning Service (PIPS) is mainly due to the pay award budget of £458k held in Executive but matched by spend across the portfolio along with a reduction in spend on mail and insurance contracts of £151k and supplies and services of £15k There are net over spends on staffing of £205k across the service and additional costs on software licences and the Whole Family Case Management project £130k. HR services charge of £34k is a further over spend.

Care & Support over spend of £4.3m:

- Access, Prevention and Reablement forecasts a net over spend of £78k due to spend on agency staff partly netted of by an under spend on minor works and adaptations.
- Learning Disabilities returned an outturn of £2.8m overspent. This is made up of:-
  - Purchasing LD is forecasting an over spend of £2.7m. This over spend is made up £3.0m of new client costs that have emerged in 2016/17, £904k of forecast unachieved savings, offset by an under spend against the clients rolled forwards from 2015/16 of £1.1m.
  - LD Assessment and Care Management is forecasting an over spend of £495k due to full year cost of additional review teams.
  - LD Provider services is forecasting an under spend of £470k due to reductions in client hours as a result of a movement of clients from in-house services to independent provision (hours moved to purchasing budget) and the subsequent reduction in use of agency staff and bank staff.
- Long Term Support is showing an over spend of £1.5m. This comprises the net position of an over spend in adults purchasing of £1.7m, with an under spend on staff of £158k along with the saving against Forge Centre £71k due to reduction in contracts.
- Provider Services is reporting an under spend against budget of £43k. The under spend is due to a £283k reduction in spend on Carers in the Adult Placement Shared Lives Service and under spends on salaries against Care4You Business and Performance £66k and Community Support Services £86k. This is netted down by a reported over spend against City Wide Care Alarms £391k as a result of lower income than budgeted. Reablement Services report a position which is almost balanced to budget as a result of drawdown of £184k of corporate funding to cover salary costs until full implementation of the MER.
- Contributions to Care has an over spend position of £119k against budget. This figure is made up of an over spend against Social Care Accounts Service (SCAS) staffing of £46k with additional pressure of £50k in Public Health Direct Payments. This is net of overachievements in Integrated Charge income of £217k and Residential income of £534k, offset by under achievements of £378k in Property Income and in Continuing Health Care (CHC) income of £397k.

- Safeguarding service is reporting an over spend of £33k as a result of spend on Deprivation of Liberty Safeguards (DoLS) advocacy services for hospitals.

Commissioning over spend of £3.2m:

- A forecast reduction in spend of £424k is reported by Commissioned Housing which is mainly due to a delay in implementation of new Housing Related Support Contracts coupled with annualised contracted savings.
- An over spend against Commissioned Mental Health Services of £3.3m. This is made up of a £3.7m overspend in Mental Health purchasing and £80k overspend in the S75 Mental Health contract offset by forecast under spends on the Older People Mental Health contract of £433k and the Partnership and Grant Aid budget of £80k. Further negotiations are on-going with the Care Trust to determine the cost of the S75 contract but the forecast over spend reflects current activity. There is an on-going conversation with the CCG to enable joint planning to be done in order to bring the over spend down within 2016/17. Future forecasting will be reflective of outcomes in this work.
- An over spend on Public Health Drug and Alcohol (DACT) of £89k. The majority of this is due to a forecast over spend on non-contract treatment costs of £47k. The Contract payment for DIP has a negotiated reduction which has resulted in an under spend against budget of £45k. This is offset with an over spend of £45k in the Drug programme, a £22k overspend on the DACT team and £17k in the Alcohol programme.
- Social Care Commissioning Service forecasts an over spend of £184k. There is a forecast overspend of £233k on the British Red Cross contract for Independent Living Solutions (Equipment and Adaptations) along with an additional £24k increase in PH Communities staff due to additional resource planned to continue past the original deadline of November. This is partly offset by an under spend in quality contracts of £46k and a £25k saving due to vacancies.

Community Services over spend of £292k:

- The Voluntary Sector area is showing an over spend of £182k, £57k of which is due to £119k unachieved 15/16 savings on Grants offset by a temp saving of £62k which has been found this year. The remainder is an “approved” staffing over spend on Health and Social Care integration budget £56k and loss of income from Sheffield Teaching Hospitals £65k.
- Locality Area is overspent by £20k as result of £45k unachieved 15/16 saving offset by £25k of temporary vacancy savings.

- Library Services are forecast to underspend by £14k. The Libraries and Archives over recovery of income of £48k and savings on staff costs are partly eliminated by loss of World Metal Index income £56k with the associated cost of redundancies (anticipated service closure within 2016/17) and over spends on the Leadership Team of £49k
- Public Health budgets are over spent by £106k as a result of contract values exceeding budget by £56k, the remainder £50k is as a result of an over spend on staffing due to slippage on the MER.

