



SHEFFIELD CITY COUNCIL Cabinet Report

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Report of: Eugene Walker

Date: 12 Sept 2012

Subject: Revenue Budget & Capital Programme Monitoring
2012/13 – As at 30 June 2012

Author of Report: Allan Rainford; 35108

Summary: This report provides the month 3 monitoring statement on the City Council's Revenue and Capital Budget for 2012/13.

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 97 of the main report for the recommendations.

Category of Report: OPEN/CLOSED

Statutory and Council Policy Checklist

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

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 30TH JUNE 2012

PURPOSE OF THE REPORT

1. This report provides the Month 3 monitoring statement on the City Council's Revenue Budget and Capital Programme for 2012/13.

SUMMARY

2. The budget monitoring position at month 2 indicated a forecast overspend of £4.6m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 3 shows a forecast overspend of £3.5m to the year end: i.e. a forecast reduction in spending of £1.1m since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 2
CYPF	69,246	70,205	(959)	↓
PLACE	158,551	157,582	969	↓
COMMUNITIES	160,148	157,881	2,267	↑
DEPUTY CHIEF EXECUTIVE	9,783	9,931	(148)	↓
RESOURCES	87,984	87,245	739	↓
CORPORATE	(482,256)	(482,844)	588	↑
GRAND TOTAL	3,455	-	3,455	↓

3. In terms of the month 3 overall forecast position of £3.5m overspend, the key reasons are:
 - Children Young People and Families (CYPF) are showing a forecast underspend of £959k, due to two areas (Phase 1 & 2 Apprenticeship Schemes and City Skills) where funding has been received in 2012/13 which relates to future year activities. Requests to carry forward this funding into future years would, if approved, reduce the CYPF forecast underspend by £1m.
 - Place are showing a forecast overspend of £969k, due mainly to £267k on Business Strategy & Regulation and £568k on Culture and Environment.
 - Communities are showing a forecast overspend of £2.3m, due to a £4m overspend on Care and Support, which is offset by reductions in spending on Business Strategy £1.2m and Commissioning £567k.

- Resources are showing a forecast overspend of £739k, due to £294k on Business Information Solutions, £144k on procurement savings and £345k on Property and Facilities Management.
 - Deputy Chief Executive's are showing a forecast reduction in spend of £148k, predominantly due to salary savings in Policy, Partnership and Research.
 - Corporate budgets are showing a forecast overspend of £588k, due to a reduction on the savings proposals in relation to improved sundry debt collection.
4. The reasons for the movement from month 2 are:
- Children Young People and Families are forecasting an improvement of £871k, due to the receipt of funding relating to future year activities, as referred to above.
 - Place are forecasting an improvement of £163k, due mainly to an upgrade in the forecast capital delivery service income within Housing Enterprise & Regeneration Service.
 - Communities are forecasting an increase in spending of £150k, due to a number of movements across all service areas. The most significant movements are an increase in spending on Care and Support of £1.3m which is partly offset by a £1m reduction in spending within the Commissioning service.
 - Resources are forecasting an improvement of £434k, due to movements across a number of service areas. Reductions in spending have been forecast in Commercial Services £309k, Commercial Services (savings) £143k, Finance £42k, Human Resources £59k and Legal Services £202k. These reductions have been partly offset by an increased forecast in spending within Central Costs of £318k.
 - Deputy Chief Executive's are forecasting an improvement of £318k, due mainly to more accurate forecasting on employee costs within Performance & Corporate Planning £105k and an improved position of £144k within Policy, Partnership and Research.
 - Corporate budgets are forecasting an increased overspend of £490k, due to a reduction in anticipated income from sundry debt collection.

Capital Programme

5. The Capital Programme monitoring is reported in paragraph 75.

INDIVIDUAL PORTFOLIO POSITIONS

CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

Summary

6. As at Month 3, the Portfolio is forecasting a reduction in spending of £959k to the year end: an improvement of £871k from the month 2 position. The majority of this variation is in Lifelong Learning, Skills & Communities where there is a forecast £934k reduction in spending, due to resources that will be used to fund future year activities. This relates to funding for Apprenticeship Schemes (phase 1 £200k, phase 2 £450k) and grant funding for City Skills of £350k. It is recommended that these resources be carried forward provided the Portfolio maintains a balanced budget position.

Financials (Non – DSG activity)

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY	1,525	1,526	0
CHILDREN & FAMILIES	54,321	54,351	(30)
INCLUSION & LEARNING SERVICES	5,738	5,732	5
LIFELONG LEARN, SKILL & COMMUN	7,662	8,597	(934)
GRAND TOTAL	69,246	70,205	(959)

Commentary

DSG and Non DSG Budgets

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

Lifelong Learning and Skills

8. Members are requested to approve carry-forwards totalling £1.0m. These are due to the planned phasing of the expenditure of the programmes or schemes which is not in line with the funding approvals and are therefore not due to under-spending. Apprenticeship Schemes: phase 1 £200k, phase 2 £450k, and City Skills £350k.

