

CAPITAL PROGRAMME MONITORING AS AT OCTOBER 2022**Section 1 – Statement of Budget Movement**

The table below summarises the movement in budget from month 6 to month 7 22/23 and Capital programme budget position as at October 2022.

	2022/23	2023/24	Future	Total	Comments
Month 6 Approved Budget	278.0	157.4	475.6	911.0	The key changes to the programme from last month relate to:
Additions	1.2	6.7	0.0	7.9	ADDITIONS + £6.2m - Inclusion of Clean Air Zone Support measures budgets
Variations	0.3	0.4	0.9	1.7	+ £0.7m - Inclusion of SEND Integrated Resources development budgets + £0.5m - Inclusion of Abbey Lane School Roof replacement scheme
Reprofile	-3.5	3.5	0.0	0.0	+ £0.5m - Inclusion of initial grant payment re: Centre for Child Health Technology
Slippage & Acceleration	-37.7	35.8	1.9	0.0	VARIATIONS & REPROFILES + £1.7m - Variations to Heart of The City programme
Month 7 Approved Budget	238.4	203.8	478.4	920.6	SLIPPAGE & REPROFILES Approval of major reprofiling of programme as reported in November

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Section 2 – Top 20 Projects by value as at October 2022

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2022/23. This group accounts for 58% of the 2022/23 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT	Current Year									Remaining Life of Project					Comments
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %	Delivery RAG		
Heart of The City Henrys Block	16,180	16,597	(417)	29,238	29,321	(84)	-0.3%	A	38,755	38,755	-	0.0%	A		
Heart of The City Palatine Chambers Block	7,381	7,459	(78)	18,719	19,106	(387)	-2.0%	A	36,944	36,944	0	0.0%	A		
Major Sporting Facilities Finance	9,659	9,659	0	16,559	16,559	0	0.0%	NR	34,167	34,167	0	0.0%	NR		
Council Housing Acquisitions Programme	4,452	4,172	280	8,527	7,152	1,375	19.2%	G	12,817	12,817	0	0.0%	G		
Council Housing Single Staircase Tower Blocks Works	3,399	3,390	9	6,554	6,454	101	1.6%	G	9,977	9,678	299	3.1%	G		
Heart of The City - Pounds Park	3,143	3,136	7	5,925	5,924	1	0.0%	G	6,699	6,699	0	0.0%	G		
Brownfield Site Development Acquisitions	1,109	5,881	(4,772)	5,882	5,881	1	0.0%	NR	5,882	5,881	1	0.0%	NR		
New Council Housing Acquisition - Handsworth	460	450	10	470	4,733	(4,263)	-90.1%	G	4,733	4,733	-	0.0%	G		
New Build Council Housing Daresbury / Berners	3,331	3,872	(541)	4,709	4,651	59	1.3%	G	4,709	4,651	59	1.3%	G		
Council Housing Electrical Upgrades Ph 2	2,671	2,154	517	4,145	4,143	2	0.0%	G	19,429	19,436	(7)	0.0%	G		
King Ecgberts School Expansion	248	264	(16)	2,166	3,874	(1,707)	-44.1%	A	6,296	6,296	0	0.0%	A		
New Build Council Housing - Corker Bottoms	4	3,800	(3,796)	3,805	3,800	5	0.1%	G	8,336	8,336	-	0.0%	G		
Council Housing Roofing Replacements Prog	3,739	2,931	807	4,274	3,736	537	14.4%	G	32,837	32,837	-	0.0%	G		
Heart of The City Block C Pepper Pot Building	2,566	2,611	(45)	3,730	3,712	18	0.5%	R	4,241	4,241	-	0.0%	R		
Future High Streets Fund Public Realm & Infrastructure	675	1,210	(535)	1,399	3,418	(2,019)	-59.1%	G	8,624	8,624	(0)	0.0%	G		
Talbot-seven Hills Send	2,077	2,417	(339)	3,297	3,297	(0)	0.0%	A	3,297	3,297	(0)	0.0%	A		
Upper Don Valley Flood Scheme Phase 1	2,292	2,113	179	3,883	3,209	674	21.0%	A	4,674	3,209	1,465	45.7%	A		
Silverdale School Expansion	91	78	14	3,175	3,175	0	0.0%	G	7,466	7,466	0	0.0%	G		
Council Housing Adaptations 2020-25 Contract	1,944	1,146	798	2,965	2,965	(0)	0.0%	G	8,612	8,612	(0)	0.0%	G		
Council Housing Mgmt Fees Commissioned	1,633	1,633	-	2,800	2,800	-	0.0%	NR	14,500	14,500	(0)	0.0%	NR		
Top 20 Value	67,054	74,972	(7,918)	132,221	137,910	(5,688)	-4.1%		272,994	271,178	1,817				
Rest of Programme	39,996	55,636	(15,639)	100,365	100,506	(142)	-0.1%		657,084	649,421	7,663				
Total Capital Programme Value	107,051	130,608	(23,557)	232,586	238,416	(5,830)	-2.4%		930,078	920,598	9,479				
% of Programme within the Top 20	63%	57%	34%	57%	58%	98%			29%	29%	19%				