Housing General Fund under spend of £297k

- The under spend in Housing General Fund is mainly due to:
- City Wide Housing Services £214k under spend due of low uptake of small grants in Local Assistance Scheme, savings on staffing and higher than anticipated income.
- Business Planning £24k under spend resulting from savings on staffing.
- Neighbourhood Intervention and Support £164k under spend mainly as a result of higher than anticipated income.
- Sustainable City £105k projected over spend which is still subject to review.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
PIP	4,916	5,176	(259)	⇩
CARE AND SUPPORT	101,500	97,165	4,335	⇧
COMMISSIONING	27,852	24,684	3,168	⇩
COMMUNITY SERVICES	6,566	6,274	292	⇩
HOUSING GENERAL FUND	3,523	3,820	(297)	⇩
GRAND TOTAL	**144,358**	**137,119**	**7,239**	⇧

Commentary

15. The following commentary concentrates on the changes from the last report at Month 3.

PIPS

16. A forecast £259k reduction in spend. This is an improved position of £164k from the position in Month 3.
17. The favourable movement is mainly due to funding confirmed for BCF project which was recorded as a cost pressure in month 3. This is partly offset by

withdrawal of £56k of PH funding against Business Support posts and new costs for IT Licences/WFCM project.

Care and Support

18. A forecast £4.3m. This is a worsening position of £1.2m from the position in Month 3.

19. Assessment, Prevention and Reablement are reporting a £78k over spend, an adverse movement of £105k since month 3. This is due to the extension of contracts for agency staff working on SPA/TOC projects.

20. Long Term Care reports an over spend of £1.5m which is a £138k favourable move on the position reported in month 3. The position has improved mainly as a result of the review of the costs of social work staff.

21. The LD position has improved by £10k from Month 3. However this is net of an increase in client costs in the purchasing budget of £691k and an increase in the purchasing budget of £700k due to an overachievement of income in the Continuing Health Care budget.

22. Provider Services report an under spend £43k which is an adverse move of £190k since month 3. This adverse move is as a result of budgets moving to the STIT service which has reduced the call on corporate reserves.

23. Safeguarding Services report an over spend of £33k as a result of increased costs of DoLS advocacy for hospitals, this accounts for the adverse movement since month 3.

Commissioning

24. A forecast £3.2m over spend. This is an improved position by £313k from the previous month.

25. The improved position is due to Mental Health clients moving to adult services £200k coupled with a reduction in pressures built in for Sandford House and Bowden Lodge as we have now seen emerging which has been reflected in the forecasts. These improvements were slightly offset by a high cost package client moving from LD £147k. There had been further savings in Housing Commissioning due the slippage of projects for Homelessness, Single and Housing First of £288k as planned start dates are for December 2016. Social Care Commissioning has shown a worsened position by £27k due to previous forecast under spend against staffing where recruitment has now taken place. DACT has seen an improvement of £59k which is a reduction in prescribing costs in the non-contract treatment budget.

Community Services

26. A forecast £292k over spend. This is an improved position of £200k from the position in Month 3.

27. The favourable movement is due to savings as a result of the implementation of the MER.

Housing General Fund

28. A forecast £297k under spend. This is an improvement of £131k from the position in Month 3.

29. This is primarily due to lower than expected uptake of grants on the Local Assistance Scheme £45k and higher than anticipated income £76k.

Proposed Budget Virements for Month 5

30. Request from the Head of Long Term Care and Support to repurpose an obsolete budget line used to fund previous contract provision (Forge Centre) to cover pressure within the social worker staffing budgets in Adult Social Care £60k.

Year to date

31. The forecast £7.2m overspend is a slight reduction on the extrapolated full year effect of the variance at Month 5 of £3.5m. The reasons are mainly due to payment profiles in the purchasing budgets, especially where increases in activity forecasted are not yet showing in actuals. In other areas accruals have not been taken where for example payments are made in advance or where additional funding has been received and spend is expected on staffing and contracts as the year progresses which Month 5 figures do not include.

Place Portfolio

Summary

- As at month 5 the Portfolio is forecasting a balanced full year outturn (£89k underspend), an improvement of £873k from the month 3 position.
- This position assumes the delivery of £1.2m of approved budget savings within the Streets Ahead programme of £1m and Parking Services activities of £200k, which are forecast to be implemented in the second half of the financial year. Any slippage in these timescales for delivery would have a significant impact on the current reported position and require immediate in year action.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS STRATEGY & REGULATION	32,242	32,357	(115)	⇩
CREATIVE SHEFFIELD	2,850	2,680	170	⇩
CULTURE & ENVIRONMENT	30,146	30,161	(15)	⇔
DEVELOPMENT SERVICES	79,619	79,748	(129)	⇩
GRAND TOTAL	**144,857**	**144,946**	**(89)**	⇩

Commentary

32. The following commentary concentrates on key risks and changes from the month 3 position.

Business Strategy & Regulation

33. As at month 5 there is a £115k forecast underspend, which shows an improvement of £431k on month 3, largely due to a one-off reduction in spend from the settlement of a contractor dispute on prior years income due on the waste management contract of £300k.

Creative Sheffield

34. As at month 5 there is a £170k forecast overspend, which shows an improvement of £136k on month 3, due to further cost reductions identified and additional income now secured.

35. The key pressure is within the City Regeneration Division which operates as a trading account and is forecasting a £132k shortfall in income to fund its activities, based on secured funding bids for approved projects. Plans are being developed for further bids and/or cost reductions to address this position.