PLACE

Summary

9. As at Month 3, the Portfolio is forecasting a full year outturn of an overspend of £969k, an improvement of £162k from the Month 2 position. The key reasons for the forecast outturn position are:
- **Business Strategy and Regulation** – are forecasting £267k overspend, due to delays in agreement with the Contractor on planned waste management savings. One-off savings have been secured from the resolution of contractual negotiating (£374k) as well as some additional income in to the service, which mitigates this delay. This forecast has improved by £15k from the previous month.
 - **Culture and Environment** – a forecast £568k overspend, due to additional grant payments being made as part of a wider stabilisation programme for Museums Sheffield. This has improved by £62k from the previous month.
 - **Development Services** – are forecasting £55k overspend due to reduced fee income offset by staff cost savings, This represent an increase in spending of £42k from the previous month.
 - **HERS** – a forecast £26k overspend. This has improved by £164k from the previous month following a robust review undertaken of the Capital Delivery Service anticipated income.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY & REGULATION	30,197	29,930	267
CULTURE & ENVIRONMENT	40,559	39,991	568
DEVELOPMENT SERVICES	82,684	82,629	55
CREATIVE SHEFFIELD	3,836	3,836	0
HERS	923	897	26
MARKETING SHEFFIELD	1,033	1,017	16
STREET FORCE	(1,037)	(1,055)	18
SUSTAINABLE DEVELOPMENT	357	337	20
GRAND TOTAL	158,551	157,582	969

Commentary

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

Culture and Environment

11. A forecast £568k overspend, due to additional grant payments being made to Museums Sheffield with a small improvement of £62k on last month due to additional income within bereavement services (£89k under budget), offset by additional costs / lost income within Parks events including the recent impact of cancelling the 'Cliffhanger' event due to the heavy rain.

Development Services

12. The service is forecasting a full year outturn with an overspend of £55k, which is an increase in spending of £42k from the Month 2 position.
13. The key risk is around securing £10.0m planned external fee income from car parks, building regulations and planning. The table below summarises the latest position with management forecasts projecting a £313k (3%) shortfall by year end.

Summary of Key External Fee Income			
Budget	Fee Type	Variance to Budget	
		Year to Date	Forecast
£'000		£'000	£'000
7,562	Car Parking	369	226
2,084	Planning	48	76
822	Building Reg	11	11
10,468	Total	428	313

14. At this stage building regulation fees are broadly on target. The scale of risk on planning fees is reducing with increased activity of late and a recent government announcement to increase planning fees in the autumn. The projected shortfall (£76k) is planned to be met from re-prioritising staff to work on Local Growth Fund projects.
15. The key issue is car parking where income is forecast to be £226k below target. Further work is planned in this area to review the robustness of the forecast and any remedial actions that may be required.

HERS

16. A forecast £26k over budget, an improvement of £164k on the previous period. This arises from an upgrade in the forecast capital delivery service income following work undertaken on projected business income for the rest of the year.
17. Whilst income is now forecast at £3.8m, this remains 5% below the £4m target. However, this is largely offset by one off staff savings from

implementing the recent restructure earlier than had been planned in the budget.

COMMUNITIES

Summary

18. As at Month 3, the Portfolio is forecasting a full year outturn of £2.3m over budget, an adverse movement of £150k from the month 2 position. The key reasons for the forecast outturn position are:

- Business Strategy: Forecast £1.2m reduction in spending, due to a contingency held to offset overspends on care purchasing budgets (especially in Learning Disability (LD) Services).
- Care and Support: Forecast £4.0m overspend, due, predominantly, to LD Purchasing (£2.5m), Provider Services (£903k) and some slippage on budget savings (as previously reported). Care & Support forecast outturn position shows an increase in spending of £1.3m from the previous month.
- Commissioning: Forecast £567k reduction in spending compared to budget, due to movement of £1.0m of Learning Disabilities Ex-Pool Reserves from the Balance Sheet into revenue. This has improved the forecast position by £1.0m from the previous month.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS STRATEGY	3,148	4,365	(1,216)
CARE AND SUPPORT			
ASSESSMENT & CARE MANAGEMENT	71,460	70,856	605
HOUSING RELATED SERVICES	3,320	3,419	(99)
JOINT LEARNING DISABILITY SERV	37,914	35,340	2,574
PROVIDER SERVICES	(5,706)	(6,609)	903
COMMISSIONING	38,779	39,346	(567)
COMMUNITY SERVICES			
COMMUNITY SAFETY	1,772	1,787	(15)
LIBRARIES	6,364	6,306	58
LOCALITY MANAGEMENT	3,098	3,071	27
GRAND TOTAL	160,148	157,881	2,267

Commentary

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

Business Strategy

20. Forecast £1.2m under budget in the contingency, held to off set care purchasing costs. This is consistent with the previous month.

