

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 30<sup>th</sup> SEPTEMBER 2012

### PURPOSE OF THE REPORT

1. This report provides the Month 6 monitoring statement on the City Council's Revenue Budget and Capital Programme for 2012/13. The first section covers Revenue Budget Monitoring and the Capital Programme is reported from paragraph 67.

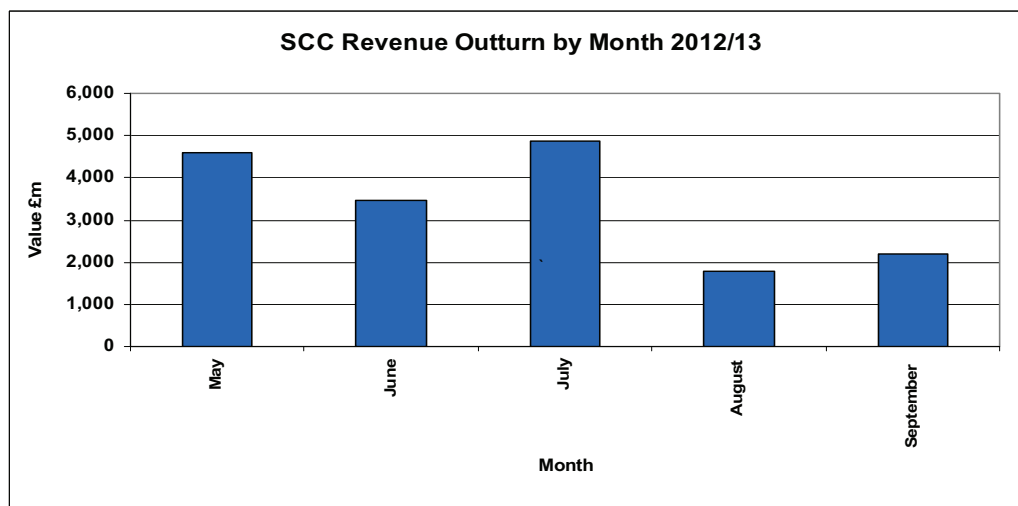
### REVENUE BUDGET MONITORING

#### SUMMARY

2. The budget monitoring position at month 5 indicated a forecast overspend of £1.8m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 6 shows a forecast overspend of £2.2m to the year end: i.e. a forecast adverse movement of £406k since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
CYPF	81,770	81,622	148	↔
PLACE	165,216	164,997	219	↓
COMMUNITIES	171,015	169,619	1,396	↑
DEPUTY CHIEF EXECUTIVE	11,115	10,956	159	↔
RESOURCES	61,278	61,052	226	↔
CORPORATE	(488,189)	(488,246)	57	↔
<b>GRAND TOTAL</b>	<b>2,205</b>	<b>(0)</b>	<b>2,205</b>	<b>↑</b>

3. The forecast outturn position has fluctuated since the start of the year. The position month by month is shown in the following chart:



4. In terms of the month 6 overall forecast position of £2.2m overspend, the key reasons are:

- Children Young People and Families (CYPF) are showing a forecast overspend of £148k, due mainly to increased costs within the Youth Justice Service in relation to individuals remanded into Local authority care.
- Place are showing a forecast overspend of £219k, due to additional costs of Museums Sheffield of £508k, £101k on the Waste Management Contract and £103k reduction in forecast grant/fee income on major events. These overspends are partly offset by £430k of planned slippage in grant funded projects. £203k of this planned slippage along with £106k of the Transitional HMR grant are the subject of carry-forward requests.
- Communities are showing a forecast overspend of £1.4m, due to a £3.2m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care. This is partly offset by the use of a £1m portfolio wide contingency and drawdown of Learning Disabilities Ex-Pool Reserves of £741k.
- Deputy Chief Executive's are showing a forecast overspend of £159k, due mainly to the increased cost of elections of £214k.
- Resources are showing a forecast overspend of £226k, due to a reduction in non-core income of £577k within Legal Services, delays in the MER process within Business Information Solutions £292k and £165k of additional costs relating to City Care Alarms. These overspends are partly offset by reductions in spending of £461k on Central Costs and £367k of increased income within Commercial Services.

5. The key reasons for the forecast adverse movement of £406k from month 5 are:

- Place are forecasting an improvement of £202k, due to further reductions in waste management costs of £195k, £120k reduction in spending on City Centre Management, £140k additional income in the Parks Service and £203k due to planned slippage in grant funded projects. These improvements are partly offset by an adverse movement of £514k within Development Services.

- Communities are forecasting an adverse movement of £734k, mainly due to increased costs resulting from service users transferring to SCC from Health due to reassessment under 'Continuing Health Care'.

## INDIVIDUAL PORTFOLIO POSITIONS

### CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

#### Summary

6. As at Month 6, the Portfolio is forecasting a full year outturn of an overspend of £148k, an improvement of £71k from the month 5 position. The key reason for the forecast outturn position is due to a forecast overspend of £114k in the Youth Justice Service, in Lifelong Learning, Skills and Communities, due to the higher costs and the increasing number of people remanded into Local authority care.

#### Financials (Non – DSG activity)

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY	12,941	12,924	17	↔
CHILDREN & FAMILIES	54,496	54,466	30	↔
INCLUSION & LEARNING SERVICES	5,654	5,671	(17)	↔
LIFELONG LEARN, SKILL & COMMUN	8,680	8,561	119	↔
<b>GRAND TOTAL</b>	<b>81,770</b>	<b>81,622</b>	<b>148</b>	<b>↔</b>

#### Commentary

##### DSG and Non DSG Budgets

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

##### **Non DSG Budgets**

8. There are no significant changes from the previous month on non-DSG budgets.

## DSG Budgets

9. The following is a summary of the forecast variance position on DSG budgets:

	Month 5 £000	Month 6 £000
Business Strategy	(90)	(110)
Children and Families	(44)	(62)
Inclusion and Learning Services	233	178
Lifelong Learning, Skills and Communities	0	(5)
	<b>99</b>	<b>1</b>

10. The key reason for the £98k improvement from the previous month is an improvement of £55k within Inclusion and Learning Services, due to various reductions in spending of £133k across the service, offsetting further demand of £41k against the Out of City Placements budgets within SEN and Targeted Services.