Development Services

36. As at month 5 there is a £129k forecast underspend, which shows an improvement of £199k on the month 3 position.

37. The key change is additional forecast planning fee income of £240k which is ambitious compared to prior years and will require constant monitoring against specific planned developments in the City.

38. As identified above, the position assumes £1.2m savings will be secured in the second half year on Streets Ahead and Parking Services activities.

39. Cabinet is recommended to approve a temporary increase in the department’s budget of up to £373k over the next two years in order to provide additional

staffing resource to improve the quality and accelerate the delivery of the Local Plan to meet national timescales. The allocation will be funded from Reserves and repaid from future efficiencies to be identified by the Director of Development Services as part of the Council's Business Planning process in the Place portfolio. Should alternative funding become available e.g. central government grant, this could be used instead

Resources Portfolio

Summary

40. As at month 5 the Portfolio is forecasting a full year outturn of an over spend of £145k, an improvement of £212k from the month 3 position. The key reasons for the forecast outturn position are:

- An over spend of £262k on Customer Services due to the Customer Engagement Programme being unachievable in this financial year and incurring additional employee costs in order to maintain operational KPIs.
- An over spend of £297k on Transport and Facilities Management mainly to the Voluntary Registration of Land project no longer being eligible for funding from the New Homes Bonus and no alternative funding having been approved, together with rising costs in relation to the operation of Burngreave New Deal for Communities for which no funding has been identified.

Offset by:

- A reduction in spend of £206k on Commercial Services (Savings) due to confirmation and re-profiling of all the Early Payment Discounts and Project Savings.
- A reduction in spend of £231k on Central Costs due mainly from reduced numbers requiring funding in relation to Former Employee Pensions.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
BUSINESS CHANGE & INFORMATION SOLUTIONS	944	997	(53)	⇔
COMMERCIAL SERVICES	707	745	(38)	⇔
COMMERCIAL SERVICES (SAVINGS)	(2,304)	(2,098)	-206	⇩
			0	⇔
CUSTOMER SERVICES	2,786	2,524	262	⇔
FINANCE	5,495	5,435	60	⇔
HUMAN RESOURCES	3,417	3,450	(33)	⇔
LEGAL SERVICES	3,655	3,567	88	⇧
RESOURCES MANAGEMENT & PLANNING	173	174	(1)	⇔
TRANSPORT AND FACILITIES MGT	16,316	16,019	297	⇔
TOTAL	31,189	30,813	376	⇩
CENTRAL COSTS	22,219	22,450	(231)	⇔
HOUSING BENEFIT	406	406	0	⇔
GRAND TOTAL	**53,814**	**53,669**	**145**	⇩

Commentary

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

Commercial Services

42. A forecast £206k reduction in spending, due to all the Early Payment Discounts and Project Savings income having now been confirmed and re-profiled. This is an improvement of £206k from the month 3 position.

43. The improvement from month 3 is due to all the Early Payment Discounts and Project Savings income having now been confirmed and re-profiled.

Policy, Performance and Communications Portfolio

Summary

44. As at month 5 the Portfolio is forecasting a full year outturn of an over spend of £314k, an improvement of £211k from the month 3 position. The key reasons for the forecast outturn position are:

- £358k over spend on Communications mainly due to the Clear Channel small format advertising contract still not being completed and delays to the JC Decaux contract means that no income will now be received in relation to the large format advertising until January 2017.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	⇔
POLICY, PERFORMANCE & COMMUNICATION	2,416	2,102	314	⇩
PUBLIC HEALTH	(135)	(135)	0	⇔
GRAND TOTAL	**2,281**	**1,967**	**314**	⇩

Commentary

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

Policy, Performance & Communication

46. A forecast £314k overspend, due to under recovery of income arising from the delays in agreeing the advertising contracts. This represents an in-year cash flow issue, rather than an underlying structural problem with the budget. A proposal is to be put to the Executive Director Resources for an Invest to Save arrangement to use advertising income in future years to reduce the projected overspend in 2016/17. This is an improvement of £211k from the month 3 position.

47. The improvement from month 3 is due to the renegotiation of a payment from the advertising income to the City Centre Events Strategy down from £232k to £150k. Income has also increased from schools and the mark up on print brokerage services has been increased from 5% to 10% (though this still represents a reduction from last year's mark-up rate of 16%).

Corporate

Summary

48. As at month 5, the Corporate portfolio is forecasting a full year outturn of a £2.4m overspend.

- **Corporate Expenditure:** Corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs.

- **Corporate income:** Revenue Support Grant, locally retained business rates and Council tax income, some specific grant income and contributions to/from reserves.

Financial Results

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

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s
CAPITAL FINANCING	33,994	34,375	(381)
CORPORATE ITEMS	(436,279)	(439,081)	2,802
GRAND TOTAL	(402,285)	(404,706)	2,421

50. Corporate are showing a forecast overspend of £2.4m, which is due to the anticipated shortfall in the Better Care Fund (BCF). We have a significant concern that after 18 months the BCF has not realised any savings on a joint budget of £280m.

