



## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Eugene Walker

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**Date:** 1 August 2012

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**Subject:** Revenue Budget & Capital Programme Monitoring  
2012/13 – As at 31 May 2012

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

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**Summary:** This report provides the month 2 monitoring statement on the City Council's Revenue and Capital Budget for 2012/13.

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**Reasons for Recommendations** To formally record changes to the Revenue Budget and the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

**Recommendations:**

Please refer to paragraph 103 of the main report for the recommendations.

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**Category of Report:** OPEN/CLOSED

## Statutory and Council Policy Checklist

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

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 31<sup>ST</sup> MAY 2012

### PURPOSE OF THE REPORT

1. This report provides the Month 2 monitoring statement on the City Council's Revenue Budget and Capital Programme for 2012/13.

### SUMMARY

2. The latest monitoring position at month 2 – which is summarised in the table below – shows a forecast increase in spending of £4.6m to the year end.

Portfolio	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
CYPF	69,066	69,154	(88)
PLACE	141,956	140,824	1,132
COMMUNITIES	159,771	157,653	2,118
DEPUTY CHIEF EXECUTIVE	9,835	9,665	170
RESOURCES	90,546	89,374	1,172
CORPORATE	(466,572)	(466,670)	98
GRAND TOTAL	4,602	-	4,602

3. Resources totalling £6.8m were approved for carry forward into 2012/13 as part of the 2012/13 budget approval. These are reflected in the budget figures shown above. The recent Cabinet decision to carry forward an additional £6.2m of resources into 2012/13 is not reflected in the above budget figures: those carry forwards that relate to expenditure in 2012/13 will be included in future budget monitoring reports.
4. Some of the carry forwards from 2011/12 relate to funding, particularly grant funding, that is required to offset expenditure in future financial years. Where there are further examples of this in 2012/13, these will be highlighted in budget monitoring reports with a view to taking an early decision regarding carry forward of resources into 2013/14 and beyond.
5. In the following months the budget monitoring reports will include an analysis of actual spending in the year to date and how that compares to the profiled budget. This may help to identify variances that are attributable to movements in actual spending compared to planned, and to separate these from income that is received in advance.
6. In terms of the analysis of the position at month 2, this is the first budget monitoring report of the year and because it is at an early stage it

involves Managers producing straight line projections of expenditure to the year end. It is therefore difficult to identify trends or issues that are emerging at this stage but is useful in providing a benchmark for following months. It is worth noting that at this stage last year expenditure was forecast to exceed budget by £5.8m

7. The key variations from budget in the current financial year are summarised as follows:
  - Children Young People and Families are showing a forecast reduction in spend of £88k.
  - Place are showing a forecast overspend of £1.1m: £282k overspend on waste management; £630k overspend predominantly relating to additional grant payments being made as part of a wider stabilisation programme for Museums Sheffield; and £190k overspend within the Capital Delivery Service.
  - Communities are showing a forecast overspend of £2.1m. This is mainly within the Care and Support Service and relates to: additional forecast expenditure in Learning Disabilities Purchasing of £655k (net of contingency); slippage on budget savings in assessment and care management and provider services of £858k; and additional forecast expenditure in mental health commissioning of £417k due to pressures on the purchasing budget and slippage in budget savings.
  - A forecast overspend of £300k on ex-Burngreave New Deal assets which are currently accounted for in Communities.
  - Resources are showing a forecast overspend of £1.2m: however corrective action has been identified which will bring the forecast overspend to below £1m. The portfolio is forecasting a number of overspends across services, including £700k in Legal Services, £600k in Commercial Services, £400k in Property and Facilities Management and £200k in Business Information Services (BIS). These overspends are partially offset by a forecast reduction in spending in central costs of £800k.
  - Deputy Chief Executive's are showing a forecast overspend of £170k, mostly relating to increased costs of local elections and electoral registration within Modern Governance.
8. Capital Programme monitoring is reported in paragraph 84.

## INDIVIDUAL PORTFOLIO POSITIONS

### CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

#### Summary

9. As at Month 2, the CYPF Portfolio is forecasting a full year outturn of £88k reduction in spending. This position is likely to change in month 3 when the additional resources carried forward from 2011/12 are included in service budgets.

#### Financials (Non – DSG activity)

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY	1,080	1,082	(2)
CHILDREN & FAMILIES	54,411	54,313	99
CHILDREN'S COMMISSIONER	1	-	1
INCLUSION & LEARNING SERVICES	5,501	5,497	3
LIFELONG LEARN, SKILL & COMMUN	8,073	8,262	(189)
GRAND TOTAL	69,066	69,154	(88)

#### Business Strategy

10. This service is forecasting an overall reduction in spend of £34k of which £32k relates to Dedicated Schools Grant (DSG) funding and £2k (in the table above) relates to the cash limit (i.e. general fund). There are no significant variances in this service that require an explanation.

#### Children & Families

11. This service is forecasting an overall overspend of £174k of which £75k relates to DSG funding and £99k (in the table above) relates to the cash limit. There are a range of minor under and over spends forecasted within the service: however the main area of overspend, £100k, relates to the service commitment to the Electronic Document and Records Management System (EDRMS) project.

#### Children's Commissioner

12. The budget areas relating to this service have now been included within the Inclusion and Learning Service.

#### Lifelong Learning Skills & Communities (LLSC)

13. This service is forecasting an overall reduction in spending of £165k of which there is an overspend of £24k that relates to DSG funding and £189k reduced spend (in the table above) relates to the cash limit.

14. LLSC is heavily reliant on external funding and there are grants expected to be received during the year that are for a time period that bears no relationship to the Council's financial year. There is also budgetary provision for projects within CYPF, not just LLSC, which will exceed one financial year. It is intended that these be identified in future monitoring reports and a mechanism put in place to allow these to be removed from the monthly monitoring.
15. The forecast underspend for LLSC does not yet take into account the amount of funding required to be carried forward for the next two financial years for the two phases of the Apprenticeship scheme. Detailed estimates are being prepared, however it is estimated that in the region of £750k is required to be carried forward to 2013/14 and beyond.

### **Dedicated Schools Grant (DSG)**

16. The DSG central expenditure budget for 2012/13 is £34.2m. This has reduced by £3.5m from the 2011/12 budget of £37.4m. The reduction is due to the additional delegation of funds to schools.

### **PLACE**

#### **Summary**

17. Place portfolio are forecasting a full year outturn of £1.132m over budget. The key forecast outturn variances are:
  - Business Strategy & Regulation - £282k over budget on waste management arising from delays in agreement with the Contractor on planned budget savings (£1.15m), largely offset by one-off savings from the resolution of other contractual 'disputes' (£374k) and additional projected income from the sale of recyclable waste (£500k).
  - Culture & Environment - £630k over budget predominantly relating to additional grant payments being made as part of a wider stabilisation programme for Museums Sheffield.
  - HERS - £190k over budget arising from a projected shortfall in income (£455k) within the Capital Delivery Service, being partly offset by staff and other savings secured to date.

## Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY & REGULATION	30,178	29,896	282
CULTURE & ENVIRONMENT	21,233	20,603	630
DEVELOPMENT SERVICES	85,221	85,208	13
CREATIVE SHEFFIELD	3,857	3,860	(3)
HERS	872	682	190
MARKETING SHEFFIELD	998	993	5
STREET FORCE	(754)	(755)	1
SUSTAINABLE DEVELOPMENT	351	337	14
GRAND TOTAL	141,956	140,824	1,132

## Commentary

### Business Strategy & Regulation

18. The current forecast for this activity is £282k over budget. The key issue is within waste management where there are risks associated with the delivery of planned budget savings. Delays in agreement with the Contractor impact on the full delivery this year on fortnightly waste collections (£676k) and changes in waste collection hours (£486k). These will be met from savings elsewhere: the resolution of other contractual 'disputes' (£374k) and income from the sale of recyclable waste (£500k). Whilst there is a delay in 2012/13 the full year savings will be secured in 2013/14.

### Culture & Environment

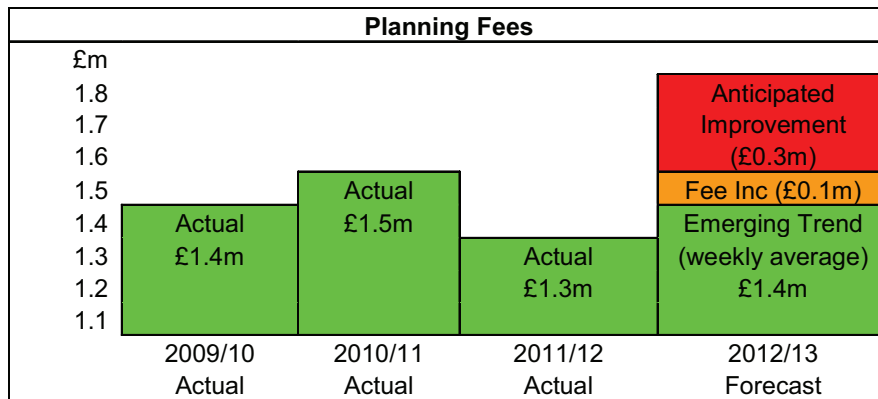
19. The current forecast for this activity is £630k over budget. The key issue relates to additional grant payments of approximately £600k being made as part of a wider stabilisation programme for Museums Sheffield.
20. Other key forecast variances at this point are within parks and countryside (£90k over budget) largely attributable to the viability of Norton nurseries, offset by additional income in bereavement services (£84k).

### Development Services

21. The current forecast for this activity is broadly balanced. The key issue to date relates to a potential shortfall in planned savings relating to an increase in planning fees (£176k). Whilst it was widely anticipated that a government decision would have been announced to allow local fee setting for planning applications this year, latest intelligence indicates this is likely to be introduced next year. A plan to mitigate this shortfall includes a potential 10% national increase in fees from September

(announcement is considered imminent) and re-prioritising of staff to work on local growth funded projects rather than core planning activities.

- 22. However, as in previous years the key risk will be securing £10m planned external fee income from car parks, building regulations and planning. Fees are £245k below target after 2 months, however initial management forecasts project this may reduce to £133k by year-end, assuming a price increase (referred to above) and a number of large planning applications materialise.
- 23. Should fee performance to date not improve considerably during the remainder of the year, there is potentially a significant risk. This risk seems particularly high within planning, as highlighted in the table below. This shows that achieving the forecast £1.8m of fees requires a £500k (40%) increase on the previous year and a £400k improvement on the average fees received to date.



**Housing, Enterprise & Regeneration (HERS)**

- 24. The current forecast for this activity is £190k over budget. The key issue is a projected shortfall in income (£455k) within the capital delivery service, being partly offset by staff and other savings secured to date.

**COMMUNITIES**

**Summary**

- 25. As at Month 2, the Portfolio is forecasting a full year outturn of £2.1m over budget. The key reasons (described in greater detail under commentary) for this position are:



- Care and Support Services are forecasting an overspend of £2.7m. This is predominately related to Learning Disabilities Purchasing (£1.8m) and slippage on budget savings (see detail below).
- Mental Health Commissioning are forecasting an overspend of £417k due to pressures in the purchasing budget and slippage on budget savings.
- This is partly offset by reductions of £1.1m in Business Strategy which holds the contingency to offset pressures in care costs, which are currently manifesting in Joint Learning Disability Services.

## Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
<b>BUSINESS STRATEGY</b>	2,724	3,884	(1,159)
<b>CARE AND SUPPORT</b>			
ASSESSMENT & CARE MANAGEMENT	71,861	71,196	665
HOUSING RELATED SERVICES	3,406	3,419	(13)
JOINT LEARNING DISABILITY SERV	33,244	31,364	1,881
PROVIDER SERVICES	(6,073)	(6,266)	193
<b>COMMISSIONING</b>	43,391	42,944	447
<b>COMMUNITY SERVICES</b>			
COMMUNITY SAFETY	1,551	1,511	41
LIBRARIES	6,526	6,429	97
LOCALITY MANAGEMENT	3,141	3,174	(33)
<b>GRAND TOTAL</b>	<b>159,771</b>	<b>157,653</b>	<b>2,118</b>

## Commentary

### Business Strategy

26. A variance of £1.14m reduction in spending is predicted for the contingency held to offset unforeseen pressures in care costs, which are currently manifesting in Joint Learning Disability Services.

### Care and Support

27. Overall this area is forecasting an overspend of £2.7m. This is predominately related to Learning Disabilities Purchasing (£1.8m) and slippage on budget savings.
28. **Assessment and Care Management (Older People/Physical Disabilities and Sensory Impairment)** is forecasting an overspend of £665k.
- Of this, £375k relates to purchasing and reflects the delay in implementing savings particularly the implementation of homecare reablement. The citywide rollout of Community Access and

Reablement services (CARs) in August will, based on the pilot, deliver reduced weekly costs.

- The remainder of the overspend relates to employee costs, and reflects that the assessment and care management review will not make a full year's saving but these will be effective from September. In addition, extra staff have been required to deliver performance targets and address backlogs. Employee costs are being closely monitored following the recent reorganisation and MER implementation, and will ensure budgets and actuals are correctly aligned and recharges to other bodies are agreed and timely.

29. **Housing Related Services** are forecasting a small reduction in spending of £13k. There has been some slippage in the MER and other savings but this is being offset by vacancies pending the reorganisation.

30. **Joint Learning Disabilities Service** are forecasting an overspend of £1.9m.

- Of this, £1.7m relates to Purchasing. This is consistent with the 2011/12 overspend of £1.2m with an ongoing upward trend reflecting increased demand in number of care packages. Further analysis to understand the reasons behind the increased demand is required.
- The transport contract and travel solutions team are forecasting an overspend of £235k because of delays in implementing travel plans and reducing use of white buses. The current approach has been reviewed to ensure specific areas and routes are targeted.