## PLACE

### Summary

11. As at month 6, Place Portfolio is forecasting a full year outturn of an overspend of £219k, prior to carry-forward requests of £309k (i.e. £528k over budget). This is an improvement of £202k on the previous period. The key reasons for the forecast position are:
- **Business Strategy and Regulation:** a forecast £101k overspend due to delays in agreement with the contractor on planned waste management savings, largely offset by other one-off savings / income.
  - **Culture and Environment:** a forecast £287k overspend arising from additional grant payments made as part of a wider funding stabilisation programme for Museums Sheffield £500k, offset to some extent by reductions in spend / additional income within parks and city centre management.
  - **HERS:** a forecast £430k reduction in spending primarily from planned slippage of grant funded project spend (Local Growth Fund and Transitional HMR) into the following financial year.
  - **Marketing Sheffield:** a forecast £103k overspend due to reduced grant / fee income on major events.

## Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY & REGULATION	32,648	32,547	101	↓
CREATIVE SHEFFIELD	3,977	3,986	(9)	↔
CULTURE & ENVIRONMENT	41,344	41,057	287	↓
DEVELOPMENT SERVICES	85,199	85,113	86	↑
HERS	1,557	1,987	(430)	↓
MARKETING SHEFFIELD	1,128	1,025	103	↔
STREET FORCE	(1,028)	(1,055)	27	↔
SUSTAINABLE DEVELOPMENT	390	337	53	↔
<b>GRAND TOTAL</b>	<b>165,216</b>	<b>164,997</b>	<b>219</b>	<b>↓</b>

## Commentary

12. The following commentary concentrates on the changes from the previous month and any key risks.

### Business Strategy and Regulation

13. The current forecast for this activity is £101k over budget, an improvement of £195k this period arising from further reductions in waste management costs.

### Culture and Environment

14. The current forecast for this activity is £287k over budget, an improvement of £205k this period. The improvement is largely attributable to reduced costs in city centre management (£120k) and additional income within parks (£140k).
15. The overall forecast out-turn is £287k over budget due to the cost of additional grant payments (£500k) required as part of a wider funding stabilisation programme of Museums Sheffield. This brings to £1.15m the total additional funding granted this year. This package will address historic financial problems within the organisation and clear its outstanding financial liabilities, providing a level of working capital that will allow for the organisation to meet its financial commitments in coming years. These commitments include the repayment of the £650k loan granted in 2007 by Sheffield City Council. Members are recommended to approve the delegation to the Director of Finance acting in conjunction with the Director of Culture and Environment to release this additional grant as the need of Museums Sheffield dictates.

**Development Services**

16. The current forecast for this activity is broadly balanced, but shows a £514k adverse movement this period. The adverse movement is mainly attributable to street lighting energy costs which are provisionally forecast at £481k over budget for the pre-PFI contract period to mid August. However, subsequent investigations have identified the forecast to be overstated by £220k and the position will be amended in the next period.
17. A key risk/pressure remains securing £10m planned external fee income from planning, building regulation and car parking activities. Service manager forecasts indicate a £500k (5%) shortfall (a £125k adverse movement from the previous month). This is largely within car parking, and in part results from delays in the implementation of approved budget savings on CCTV enforcement which have now commenced.
18. The above pressure is being offset by staff costs across the whole Development Services area being forecast at £600k below budget.

**HERS**

19. The current forecast for this activity is £430k under budget, an improvement of £243k on the previous period. The improvement predominantly relates to £750k of recently approved Local Growth Fund projects, where the phasing of £203k of this spend is now planned to slip into the following financial year and is subject to a request to carry-forward. The ultimate value of the slippage may change depending upon progress made in delivery of the projects.
20. It should be further noted that part of a Transitional HMR grant received from the Homes and Communities Agency for the Sheffield City Region Partnership to help safeguard capacity and knowledge, is also subject to a proposed carry-forward of £106k. This carry-forward was noted but not approved in month 5 monitoring.
21. Excluding the two carry-forward requests above, the service is forecast at £120k below budget, largely due to staff savings (£92k) arising from the completion of the capital delivery service restructure earlier than had been anticipated.

## COMMUNITIES

### Summary

22. As at Month 6, the Communities Portfolio is forecasting a full year outturn of an overspend of £1.4m, an adverse movement of £734k from the month 5 position. The forecasted outturn position reflects:
- **Business Strategy:** a forecast £1.0m reduction in spending, due to contingencies held in Portfolio-Wide Services to offset overspends on care purchasing budgets (especially in Learning Disabilities (LD) services). This is consistent with last month's forecast position.
  - **Care and Support:** a forecast £3.2m overspend, due to LD purchasing (£2.1m), LD Transport contract (£220k), Provider Services (£840k), Older People's care purchasing (£1m) partially offset by staff savings (£700k). Also reported in month 6 is an under recovery (£300k) on residential and nursing care income. These overspends are offset, to some degree, by a reduction in spending across Housing-Related Services of £270k. This forecast is an adverse movement of £741k from the previous month.
  - **Community Services:** forecast to budget. This forecast is an improvement of £140k from the previous month.
  - **Commissioning:** a forecast £741k reduction in spending, due, primarily, to movement of Learning Disabilities Ex-Pool Reserves from the Balance Sheet into revenue. This forecast is an adverse movement of £160k from the previous month.

### Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS STRATEGY	13,207	14,213	(1,006)	↔
CARE AND SUPPORT	108,085	104,928	3,158	↑
COMMISSIONING	38,580	39,321	(741)	↑
COMMUNITY SERVICES	11,143	11,158	(15)	↓
<b>GRAND TOTAL</b>	<b>171,015</b>	<b>169,619</b>	<b>1,396</b>	<b>↑</b>

### Commentary

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

### Care and Support

24. This area is forecasting a £3.2m overspend, an adverse movement of £741k from last month, due mainly to service users transferring to SCC from Health as a result of reassessment under 'Continuing Health Care'. These reassessments impact upon Older Peoples and Learning Disability Services. This is an ongoing issue which will require detailed monitoring / scrutiny throughout the year. There is a further issue relating to a potential reduction in planned savings from the reablement initiative which could add up to £1m to the figures reported: further work will be undertaken to resolve this issue by month 7.

### Community Services

25. Overall this area is forecasting expenditure to budget compared to last month's position of £125k overspend. This improvement from last month is due to vacant posts in Library Service which will not be filled.

### Commissioning

26. This area includes the mental health, adult social care and housing commissioning functions of the portfolio and is forecasting £741k reduction in spend, compared to last month's position of £900k reduced spend. The adverse movement of £159k is due, mainly, to Mental Health Care Purchasing increase in expenditure of £111k and Mental Health Dementia strategy increase in expenditure of £113k. Some reductions in expenditure in other areas result in the net adverse movement of £159k.