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Section 3 – Current Year to date and Forecast Outturn Position The forecast outturn position is £5.8m below budget. The key variances by policy area are explained below. This is a movement of £29.5m from the £35.3m reported last month. This movement has been due in the most part to the approval of slippage budgets as part of a major review of anticipated spend profiles.

Policy Committee	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
TRANSPORT, REGEN & CLIMATE	44,178	55,156	(10,978)	103,067	106,882	(3,814)	<p>Key Variances</p> <ul style="list-style-type: none"> - £2.4m - Slippage across Future High Streets Fund Programme - £1.3m - Slippage across Heart Of The City Programme - £0.4m - Broadfield Road Scheme - Forecast Slippage - £0.3m - Kelham Neepsend Parking Scheme - Forecast slippage on scheme - £0.3m - City Centre Bikehub - Forecast slippage on scheme - £0.3m - Clean Bus Technology Grants - Forecast underspend to be utilised toward Clean Air Zone - £0.2m - Little Kelham Bridge - Scheme no longer progressing +£0.1m - Levelling Up Fund Castle Site - Initial Fees Higher than forecast. OBC to be submitted to uplift budget +£0.2m - Active Travel Schemes (Neighbourhoods & Sheaf Valley Cycle Route) - Review ongoing into costs and awaiting revised funding agreements +£0.3m - TCF Programme - Forecast expenditure in advance of confirmation of additional funding from MCA +£0.7m - Upper Don Valley Flood Defence Scheme - Total forecast overspend is £1.5m. £0.7m in current year. However EA funding to cover this now secured.
COMMUNITIES, PARKS & LEISURE	12,494	13,951	(1,456)	24,126	25,131	(1,005)	<p>Key Variances</p> <ul style="list-style-type: none"> - 0.5m - General Cemetery - Forecast slippage on scheme - but overall £71k overspend forecast to be met from S106 - £0.5m - Woodbourne Road Football Hub - Forecast slippage against in year budget
HOUSING	34,419	41,729	(7,311)	69,662	70,367	(705)	<p>Key Variances</p> <ul style="list-style-type: none"> - £4.2m - Handsworth New Build Council Housing - forecast slippage on scheme + £2.7m - Newstead OPIL New Build - Forecast Acceleration + £1.4m - Council Housing Acquisition Programme - Acceleration of Purchase of more expensive properties + £0.9m - Newstead Enabling Works - Total forecast overspend of £2.5m due to ground conditions, of which £0.9m in current year + £0.5m - Roofing Replacement Programme - Acceleration of final payments on terminated contract
EDUCATION, CHILDREN & FAMILIES	6,843	10,089	(3,246)	18,380	20,442	(2,062)	<p>Key Variances</p> <ul style="list-style-type: none"> - £1.7m - King Ecgberts Expansion Scheme - Forecast revised in line with latest anticipated programme - £0.6m - Contribution to new SEND Free School - Forecast not completed + £0.3m - Aldine House 2 Bed Extension - Forecast overspend on scheme. May generate additional revenue pressure in year
STRATEGY & RESOURCES	3,643	4,907	(1,264)	6,330	6,400	(71)	
ADULT HEALTH & SOCIAL CARE	5,026	3,965	1,061	8,564	6,797	1,766	<p>Key Variances</p> <ul style="list-style-type: none"> + £2.7m - Accelerated Adaptations Grant - Increased assessment capacity, backlog demand from COVID alongside increasing general demand and increasing prices are placing strain on budget for non means tested smaller adaptations. Targeted work ongoing to review longer term impact - £0.7m - Disabled Facilities Grant and Top Up Grants - Review undertaken of applications for major adaptations. Decision taken to restrict number to be delivered in year in order to manage overall Disabled Facilities Grant Budget pressures (see above) - £0.2m - Disabled Persons Relocation Loans- Loan requests not at level expected GENERAL - Pressure building on overall DFG budget. Current predicted overspend is manageable within current year resources plus previous underspends brought forward. Work ongoing to review emerging pressures
WASTE & STREET SCENE	18	166	(148)	858	853	5	
ECONOMIC DEVELOPMENT & SKILLS	429	645	(216)	1,600	1,543	56	
Grand Total	107,051	130,608	(23,557)	232,586	238,416	(5,830)	