31. **Provider Services** are forecasting an overspend of £192k. This is made up of;

- 24 Hour Response £555k due to delays in delivering 2012/13 budget savings. These are in respect of introducing city wide care alarm (CWCA) charges where existing Supporting People funding does not cover costs, and clarity about whether this can be done under former Supporting People guidance is being sought. There have also been delays in making savings with regard to night care visiting due to service demands from the PCT and clarity about TUPE regulations.
- There is a shortfall in residential and nursing contributions of £295k which relates predominantly to Sheffield Health and Social Care Trust (SHSCT) mental health residential homes and this reflects the occupancy levels.

- There has been a month's delay in the closure of two resource centres pending Cabinet approval and this has meant an estimated overspend of £232k.
- The overspends have been offset by reduced expenditure on transport (£140k) and staffing (£704k) due to lower activity levels, and in preparation for further planned savings.

### Community Services

32. **Community Safety** has a variance of £41k mainly explained by slippage in the Safer Neighbourhood Officer reductions of £68k offset by various small predicted underspends.
33. **Libraries** have several pressures unforeseen at the beginning of the year, chiefly contract cleaning £97k.
34. **Locality Management** reduction in spending relates to rents and is offsetting the Safer Neighbourhood Officer slippage in Community Safety.

### Commissioning

35. Overall this Service is forecast an overspend of £447k.
36. **Social Care Commissioning** is forecasting on line at (£26k) however there are two issues which are currently offsetting each other:
  - Burngreave New Deal Project has forecast overspend of £292k – funding is no longer available for this project in 2012/13, pay costs have been transferred to Place but premises costs and income remains on Communities awaiting agreement to transfer.
  - Learning Disabilities Supporting People is forecasting a reduction in spending of £300k on contracts. This reduction in spending is likely to increase but the appointment of a new Budget Manager has led to cautious forecasting until further, detailed, analysis of contracts has been undertaken.
37. **Mental Health Commissioning** (Sheffield Health and Social Care Trust (SHSCT) Partnership Budgets) are forecasting a £417k overspend. This is made up of:

- MH and Substance Misuse Purchasing Budgets forecast a £303k overspend as a result of increased Self Directed Support/Direct Payments activity and shortfall in income.
  - Older People Resource Centre Savings of £251k are at risk of non-achievement in 2012/13. A forecast overspend of £125k is included to represent SCC potential exposure to 50% of the full figure (on basis of partnership share). SHSCT are focussing on mitigating savings now that the risk has been formalised.
38. **Housing Commissioning** are forecasting a small reduction in spending of £55k.

### Public Health

39. 2012/13 is the shadow running year for the public health services transferring from the PCT to SCC responsibility. It is proposed that monthly updates for information only will be contained as part of this report once the format has been agreed.
40. In overall terms the PCT is currently forecasting a year end reduction in spending of £90k on a £28.1m budget.

## RESOURCES

### Summary

41. As at Month 2, the Resources Portfolio is forecasting a full year outturn of £1.172m over budget. However since the month 2 deadline a solution has been found to an issue in Property and Facilities Management which brings the forecast additional spend to below £1m.
42. The key reasons (described in greater detail under commentary) for this position are:
- £700k in Legal Services due to reduction in non core income and additional work being commissioned.
  - £600k in Commercial Services due to additional salaries expenditure and non achievement of savings target.
  - £400k in Property and Facilities Management due to delays in changes to corporate mail recharging (£100k) and difficulties in implementing a £200k budget saving relating to insurance. This latter issue has since been resolved.

- £200k in Business Information Services (BIS) due to a delay in the Managing Employee Reduction (MER) process required to make staff savings.

43. These have been offset by an £800k overall forecast reduction in spending in central costs.

## Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS INFORMATION SOLUTIONS	966	697	269
COMMERCIAL SERVICES	1,578	1,299	279
COMMERCIAL SERVICES (SAVINGS)	(532)	(820)	288
CUSTOMER FIRST	5,853	5,853	0
CUSTOMER SERVICES	2,322	2,317	5
FINANCE	6,754	6,795	(41)
HUMAN RESOURCES	2,607	2,488	119
LEGAL SERVICES	1,753	1,039	714
PROPERTY AND FACILITIES MGT	40,117	39,756	361
TRANSPORT	(61)	9	(70)
<b>TOTAL</b>	<b>61,358</b>	<b>59,433</b>	<b>1,925</b>
CENTRAL COSTS	27,712	28,522	(810)
PROGRAMMES AND PROJECTS	1,476	1,419	57
<b>GRAND TOTAL</b>	<b>90,546</b>	<b>89,374</b>	<b>1,172</b>

## Property & Facilities Management

44. This service is forecasting £361k overspend. The key reasons for this position as are:

- Corporate Mail £100k overspend – changes to increase the chargeable business and to transform the service to include alternative methods of delivery have not yet been implemented.
- Insurance £200k overspend – a reduction in the insurance fund had been included in the budget on an ongoing basis rather than a one off basis. However alternative action has been identified to address this issue and the removal of this £200k overspend will be reflected in next months report.

## Human Resources

45. This service is forecasting £119k overspend. This is mainly due to £55k of legal fees arising from the equal pay review which is not budgeted for plus a number of other smaller over spends.

### Central Costs

46. This area is showing an overall reduction in spending of £810k. The main reason for this is additional benefits subsidy of £1.19m. Beneath the headline figure, however, are some significant projected overspends that require further work to determine how these can be mitigated.

Central Costs	Forecast Variance
	£ 000
Capita - ICT	69
Capita - Finance	313
Capita - HR	471
Benefits subsidy	(1,191)
<b>Sub total Capita</b>	<b>(338)</b>
Other Costs	(472)
<b>Total</b>	<b>(810)</b>

### Business Information Solutions

47. This service is forecasting a £269k overspend. The key reason for this position is due to the Managing Employee Reduction (MER) process for the re-alignment of organisational structures between BIS and CAPITA that has not yet been put place. The position will be reviewed as and when further information is available.

### Commercial Services

48. There are two aspects to this, the operation of the service unit and the requirement to achieve specific savings from the establishment and operation of the unit. The budgetary allocation between the two is shown below:

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
COMMERCIAL SERVICES	1,578	1,299	279
COMMERCIAL SERVICES (Invest to Save savings)	(532)	(820)	288
<b>TOTAL</b>	<b>1,046</b>	<b>479</b>	<b>567</b>

49. The forecast overspend in Commercial Services of £279k, relates mainly to an overspend of £182k on employee costs, but expected to be recovered through additional recharges. In addition to this, £80k of funding that was initially thought would be available through savings in 2011/12 and carried forward, related to the construction category management not being available.

**Commercial Services (Invest to Save savings)**

50. This is showing an under achievement of savings, but has some estimates which appear to be relatively conservative and the forecast savings are anticipated to be higher. However, further review by the service manager is required when more information is known. These include:
- savings in the agency contract estimated at £35k per month although the first month saving was £53k;
  - savings forecast from the acquisition of multi function (print/scan etc.) devices are expected to be higher than the £40k currently forecast.