## RESOURCES

### Summary

27. As at Month 6, the Portfolio is forecasting a full year outturn of an overspend of £226k, which is consistent with the month 5 position. The key reasons for the forecast outturn position are:
- **Business Information Solutions:** a forecast £292k overspend, due mainly to an anticipated delay in the MER process required to make staff savings.
  - **Commercial Services:** a forecast £367k underspend, due to increased savings income.
  - **Legal Services:** a forecast £577k overspend, due to reduction in non-core income.



- **Customer Services:** a forecast £165k overspend, due to a delay in implementing new contract arrangements for City Care Alarms and overspend in unsocial hours payments.
- **Central costs:** a forecast £461k reduction in spending.

## Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
BUSINESS INFORMATION SOLUTIONS	(278)	(570)	292	↔
COMMERCIAL SERVICES	1,960	1,909	51	↔
COMMERCIAL SERVICES (SAVINGS)	(1,187)	(820)	(367)	↔
CUSTOMER FIRST	5,853	5,853	(0)	↔
CUSTOMER SERVICES	2,969	2,804	165	↑
FINANCE	1,733	1,744	(11)	↔
HUMAN RESOURCES	483	473	10	↔
LEGAL SERVICES	2,818	2,241	577	↔
PROGRAMMES AND PROJECTS	1,725	1,755	(30)	↔
PROPERTY AND FACILITIES MGT	31,136	31,136	(0)	↓
TRANSPORT	425	425	0	↔
<b>TOTAL</b>	<b>47,637</b>	<b>46,950</b>	<b>687</b>	<b>↓</b>
CENTRAL COSTS	14,128	13,100	1,028	↑
BENEFIT SUBSIDY	(487)	1,002	(1,489)	↓
<b>GRAND TOTAL</b>	<b>61,278</b>	<b>61,052</b>	<b>226</b>	<b>↔</b>

## Commentary

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

### Customer Services

29. The key reason for the adverse movement in forecast from month 5 of £167k is due to in-year forecasting improvements.

### Property and Facilities Management

30. The key reason for the £124k improvement in the forecast position at month 6 is due to a forecast reduction in spend for contract cleaning in the Markets.

### Central Costs

31. Central costs are forecasting a £461k reduction in spend, an adverse movement of £50k from the month 5 position. The key reason for this is due to an adverse movement on the Benefits Subsidy.

Central Costs	Forecast Variance Month 6 £ 000	Forecast Variance Month 5 £ 000
Capita – Control Account	155	156
Capita – ICT BIS	675	657
Capita – Finance	440	288
Capita - HR	297	308
<b>Sub total Capita</b>	<b>1,567</b>	<b>1,409</b>
Benefits subsidy	(1,489)	(1,513)
Other Central Costs	(539)	(407)
<b>Total</b>	<b>(461)</b>	<b>(511)</b>

## DEPUTY CHIEF EXECUTIVE'S

### Summary

32. As at Month 6, the Portfolio is forecasting a full year outturn of an overspend of £159k, an improvement of £6k from the month 5 position. The key reason for the forecast outturn position is a forecast £214k overspend in Modern Governance due to higher forecast election costs. This forecast is an adverse movement of £10k from the previous month.

### Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 5
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
BUSINESS DEVELOPMENT	2,592	2,686	(94)	↔
HEALTH IMPROVEMENT	200	200	0	↔
MODERN GOVERNANCE	3,944	3,730	214	↔
PERFORMANCE AND CORP PLANNING	829	787	42	↔
POLICY,PARTNERSHIP,AND RESEARC	3,550	3,553	(3)	↔
<b>GRAND TOTAL</b>	<b>11,115</b>	<b>10,956</b>	<b>159</b>	↔

### Commentary

There are no significant changes in the forecast full year outturn from the previous month.

## CORPORATE ITEMS

### Summary

33. The month 6 forecast position for Corporate budgets is a £57k overspend, which represent no significant movement 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>FY Budget</u>	<u>FY</u>
	<u>£'000</u>	<u>£'000</u>	<u>Variance</u>
			<u>£'000</u>
Corporate Budget Items	46,175	46,689	-514
Savings Proposals	-1,221	-1,794	573
Income from Council Tax, RSG, NNDR, other grants and reserves	-533,142	-533,141	-1
<b>Total Corporate Budgets</b>	<b>-488,189</b>	<b>-488,246</b>	<b>57</b>

34. Corporate Budget items are showing a forecast underspend of £514k due to the temporary reduced cost of borrowing and increased investment income within the capital financing budget. This forecast outturn is consistent with the month 5 position.
35. The forecast reduction on Savings Proposals of £573k relates to a reassessment of the sundry debt collection rates and subsequent revision, based upon month 6 actuals. This forecast outturn is also consistent with the month 5 position

## LOCAL GROWTH FUND

36. The position on the Local Growth Fund is as follows:

	<b>Total</b>	<b>2012/13</b>	<b>Unspent</b>
	<b>Allocated</b>	<b>Spend to</b>	<b>Balance</b>
	<b>£000</b>	<b>Date</b>	<b>£000</b>
		<b>£000</b>	
Approved Schemes	3,585	225	3,360
Schemes Pending Approval	108		108
Unallocated Balance	1,640		1,640
<b>Total Fund</b>	<b>5,333</b>	<b>225</b>	<b>5,108</b>

37. Spending on Local Growth Fund projects has been very slow following the approvals earlier in the year. Profiled spends appear to be very ambitious and, without a significant improvement in project delivery

performance, it is likely that a substantial portion of the approved amount will need to be carried forward to next year.

## HOUSING REVENUE ACCOUNT

38. The revised budgeted position for the HRA is a draw down from reserves of £1.3m (excluding Community Heating). As at month 6 the position is a contribution of £6.2m into reserves, a reduction in spending of £7.5m on the budgeted position.
39. The main reason for the variation in the overall budget position relates to an anticipated reduction in capital financing costs. The overall reduction is estimated to be around £5.5m (compared to £4.1m reported last month). This is primarily as a result of access to more attractive interest rates.
40. Although some of this overall saving on interest rates is sustainable, some is a one off. Now that HRA is self-financing, the Council will have to consider the longer term risks on interest rates and ensure that its 30 year business plan includes a sustainable level of debt, factoring in the cost of the additional capital investment required to fund the backlog maintenance. This will be considered as part of the refresh of the HRA business plan later this year.
41. Other main areas that contribute to the improved year end forecast position include revised rental income £300k; a reduction in the level of vacant properties £300k and related council tax savings of £200k; revised service charge income £300k; a reduction in running costs £500k and a delay in a number of projects £400k.
42. **Community Heating:** the budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 6 the forecast position remains the same as previously reported with a draw down of £700k from reserves resulting in a reduction in spending of £300k. This is primarily due to an estimated reduction in energy costs due to the milder weather and invoiced consumption.