Care and Support

21. Forecast £4.0m overspend, due, predominantly, to LD Purchasing (£2.5m), Provider Services (£903k) and some slippage on budget savings (as previously reported). C&S forecast outturn position shows an increase in spending of £1.3m from the previous month due to increasing impact of these factors.
22. **Housing Related Services** – are forecasting a small reduction in spending of £99k. There has been some slippage in the MER and other savings but this is being offset by vacancies pending the reorganisation. A small (£86k) improvement from last month.
23. **Joint Learning and Disability Service** – are forecasting an overspend of £2.6m:
- Of this, £2.4m relates to Purchasing. This is partially consistent with the 2011/12 overspend of £1.2m with an ongoing upward trend reflecting increased demand in number of care packages. There have been 80 new clients to purchasing this financial year and the reasons for this need further analysis. The over spend is likely to increase if the growth in numbers continues. The forecast level of spending has increased by £800k since last month.
 - The transport contract and travel solutions team are forecasting an overspend of £196k 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. This is consistent with last month's report.
24. **Assessment and Care Management** – are forecasting an overspend of £605k. This relates to care 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 July will, based on the pilot, deliver reduced weekly costs. There has been a slight (£61k) improvement on last month.
25. **Provider Services** – are forecasting an overspend of £903k. This is made up of the following, and has seen an adverse movement of £710k for the month, as a result:

- 24 Hour Response £460k 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 £415k 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).
- Previously assumed staffing savings (£704k) due to lower activity levels have been removed. This is a result of delays in the MER, numerous withdrawals of VER applications, and difficulties managing the reduction in staffing numbers which assumes the non use of supply arrangements.

Community Services

26. Overall this area is forecasting an overspend of £70k compared to last month's position of £105k, an improvement of £35k from last month.
27. **Community Safety** – Forecast £15k reduction in spending. This is an improvement of £56k from the previous month.
28. **Libraries** – Forecast £58k over budget, which is £39k better than last month.
29. **Locality Management** – Forecast £27k over budget, which is £59k worse than last month.

Commissioning

30. This area includes the mental health, adult social care and housing commissioning functions of the portfolio and is forecasting £567k reduction in spend, compared to last month's position of £447k overspend, an improvement in forecast expenditure of £1.0m.

31. **Housing Commissioning** – A new reduction in forecast spending of £18k in the Private Sector Registration and Regulation Team due to receipt of new income (Capital Team contribution).
32. **Mental Health Commissioning** – A forecast £70k increase in spending in the month due to increases in Substance Misuse Purchasing and Partnership Contract expenditure.
33. **Social Care Commissioning** – A reduction in overall expenditure of £1.07m due to £1.03m of funding previously held in Learning Disabilities reserves (previously Section 75 Health and SCC Pool) moving to revenue, also net £40k reduction in pay spend in the Strategic Commissioning and Partnerships Team.
34. **Public Health** – 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.
35. In overall terms the PCT is currently forecasting a yearend reduction in spending of £77k on a £28.1m budget, compared with £90k reported in month 2.

RESOURCES

Summary

36. As at Month 3, the Portfolio is forecasting a full year outturn of an overspend of £739k, an improvement of £433k from the month 2 position. The key reasons for the forecast outturn position are:
 - Business Information Solutions: a forecast £294k overspend, due to an MER process on BIS and Programmes and Projects that has not yet been completed. This forecast is an increase in spending of £25k from the previous month.
 - Commercial Services (savings): a forecast £144k overspend, due to the projected under achievement of savings. This has improved by £144k from the previous month.
 - Property and Facilities Management: a forecast £345k overspend, due to overspends on PFI and Kier Asset Partnership Service (KAPS). This has slightly improved by £16k from the previous month.
 - Central costs: a forecast £492K reduction in spending, attributable to a reduction in benefits spending as a result of additional subsidy,

offset by some overspends on the CAPITA contract budgets. This forecast is an increase in spending of £318k from the previous month.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
BUSINESS INFORMATION SOLUTIONS	1,003	709	294
COMMERCIAL SERVICES	1,386	1,415	(29)
COMMERCIAL SERVICES (SAVINGS)	(676)	(820)	144
CUSTOMER FIRST	5,853	5,853	0
CUSTOMER SERVICES	2,236	2,228	8
FINANCE	6,485	6,568	(83)
HUMAN RESOURCES	2,572	2,512	60
LEGAL SERVICES	1,558	1,046	512
PROPERTY AND FACILITIES MGT	40,101	39,756	345
TRANSPORT	29	106	(77)
TOTAL	60,546	59,373	1,173
CENTRAL COSTS	25,961	26,453	(492)
PROGRAMMES AND PROJECTS	1,476	1,419	57
GRAND TOTAL	87,984	87,245	739

Commentary

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

Commercial Services

38. A forecast £29k reduction in spending. This is an improvement of £308k from the previous month due to more accurate income forecasting.

Commercial Services (Invest to Save – savings)

39. A forecast £144k increase in spending. This is an improvement of £144k from the previous month due to more accurate savings forecasting.

Legal Services

40. A forecast of £512k increase in spending. This is an improvement of £202k from the previous month due to more accurate income forecasting.

Central Costs

41. A forecast £492K reduction in spending. However, this represents an increase in spending of £318k from the previous month.

42. This increase in spending is due to the impact of repayment to the Invest to Save fund relating to up front payments to support the set up of the CAPITA contract.

Central Costs	Forecast Variance	Forecast Variance
	Month 3	Month 2
	£ 000	£ 000
Capita – Control Account	451	0
Capita – ICT BIS	76	69
Capita - Finance	282	313
Capita - HR	469	471
Benefits subsidy	(1,297)	(1,191)
Sub total Capita	(19)	(338)
Other Costs	(473)	(472)
Total	(492)	(810)

DEPUTY CHIEF EXECUTIVE'S

Summary

43. As at Month 3, the Portfolio is forecasting a full year outturn of a reduction in spending of £148k, an improvement of £318k from the month 2 position. The key reasons for the forecast outturn position are:

- Policy, Partnership and Research: a forecast £103k reduction in spending, due to salary savings. This has improved by £144k from the previous month.