**Legal Services**

51. This service is forecasting a £714k overspend. The key reasons for this position are:
- Non-core income is £690k down against budget and no opportunity to charge it to other areas.
  - There is £112k forecast spend relating to work on South Yorkshire Trading Standards (SYTS) for which there is no budget available.
52. A review of internal recharging is taking place for legal services; however the fact remains that income, from sources external to the cash limit, or general fund, is not achievable.

**DEPUTY CHIEF EXECUTIVE'S****Background****Summary**

53. As at Month 2, the DCX Portfolio is forecasting an increase in spending of £170k over budget. The key reasons (described in greater detail under commentary) for this position are:
- Increased costs relating to local elections and electoral registration within Modern Governance (£174k).
  - The overspends have been offset by a range of smaller savings in other areas.

## Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
ACCOUNTABLE BODY ORGANISATIONS	0	0	0
BUSINESS DEVELOPMENT	1,508	1,579	(71)
ECONOMY AND SKILLS	0	-	0
HEALTH IMPROVEMENT	136	136	(0)
MODERN GOVERNANCE	3,719	3,588	131
PERFORMANCE AND CORP PLANNING	1,078	1,009	69
POLICY, PARTNERSHIP, AND RESEARCH	3,394	3,353	41
GRAND TOTAL	9,835	9,665	170

### Modern Governance

54. This service is forecasting an overspend of £131k. This is due to increasing costs relating to electoral registration (£94k) and local election (£80k) although this has been offset by a number of smaller underspends in other areas within the service. In month 3, the position should improve due to the transfer of £80k from a specific election reserve.

### Policy, Partnership and Research

55. This service is forecasting an overspend of £41k. The position will change due to a budget adjustment approved by Cabinet: funding of £105k for Voluntary Grants was approved in June.

## CORPORATE ITEMS

### Summary

56. The month 2 forecast position for Corporate budgets is a £98k overspend. The table below shows the items which are classified as Corporate and which include:

- Corporate Budget Items: corporate wide budgets that are not allocated to individual Services/portfolios, including capital financing costs and the provision for redundancy/severance costs.
- Corporate Savings: the budgeted saving on review of management costs and budgeted saving from improved sundry debt collection.
- Corporate income such as Formula Grant and Council tax income, some specific grant income and contributions from reserves.



## Financials

	<u>FY Outturn</u>	<u>FY Budget</u>	<u>FY</u>
	<u>£'000</u>	<u>£'000</u>	<u>Variance</u>
			<u>£'000</u>
Corporate Budget Items	73,176	73,176	0
Savings Proposals	-1,652	-1,750	98
Income from Council Tax, RSG, NNDR, other grants and reserves	-538,096	-538,096	0
<b>Total Corporate Budgets</b>	<b>-466,572</b>	<b>-466,670</b>	<b>98</b>

57. The overspend consists of a £98k reduction on the savings proposals in relation to improved sundry debt collection.

## CORPORATE FINANCIAL RISK REGISTER

58. 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 resulting from that exercise are summarised in this report for information together with a summary of the actions being undertaken to manage each of the risks. The top risks are summarised below:

### Digital Region

59. The Council is providing £4m in loans to the Company and as a shareholder carries further rights and responsibilities. The Company's sales are proving slow to take off, leading to changes in the Business Plan and to Contract changes with its private sector partner. The Council faces risks on its direct investment, as well as on guarantee clauses to key contractors.

### Capital Receipts & Capital Programme

60. Failure to meet significant year on year capital receipts targets due to depressed market and reduced Right-to-Buys, resulting in potential over-programming / delay / cancellation of capital schemes.
61. Building Schools for the Future Programme Affordability – The £18m affordability gap in the capital programme for the secondary schools estate which must be underwritten by the Council. This requirement has been identified in the Council's Capital Programme.

**Pension Fund**

62. Bodies whose Pension liability is backed by the Council are likely to find the cost of the scheme a significant burden in the current economic context. If they become insolvent the resulting liability may involve significant cost to the Council.

**Electric Works**

63. The running costs of the business centre are not covered by rental and other income streams. The approved business plan set-aside contingency monies to cover potential deficits in its early years of operation. However, there remains a risk that the occupancy of units within Electric Works might be slower (lower) than that assumed within the business case, such that the call on the contingency is greater (earlier) than planned. The business case assumed occupancy levels would increase from 44% (2009/10) to 79% (2010/11), The actual occupancy levels were 24% (2009/10) and 57% (2010/11), much of the shortfall in income being made up from conference lettings and virtual services. Following a refresh of the financial model, the assumed level for 2011/12 is 68% rising to 78% for 2012/13 - a position which is being closely monitored.

**Contract Spend**

64. The high and increasing proportion of Council budgets that are committed to major contracts impairs the Council's flexibility to reduce costs or reshape services. This is exacerbated by the fact that in general these contracts carry year-on-year inflation clauses based on RPIx which quite probably will not be available to the Council's funding streams e.g. Council Tax and RSG.

**Economic Climate**

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

### **NHS Funding Issues**

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

### **Housing Regeneration**

68. There is a risk to delivering the full scope of major schemes such as **Parkhill** and **SWaN** because of the severe downturn in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved, and in the case of SWaN, potential exposure to termination payments. In addition, the ending of the Housing Market Renewal programme is causing funding pressure e.g. on site clearance work and in enabling further phases of commenced demolition schemes, such as Arbourthorne.

### **Trading Standards**

69. There is a risk that it is not possible to recover outstanding contributions from the other South Yorkshire Authorities.

### **External Funding**

70. The Council makes use of a number of grant regimes, central government and European. Delivering the projects that these grants fund involves an element of risk of grant claw back where agreed outputs are not delivered. Strong project management and financial controls are required.

### **Academies & Independent Schools**

71. Local Authority community schools that choose to become independent academies are entitled, under current DfE finance regulations, to receive a proportion of the local authority's school related central spending budgets. If all of Sheffield's Secondary Schools were to become academies it is estimated that around £2.7 million would be deducted from the authority's central spending budgets and given to the Academies. The risk is that this would leave an inadequate level of

funding to maintain the centrally retained school services that support local authority community schools and thus cuts would have to be made to balance the budget.

72. There are also further potential risks if a school becoming an academy is a PFI school, it is unclear how the assets and liabilities will be transferred to the new academies and whether the authority could be left with residual PFI liabilities.
73. Where new independent schools (free schools) or Academies are set up and attract pupils from current PFI schools, the funding base available to pay for a fixed long term PFI contract would reduce, leaving SCC with a bigger affordability gap to fund.
74. It is not yet known which schools will become academies this year. Current indications suggest that all the secondary schools will transfer with potentially some of the larger primary schools.

### **Agreed Budget Savings for 2012/13**

75. Following a period in which a risk assessment was carried out of the implementation of budget savings and resulted in the preparation of RAG reports, the position from now on will be assessed as part of the budget monitoring process.