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Section 4 – Top 10 Forecast Slippage against Full Year Budget - Of the main £12.3m forecasts below budget, £10.9m relates to projects either in delivery or at tender stage. The remainder relates to budgets due to be either reprofiled or reallocated within the capital programme. The remainder is the result of a forecast not completed and reprofiling of the Disabled Facilities Top Up grant to meet pressures elsewhere.

Business Unit		Policy Committee	FY Budget	FY variance on budget	Explanation
4.1	New Council Housing Acquisition - Handsworth	HOUSING	4,733	(4,263)	REPROFILE - Negotiation of the contract with the developer has taken longer than expected due delays related to both parties. Additional time was required to ensure we have a contract that manages risk to the Council, as well as to ensure that we could agree the specification extras which will bring the development in line with the Council specification across a number of important areas. Furthermore, current supply chain issues within the construction sector have led the developer to review the delivery programme to ensure that it remained realistic/ deliverable. As such, the revised contractual Long Stop Date is now 30th June 2023
4.2	Future High Streets Fund Public Realm & Infrastructure	TRANSPORT, REGEN & CLIMATE	3,418	(2,019)	SLIPPAGE / OVERSPEND - Delays to scheme as current budget will not be sufficient to deliver scope of works. Significant cost increase announced in Stage 3 and again in Stage 4 cost plan. Works ongoing to arrive at a final figure for the works. VE is ongoing. Amended FBC will be required once final costs are agreed due to uplift and rescoping required. Presentation of budget cost and proposals to Regeneration Board for discussion and decision on way forward. Initial steer is for project to focus on Fargate only - Outturn forecast all years now reflects that figure. Final figure TBC pending final RIBA 4 costs. Project is proceeding on assumption that additional budget can be secured and will be approved by external funder. Client seeking further guidance/approval from Regen & Transport and finance sub committee.
	King Ecgberts School Expansion	EDUCATION, CHILDREN & FAMILIES	3,874	(1,707)	Reprofile - Payments for scheme reprofiled due to delay of contract award
	Heart of The City - Block D	TRANSPORT, REGEN & CLIMATE	1,075	(846)	Reprofile - Remaining forecast for costs associated with securing letting and reconfiguring vacant units, including expected capital contributions for all remaining units. Letting and Capital Contribution allowances slipped to end of this Financial Year/into next Financial Year.
4.5	Disabled Facilities Grant Top Up	ADULT HEALTH & SOCIAL CARE	1,666	(777)	Reprofile - Review undertaken of applications for major adaptations. Decision taken to restrict number to be delivered in year in order to manage overall Disabled Facilities Grant Budget pressures
4.6	Council Housing Refurbishments	HOUSING	2,510	(609)	Slippage - Delayed start due to programming and missing specification details that needed to be provided to the contractor, Contractor difficulty in engaging with suitable sub-contractors to carry out the works. A number of void properties require structural work and building surveys. . A lot of the Void scope of works is outside of the usual program so requires separate quotes for the work
4.7	Special Free School - North	EDUCATION, CHILDREN & FAMILIES	600	(600)	Forecast not completed
4.8	General Cemetery Uplift	COMMUNITIES, PARKS & LEISURE	2,443	(534)	SLIPPAGE/OVERSPEND - Delays to programme as a result of additional works on site/original construction details not as anticipated resulting in design & construction changes and prolonged programme. The total cost of the project is currently £75k over budget. Within these costs £70k allowed for highways works, which are now proposed to be delivered through Amey. Additional S106 of £66K to cover open space works so other funding can cover the highways works has been identified.
4.9	Woodbourn Road Football Hub	COMMUNITIES, PARKS & LEISURE	2,174	(482)	SLIPPAGE - Programme Delayed due to legal agreement between Football Foundation & SCC not being finalised/ ratified.
4.10	Future High Street Fund Front Door Interventions	TRANSPORT, REGEN & CLIMATE	1,673	(425)	Reprofile / Slippage - £350,000 additional budget allocated to 20-26 Fargate from Front Door Scheme to cover non-design related costs (inflation, stamp duty previously not identified, fees and rates associated with the empty asset 2021/2022). Currently represented as underspend on this business unit. Further slippage to likely grants as financial approval achieved 07/11. Grants fund agreements to be put in place, projects to be commenced, spend to be evidenced. Unlikely to begin claiming anything prior to April 23. See key risks and issues.
Total			24,166	(12,262)	