Financials

Service	FY Outturn	FY Budget	FY Variance
	£000s	£000s	£000s
ACCOUNTABLE BODY ORGANISATIONS	0	0	0
BUSINESS DEVELOPMENT	1,487	1,579	(92)
HEALTH IMPROVEMENT	162	162	0
MODERN GOVERNANCE	3,812	3,730	82
PERFORMANCE AND CORP PLANNING	977	1,013	(36)
POLICY, PARTNERSHIP, AND RESEARC	3,344	3,447	(103)
GRAND TOTAL	9,783	9,931	(148)

Commentary

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

Performance and Corporate Planning

45. A forecast £36k reduction in spending. This is an improvement of £105k from the previous month.

46. The improvement this month is due to more accurate employee cost forecasting.

Policy, Partnership and Research

47. A forecast £103k reduction in spending. This is an improvement of £144k from the previous month.

48. The improvement this month is due to additional budget transferred and an error of £88k in forecasting which will be corrected in month 4.

CORPORATE ITEMS

Summary

49. The month 3 forecast position for Corporate budgets is a £588k overspend, which is a £490k increase from last month. 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>£'000</u>	<u>FY Budget</u> <u>£'000</u>	<u>FY</u> <u>Variance</u> <u>£'000</u>
Corporate Budget Items	48,950	48,953	-3
Savings Proposals	-1,159	-1,750	591
Income from Council Tax, RSG, NNDR, other grants and reserves	-530,047	-530,047	0
Total Corporate Budgets	-482,256	-482,844	588

50. The overspend consists of a £591k reduction on the savings proposals in relation to improved sundry debt collection. This forecast overspend has increased by £490k from the previous month.

51. The increased overspend from month 2 is due to reassessment of the sundry debt collection rates and subsequent revision, based upon quarter one actuals, thus demonstrating the success of the initiative to put greater focus on this issue. The target for 2013/14 will be revised as a result of the latest monitoring position.

HOUSING REVENUE ACCOUNT

52. The budgeted position for the **HRA** is a draw down from reserves of £1.1m (excluding District Heating). As at month 3 the position is contribution of £3.7m into reserves, a reduction in spending of £4.8m on the budgeted position. This is broadly consistent with month 2.
53. **Community Heating** – the budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 3 the position is a draw down of £900k from reserves, a reduction in spending of £100k. This was not reported in month 2 but is primarily due to a reduction in the level of gas consumption due to the milder weather.

CORPORATE FINANCIAL RISK REGISTER

54. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The most significant risks are summarised in this report for information together with a summary of the actions being undertaken to manage each of the risks.

Digital Region

55. 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

56. 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.
57. 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

58. 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

59. 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. A refresh of the financial model was undertaken for 2011/12 budgeting purposes and again for 2012/13. The assumed level of occupancy for 2011/12 was 68% and the actual achieved was 64%. Most of the income shortfall was made up from conference lettings and virtual services. A target of 78% has been set for 2012/13.

Contract Spend

60. 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

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

NHS Funding Issues

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

in a way that both minimises impacts on patients and customers and minimises financial risks to the NHS and the Council.

Housing Regeneration

64. 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

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

External Funding

66. 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

67. 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.
68. 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.

69. 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.
70. 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

71. 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

72. 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.
73. 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

74. 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 fewer 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.

THE CAPITAL PROGRAMME FOR 2012/13

Summary

75. At the end of June 2012, capital expenditure so far to date is £6.8m (26%) below budget. The outturn forecast is £27.3m (13%) below the Approved Capital Programme.
76. 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 all the other portfolios.
77. The forecast for the year shows all portfolios underspending against the approved programme.

Financials 2012/13

Portfolio	Spend to date £000	Budget to Date £000	Variance £000	Full Year forecast £000	Full Year Budget £000	Full Year Variance £000
CYPF	9,471	7,839	1,632	73,185	85,510	(12,326)
Place	2,261	4,967	(2,707)	21,038	27,305	(6,267)
Housing	7,381	10,775	(3,394)	67,486	72,060	(4,574)
Communities	60	1,203	(1,142)	2,326	3,010	(684)
Resources	388	1,549	(1,161)	22,429	25,863	(3,434)
Grand Total	19,560	26,333	(6,772)	186,464	213,748	(27,284)

Commentary

78. The CYPF forecast shows a projected reduction in spend against the approved programme of £12.3m of which £8.2m is due to savings on the Building Schools for the Future programme (BSF). This will leave

approximately £10m of the gap to be closed and previous Budget reports have the identified options to so do.

Children, Young People and Families Programme

79. CYPF capital expenditure is £1.6m (21%) above the profiled budget for the year to date but forecast to be £12.3m 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
Operational delays in projects due to planning, design or changes in specification	-143	0
Revised profile for Building Schools for the Future programme	2,726	0
Incorrect budget profiles	-704	0
Delayed forecasts	0	-1,777
Underspending on project estimates	0	-8,369
Other variances	-246	-2,179
	1,632	-12,326

80. The forecast is £9.3m lower than the Month 2 position and reflects the anticipated £8.2m reduction on the BSF programme as referred to above.