### **Treasury Management**

76. The ongoing sovereign-debt crisis is subjecting the Council to significant counterparty and interest-rate risk. Counterparty risk arises where we have cash exposure to banks and financial institutions who may default on their obligations to repay to us sums invested. There is also a real risk that the Eurozone crisis could impact upon the UK's recovery, which in turn could lead to higher borrowing costs for the nation.
77. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. Ongoing monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.

### **Welfare Reforms**

78. The government is proposing changes to the Welfare system, phased in over the next few years. The full detail and impact of the changes are not known at this stage. Changes proposed include:

- Housing Benefit changes – there are a number of proposals where the anticipated impacts are that a number of claimants will receive less benefits than they do now, thereby impacting on their ability to pay rent.
- Abolition of council tax benefit – due from April 2013 to be replaced by a local scheme. It will be cash limited and subject to a 10% reduction from current levels.
- Introduction of universal credit – from October 2013 administered by DWP. Along with the impact of reducing amounts to individuals and the financial issues that might cause, the biggest potential impact of this change is the impact on the HRA and the collection of rent. This benefit is currently paid direct to the HRA in future this will be paid direct to individuals. This will potentially increase the cost of collection and rent arrears. There will also be an impact on the current contract with Capita and internal client teams.

## **HOUSING REVENUE ACCOUNT (HRA)**

79. The 2012/13 financial year is the first of the new self financing regime for the HRA. During 2011/12 there was a write off of a significant amount of the Council's housing debt which has meant that for future years the Council is able to meet its social housing costs from the rent generated by tenants.
80. The agreed 2012/13 budget for the HRA involved a contribution from reserves of £1.1m (excluding District Heating). As at month 2 the position is that a contribution of £3.6m is made reserves, an improvement of £4.7m on the budgeted position.
81. This is due to a variation in the assumption about interest rates: the budget assumed that the impact of the debt write off would result in an interest rate of 5.33% in respect of the remaining debt. However the actual impact of the write off and the timing of this have meant that the interest rate is expected to be lower due to access to more attractive interest rates which have the potential to reduce capital financing costs by £1.4m.
82. In addition an improved rental income position is also forecast as a result of reductions in the overall level of vacant properties (£154k) and revised projections of (£180k) rent income.

83. Consideration needs to be given to the impact of the changing interest rates and this may result in reducing the amount of prudential borrowing planned, which will ensure longer terms savings and give flexibility later in the business plan.

## THE CAPITAL PROGRAMME FOR 2012/13

### Summary

84. At the end of May 2012, capital expenditure so far to date is £5.335m (32%) below budget. The outturn forecast is £12.151m (6%) below the Approved Capital Programme.
85. The variation in the year to date position arises from accelerated spend on Building Schools for the Future projects in the CYPF portfolio offset by slippage in the Place portfolio, especially on Housing projects (£4.4m).
86. The forecast for the year shows all portfolios except Communities underspending by £2- 3m against the approved programme.

### Financials 2012/13

All figures reported in £000

<b>Portfolio</b>	<b>Spend to date</b>	<b>Budget to Date</b>	<b>Variance</b>	<b>Full Year forecast</b>	<b>Full Year Budget</b>	<b>Full Year Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CYPF	5,357	3,700	1,658	82,466	85,510	(3,045)
Place	812	2,865	(2,053)	19,435	23,063	(3,628)
Housing	4,927	9,344	(4,417)	66,487	70,015	(3,528)
Communities	65	465	(400)	3,100	3,010	90
Resources	356	478	(123)	23,694	25,735	(2,041)
<b>Grand Total</b>	<b>11,517</b>	<b>16,852</b>	<b>(5,335)</b>	<b>195,182</b>	<b>207,333</b>	<b>(12,151)</b>

### Commentary

87. At this early stage of the financial year not all of the forecasts are complete and it is therefore difficult to discern any noticeable trends or provide an accurate analysis. Further attention will be given to completing the forecasts in the months that follow.

### Children, Young People and Families Programme

88. CYPF capital expenditure is £1.658m (45%) above the profiled budget for the year to date but forecast to be £3.045m below the programme by the year end for the reasons set out in the table below:

<b>Cause of change on Budget</b>	<b>Year to date £000</b>	<b>Full Year forecast £000</b>
Revised profile for Building Schools for the Future programme	1,931	0
Incorrect budget profiles	-387	0
Delayed forecasts	0	-2,942
Other variances	114	-102
	<u>1,658</u>	<u>-3,044</u>

89. In general, the impact of incorrect budget profiles is much reduced on last year but there has already been a significant change in the BSF programme.

### Place Programme

90. The Place portfolio programme (excluding Housing) is £2.053m (72%) below the profiled budget for the year to date and forecast to be £3.628m below the programme by the year end for the reasons set out in the table below:

<b>Cause of change on Budget</b>	<b>Year to date £000</b>	<b>Full Year forecast £000</b>
Operational delays in projects due to planning, design or changes in specification	-20	0
Incorrect budget profiles	40	0
Delayed forecasts	0	-3,035
Other variances	-2,073	-593
	<u>-2,053</u>	<u>-3,628</u>

91. The majority of the underspend to date is on Highways scheme where the Local Transport Programme and other Highways schemes have only just been submitted for approval.

### Housing Programme (Place Portfolio)

92. The Housing capital programme is £4.417m (47%) below the profiled budget for the year to date and forecast to be £3.528m (5%) below the programme by the year end for the reasons set out in the table below:

Cause of change on Budget	Year to date £000	Full Year forecast £000
Slippage to be carried forward	0	-2,366
Operational delays in projects due to planning, design or changes in specification	-203	0
Incorrect budget profiles	-3,543	0
Projects submitted for Approval	0	2,247
Additional Home Improvement grants	-13	0
Underspending on project estimates	-294	-2,642
Other variances	-364	-767
	-4,417	-3,528

93. Schemes forecast to underspend in the year are Photo Voltaic cells for council housing (£1m) and several Sheffield Homes managed projects. £1.6m of the £2.4m slippage is accounted for by the District Heat metering scheme which is forecast to slip into 2013/14:

### Communities

94. The year to date spend on the Communities portfolio capital programme is only £400k (86%) below the profiled budget on three key projects:

- £212k on Parson's Cross Library scheme;
- £104k on the Climate Change Impact fund which is dependant on proposals from Community Assemblies; and
- £212k on the implementation of the ICT infrastructure.

### Resources

95. The year to date spend is £123k below the programme due to slippage on the Accommodation strategy projects (£205k) offset by earlier than anticipated purchases of transport equipment. The forecast outturn is £2.041m below the approved programme but most of this is due to forecasts being incomplete at this stage.



## Approvals

96. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
97. Below is a summary of the number and total value of schemes in each approval category:
- 10 additions to the capital programme with a total value of £1.226m;
  - 29 variations to the capital programme giving a net reduction of £912k;
  - 6 procurement strategy approvals with a total value of £2.218m.
98. The following have been approved since the previous report to Cabinet:
- 3 emergency approvals with a total value of £1.373m;
  - There have been no director variations.
99. Further details of the schemes listed above can be found in Appendix 1.