51. The improvement this month compared to month 3 is due predominantly to the anticipated £2.7m pressure relating to the Independent Living Fund not materialising in 2016/17, an increase in cash balances available for investment and reduced borrowing costs.

PUBLIC HEALTH BUDGET MONITORING AS AT

31st AUGUST 2016

Purpose of the Report

1. To report on the 2016/17 Public Health grant spend across the Council for the month ending 31st August 2016.
2. The report provides details of the forecast full year spend of Public Health grant compared to budget.
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 expenditure compared to budget where there is an underspend position.

Summary

4. At month 5 the overall position was a forecast underspend of £230k which is summarised in the table below.

Portfolio	Forecast Full Year Expenditure	Full Year Expenditure Budget	Full Year Variance as at M5	Full Year Variance as at M3	Movement from Prior Month
CYPF	17,981	17,981	0	0	0
COMMUNITIES	12,340	12,387	-47	-9	-38
PLACE	2,682	2,783	-101	4	-105
DIRECTOR OF PH	2,081	2,163	-82	-42	-40
Total	35,084	35,314	-230	-47	-183

5. Key reasons for the forecast under spend are:
    - CYP forecast to budget
    - £47k underspend in Communities mainly due to reduced spend in Mental Health Commissioning contract activity.
    - £101k underspend in Place mainly due to employee reduced spend to budget

- £82k under spend in Director of PH due to reduced spend around GP health checks

6. Key Reason for month on month changes are:

- £38k improvement in Mental Health Commissioning. Specifically, reduced spend against Older People and Partnership Contracts. However, these contracts are demand led so there is a possibility that costs will increase in the future.
- £105k improvement due to £25k anticipated under spend on stop smoking project and £80k staffing underspend
- £40 improvement is as a result of continuing under spend on GP Health Checks. In addition, there anticipated savings as a result of unfilled vacancies.

Appendix 3

HRA BUDGET MONITORING AS AT

31st AUGUST 2016

Purpose of this Report

1. To provide a summary report on the HRA 2016/2017 revenue budget for the month ending 31 August 2016, and agree any actions necessary.
2. The content of this report will be used as the basis of the content of the budget monitoring report to the Executive Management Team and to Members.

Summary

3. 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.
4. The 2016-17 budget is based on an assumed in year position of £13m which is to be used to fund the ongoing HRA Capital Investment Programme. In accordance with the HRA's financial strategy any further in- year funds generated by the account will be used to provide further funding for the future HRA Capital Investment programme.
5. As at month, 5 early indications suggest an improved full year outturn position of £4m. As such, the funding contribution to the capital investment programme will be revised from £13m to £17m (shown in the table). This is in line with the HRA Business Plan which sets out the Council's plans and priorities for council housing over the next five years.
6. Main areas contributing to the outturn include a net increase in income of £432k primarily as a result of a reduced level of bad debt provision offset by a higher turnover of vacant properties; an increase in other income of £80k mainly due to an increase in service charge income; a reduction in overall running costs of £2.9m and a reduction of £156k due to revised borrowing assumptions.

Financial Results

Housing Revenue Account (excluding Community Heating)	FY Outturn £000's	FY Budget £000's	FY Variance £000's
1.NET INCOME DWELLINGS	(147,182)	(146,750)	(432)
2.OTHER INCOME	(6,604)	(6,524)	(80)
3.HOMES-REPAIRS & MAINTENANCE	32,503	32,870	(367)
4.DEPRECIATION-CAP FUND PROG	39,436	39,436	-
5.TENANT SERVICES	49,856	52,855	(2,999)
6.INTEREST ON BORROWING	14,974	15,130	(156)
Total	**(17,017)**	**(12,983)**	**(4,034)**
7.CONTRIBUTION TO CAP PROG	17,017	12,983	4,034

Community Heating

7. The budgeted position for Community Heating is a draw down from Community Heating reserves of £293k. As at month 5 the forecast position is a contribution to reserves of £128k, an improvement of £421k. This is mainly due to lower than expected usage due to the mild weather and a reduction in overall energy costs.

Community Heating	FY Outturn £000's	FY Budget £000's	FY Variance £000's
Income	(2,832)	(2,723)	(109)
Expenditure	2,704	3,016	(312)
Total	**(128)**	**293**	**(421)**

Housing Revenue Account Risks

8. 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 and changes to Housing Benefits, the Government has announced a number of further changes in the Housing and Planning bill and Welfare Reform and Work bill. These include a revision to social housing rent policy, which will reduce rents for the next three years. This will have a considerable impact on the resources available to the HRA. In addition, the Government's "Pay to Stay" proposals and other changes in the Housing and Planning bill will impact on both tenants and the HRA business plan. Work is continually ongoing to assess the financial impact of these. Other 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. These are managed through the Council's Treasury Management Strategy.

- **Repairs and Maintenance:** Existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions) and future changes to contractual arrangements.