81. The variation in the year to date position arises from accelerated spend on Building Schools for the Future.

Place Programme

82. The Place portfolio programme (excluding Housing) is £2.7m (54%) below the profiled budget for the year to date and forecast to be £6.3m below the programme by the year end for the reasons set out in the table below. The majority of the underspend to date is on Highways scheme where the Local Transport Programme and other Highways schemes have only just been approved.

83. The forecast projects £2.6m further slippage during 2012-13 against the approved programme compared to that reported last month.

Cause of change on Budget	Year to date £000	Full Year forecast £000
Operational delays in projects due to planning, design or changes in specification	-1,557	0
Incorrect budget profiles	-224	0
Delayed forecasts	0	-5,274
Other variances	-926	-992
	<u>-2,707</u>	<u>-6,267</u>

Housing Programme (Place Portfolio)

84. The Housing capital programme is £3.4m (31%) below the profiled budget for the year to date and forecast to be £4.6m (6%) 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 into 2013-14	-123	-4,401
Operational delays in projects due to planning, design or changes in specification	-221	0
Incorrect budget profiles	-4,004	0
Projects submitted for Approval	0	-526
Additional Home Improvement grants	-125	0
Items under investigation	0	250
Other variances	1,080	102
	<u>-3,394</u>	<u>-4,574</u>

85. The forecast shows £1.0m further slippage against the approved programme compared to last month. Schemes forecast to underspend in the year and slip into 2013-14 include:

- District Heat Metering (£1.7m) which is the subject of an investment submission to be brought for approval in the September report but will not incur significant spend until 2013-14;
- Fire Safety (£1.6m);
- Roofing Programme (£400k); and
- Insulation scheme £400k.

Communities

86. The year to date spend on the Communities portfolio capital programme is only £1.1m (95%) below the profiled budget on three key projects:
- £848k on the implementation of the ICT infrastructure project;
 - £250k on Library schemes;
 - £85k on the Climate Change Impact fund which is dependant on proposals from Community Assemblies.
87. The position is expected to recover to be only £684k below budget by the end of the year.

Resources

88. The year to date spend is £1.1m below the programme due to:
- slippage on the Accommodation strategy projects (£477k);
 - Slippage on the new Moor Market (£427k) following late agreement of the details of the contract, and this is expected to continue to the end of the year.
89. The year end forecast is £3.4m (13%) below the approved programme comprising:
- £1.2m Accommodation strategy;
 - £1.0m slippage on the University Technical College;
 - £500k slippage on the Moor market;
 - £300k on roof and lift replacement at the Town Hall; and
 - £200k slippage on the Road Transport fleet spend.

Approvals

90. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
91. Below is a summary of the number and total value of schemes in each approval category:
- 4 additions to the capital programme with a total value of £5.7m;
 - 11 variations to the capital programme with a net reduction of £76k;
 - 8 stage approvals with a total value of £34.5m.

92. The following have been approved since the previous report to CPG in May:
- 8 emergency approvals with a total value of £1.0m;
 - There have been no instances where directors have exercised their delegated powers to vary approved expenditure levels.
93. Further details of the schemes listed above can be found in Appendix 1.

FINANCIAL IMPLICATIONS

94. 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

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

PROPERTY IMPLICATIONS

96. 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

97. Members are asked to:
- (a) Note the updated information and management actions provided by this report on the 2012/13 budget position.
 - (b) Approve the carry-forward requests as detailed in paragraph 10 within the Children Young People and Families section.
 - (c) In relation to the Capital Programme:
 - (i) the proposed additions to the capital programme listed in Appendix 1, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;

- (ii) the proposed variations in Appendix 1; and note.
- (iii) that there were no variations approved by Directors under their delegated authority;
- (iv) the Emergency Approvals in Appendix 1.
- (v) the latest position on the Capital Programme.

REASONS FOR RECOMMENDATIONS

98. 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

99. 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 Schemes

Scheme Description	Approval Type	Value £000	Procurement Route
ADDITIONS:-			
<p>PCT/SCC Reconfiguration Accommodation Strategy This project is part of the Health Reconfiguration Programme, to re-organise a group of services which transferred from the PCT, to modernise the current services, improve outcomes for 270 individuals and ensure sustainability of future service models.</p> <p>While SCC are not expected to identify any capital for the modernisation of these services (the Housing Associations will provide the bulk of this) many of the buildings are subject to a Legal Charge from the PCT and it is envisaged that a number of buildings may be sold with the plan to reinvest the equity in other buildings in the service.</p> <p>As part of the programme of modernisation - an agreement has been reached with the PCT to transfer any sale proceeds from 3 Dimension's properties (which are subject to Health Authority legal charges) through the Council to Dimensions for reinvestment in their modernisation programme.</p> <p>Andrea Simpson in Legal services has confirmed that SCC's role in this scheme is to receive the money from the PCT and transfer it to Dimensions. The money will be secured by a new legal charge between Dimensions and SCC. SCC will have nominations rights to the tenancies in the remodelled properties.</p> <p>This addition is seeking approval to receive and passport the money on to Dimensions with no SCC own capital spend from its own funds.</p>	Addition	740	3 Dimensions internal policy