## FINANCIAL IMPLICATIONS

100. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2012/13 and, as such it does not make any recommendations which have additional financial implications for the City Council.

## EQUAL OPPORTUNITIES IMPLICATIONS

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

## PROPERTY IMPLICATIONS

102. 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

103. Members are asked to:
- a. Note the updated information and management actions provided by this report on the 2012/13 budget position.

- b. In relation to the Capital Programme:
- (i) Note the proposed additions to the capital programme listed in Appendix 1, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group.
  - (ii) Note the proposed variations in Appendix 1 & 2.
  - (iii) Note that there were no variations approved by Directors under their delegated authority.
  - (iv) Note the Emergency Approvals in Appendix 1.
  - (v) Note the financial position on the Capital Programme.

## **REASONS FOR RECOMMENDATIONS**

104. To formally record changes to the Revenue Budget and the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

## **ALTERNATIVE OPTIONS CONSIDERED**

105. A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

**Eugene Walker**  
**Director of Finance**

## Appendix 1

### Capital

Scheme Description	Approval Type	Value £000	Procurement Route
<p><b>ADDITIONS:-</b></p> <p><b>PPG2 Oughtibridge Primary</b>  This project is part of the Primary Population Growth Wave 2 programme. The work is a minor remodel of the existing building in order to accommodate an increase in pupil numbers from 30 to 60 in the 2012 intake. This project is to provide an additional classroom space for pupils who will be moving up from the foundation stage in September 2013.</p> <p>The design fees of £28.5k have already been approved in the Population Growth Phase 2 - Feasibility &amp; Design scheme.</p>	Addition	158	Collaborative framework contract (e.g. YorBuild, EN Procure, HCA, Buying Solutions, YPO).  A tender list will be sourced from YorBuild.
<p><b>Local Transport Plan (LTP) Schemes</b>  See Appendix 2 for further details</p> <ul style="list-style-type: none"> <li>• Optio Orange – City to Halfway</li> <li>• Bus Gates <ul style="list-style-type: none"> <li>– South Lane</li> <li>– Boston Street</li> </ul> </li> <li>• School Entrance Improvements <ul style="list-style-type: none"> <li>– Chaucer School Wordsworth Avenue</li> <li>– King Egberts School Furniss Avenue</li> <li>– Greenhill School Greenhill Parkway</li> </ul> </li> <li>• PFI Opportunities</li> <li>• NIRR Archaeology</li> <li>• Key Bus Route: Sheffield to Woodhouse</li> </ul>	Additions	1,069	For work to commence before August, works to be undertaken by Streetforce. For works after the transfer of Streetforce to the PFI contractor, to be determined.

## Capital

<b>VARIATIONS:-</b>					
<b>Programme Management Costs General Fund</b> A variation to cover professional services and overhead support costs necessary for the delivery of the Housing Capital Programme. The cost in 2012/13 is £801k, the total costs for future years is £467k per annum totalling £1.455m up to 2017  The project will be funded from capital receipts in the block sum included in the 2012-13 capital programme.	Variation	1,455	N/A		
<b>Programme Management Costs HRA</b> A variation to cover professional services and overhead support costs necessary for the delivery of the Housing Capital Programme . Costs for 2012/13 to 2016/17 are £905k with a total of all years up to 2016/17 being £2.7m  The project will be funded from HRA Self financing and was included in the 2012-13 capital programme as a block allocation.	Variation	2,710	N/A		
<b>Q00067 NBH Management costs</b>	Variation	-4,165	N/A		
<b>Park Hill – Decommissioning</b> Phase 5 of the Park Hill project was declared for demolition on 14 <sup>th</sup> May 2012. This Phase has been commissioned to Sheffield homes and consists of re-housing 97 customers and making appropriate payments. The site will then be decommissioned and screened and Sheffield homes will be responsible for the cleaning and maintenance of the site prior to demolition. The activities involved in this phase will be carried out by Sheffield Homes so no procurement is planned.	Variation	1,129	Existing Contracts		

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<p>The project will be funded from HRA self financing income included in the 2012-13 capital programme as a block sum provision.</p>				
<p><b>Q00069 HRA Funding</b> Adjustment of the block sum provision to fund the above variations to programme management costs.</p> <p><b>Castle Beck Safe and Secure</b> This variation is for an increase in funding of £100k. It was always envisaged that more funding would be sought to enhance the project. The additional funding is a grant from the Environment Agency (£20k) and a contribution from revenue from Premises and Assets Budget (£80k).</p> <p>Originally work to create an attenuation basin with an earth dam and choke device in order to control the flow of water during a flooding event was carried out, but due to local intervention the control device became blocked and a pond was created. This pond was created by local people for recreational fishing use. Local people maintain the pond, cutting back vegetation and litter picking.</p> <p>Work will include the construction of a new weir with drainage outfall, new footpaths to provide improved access to and around the pond. A new timber footbridge will also be provided to improve access to both sides of the pond. Purpose built fishing platforms will also be constructed in order to provide a safer fishing area. Two of these platforms will be specifically created to allow for wheelchair access.</p>	Variation	-1,129	N/A	
<p><b>Private Sector Housing Works in Default</b> This Variation is to re-profile the original budget over three years to more accurately reflect the delivery of this project. The work is reactive so is difficult to forecast.</p>	Variation 100	100	Competitive tender	

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<p>This funding is for work on Privately owned houses where owners are required to carry out works but have failed to do so. This requirement is generally an unknown quantity from year to year. The budget is for £60k over 3 years.</p>			
<p><b>Local Transport Plan (LTP) Schemes</b> See Appendix 3 for further details</p> <ul style="list-style-type: none"> <li>• Ecclesall Road Traffic Management System</li> <li>• A57 Manchester Road / Nile Street Pedestrian Improvements</li> <li>• LTP Management Fees</li> <li>• S Yorkshire Intelligent Transport System Development</li> <li>• Bus Infrastructure Improvements</li> <li>• Citywide 20mph Zone</li> <li>• Parking Permit Schemes             <ul style="list-style-type: none"> <li>– Upperthorpe &amp; Netherthorpe</li> <li>– Hillsborough</li> </ul> </li> <li>• Road Safety Audits &amp; Scheme Completion</li> <li>• Public Rights of Way</li> <li>• Prince of Wales Rd/Greenland Rd</li> <li>• Air Quality</li> <li>• Package Performance Monitoring</li> <li>• Taxi Rank Improvements</li> <li>• LTP Cycle Parking</li> <li>• Road Safety (Education, Training &amp; Promotion)</li> <li>• Sustainable Modes of Transport</li> <li>• Traffic Controller Upgrade</li> </ul>	<p>Variations</p>	<p>1,669</p>	<p>To be confirmed</p>

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<p><b>STAGE APPROVALS:-</b></p>													

**1. Business Unit: Primary Population Growth 2 Oughtibridge Primary**

**Project Background:-** This project is part of the Primary Population Growth Wave 2 programme. The work is a minor remodel of the existing building in order to accommodate an increase in pupil numbers from 30 to 60 in the 2012 intake for one year only. This project is to provide an additional classroom space for pupils who will be moving up from the foundation stage in September 2013.