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Section 5 – Top 10 Forecast Overspends over Full Year Budget - Of the main £9.8m forecasts over budget approx. £4.9m represent genuine overspends. Housing schemes will form an additional call on the HRA which is coming under increasing pressure; the Upper Don Valley Flood scheme has now secured additional Environment Agency funding and approval of an uplift to the budget will be brought forward;

The forecast overspends relating to Disabled Facilities Grant activity are currently affordable within funds brought forward from previous years but the potential for ongoing pressures is being reviewed. At the outset of the Aldine House Expansion it was agreed that any overspends would be met from the revenue surplus generated. While revenue contributions have been received towards the scheme, a further £140k is now required to meet the forecast costs

Further funding is expected from the combined authority to meet the additional costs of the Transforming Cities Fund when next stage of funding is released.

	Business Unit	Policy Committee	FY Budget	FY variance on budget	Explanation
5.1	New Build Council Housing Newstead OPIL	HOUSING	1,101	2,715	FORECAST ERROR - Scheme on budget
5.2	Disabled Facilities Accelerated Adaptations Grant	ADULT HEALTH & SOCIAL CARE	2,230	2,707	Overspend - Increased assessment capacity, backlog demand from COVID alongside increasing general demand and increasing prices are placing strain on budget for non means tested smaller adaptations. Targeted work is ongoing to review longer term impact. Impact partly mitigated by reviewing expenditure on major extensions
5.3	Council Hsg Acquisitions Prog	HOUSING	7,152	1,375	Acceleration - The current forecast is for an overspend of £1.374 million against in year budget. This is as a result of the purchase of 13 strategically important 4 bedroom homes at nearly double the budgeted amount as well as increasing property purchase costs in the Sheffield market. However the overall programme expenditure across the life of the programme is not forecast to exceed budget.
Page 121	New Build Council Housing -Newstead-enabling works	HOUSING	1,948	933	Overspend - The total cost of the scheme is anticipated to increase by an additional £2,469.8K as a result of the following: Additional asbestos has been found on site which was not found in the original site investigations The confirmed utilities disconnection costs have exceeded the estimated costs Increase project costs as a result of removal of the red diesel subsidy Changes required to proposed drainage solution required by Yorkshire Water Alternative power supply required to be provided as a result of substation disconnection Budget variation for additional funding being brought for approval
	Upper Don Valley Flood Scheme Phase 1	TRANSPORT, REGEN & CLIMATE	3,209	674	Overspend - Differences between budgets and expenditure forecasts are due to the rising cost of the project (due to a combination of ecological factors, difficulties with landowner agreements, worse than expected ground conditions and condition of existing structures and the general "overheating" of the construction sector). Total forecast overspend over all years is £1.465m. Additional external funding has now been secured from the Environment Agency to fund this.
5.6	Council Housing Roofing Replacements Prog	HOUSING	3,736	537	Acceleration - Work is underway with the appointed administrator to finalise liabilities to the Avonside contractor (outstanding payments for works completed minus incurred costs).Arrangements are being put in place for properties that are partway through the reroofing works by means of a variation to the Novus Elementals contract to maintain these properties as weathertight and for H&S reasons (scaffolding still erected on these properties). This payment now forecast to be made in current financial year.