Appendix 1

Capital Schemes

<p>Clay Wood Green Links The aim of this project is to create a new 'green link' in the Sheaf Valley Park area, running from Fitzwalter Road to Shrewsbury Road and through Clay Wood via the Cholera Monument. It will complete the link from Sheffield railway station to Norfolk Park.</p> <p>This project is the first phase of a programme which will create a green setting for over 1,000 proposed dwellings. The wider Local Growth Fund (LGF) scheme for this area will include delivery of new housing, creation of the Park Hill Green Link, and improvements to South Street Park. However these aspects are not included in the Clay Wood Link project but will follow in a subsequent scheme</p> <p>The scheme will involve the construction of 600m of new ramped shared cycle-footpaths through the former Clay Wood Flats site to link South Street Park at Shrewsbury Road to Monument Gardens. It will also include seating, bins, new planting, art features and new boundary treatments. The section from Fitzwalter Road to the Cholera Monument will involve the construction of a brand new path through the site of the former Clay Wood flats, opening up access where none currently exists. It will also provide access points to new housing developments, currently in planning for the land adjacent to the site.</p> <p>The capital project is fully funded by the Local Growth Fund (LGF); and in addition there is a £62.7k LGF allocation towards maintenance at the site for five years.</p>	Addition	460	Competitive Tender In – House Provider for approximately £12k Client Capital Costs
<p>Asset Enhancement – Abbeydale/Bannerdale The aim of Asset Enhancement project is to secure outline planning permission for development of the Abbeydale/Bannerdale site. The first phase of the project involves carrying out work at the site of the former Abbeydale Grange School.</p>	Addition	418	Existing contract with KAPs

Capital Schemes

<p>Phase 2 will cover the playing fields located at the former school, the area of open space, the ancient woodland, and the Bannerdale Centre and car park and this element will be presented to Cabinet in the future for approval in a separate report.</p> <p>The phase 1 capital costs (£418k) include carrying out consultation, planning processes and site investigations, all necessary to acquire outline planning permission at the site of the former Abbeydale Grange school. £35k is to be spent on on-site works (site investigations, topographical surveys etc), with the remainder for professional and project management fees and planning application tasks.</p> <p>Securing appropriate planning permissions for the developable area will enhance site values, help facilitate developer access to funding and ensure that the site can be brought to market quickly at the appropriate time. In the current market and without the asset enhancement project any capital receipt could be substantially reduced and may take a significant time to achieve. This approval does not take into consideration costs associated with disposing of the site, which are assumed to be dealt with under existing contract arrangements.</p> <p>The timing of any future receipt is uncertain and therefore the short term proposal is to use Prudential Borrowing to fund this scheme. The interest payable is broadly estimated at £23k, using the expenditure and income profiled in the project plan. The assumption is that this will be the only impact on revenue budgets, as the principal repayment will be covered by the capital receipt generated on sale of the land.</p>		
<p>Local Transport Plan (LTP) Schemes</p> <ul style="list-style-type: none"> • 2+ Lanes <p>This scheme will explore the potential for using High Occupancy Vehicle (HOV)</p>	<p>Addition</p>	<p>80</p> <p>PFI Contractor (Amey) subject to approval of a</p>

Appendix 1

Capital Schemes

<p>Lanes, “No Car” lanes – making best use of existing and new bus lanes to accommodate lorries and cars with more than one occupant during the main PFI contract, to help minimise disruption during the ‘Streets ahead’ project</p> <p>It is fully funded by Local Transport Plan funds.</p>			<p>procurement strategy, waiver of Standing Orders and agreeing a Value for Money contract with Amey.</p>
<p>VARIATIONS:-</p>			
<p>Local Transport Plan (LTP) Schemes</p> <ul style="list-style-type: none"> • HGV Routing Strategy This scheme will continue the current HGV routing study - encouraging larger vehicles to use the most appropriate routes, and implementing road traffic intervention to assist. • Coach Parking This scheme will carry out a study to see how we can relieve coach parking congestion and then provide a location/locations for short stay city centre pick up and drop offs and longer stay coach parking on the periphery of the city centre. • Car Club Solutions The Car Club solutions project will enable work to be undertaken to determine the viability of car club options in Sheffield. 	<p>Variations</p>	<p>40</p> <p>20</p> <p>3.5</p> <p>30</p>	<p>For work being completed before mid-August, prior to the transfer of Streetforce to Amey, the, works to be undertaken by Streetforce.</p> <p>For works after the transfer of Streetforce to the PFI contractor subject to approval of a procurement strategy,</p>

Capital Schemes

<p>to Sheffield Road, Rotherham, comprising the design and construction of substantial piling and a large reinforced earth embankment, construction of a new roadway, pavements and kerbs, substantial earthworks, 2 bridges, traffic signals, junction works and sundry other works. The project also comprises general carriageway, footpath and junction improvements between the City Centre and Meadowhall Way including alterations to traffic signalling and signage and sundry other works.</p> <p>Financial Position: - The project is to be funded from Department for Transport Major Scheme funding, ERDF, LTP Capital and private sector developer contributions. However, not all of this funding has been secured or approved by Cabinet. There is currently only £2.5m approved in the Capital Programme for compulsory land purchases along the route.</p> <p>However, in order to meet the build out plan, the OJEU tender process needs to commence in August 2012, hence the submission of the procurement strategy before financial approval. In undertaking procurement work of final approval there is a risk of incurring abortive SCC officer costs but there is no financial liability to interested tenderers if the scheme does not proceed.</p> <p>The procurement strategy outlines a £31.8m budget for the construction work packages of the scheme to be undertaken by SCC. It is proposed that the project will be part funded by almost £10m of ERDF grant so a full OJEU compliant route is required.</p> <p>Procurement Route:- Separate procurement strategies are proposed for the different work packages.</p> <p>There are two work packages:</p>		<p>Rotherham and YORCivils Framework for City Centre to Meadowhall Way.</p>
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Capital Schemes