**Financial Position: -**  
 The project is funded as follows:-

DFE Capital Basic Need Grant: £186,000 (\*including £28.5k fees budgeted for within BU 90678 - Population Growth Phase 2 – Feasibility & Design).

The total costs of £186k are broken down in the Procurement Strategy as follows:

Construction	150,000
Contingency & Client Direct Costs	<u>7,500</u>
<b>Total</b>	<b>157,500</b>
<b>*Fees</b>	<b><u>28,500</u></b>
<b>Total Per Procurement Strategy</b>	<b>186,000</b>

**Procurement Route:-**  
 Procurement will be via a collaborative framework contract route - in this case a competitive tender using the YorBuild list of contractors will take place to identify a

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<p>contractor to complete the required work to the building. A tender list will be sourced from YorBuild.</p> <p>This will ensure that regional contractors are selected and that outcomes for Employment Training and Development are achieved. A competitive tender will then be undertaken to select a contractor from the list. In addition, SCC will undertake appropriate financial checks on the list of contractors in order to minimise the risk of financial exposure.</p>			
<p><b>Castle Beck Safe and Secure</b></p> <p><b>Project Background:</b> - Public Realm improvements in line with the master plan strategy for the area. This Includes a natural play scheme, formalising a fishing pond and improving entrances and boundaries to green space.</p> <p>Originally work to create an attenuation basin with an earth dam and choke device in order to control the flow of water during a flooding event was carried out, but due to local intervention the control device became blocked and a pond was created. This pond was created by local people for recreational fishing use. Local people maintain the pond, cutting back vegetation and litter picking.</p> <p>During the works the pond will also be drained and the bed of the pond will be re-profiled to increase the water capacity and the ponds ability to hold additional water during periods of heavy rainfall, thus further reducing the risk of flooding to the Darnall area.</p> <p>Work will include the construction of a new weir with drainage outfall, new footpaths to provide improved access to and around the pond.</p>	<p>Stage Approval</p>	<p>108</p>	<p>Competitive tender</p>



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<p><b>Financial Position:</b> - The total additional budget for the project is £133k with £188k being spent in prior years.</p> <p>The Environment Agency is providing a grant of £20k and Premises and Assets are providing £80k from revenue to cover the health and safety aspects, £33k is slippage of budget from 11/12 which has already been approved. The contract value is £107,868 which contains £16k for contingencies with 25k for fees.</p>		
<p><b>Decent Homes Environmental Programme</b></p> <p><b>Project Background:</b> - This Project is to improve the environment on Council estates and to improve the security and desirability of blocks of flats. The programme is split into eight business units on an area basis. The Procurement strategies for this area are for lighting, flooring, CCTV installation and door Entry to communal areas.</p> <p><b>Financial Position:</b> - Lighting to communal areas in flats and maisonettes at various sites - Contract value £135k          Flooring to communal areas in flats and maisonettes at various sites – contract value £35k          Door Entry to communal areas in flats and maisonettes at various sites – contract value £1.4m          CCTV installation - to communal areas in flats and maisonettes at various sites – contract value £152k          The total of the combined approved budgets for the Environmental Programme for the eight business units is £4,458k..</p>	<p>Stage Approval</p> <p>170</p> <p>1,552</p>	<p>EN procure Framework</p> <p>Competitive Tender</p>

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<p><b>Bus Rapid Transit North &amp; Tinsley Link</b></p> <p><b>Project Background:-</b> This is a £34m project designed to reduce congestion and journey times and improving the reliability and quality of public transport along the proposed corridor. The Bus Rapid Transit Northern route will run from Sheffield City Centre through the Wicker, Attercliffe, Carbrook and Meadowhall Way before joining a proposed new section of carriageway to Tinsley (to be known as the Tinsley Link). The new link road is to be built on land between Meadowhall Way and Sheffield Rd.</p> <p><b>Financial Position: -</b> The BRT scheme will be funded by the South Yorkshire Local Transport Plan (LTP) allocation.</p> <p><b>Procurement Route:-</b> The procurement strategy for BRT Enabling Works comprising site investigation works and third party independent verification checks to provide the required structural assurances.</p> <p>Since the original procurement strategy approval, the Council has now arranged a framework through YORconsult which will be quicker than open tender. Approval is now sought to amend the procurement strategy. The proposal is to use the YORconsult framework for the Category III checks, rather than the open tender route originally</p>	<p>Stage Approval Variation</p>	<p>YOR Consult Framework contract</p>

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<b>EMERGENCY APPROVALS:-</b>			
<p><b>CCTV Parking Enforcement and Bus Lane Cameras (Highways)</b>                  The purpose of this scheme is to equip one Parking Services vehicle with CCTV equipment to enhance the effectiveness of parking enforcement at bus stop clearways, no-waiting restrictions along arterial routes, around schools, near shops and adjacent to taxi ranks. The project scope also includes the purchase of additional re-locatable bus lane cameras, which will enable additional bus lanes to be enforced.</p> <p>The anticipated project cost is £180k and this will be funded from Prudential Borrowing £105k and revenue contributions to capital £75k. It is estimated that there will be at least 23 additional Penalty Charge Notices issued per day and the resultant increase in income will be around £184k per annum. The cost of the capital project will be repaid over two years, with repayments around £56.5k pa, with licence and support costs of around £7.6k per annum. This results in a net increase in income of around £115k in the first year (pro rata for 8 months income) and £120k in years two and three. (Prudential Borrowing repayments commence the year after installation). From years 4 onwards the net income generated should be approximately £177k pa.</p>	Emergency	180	In-House provider for road signage and markings.  Capita and partners for ICT equipment.
<p><b>Sharrow Junior School (CYPF)</b>                  This scheme covers refurbishment works at the old Sharrow Junior School building, as part of a wider scheme (The Sharrow Programme – seeking to improve local services and community facilities), specifically intended to provide refurbishments and improvements to Sharrow Old Junior School. The school has been retained as a council asset, along with Highfield Library. Highfield House, the Mount Pleasant Buildings and the nursery-infant school were declared surplus to requirements.</p> <p>The purpose of the reorganisation has been to maximise the space in the old junior</p>	Emergency	133	A formal tendering process will be undertaken for the Junior School improvements with support from SCC Design and Project Management. (Commercial Services agreed that the existing procurement strategy for