## CORPORATE FINANCIAL RISK REGISTER

43. 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**

44. 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 the procurement of a new private sector partner. The Council faces risks on its direct investment, as well as on guarantee clauses to key contractors. Provision has been made in the 2011/12 accounts for the potential capitalised costs of the losses on current operations and the procurement.

**Capital Receipts & Capital Programme**

45. 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.
46. 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**

47. 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**

48. 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.
49. 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. At September, the target was 77% but the actual is only 65%, mainly as the result of the termination of BIBC's license.

### **Contract Spend**

50. 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**

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

### **NHS Funding Issues**

53. 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**

54. 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**

55. There is a low risk that it will not be possible to recover outstanding contributions from the other South Yorkshire Authorities. However, negotiations are in the final stages and there is an expectation that an agreement will be reached.

## External Funding

56. 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

57. 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. Based on projected academy conversions for 2012/13 this could mean that up to £800k of DSG funding would be deducted from the Council's central spending budgets and given to the Academies.
58. From 2013/14 the DfE are proposing to introduce a new system of funding for central education support services for maintained schools and academies. Based on the current DfE consultation proposals and the projected number of academies this would mean that around £3.9 million of DCLG funding and £1.7 million of DSG funding would be deducted from the Council's budgets. The risk is that this would leave an inadequate level of funding to maintain the centrally retained services and thus cuts would have to be made to balance the budget.
59. There are also further potential risks if a school becoming an academy is a PFI school, it is still unclear how the assets and liabilities would be transferred to the new academy and whether the Council could be left with residual PFI liabilities.
60. 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 the Council with a larger affordability gap to fund.
61. Currently, 5 primary schools and 6 secondary schools have converted in 2012/13. It is anticipated that 26 schools, in total, will have converted to academy status (16 primary /10 secondary) by the end of the year.
62. In 2013/14 a further 14 academy conversions (13 primary / 1 secondary) are currently anticipated.
63. If an academy is a sponsored conversion then the Council will have to bear the cost of any closing deficit balance that remains in the Council's accounts.

### **Treasury Management**

64. 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.
65. 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**

66. 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**

67. At the end of September 2012, capital expenditure so far to date is £25.8m (30 %) below budget. The outturn forecast is £33.8m (16 %) below the Approved Capital Programme.



68. The variation in the year to date position arises mainly from either operational delays or project slippage. During the month of September, expenditure was £10,8m (44%) below the programme budget reflecting a 73% £7.3m in the CYPF programme. Only the Communities programme was above budget (£300k).
69. The forecast for the year shows all portfolios underspending against the approved programme. The forecast, at £176.7m, is £3.4m lower than the Month 5 position (£180.1m) with the biggest falls being in the Place programme (£2.8m) where the forecast recognises the end of the Local Transport Plan ( LTP) Highway Maintenance support grant (£2.5m) on transition to the Highways PFI regime where the Council will make a £1.2bn investment in the road network.

### Financials 2012/13

<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	25,899	33,213	(7,314)	74,121	77,297	(3,175)
Place	10,106	14,910	(4,804)	21,909	32,111	(10,203)
Housing	19,745	28,742	(8,997)	58,990	71,887	(12,896)
Communities	739	1,401	(663)	3,005	3,465	(460)
Resources	3,153	7,195	(4,042)	18,662	25,780	(7,118)
<b>Grand Total</b>	<b>59,641</b>	<b>85,461</b>	<b>(25,820)</b>	<b>176,687</b>	<b>210,540</b>	<b>(33,852)</b>

70. Further detail can be found in the specific sections below.

### Commentary

71. Delays in forecasting by project managers accounts for £6.6m (20%) of the projected shortfall on the annual programme.

### Children, Young People and Families Programme

72. CYPF capital expenditure is £7.3m (22%) below the profiled budget for the year to date and forecast to be £3.2m (4%) 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>
Slippage to be carried forward	0	-600
Operational delays in projects due to planning, design or changes in specification	-1,041	0
Revised profile for Building Schools for the Future programme	-2,349	0
Incorrect budget profiles	-2,852	0
Delayed forecasts	0	-362
Underspending on project estimates	-302	-1,781
Other variances	-771	-432
	<b>-7,314</b>	<b>-3,175</b>
Spend rate per day	210.6	298.9
Required rate to achieve Outturn	472.8	
Rate of change to achieve forecast	124.5%	

73. £1.0m of the variation in the year to date position arises from operational delays principally on the Primary Prioritisation programmes (£800k).

74. The CYPF forecast shows a projected reduction in spend against the approved programme of £3.2m as potential underspends on projects have been identified. The main variances are £1.1m on the Primary maintenance programmes, £300k behind on the Population Expansion Programme plus anticipated slippage of £600k on the Foster Carers Housing Extension project which has been delayed by questions on the tax status of the payments to foster parents.

### Place Programme

75. The Place portfolio programme (excluding Housing) is £4.8m (32%) below the profiled budget for the year to date and forecast to be £10.2m (32%) below the programme by the year end for the reasons set out in the table below. The majority of the under spend to date (£2.1m) is on Highways schemes. Other significant programme under spending is on Parks schemes (£700k below budget spread across all schemes), City Centre area improvement projects (down £1.3m) such as the Moor, Edward Street and Arundel Street environmental improvements and offset by New Retail Quarter Compulsory Purchase Orders which are ahead of profile (£418k).

76. The forecast projects some recovery of slippage during 2012/13 against the approved programme with a relatively modest change in the spend rate to date.