<p>1. Meadowhall Way to Sheffield Road, Rotherham (bridges, roadways etc.) (£28.7m) For the main construction work, a full OJEU compliant competitive tender process will be carried out. This package is of a specialist technical nature and neither the current in-house providers nor the YORcivils Framework offer access to appropriate skills for a project of this scale. In addition the BRT North scheme is proposed to be ERDF funded and so a full, robust OJEU process is required to ensure compliance with European funding conditions.</p> <p>1. City Centre to Meadowhall Way (£3.1m) Due to the relatively low value and risk of this contract (compared to the Tinsley Link Road contract which forms part of the same project), it is proposed to pilot the use of the YorCivils Framework. There are 8 contractors on the relevant value band (Civils Works over £1m) who will be invited to participate in the mini-competition. ERDF auditors have confirmed that they are content for the YOR suite of framework contracts to be used on ERDF funded schemes, and there is an appropriate mix of suitably skilled contractors to ensure these works are delivered efficiently and effectively.</p>		
<p>Spital Hill/ Ellesmere Green</p> <p>Project Background: - The two projects to revitalise Spital Hill and Ellesmere Green and re-establish it as the focal point for the local community have been amalgamated into one to simplify project management and a revised procurement strategy to supersede both previous reports is now submitted for approval. . Improvements will be made to the</p>		<p>Full competitive tender for works, and for the Highways PFI contractor to provide the Highways element of the detailed design works (subject to a Waiver of Standing Orders).</p>

Capital Schemes

<p>Green to create an attractive small new park including a number of art features and minor highways improvements.</p> <p>The previous strategy was to use the Council's in-house provider, Streetforce. However, estimates provided could not demonstrate value for money and the decision has been taken to go to competitive tender for the works but use the Highways PFI design team for the design work.</p> <p>Financial Position: - The total project budget is £971.5k, and this is funded by Section 106 contributions £371.5k and Local Growth Fund £600k.</p> <p>Procurement Route: - The proposed procurement route for construction is a full competitive tender process and for the Highways PFI company to provide the Highways element of the detailed design works (subject to a waiver of SO)..</p>		
<p>Edward St - Park Public Art Project</p> <p>Project Background: - The project is for the recruitment of an artist(s) to work with the local community in the design and delivery of artworks as an integral part of the Edward Street Park open space improvements.</p> <p>There will be two artist commissions which require the artist(s) to work closely with the local community to design and deliver distinctive work that reflects the ambition for the area</p> <p>LOT 1 The design, manufacture and installation of physical elements as part of the works to the Park – entrance gateposts, 36 m long fence to form perimeter to new</p>		<p>Full competitive tender process</p>

Capital Schemes

<p>performance/activity space, decorative elements to in-situ stone plinths. Total value £38k.</p> <p>LOT 2 Public consultation and engagement leading to the development of sustainable management of activities for local people in the new park. Total value £8k.</p> <p>The tenders will be issued on a 'fixed fee' basis with a ceiling of £46k. It is usual in this market to offer a fixed price tender as:</p> <ul style="list-style-type: none"> • The tender is design and build • Products are unique and not directly comparable between tenderers. <p>Financial Position: - The funding for this project is ERDF Value+ and a full competitive tender process will ensure all costs are eligible for this funding.</p>		
<p>EMERGENCY APPROVALS:-</p>		
<p>Warminster Road Refurbishment The Joint Learning Disability Service provides overnight short breaks at Rutland Road and Warminster Road utilising a small area of 2 large sites. The aim of this project is to co-locate the services at a re-furnished Warminster Road site. This will also see a reduction in overall capacity of the service from 8 to 6 bookable beds and 1 'emergency' bed space.</p>	<p>Emergency</p>	<p>£100K</p> <p>Competitive Tender</p>

Capital Schemes

<p>It would be impossible to achieve a recurrent revenue cost saving of £100k without the co-location taking place. This saving forms part of the Communities' portfolio budget plans for this financial year approved by Cabinet in the 12/13 Budget.</p> <p>By continuing to operate over 2 sites there will be a requirement to continue to purchase additional security for the site at Rutland Road, which is currently costing approx £3,000 per month. The Rutland Road site will initially be used as a decant site for the Health Reconfiguration Programme which requires suitable short term accommodation for service users while their existing homes are re-furnished or re-developed</p> <p>This scheme is being approved under the Emergency Approval provisions to minimise the risk of vandalism, theft and fire whilst the redundant buildings are unoccupied.</p> <p>The project will be funded from Capital Receipts, using part of the £738k sale of Bland Street-crown Hill works which was originally earmarked for the short breaks hotel project which was cancelled when it failed to win the necessary PFI credits.</p>			
<p>Sustrans: Halfway to Killamarsh The project involves work to a multi-user route between Holbrook, Sheffield and Forge Lane, Killamarsh adjacent the recently constructed Phase 1 and Phase 1A (2A) works. The project will provide a safe route for pedestrians, cyclists, disabled people and horse riders.</p> <p>The project budget has been varied upward by £250k to facilitate this final phase of works. This is to be funded by South Yorkshire Local Transport Plan (LTP) £200k and an additional £50k Big Lottery funding.</p> <p>The Big Lottery funding must be spent by October 2012, hence the necessity to go</p>	Emergency	250	In House Provider