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CAPITAL PROGRAMME MONITORING AS AT 31st AUGUST 2016

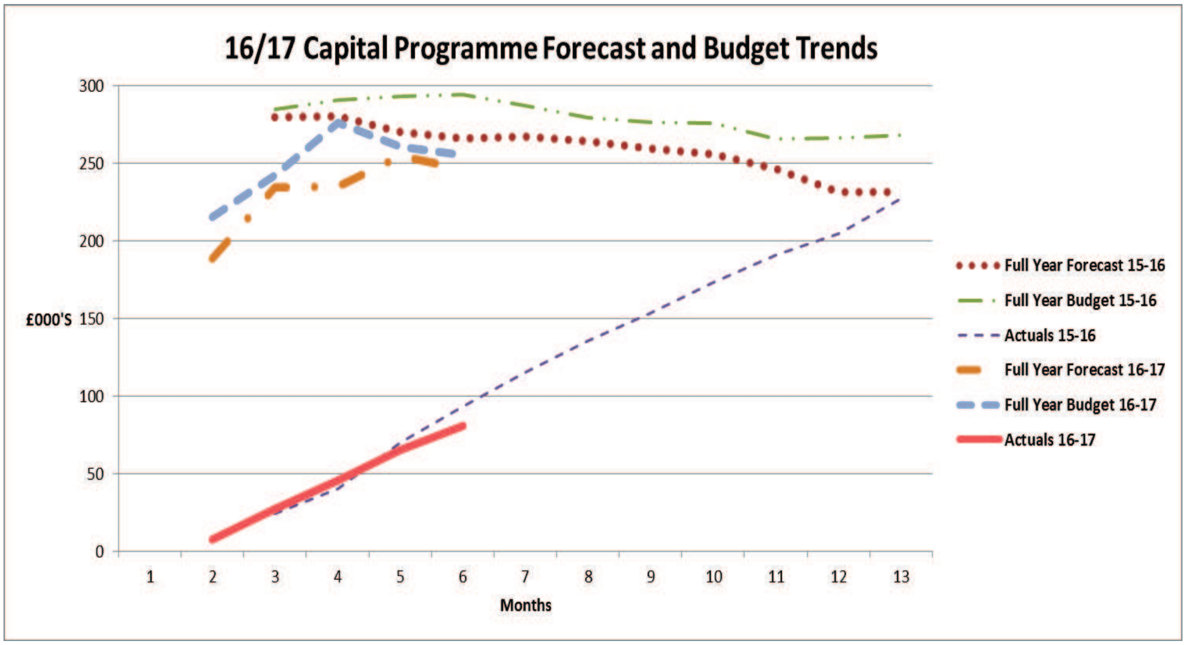
Summary

1. The forecast for 2016/17 has been increased by £11.1m on the Month 3 forecast to £246.5m. The Approved programme budget is £255.2m, a difference of £8.7m. This represents a slippage rate of 3.4% which if delivered would be the best performance to date. The majority of the difference is in the Housing programme which is forecasting an underspend of £4.2m split equally between acquiring or building new council housing stock and refurbishment of existing properties.
2. The table below shows that at Month 5, the year to date spend is £10.1m (11%) below programme reflecting further £4.5m of slippage in the last 2 months primarily in Housing (£2.1m) Highways (£0.6m) and CYPF (£1.6m). £8.7m (86%) of the slippage is in projects outside the Top 20 projects.
3. The chart at paragraph 4 shows that capital programme spend rates in 2016/17 are almost identical to 2015/16 where the Outturn was £232m. The current forecast is £246.5m requiring an increased rate of spend which should arise as a result of major projects such as the city centre development work.

Financials 2016/17

Portfolio	Spend to date	Budget to Date	Variance to date	Full Year forecast	Full Year Budget	Full Year Variance on Budget
	£000	£000	£000	£000	£000	£000
CYPF	9,281	12,945	(3,664)	34,448	36,231	(1,783)
Place	21,854	22,755	(900)	62,907	65,381	(2,474)
Housing	30,287	33,689	(3,402)	95,638	99,865	(4,227)
Highways	4,174	4,850	(676)	10,550	9,963	587
Communities	49	-	49	374	325	49
Resources	1,015	2,522	(1,506)	13,015	13,891	(876)
Corporate	13,947	13,947	(0)	29,582	29,582	(0)
Grand Total	**80,608**	**90,708**	**(10,100)**	**246,514**	**255,238**	**(8,724)**

4. **Forecast trends**



5. **Capital Programme**

Capital Programme

	2016-17 £m	2017-18 £m	Future £m	Total £m
Month 4 Approved Budget	260.9	203.0	261.6	725.5
Additions	2.4	0.6	0.0	3.0
Variations	-3.4	6.6	-1.6	1.7
Slippage & Acceleration	-4.6	-2.0	7.6	1.0
Month 5 Approved Budget	255.2	208.2	267.7	731.2

The revised programme shows a net increase of £5.7m reflecting additional spend on the schools expansion programme (£4.4m) and additional HRA funding of capital schemes in the Housing programme.

PROJECT MANAGEMENT

6. From the start of this year the Council has introduced an improved system of reporting and monitoring project delivery. This will collect in one place, all project highlight reports which will be accessible to all users and, from August, provide the basis for workflow driven meeting agendas for each stage of the Gateway Approval process. The progress of a project will be readily evident.