<b>Cause of change on Budget</b>	<b>Year to Date £000</b>	<b>Full Year Forecast £000</b>
Slippage to be carried forward	-1,235	-1,978
Operational delays in projects due to planning, design or changes in specification	-809	-378
Incorrect budget profiles	-1,454	0
Delayed forecasts	0	-5,485
Projects submitted for Approval	0	165
End of LTP Highways Maintenance grant	0	-2,533
Overspending on project estimates	-197	-8
Other variances	-1,109	16
	<b>-4,804</b>	<b>-10,203</b>
Spend rate per day	82.2	88.3
Required rate to achieve Outturn	115.7	
Rate of change to achieve forecast	40.8%	

### Housing Programme (Place Portfolio)

77. The Housing capital programme is £9m (31%) below the profiled budget for the year to date and forecast to be £12.9m (18%) 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>
Slippage to be carried forward	-1,827	-4,020
Operational delays in projects due to planning, design or changes in specification	-613	-38
Incorrect budget profiles	-64	0
Projects submitted for Approval	-2,877	-6,533
Home Improvement grants held on behalf of other local authorities	-431	80
Under spending on project estimates	-590	-1,751
Other variances	-2,595	-635
	<b>-8,997</b>	<b>-12,896</b>
Spend rate per day	160.5	237.9
Required rate to achieve Outturn	384.8	
Rate of change to achieve forecast	139.7%	

78. The forecast shows a further £4.4m reduction against the approved programme compared to last month. Even so, the current rate of spend on projects needs to increase by 140% if the forecast is to be delivered (slightly higher than last month). The slippage is reflected in the submission of £6.5m of projects for approval to have their budgets revised downwards this year (Insulation (£900k) and District Heat metering (£1.7m) being the main changes).

### Communities

79. The year to date spend on the Communities portfolio capital programme is £700k (47%) below the profiled budget, which relates to £632k on the implementation of the ICT infrastructure project, an improvement of £200k on last month's position. Most of the forecast variance occurs on two projects related to mental Health and the Wincobank Community centre and both are the subject of slippage requests as per Appendix 1 to this report.

### Resources

80. The year to date spend is £4m (56%) below the programme and £7.1m below the approved budget for the whole year 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>
Slippage to be carried forward	-1,418	-5,336
Incorrect budget profiles	-1,881	0
Delayed forecasts	0	-721
Projects submitted for Approval	0	-78
Other variances	-743	-983
	<b>-4,042</b>	<b>-7,118</b>
Spend rate per day	25.6	75.2
Required rate to achieve Outturn	152.0	
Rate of change to achieve forecast	493.1%	

81. Although the change in the rate of spend is very high this has fallen from 695% last month. The current forecasts recognise the slippage to date:
- Slippage on the new Moor Market (£1.7m) following late agreement of the details of the contract and a revised project building plan. This is expected to continue to the end of the year;
  - slippage on the Accommodation strategy projects (£644k);
  - £87k behind profile on the Asset Realisation project;
  - £869k behind on small schemes across the Council's estate;
  - £501k behind profile on Civic Building refurbishment schemes; and
  - £86k behind on the Vehicle Replacement programme.
82. The year end forecast has decreased by a further £2.8m from last month and is now expected to be £7.1m (25%) below the approved programme comprising:
- £3.4m slippage on the Accommodation strategy project;
  - £1.8m slippage on the Moor Indoor market;
  - £408k slippage on the Asset Realisation project which is designed to make vacant sites more attractive to potential developers raising cash for the Council much faster;
  - £631k on the general Council building refurbishment and repairs programme;
  - £612k on roof and lift replacement at the Town Hall; and
  - £137k slippage on the Road Transport fleet replacement programme (halved from last month's position).

## Approvals

83. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
84. Below is a summary of the number and total value of schemes in each approval category:
- 16 additions to the capital programme with a total value of £18.5m;
  - 12 variations to the capital programme creating a net increase of £47k;
  - 2 slippage request of £369k;

- 1 contract award;
- No instances where Executive Directors and Cabinet Members have exercised their delegated powers to make emergency approvals; and
- 1 instance where directors have exercised their delegated powers to vary approved expenditure levels.

85. Further details of the schemes listed above can be found in Appendix 1.

## **FINANCIAL IMPLICATIONS**

86. 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**

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

## **PROPERTY IMPLICATIONS**

88. 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**

89. 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 release of £500k of additional financial support to Museums Sheffield as part of a long term stabilisation funding package as detailed in paragraph 15.
- (c) In relation to the Capital Programme:
  - (i) Approve 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) Approve the proposed variations in Appendix 1, noting that some have already been approved by EMT within its delegated authority.
- (iii) Note the emergency approvals and variations approved by Directors under their delegated authority; and note;
- (iv) the latest position on the Capital Programme including the current level of forecasting performance.

## **REASONS FOR RECOMMENDATIONS**

90. 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**

91. 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**





**Capital Schemes**

Scheme Description	Approval Type	Value £000	Procurement Route
<p><b>ADDITIONS:-</b></p> <p><b>Two New Primary Schools:</b></p> <p>Ongoing analysis, based on local birth rates and of demographic factors, shows that the number of pre-school children (0-4) resident across the North East area of Sheffield have been steadily rising to the extent that, by September 2014, there will be insufficient places at local primary schools to admit all locally resident children to a place at a local school.</p> <p>Capacity within existing schools in these areas is already maximised to the extent that without <b>new</b> primary schools to accommodate this demand, large numbers of local children will be forced to travel daily to out-of-area schools with available places, thereby increasing the risk of non-attendance by these children, poor parental engagement with schools and increased traffic movements, all of which have the potential to negatively impact on standards and life chances for these children and their families.</p> <p>In order then to meet the Council's statutory duty to provide sufficient local places for all children admitted to school it will be necessary to create two new 2 Form Entry (60 pupils per year) primary schools in North East Sheffield. Design for, followed by construction of these new primaries must now be started in order to admit all local pupils by the September 2014 deadline for places. The exact location and school names have yet to be determined.</p> <p>Procurement is to be through a two-stage competitive tender exercise via the Yorbuild framework.</p>			

**Capital Schemes**

<p>The design and construction of two new primary schools in North East Sheffield is to be funded from DfE Basic Need funding allocations. There is currently a carried forward balance of £2.4m in the Basic Need 1 fund that can be added to the £4.8m remaining in the second stage Basic Need fund. The Government has already signalled that future Basic Need allocations will continue to be based upon both existing pupil numbers and forecast numbers based on current demographic data. Given the forecasts for Sheffield continue to show existing and future pupil numbers outstripping available places, our future Basic Need allocations are expected to continue in the region of at least £4.5m to £5m per annum. There is therefore sufficient certainty within this commitment to fund future Basic Need allocations that Sheffield will be able to more than adequately cover the total planned expenditure of £11.3m by September 2014. A number of SCC sites are being evaluated and should any re-location costs arise from the displacement of existing occupants these will be borne by the project</p> <ul style="list-style-type: none"> <li>• <b>New Primary School – North East 1</b></li> <li>• <b>New Primary School – North East 2</b></li> </ul> <p>The first stage of the tender process will need to be issued in early November prior to Cabinet approval to enable selection of a preferred design and build partner. The policy recommendation to build these two primary schools is going to Cabinet on 31<sup>st</sup> October 2012.</p>	<p>Addition</p>	<p>5,780</p>	<p>YorBuild</p>
<p><b>Westfield Sports Village</b> This is a new project that will be undertaken as a Design and Build contract. SCC is providing Project management and Quantity Surveyor expertise only. No SCC capital is required for this project. The £600k from the City Region Fund, will be used to fund the access road.</p>	<p>Addition</p>	<p>4,732</p>	<p>OJEU Competitive Tender</p>