Capital Schemes

through the emergency route.				
<p>Penistone Road, Livesey-Lowther The Penistone Road cycle route scheme will eventually link the city centre with Oughtibridge; and various phases of work have already been carried out. An emergency variation is required, as cycle signage to the value of approximately £34k is being held by the supplier. There was no facility for Streetforce to store this equipment as they are running down their supplies ahead of the PFI contract. Therefore, the proposal is to install these signs along the route in July.</p> <p>The £206k variation is funded by Local Transport Plan £85k and Local Sustainable Transport Fund £121k.</p>	Emergency	206	In House Provider	
<p>Driving Me Crazy Schemes The purpose of this scheme is to carry out small traffic alterations at various locations around the city to improve the general traffic flow. The £50k emergency variation will allow a right turn lane extension from Penistone Road to Owlerton Green to be progressed.</p> <p>An emergency variation is necessary as this work has been scheduled for July by Streetforce. The proposed works are to be completed in conjunction with maintenance works at the site. Streetforce have confirmed that they have capacity to carry out these works prior to the commencement of the PFI contract.</p>	Emergency	50	In-House Provider	
<p>Better Buses - Upgrading Existing Signs and Lines The Better Buses scheme will upgrade existing signs and lines at five bus sites in the city to allow camera enforcement. This scheme requires emergency approval to allow work to start on Bolsover St, in conjunction with other work being carried out as part of the CCTV Parking Enforcement scheme. The scheme is fully funded by an allocation from 'Better Buses'.</p>	Emergency	46.5	In-House Provider	
<p>Community Assembly South</p>	Emergency	40	In-House Provider	

Capital Schemes

<p>Emergency Approval is required to complete a scheme on Psalter Lane that was committed to and agreed with the Community Assembly during 2011-12. Streetworkforce will undertake this work prior to the commencement of the PFI contract. The variation is fully funded by Local Transport Plan (LTP).</p>	<p>Kitchens Rivelin Rivelin Primary School is based in Lower Walkley. The meals at Rivelin are currently produced in one building and then transported across the site to be served in another building – a change that was prompted by the need to vacate the existing dining room due to a health & safety risk to pupils and staff. This project aims to relocate the current kitchen into an area currently used as a nursery, to create a purpose built space accommodating both kitchen and dining room, bringing the preparation and serving of food together in the same space. This will provide many benefits to the school and create further space vacated by the current kitchen, which in turn will be developed into a nursery area.</p>	<p>Emergency</p>	<p>217</p>	<p>Kier LLP Jobs Compact</p>
<p>Emergency approval is necessary to ensure that the scheme can proceed during the summer holidays. The capital expenditure is funded by DFE Capital Maintenance Grant and a revenue contribution to capital.</p>	<p>Kitchens Hucklow Emergency approval is being sought to enable the introduction of a production kitchen at Hucklow Primary School. Hucklow Primary School is situated in Firth Park with school meals being imported from St Patricks (Sheffield Lane Top). The introduction of a production kitchen on site will remove the need to deliver between 180 and 200 meals per day and will therefore improve meal quality and nutritional value of the food, benefitting the pupils and encouraging healthy eating. It will also alleviate a significant risk to both health and safety and food safety by bringing to an end the daily packing and transporting of such a high proportion of meals from St Patrick's. This meets with Sheffield City Councils policy on improving the delivery, improvement and increase of school meals within the primary sector.</p>	<p>Emergency</p>	<p>2</p>	<p>Kier LLP Jobs Compact</p>

Capital Schemes

<p>Cabinet approved the non-school specific kitchen programme in March 2012 to the value of £150k. The kitchen scheme at Hucklow is to be carried out during the summer holidays and will cost £152k. The scheme will now be funded by DFE Capital Maintenance Grant and revenue contribution to capital.</p>	<p>Emergency</p>	<p>200</p>	<p>Competitive Tender</p>
<p>Primary Maintenance Dore Dore Primary School is situated in the Dore and Totley area of Sheffield which has this year experienced unusual fluctuations in demand for future year pupil places for a number of reasons. Emergency approval is being sought for a variation to the existing scheme, to provide a new mobile classroom unit at Dore Primary School. This is a pro-active solution to the Basic Need legal requirement to respond to the increase in pupil number demand in the Dore area. Emergency Approval was necessary to ensure that the work was carried out during the 2012 summer break. This would otherwise have major implications with Health and Safety (major construction scheme in a live school environment). The £200k variation is to be funded by DFE Basic Need Grant.</p>			
<p>DIRECTOR VARIATIONS:-</p>			
<p>None</p>			

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