7. This should give better visibility of performance and lead to improved project controls because:

- Project Managers will create their monthly highlight reports in SharePoint - showing key issues, risks and items for the Sponsor to review - and these will be visible to all as well as providing a central repository which can be used in future audit work from external funders;

- Project sponsors can review and approve the reports within SharePoint; and

- Programme Boards will receive a “dashboard” report showing the status of projects. This should lead to improved supervision, better control and thus improved delivery performance of projects.

Commentary

8. The Top 20 projects in the Capital Programme accounts for 69% of the current 2016/17 budget. The key **forecast variances** from Budget at Month 5 include:

   - Housing programme is forecasting to be £4.2m below budget by the year end. Two appointed contractors on the new Build Housing Phase 2 (£4.5m) and Obsolete Heating (£3.7m) projects have gone into administration causing a delay whilst the work is reprocured. The new contractors programme of works are yet to be profiled. The remainder of the variance is accounted for by £1.0m of anticipated cost savings and £4.9m of schemes which are forecast but subject to Cabinet approval so have no approved budget;

   - Place programme is forecast to be £2.5m below budget principally due to 2 projects. The Lower Don Valley Flood Defence project is forecasting £1.3m slippage. This is a novel and complex project with multiple interventions along the river and has been very difficult to forecast the rate of spend and progress. The construction of the Olympic Legacy Park public realm and site infrastructure is also forecasting £1.0m slippage due to an aggressive initial forecast spend rate. Officers are developing a plan to pull this back on track.

- The Highways programme is forecasting to be £0.6m above budget due to further contaminated land costs associated with the construction of the BRT North link. A detailed cost assessment is being prepared and a further report and approval submission will prepared for Members within the next two months;

- The CYPF programme is forecast to be £1.8m below Budget of which £1.5m is due to anticipated final costs being below the approved budget on 5 projects offset by a potential overspend at Hallam. £0.3m of the £0.7m work at Aldine House Secure Unit is forecast to slip into 17/18 following a re-design of the accommodation.

Year to date variance

- Of the £10.1m year to date variance, £3.7m and £3.4m is on the Schools and Housing programmes respectively. In the Schools programme, £1.2m is due to anticipated cost savings on projects which have been procured at a lower cost, £0.7m on the schools expansion programme where the configuration of the programme has been reviewed as initial cost estimates are above the budget. This has delayed detailed design work. The remaining variance is on approximately fifteen schemes which are £0.1m to £0.2m.

- In Housing, which is £3.4m behind the plan at Month 5, a slow start by the contractor on the Kitchen and Bathrooms refit programme has left this programme £1.9m behind the planned profile. The Council Housing Acquisitions and Repairs programme is £0.9m behind plan because there have not been suitable properties coming onto the market to acquire. The remaining variance is spread across the programme.

- There is a £1.5m shortfall against budget on the Resources Fire Risk Assessment programme which requires re-profiling to reflect the latest physical delivery plan.

Approvals

9. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.

Below is a summary of the number and total value of schemes in each approval category:

- 4 additions to the capital programme with a value of £2.77m:
- 2 variations to the capital programme amounting to a net increase of £13k:
- 2 slippage requests of £3.5m; and
- A grant of £4.9m from the Sheffield City Region for the development of the Olympic Legacy Park.

Further details of the schemes listed above can be found in Appendix 6.1 and 6.2.

Finance

October 2016

Scheme Description	Approval Type	Value £000	Procurement Route
THRIVING NEIGHBOURHOODS AND COMMUNITIES			
GREAT PLACE TO LIVE :-			
Highways			
ITS Network Management ITS (Intelligent Transport Systems) Network Management The initiative aims to improve journey times and reliability / consistency of journey times on the key route network. In this way, everyone's confidence in planning journeys (particularly at peak times) is increased and it provides additional capacity on the network to handle the anticipated increase in traffic as the city's economy grows. To achieve this focus on Intelligent Transport Systems (ITS) demand led network management improvements that tackle existing issues prior to the new transport strategy being realised. These are all known identified hot spots on key strategic routes, and have previously been highlighted in PLT discussions as candidates for reducing congestion and delays by improving journey time reliability and smoothing traffic flows at identified congestion hot spots. The focus for 16/17 & 17/18 is in 8 locations: A6102 Herries Road – Moonshine Lane, A61 Halifax Road – Penistone Road, A57 Sheffield Parkway, A57 Moss Way – Coisley Hill – Eckington Way, A57 Broomhill Corridor, A6135 Barnsley Road – A6102 Fir Vale, A6102 Gleadless Town End, A6102 Middlewood Road / Catch Bar Lane Highways Staff Fees: £371k Amey Design Fees for Coisley Hill only: £50k	New	685	Procurement Strategy approved at September CPG to appoint Amey using the tendered rates set out in the Amey main contract