**Capital Schemes**

<p>The works themselves comprise:- construction of a community football centre with pavilion and new changing rooms, offices, gym, studio, training and social rooms, artificial turf pitches with floodlighting; groundsman's store, car park and access road.</p> <p>The works are to be undertaken on the old Westfield School and Sports Centre site and the project will assist with the improvement and regeneration of sports facilities in the Westfield area.</p> <p>Funding for the project comes from the following organisations, Football Association (£1,682k), Sport England (£750K), City Region Fund (£600k), Sheffield &amp; Hallam CFA (£600k), Football Foundation (£500k), Health &amp; Fitness (£500k) and the RFU (£100k).</p>		
<p><b>Sheaf Valley Green Links</b></p> <p>This project forms part of Phase 2 of the Sheaf Valley Park masterplan programme and contributes to the regeneration of Park Hill area. It will improve connectivity to the railway station, buses and trams, city centre employment and education, and will enhance the quality of life for residents and employees in the Park Hill area. It comprises creation of a new shared pedestrian and cycle path, with lighting, in the Sheaf Valley Park area, to run from the railway station to Park Hill flats.</p> <p>This project is funded by the Local Growth fund and has already been approved by the Cabinet Members for Housing regeneration and Finance. The overall aim of LGF funding is to stimulate the housing market in the Sheaf Valley Park area. It is high priority as funding is in place and time limited. £68k of LGF funding will be used as revenue to cover the first 5 years landscape maintenance on completion of the project. This will be undertaken by Parks.</p> <p>The project will be procured using standard council procedures via competitive tender, undertaken jointly with a similar project, Clay Wood Green Link. A further £68k of revenue costs for maintenance and pre-approval spend will be funded from Local</p>	<p>Addition</p>	<p>336*</p> <p>Competitive Tender</p>

**Capital Schemes**

<p>Growth Fund.</p>	<p><b>HAL – Loans Sheffield</b> – A review of the Home Appreciation Loans has identified an early loan redemption of £80k which it is proposed will be used for loans to financially vulnerable people living in unsafe housing conditions. Funds are allocated against oldest applications with similar levels of need.</p>	<p>80</p>	<p>Addition</p>	<p>N/A</p>
<p><b>Lower Don Valley Cycle Route</b>                  The proposal relates to the cost of work done by Sheffield City Council as part of a larger joint project with Rotherham Council, with the total £1.1m of funding being split to cover each Authority's costs accordingly. Commuted sums are being minimised through design solutions so as to maintain the current level of highways maintenance budget</p> <p>The main output from the project is to be a complete tarmac route from Sheffield City Centre to Rotherham Town Centre.</p> <p>The project is funded from a Local Sustainable Transport Fund (LSTF) main bid fund (a Dept. for Transport grant), with districts drawing down a cash grant, as expenditure is incurred (2 months in arrears). This is a time limited Government Grant, so a lack of spend in year one, would mean money would be lost, as funding can not be carried forward.</p> <p>The project is to be procured through a PFI contractor (Amey) for the Sheffield area schemes, with tenders for bridge work using Construction line via a separate procurement strategy.</p>	<p>336</p>	<p>Addition</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>	
<p><b>Fire Strategy Works</b>                  The above project responds to SCC's statutory responsibility to comply with the latest fire risk assessment requirements, identified as a priority by the South Yorkshire Fire &amp; Rescue's fire officer, which will need completing as soon as possible. If the work is not</p>	<p>350</p>	<p>Addition</p>	<p>Jobs Compact – Kier Sheffield LLP</p>	

**Capital Schemes**

<p>done there is a risk of closure of buildings by South Yorkshire Fire &amp; Rescue due to non-compliance with legislation.</p> <p>Works are to be carried out at Fir Vale Centre, Park Library and Youth Club and include the design and build of:</p> <ul style="list-style-type: none"> <li>• New fire alert, detection and illumination system;</li> <li>• Renewal of fire doors;</li> <li>• Installation of adequate compartmentalisation;</li> </ul> <p>and are mandatory to comply with fire officer requirements to meet current Fire regulations.</p> <p>The project is funded from the Corporate Resource Pool – block allocation for (total £4.2m available: with £350k allocated to this project).</p> <p>Procurement is to be via Design and Build under Jobs Compact with Kier (Sheffield) LLP.</p>			
<p><b>Castlegate SYPTE Acquisition</b></p> <p>The project encompasses the acquisition of former SYPTE offices at Castlegate to enable a future regeneration scheme once Castle Market is relocated. Acquisition will consolidate SCC ownerships at Castlegate to enable delivery of a major regeneration project once the Markets relocate to The Moor. The property adjoins the existing Castle Market and acquisition will consolidate SCC ownership and enhance the site value.</p> <p>Acquisition is to be funded through the Local Growth Fund. Part of the property will be demolished and incorporated into the adjoining Castle Market site; the building to be retained will be resold once Markets have relocated and completion of the archaeology investigation of the castle. Subsequent disposal from residential use should generate further Local Growth Fund as well as capital receipts.</p>	Addition	500	Legal Services to be commissioned through the DLA framework contract

**Capital Schemes**

<p>There is a risk to SCC that property market will not have recovered sufficiently by 2017 to allow the sale of the retained building as intended. Holding costs in those circumstances may therefore need to be over a longer period until market conditions improve.</p> <p>The procurement strategy is to acquire the property from SYPTE at an agreed value using external solicitors under an existing legal services contract to complete the transaction.</p>			
<p><b>Traffic, Transport and Parking Services</b></p> <p>The four programmes within Traffic, Transport and Parking services are Local Sustainable Transport Fund (main scheme), Better Buses fund, Local Sustainable Transport Fund (key component) and the Local Transport Plan.</p> <p>Any unspent 2012/13 local Sustainable Transport Fund (main scheme) and Better Buses Fund will be returned to the Department for Transport. There is the flexibility to slip Local Sustainable Transport Fund (key component) and Local Transport Plan programmes into future years. Therefore, some of the changes within the programmes are to enable staff resources to be prioritised on projects which are part of the time limited programmes.</p> <p>Committed sums are being minimised through design solutions so as to maintain the current level of highways maintenance budget</p>			