5.7	Aldine Hse- 2 Bed Extn & Muga	EDUCATION, CHILDREN & FAMILIES	1,050	318	Overspend - The overall expenditure is now forecast to be £176,177 over the current approved budget, however it should be noted whilst this includes allowances for known change, it does not include any project contingency. This has been fed back to the Head of Project Delivery who will be reporting this to the client. The overall forecast overspend includes £45k allowances for works which have moved from this contract to the current corner infill project, those works being bespoke bedroom furniture and smartboard enclosures. It is hoped that those items can be funded from the contingency budget on that scheme which would reduce the forecast overspend on this scheme. Approximately £140k additional funds are required to meet the overspend
5.8	Transforming Cities Fund Housing Zone North	TRANSPORT, REGEN & CLIMATE	889	250	OVERSPEND -Budget forecast updated to reflect the current estimated ECI costs. Negotiations are ongoing with regards to their allowance for provisional sum design costs. If successful, this cost may come down. Budgets will be uplifted to cover this when final scheme approved by SYMCA
5.9	Heart of The City programme costs	TRANSPORT, REGEN & CLIMATE	568	172	Acceleration - Budget allocation for financial year 2022/23 did not allow for current estimated costs for Communications, IT systems, marketing and SCC fees, therefore need to accelerate some of budget from 2023/24 to cover these.
5.10	Nether Green Junior Roof	EDUCATION, CHILDREN & FAMILIES	1,114	158	Acceleration
Total			22,997	9,839	

Section 6 – Key Risks and Issues

Key Issues

- **Disabled Facilities Grant** - A pressure is emerging on Disabled Facilities Grant Expenditure due to dealing with a backlog of assessments post COVID, rising demand and increasing inflation in the construction sector. A situation is developing where the £5.1m p.a. received from Government in respect of this activity will no longer be sufficient to meet expenditure. Balances carried forward from previous years should provide mitigation this year but there is the potential that previous decisions to use the funding to support wider activity such as Telecare and High Value Equipment may need to be revisited with potential revenue pressures. Working groups have been established to address the issue.

- **Upper Don Valley Flood Alleviation Scheme** - Newly identified forecast overspend position of £1.1m - **Update** - Formal offer of funding now received from Environment Agency

- **Schools Condition Allocation** - All School Condition Allocations received (up to 22/23) potentially fully committed may require reprioritisation if further urgent works identified.

Key Risks

Key risk areas -

Schemes funded via time limited grants:

- **Active Travel Fund - Sheaf Valley Cycle Route (£2.3m)** - Deadline 31/03/22 - Update Funding deadline extended to September 22. However, offer of funding to deliver Phase 1 not yet received from MCA - agreed to progress at risk. **UPDATE** - informal confirmation from MCA that spend deadline will be flexed to 31/03/23 - However this may still prove an issue for some elements of Active Travel Programme

High levels of inflation and supply issues re: construction materials - could have a significant impact on cost and delivery timescales of capital schemes. Could also lead to increased contractor disputes.

Several schemes are already identifying increases pre tender estimates and higher than anticipated tender returns i.e. Nethergreen School roof replacement, King Ecgberts school expansion scheme, Hemsworth New Build Council Housing Scheme . - **UPDATE** - Tender returns on Future High Streets Fund Public Realm Works indicate potential funding shortfall.