Amey Construction: £265k Therefore a budget of £686k is requested, £241k in 16/17 & £445k in 17/18 funded by the Local Transport Plan (LTP) The work Highways staff will be undertaking is: • Review of existing signal timings (on a corridor rather than at the individual junctions) • Modelling potential interventions of signal timing strategies • Confirming the ideal capital interventions needed, then (following the capital investment) • Monitoring changes to vehicle journey times on a corridor • Changing signal timing strategies as required, then repeating for a period of up to three months after the initial capital investment, leading to • Reporting on corridor outcomes twelve months after the capital investment			
Housing			
Castle College Green Links In 2012 a business case was approved for Sheaf Valley Park Phases 2, 3 & 4. This project is Phase 4 of the Sheaf Valley Park project. The former Castle College site was acquired by the Homes & Communities Agency (HCA). In 2013 the HCA secured planning approval for 84 units including 25 affordable units. Kier Living was selected to deliver new houses on the site. This project will look at enhancing the design and quality of the link section between Shrewsbury Rd and open space in the housing development. Subject to Housing Growth Board approval and the necessary waiver for payment to Kier, the link and housing units will be completed and open by the Autumn 2016. The project objectives are: • Construction of a new Green Link and extension of Sheaf Valley Park between Shrewsbury Road and the new housing development on the former Castle College site. • New signs • Viewing platform for local residents and people of Sheffield securing views across the city and up the Sheaf Valley to the Peak District • New pedestrian route and public right of way for local residents and people of Sheffield	Addition	20	Waiver to appoint Kier Living

maintained by the developer The project is funded by New Homes Bonus.			
Manor Top District Centre The Manor Top District Centre serves one of the most deprived neighbourhoods in Sheffield. The 2013 Locality Plan for the neighbourhood highlighted that the centre is significantly failing to optimise its location and support the surrounding community. The Centres project is to work with the existing occupants of the premises in the Centre to develop a proposal to help strengthen its long-term viability. This project is just one element of the citywide 2015/17 Successful Centres programme which is designed to stimulate growth by creating the right conditions for investment, and improve the attractiveness of neighbourhoods and housing sites to increase confidence and encourage more private investment to stimulate demand. The capital allocation for the Manor Top Shop Front scheme is £240k including fees, which is to be funded from the New Homes Bonus. This project seeks to implement a Shop Front Improvement scheme which is a tried and tested initiative that has been delivered successfully in two other major District Centres - Spital Hill and Darnall. A third is under way on London Road. The large scale of the projects have had a dramatic impact upon the overall appearance of the centre, rapidly and comprehensively improving the image of the centres and boosting confidence in the centres generally. The impact of the increased confidence has been evidenced by increased investment in the area and reductions in the vacant units. The contracts are procured and managed by the Council which ensures control over scope, specifications and budget. A feasibility study has been carried out which suggests that the average cost of work per shop unit is £4.5k including fees and can be contained within the budget. This is based on there being 34 properties within the designated area and represents good value when compared to the extent of the area improved. A Strategy approval form is being submitted along with this addition which states CDS Architects have carried out the initial feasibility work and will prepare the schedules of work	Addition	240	Single stage competitive tender

The overall scheme works will be procured separately, using a single-stage competitive tender process.			
ESSENTIAL BUILDING WORKS			
Corporate Buildings Essential Replacement Programme To ensure compliance with statutory requirements and maintain continued operation of buildings under the Corporate Estate there is a need for essential works to replace failing or broken components and equipment alongside undertaking urgent works to address structural defects which are identified or may arise. The range of works will be varied as will size and values and this programme covers six programmes of work to be delivered by Kier up to 31 March 2017, comprising the following: • **Mechanical Replacement Programme** Replacing failing boilers, chlorifiers, pipe work, controls, ventilation, radiators, oil tanks, gas supply, hot and cold water supply's across the Corporate estate. There are more than 260 plant items and systems above 25 years old. • **Electrical Replacement Programme** Replacement of failed or failing distribution board, wiring, fire alarms, emergency lighting, sockets, lights, switches etc. Estimated current back log maintenance of £60m requiring approx. £2m per annum to achieve a life cycle of 40 years • **Lift Replacement Programme** Replacement of failing, drives, cables, electrical items, doors etc. or a new lift in the Moorfoot building. • **Roofing Replacement Programme** Replacement of full or partial roofs including soffits, fascias, rain water goods. • **Windows and Doors Replacement Programme** Replacement of external windows and doors to the Corporate estate. The external timber components of the corporate stock have deteriorated significantly due to weather damage and the lack of any external decoration programme for the last 10 years. • **Structural Defects Programme** To address serious structural defects across the corporate estate e.g. failing boundary walls,		1,825	Kier under CSSR Minor Works

rolling brick work, subsidence.

The work is to be funded from the Corporate Resource Pool and is to be completed by Kier by 31st March 2017.

A summary of the split of work between each source is shown below:

Scheme	Total £k	Works £k	Fees £k	Contingency £k
Mech	1,000	991.5	1	7.5
Elec	100	91.5	1	7.5
Lifts	150	141.5	1	7.5
Roofs	175	166.5	1	7.5
Win/Drs	275	266.5	1	7.5
Struct.	125	116.5	1	7.5
Total	**1,825**	**1,774.0**	**6.0**	**45.0**

Some of the work is reactive to in service failures. Specific allocations that can be planned in advance will be approved at Capital Programme Group to ensure value for money by investing in assets which have a long term future.