**Capital Schemes**

<b>Road Safety Schemes</b>				
<p><b>Monteney Primary School, Wordsworth Avenue</b>                      The project is the building of a school entrance scheme at Monteney School, Wordsworth Avenue. The scheme was originally designed in 2009 but was not constructed due to significant in year budget cuts. This addition is funded through other reductions within the LTP programme this month                      The Primary benefit of this scheme is to improve safety on the walking route to school</p>	Addition	85	Single source tender and in accordance with Schedule 7 of the Highways PFI contract	
<p><b>Westways School, School Road</b>                      The project funds the final costs of a school entrance scheme at Westways School, Crookes. The scheme started constructed in 2011/12. This addition funded through other reductions within the LTP programme this month.                      The Primary benefit of this scheme has been to improve safety via a new zebra crossing on the walking route to school</p>	Addition	15	Single source tender and in accordance with Schedule 7 of the Highways PFI contract	
<p><b>Community Assembly – North East</b>                      The project is to fund the design and build of a small road safety scheme on Etwall Way, Firth Park. This addition (funded through other reductions within the LTP programme this month) was endorsed by Cllr Bramall at a Transport lead Member briefing on 3<sup>rd</sup> August 2012. This scheme is funded from the Local Transport Plan.                      The Primary benefit of this scheme is to improve road safety</p>	Addition	11	Single source tender and in accordance with Schedule 7 of the Highways PFI contract	
<b>Action for cyclists</b>				
<p><b>Hanoverway (Cycle Route)</b>                      Ring Road Cycle Route (from Broomspring Lane to Broomhall Street). The project will build, on the east side and upgraded the existing, on the west side of the shared pedestrian and cycle route between Broomhall Street and Broomspring Lane. The scheme was originally designed in 2009 but was not constructed due to significant in year budget cuts. This new allocation of £35k is funded through other reductions within</p>	Addition	101	Single source tender and in accordance with Schedule 7 of the Highways PFI contract	

**Capital Schemes**

<p>the LTP programme this month and a new allocation of £70k from the Local Sustainable Transport Fund – allocated by the Central LTP team. The Primary benefit of this scheme is to provide an upgraded and new link in the City's cycle route network.</p>			
<p><b>Public Transport Measures</b> <b>Attercliffe Road Clearway Changes</b> This new allocation is to enable the signing and lining on Attercliffe Road (between Staniforth Road and the M1) to be brought up to enforceable standard. This project is funded by the Sheffield enforcement package within the successful 'Better Buses' bid approved by the Integrated Transport Authority on 1<sup>st</sup> March 2012 The Primary benefit of this scheme is to improve traffic management by enabling better enforcement of existing restrictions</p>	<p>Addition</p>	<p>23</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>
<p><b>Chesterfield Road Clearway Changes</b> This new allocation is to enable the signing and lining on Chesterfield Road (between Meadowhead and Queens Road) to be brought up to enforceable standard. This project is funded by the Sheffield enforcement package within the successful 'Better Buses' bid approved by the Integrated Transport Authority on 1<sup>st</sup> March 2012. The Primary benefit of this scheme is to improve traffic management by enabling better enforcement of existing restrictions</p>	<p>Addition</p>	<p>91</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>
<p><b>Malin Bridge Job Connector</b> This new allocation is to enable the design and construction of a new bus stop at Malin Bridge for the Stannington Supertram Link bus. This project is funded by the Don Valley Improvement package within the successful 'Local Sustainable Transport Fund' bid approved by delegated authority to the Integrated Transport Authority (ITA) Chair following the ITA meeting on 1<sup>st</sup> December 2011 The Primary benefit of this scheme is to provide an improved bus waiting facility at Malin Bridge tram stop that reduces the impact on general traffic in the area.</p>	<p>Addition</p>	<p>21</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>





**Capital Schemes**

<p>investigated on Wordsworth Avenue. This variation will be used to fund other changes within the LTP programme The Primary benefit of this combined scheme is to improve safety on the walking route to school and tackle issues associated with an accident 'cluster' sites.</p>				
<p><b>Citywide 20MPH Zone</b> The increase in project funding is to fund the acceleration of reviewing zig-zags outside schools, ensuring that they are brought up to an enforceable standard. The acceleration of the programme is to ensure alignment with the Streets ahead project. The increase will also fund the higher than originally anticipated fees associated with the feasibility stage of 20MPH Zones scheme design. This variation (funded through other reductions within the LTP programme this month) will still enable two schemes to be constructed in 2012/13. The Primary benefit of this scheme would be to improve road safety by signing reduced traffic speeds in residential areas.</p>	<p>EMT Variation</p>	<p>50</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>	
<p><b>Action for pedestrians</b></p>				
<p><b>A57 Nile Street/Manchester Road</b> The full project is the building of a pedestrian crossing phase within an existing set of traffic lights at the Crookes/Nile Street/ Fulwood Road junction in Broomhill. The scheme was to be funded over two years (2012-2014) with statutory undertakers work planned for 2012/13 and the main scheme works in 2013/14. The initial budget was based on outline costs from Statutory Undertakers for moving their plant (principally BT) but more detailed costings have revised this down, leading to this variation request. This could lead to an overall saving on the total scheme cost in the future which will be submitted when applicable. This variation will fund other variations within the LTP programme this month. The Primary benefit of this scheme is to provide a new facility to make it easier for</p>	<p>EMT Variation</p>	<p>-85</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>	

**Capital Schemes**

<p>pedestrians to cross busy roads in Broomhill shopping centre.</p> <p><b>Community Assembly – South</b>                  The full project is the building of a number of pedestrian crossing points (on build outs) across Psalter Lane (between Cemetery Road and Cowlshaw Road), Nether Edge. LTP monies had already been allocated to fund Phase One of the scheme (funded through £23k South Community Assembly slippage from 2011/12 and £7k new allocation this year), these additional monies would enable the full scheme to be completed at the same time.</p>	<p>EMT Variation</p>	<p>50</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>
<p><b>Traffic Management</b></p>			
<p><b>HGV Routing Strategy</b>                  The increase in project funding is to fund the higher than originally anticipated fees associated with the complex feasibility stage of scheme design. This variation (funded through other reductions within the LTP programme this month) will still enable one 'hotspot' scheme to be constructed in 2012/13.                  The Primary benefit of this scheme is to improve traffic management of larger vehicles.</p>	<p>EMT Variation</p>	<p>30</p>	<p>Costs incurred by in house design team</p>
<p><b>Coach Parking Study</b>                  The decrease in project funding is to help fund other variations within the LTP programme. This will mean that the original feasibility and outline design of a number of short term coach drop off/pick up parking areas within the city centre (and potential longer term coach parking areas on the edge of the city centre will not now happen in 2012/13, but will be done at a later date.                  The Primary benefit of this scheme would be to improve pick up/drop off and longer stay parking facilities for coaches visiting the city centre.</p>	<p>EMT Variation</p>	<p>-20</p>	<p>N/A</p>