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<p>school to make it a community space and reduce the under-used, expensive to maintain buildings in the area.</p> <p>The competitive tender produced costs below the estimated amount and approval was sought to utilise the savings to expand the scope of works to include improved floors, stairwells, heating controls and additional meeting rooms.</p> <p>By seeking the emergency approval to expand the contract, the Council has been able to maximise the value for money element of the scheme by avoiding some contractor overhead costs which would have been incurred if the works had been procured in two separate tranches.</p>			<p>this project can be used for the variation).</p>
<p><b>UTC (University Technical College) Site – Porter Brook (Resources)</b>                  This project is to facilitate the purchase of land currently owned by the Homes and Communities Agency (HCA) to provide a site which will be leased to the UTC Trust over 125yrs at a peppercorn ground rent, as approved by the Cabinet Report of January 2012. Procurement of the construction of the building is to be a matter solely for the UTC Trust.</p> <p>Provision of a UTC in Sheffield will increase the offer to the city's 14-19 year olds and provide employment routes into advanced manufacturing and creative digital industries. Future development of the UTC may also bring in further investment to the city.</p> <p>An Emergency Approval was sought to enable legal work to commence in time to ensure that land purchase milestones to enable construction of the building, as procured by the UTC Trust, were met in time to ensure it could be open and ready for first use in September 2013.</p>	<p>Emergency</p>	<p>1,060</p>	<p>Land purchase commissioned through DLA via Legal Services (final sale contract August 2012).                  Payment agreed to be made to HCA in April 2013.</p>

**Appendix 1**

**Capital**

<p>If an Emergency Approval had not been granted ahead of the next Cabinet approval date (June 2012), then delays in legal processes would have been encountered, leading to project timetable milestones not being achieved.</p>											
<p><b>DIRECTOR VARIATIONS:-</b></p>											
<p>None</p>											



**2012-13 Local Transport Plan (LTP) Integrated Transport Programme**

The Local Transport Plan programme is designed to make it easier for people to move around safely, reducing congestion, making public transport easier to use, making the City's road safer, improving the condition of the roads and providing better transport links within and beyond the City. These are priorities as set out in the Council's Corporate Plan - 'City of Opportunity'.

The LTP Integrated Transport programme is funded by an approved allocation from the South Yorkshire Integrated Transport Authority £3,193,000 and in 2012-13 this is complemented by investments from Better Buses funding, Local Sustainable Transport Fund, Local Transport Plan Countywide funding, Growing Places Fund and Other contributions of around £3,922,000.

A breakdown of this funding is shown below:

<b>Funding</b>	<b>£k</b>
South Yorkshire Integrated Transport Authority (SYITA) - 2012/13	3,193
Better Buses Funding	758
Local Sustainable Transport Fund	321
Local Transport Plan Countywide Funding	210
Growing Places Funding for BRT North & Tinsley Link	2,398
Other Contributions	235
<b>Total Funding</b>	<b>7,115</b>

**These resources will be deployed as follows:**

<b>Allocations</b>	<b>£k</b>
Additions submitted for approval in this report	
Optio Orange :City to Halfway	411
Bus Gates	278
School Entrance Improvements	175
PFI Opportunities	125
Northern Inner Relief Road – Archaeology	50
Key Bus Routes: Sheffield to Woodhouse	30
<b>Additions Subtotal</b>	<b>1,069</b>
Variations submitted for approval in this report	
Ecclesall Rd Traffic Management Scheme	263
A57 Manchester Rd/Nile St - Pedestrian Improvements	200
LTP Management Costs	188
S Yorkshire Intelligent Transport System Development	160
Bus Infrastructure Improvements	142
Citywide 20mph Zone	120
Parking Permit Schemes	114
Road Safety Audits and Scheme Completion	100
Public Rights of Way	80
Prince of Wales Rd/Greenland Rd	80
Other smaller value schemes	219
<b>Variations Subtotal</b>	<b>1,666</b>

Emergency Approvals (to be reported at July CPG)	
Halfway to Killamarsh Multi User Route	250
Upper Don Valley Cycle Routes	206
Driving Me Crazy Programme 2	50
Better Buses schemes	47
South Community Assembly	40
<b>Emergency Approval Subtotal</b>	<b>593</b>
Schemes awaiting approval at July Cabinet meeting	
BRT North and Tinsley Link	2,398
Waverley-Handsworth Cycle Link	50
Peak Park Pedestrian Crossings	30
<b>May Recommendations to Cabinet Subtotal</b>	<b>2,478</b>
<b>Total Allocations</b>	<b>5,806</b>
Further scheme allocations to be presented to July CPG	1,198
Unallocated LTP funding	111
<b>Total</b>	<b>7,115</b>

There are a number of schemes to be presented to CPG in July, to the value of approximately £1.2m. They include the remaining Community Assembly allocations and the Lower Don Valley Cycle Route scheme. To date, there is approximately £111k of unallocated Local Transport Plan funding.

Further detail on the larger schemes is described below:

**Optio Orange: City to Halfway (£411k)**

This scheme provides new infrastructure and network management solutions on the leading voluntary partnership (Optio) route from Sheffield City Centre to Halfway. This will include highway improvements to reduce bus delays; improving the wireless communications network for intelligent traffic signal control by changes to smart management technology and management of these locations to minimise delays; bus stop clearways, raised kerbs and tactile; new bus shelters, some with Real-Time information; and minor works to ensure bus lanes and clearways are enforceable.

**Bus Gates (£278k)**

This scheme is to progress the installation of bus gates at South Lane (£148k) and Boston Street (£130k).

**School Entrance Improvements (£175k)**

The three projects being progressed are at Chaucer Secondary (£150k), King Egbert Secondary (£12.5k) and Greenhill Primary (£12.5k). They will improve visibility of school children, manage speeds and parking appropriately. This will consider extending waiting restrictions outside some school gates.

**PFI Complementary Schemes (£125k)**

This a series of small scale changes that can be designed in advance and built at the same time as the main PFI contractor is repairing roads, thereby getting best value for money.



### **A57 Manchester Rd/Nile St - Pedestrian Improvements (£200k)**

This scheme is to progress the installation of new signal pedestrian crossing facilities at this busy junction in the middle of Broomhill. The approval for 2012/13 (£200k) would fund the necessary preparatory works in advance of the main scheme works in 2013/14.

### **Ecclesall Road Traffic Management Schemes (£263k)**

Following on from last year's successful public consultation process, the proposal is to build a number of agreed traffic management measures along this busy road.

### **LTP Management Costs (£188k)**

Funding used to pay for staff time to deliver projects within the Local Transport Plan capital programme.

### **South Yorkshire Intelligent Transport System (SYITS) Development (£160k)**

Sheffield is leading on this project on behalf of all four districts in the County. The SYITS system provides journey time data on both radial and orbital routes across the city and county.

### **Bus Infrastructure Improvements (£142k)**

This scheme deals with bus hotspots and reassessing bus priority measures where they are failing to deliver. This can involve re-locating bus stops, altering bus lanes and other necessary work.

### **Citywide 20mph Zone (£120k)**

This is a citywide strategy to provide safer roads – including development of the first two 20mph speed limits in Community Assembly areas.

### **Parking Permit Schemes (£114k)**

This project will develop and install Permit Parking schemes - building on consultation work already done with local communities, through implementing a scheme in Upperthorpe and Netherthorpe, and developing a scheme in the St.Vincent's area. It will also review the Hillsborough scheme which went live in February 2012.

### **Road Safety Audits and Scheme Completion (£100k)**

The purpose of this scheme is to carry out road safety audit work on existing completed projects and undertaking minor improvements where necessary.

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