SLIPPAGE / ACCELERATED SPEND:-			
Great Place to Live			
Obsolete Heating This project is to fund the installation of new heating systems when breakdowns cannot be repaired due to the mechanical equipment being obsolete. This submission is to slip £3,3m from 2016/17 budget and move it to 2020/21. The requests for replacement heating systems as a result of the system being obsolete have reduced due to the planned programme installing new heating systems on a 15 year cycle. This budget will be reviewed annual and adjusted to reflect the anticipated workload.	Slippage	3,300	

Relocatable Camera Enforcement The aim of this project is to improve the level of compliance at bus lane/bus gate enforcement sites and thereby improve bus journey times and reliability, while reducing the overall costs of delivering the service. This is being achieved by a combination of moving away from an attended enforcement system, expanding the unattended system, and changing the way that offences are reviewed, leading to the use of just one enforcement procedure. By making better use of available technology, the business processes in Parking Services will be transformed producing a better service to the public and reducing costs. The Council is in the process of transferring the CCTV monitoring service back in house. To ensure a successful delivery, it is proposed to slip £159k from the 16/17 Budget to 17/18 to allow time for CCTV operations to be re-integrated.	Slippage	159	Procurement route will be open tender. Procurement Strategy to be done for 17/18.
DIRECTOR VARIATIONS / FEASIBILITY APPROVALS:- (Note only)			
Great Place to Live			
HIGHWAYS **Sheaf Valley Riverside Route Feasibility** The project is to make improvements to the Sheaf Valley riverside cycle/walk route. The original feasibility was to find an affordable option of either constructing a ramp up to Archer Rd from Millhouses Park or by widening the Millhouses Park riverside path to give transport benefits to current and future users of the park and had the following Options Appraisal costs: This is a request to increase the original Feasibility funding from 18k to 27k an increase of 9K because the options previously considered have proved unworkable as detailed below: A path through Millhouses Park cannot be constructed due to potential flood management	CPG - Feasibility	9	N/A

works. A ramp up to Archer Road from the park cannot be constructed because of significant Yorkshire Water infrastructure there. New options will be upgrading a path through Hutcliffe Wood and a creating a short section of path in Millhouses Park. The funding was approved at Nov15 GP2L board. The business case gives the full amount of funding available of £274K. The exact amount of s106 funding available is £273,930 (no. 650-06/02260/FUL). The additional 9k will be taken from the overall budget for this project.			
PARKS **Greenhill Park Improvements** This project was initiated by the Friends of Greenhill Park, who support the development and management of the park. They have raised funds to invest in the playground. In January 2016 P&C supported the Friends to consult with local people. The equipment which will be delivered by this project was chosen as a result of this consultation. The improvements delivered will be the instalment of a zip wire, basket swing and climbing frame; along with the associated play surfacing, originally costed at £27,594 This submission is for a Director variation of an increase of £3,897 bringing the total project cost to £31,491. The extra £3,897 will be funded by a contribution from revenue. The project costs are higher than previously estimated after it was identified that the Friends included the incorrect surfacing specification in their funding application.	Director's Variation	4	3 Quotes approaching specialist contractors from the UK

Grant Awarding Body	**Name of the Grant**	**Project to be funded by the Grant**	**Conditions and Obligations**	**Value £000**
Sheffield Combined Authority	Olympic Legacy Park	Olympic Legacy Park Infrastructure Works	The grant offers a £4.9m funding contribution to create a 9.6Ha serviced site with infrastructure and utilities that will facilitate the delivery of the Olympic Legacy Park (OLP). Total programme costs amount to £9.11m, which is to be/has been funded by the grant, public investment (Sheffield City Council and European Union Regional Development Fund) £2.7m and private sector investment £1.5m. The grant can only be spent on the delivery of the project in accordance with the Terms & Conditions set out in the Grant Agreement. There is a risk of clawback if it is not used for the purposes intended and the required outcomes and outputs are not achieved. The grant is made to support the delivery of specific outcomes and outputs. Outcomes are defined as creating 645 net additional jobs and £137.9m total Gross Value Added. If project outcomes are not achieved the grant will be clawed back proportionate to the under achievement. Outputs are defined as provision of landscaped areas up to building plots, the provision of connection points for water, electricity, drainage and communications networks including specific transmission capacities.	**4,899**

			Gas is also to be provided where required. If project outputs are not achieved The Council will be required to repay the entire grant paid to it, irrespective of the proportion of the output not achieved. Works must be completed and funding must be claimed by 31 March 2017. Qualifying Expenditure must be defrayed. Retention of 5% of the grant may be withheld until the date of Practical Completion and project outputs have been fully achieved. The Council is required to submit a Statement of Grant Expenditure at the end of the financial year which must be audited by its external auditor. The Council is required to consider the need for economy in all Qualifying Expenditure, as the funder is only liable to pay so much (if any) which, in the funders' opinion, would have reasonably been required. The Council must ensure that the works, surrounding area and environment are maintained to a reasonable standard for 15 years following Practical Completion of Works. This is to be funded by service charges to OLP users. The grant will be subject to monitoring from the date of Practical Completion until March 2027.	