**Capital Schemes**

<p><b>Traffic Controller Upgrades</b>                  The increase in project funding is to fund a number of traffic signal improvement schemes that have been carried forward from 2011/12. This variation is funded through other reductions this month within the LTP programme                  The Primary benefit of this scheme is to improve traffic management for all vehicles by replacing traffic controllers that no longer provide best signal timings</p>	<p>EMT Variation</p>	<p>20</p>	<p>Costs incurred by in house design team</p>
<p><b>Driving Me Crazy</b>                  The increase in project funding is to fund the completion of a 'Driving me Crazy' scheme to extend the length of the 'inbound' right turn lane from at the junction of Penistone Road and Owlerton Green. The original length of the extended lane was limited by available funds at the time. Allocating more money to the scheme enabled a much better scheme to be implemented, which has led to positive comments from the public. This request is in retrospect as the scheme has now been built. The variation is funded through other reductions this month within the LTP programme.                  The Primary benefit of this scheme is to improve traffic management for all vehicles by keeping queuing traffic away from the 'through' traffic lanes.</p>	<p>EMT Variation</p>	<p>55</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>
<p><b>Permit Parking – Hillsborough</b>                  The increase in project funding is to fund the higher than originally anticipated fees associated with the complex feasibility stage of scheme design. This variation is funded through other reductions within the LTP programme this month.                  The Primary benefit of this scheme is to improve road safety at accident 'cluster' sites.</p>	<p>EMT Variation</p>	<p>20</p>	<p>Costs incurred by in house design team</p>
<p><b>Public Transport Measures</b>  <b>Bus Agreement</b>                  This revised allocation reflects the fact that there is new allocation of £90k from the successful bid to the 'Local Sustainable Transport Fund' as well as £36k from the South Yorkshire Passenger Transport Executive. This will enable an expansion of the number of 'bus hotspot' improvement schemes that could be delivered in 2012/13. The detail of</p>	<p>Variation</p>	<p>126</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>

**Capital Schemes**

<p>the number of sites will be known once feasibility design has been done. The overall budget for bus hotspots will rise to £276,370. The Primary benefit of this scheme is to improve public transport, including waiting facilities at stops, journey times and journey time reliability.</p>			
<p><b>Relocatable Camera Enforcement</b> This variation in the allocation is to enable the signing and lining at a number of smaller bus lane and loading and waiting restrictions ( including Spital Hill, Ecclesall Road, Granville Road and Bolsover Street) to be brought up to enforceable standard. This project is funded by the Sheffield enforcement package within the successful 'Better Buses' bid approved by the Integrated Transport Authority on 1<sup>st</sup> March 2012. the £15,000 variation is being funded through a £15,000 reduction in the budget for the Boston Street scheme The Primary benefit of this scheme is to improve public transport journey times and journey time reliability.</p>	Variation	15	Single source tender and in accordance with Schedule 7 of the Highways PFI contract
<p><b>LTP Cycle Parking</b> This variation is to enable the expansion of the Park that Bike scheme that is already funded by the LTP and a grant from DEFRA. This project is funded by the Cycleboost section of Don Valley Improvement package within the successful 'Local Sustainable Transport Fund' bid approved by delegated authority to the Integrated Transport Authority (ITA) Chair following the ITA meeting on 1<sup>st</sup> December 2011. The Primary benefit of this scheme is to improve cycle parking at businesses and on the highway to help reduce barriers to cycling.</p>	Variation	6	Single source tender and in accordance with Schedule 7 of the Highways PFI contract

**Capital Schemes**

<p><b>SLIPPAGE / ACCELERATED SPEND:-</b></p>				
<p><b>CBT Wincobank Community BLDS</b> – this is a request to slip £164k into 2013/14 due to delaying the original timescales in an effort to maximise external grant fund applications. A prelim bid has been made for £60k to Veolia to help with the refurbishment to cover items such as replacement windows. The final bid being submitted in January and will follow the capital processes.</p>		Slippage	164	Competitive tender
<p><b>PROCUREMENT STRATEGY APPROVALS:-</b></p>				
<p>The following Highways Capital Approval variations require a change of Procurement strategy following the transfer of the contractor Streetforce, to the Highways PFI contractor, Amey.</p> <ul style="list-style-type: none"> <li>• 93351 Chaucer School- Wordsworth Ave</li> <li>• 97985 City wide 20MPH zone</li> <li>• 94311 A57 Nile Street/Manchester Rd</li> <li>• 92209 Community Assembly South</li> <li>• 97982 HGV Routing Strategy</li> <li>• 97983 Coach Parking Study</li> <li>• 97986 Traffic controller Upgrades</li> <li>• 94449 Driving Me Crazy</li> <li>• 92846 Permit Parking – Hillsborough</li> </ul>		Variation		<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p> <p style="text-align: center;">-120 + 50 - 85 - 50 + 30 - 20 + 20 + 55 + 20</p>

**Capital Schemes**

<ul style="list-style-type: none"> <li>• 94445 BN962 Bus Agreement</li> <li>• 93425 Relocatable Camera Enforcement</li> <li>• 93349 LTP Cycle Parking</li> </ul>		<p>+126 + 15 + 6</p>	
<p><b>EMERGENCY APPROVALS:-</b></p>			
<p><b>Green Deal Early Start</b> The Works on this project primarily comprise the provision of solid wall insulation, “hard to treat cavity” measures, under-floor insulation, draught-proofing and some full replacement heating systems to various properties around the City. Extremely tight timescales for assembling the proposals, identifying workable delivery and procurement options and sign-off of the funding agreement have meant that emergency approval arrangements have been needed including Individual Cabinet Member sign off.</p>	<p>Addition</p>	<p>708</p>	<p>Existing contract</p>
<p><b>DIRECTOR VARIATIONS:-</b></p>			
<p><b>Accident Savings Scheme</b> The project is to fund the design of an as yet unidentified accident savings scheme. Schemes are prioritised using accident data. This variation (funded through other reductions within the LTP programme) was endorsed by Cllr Bramall at a Transport lead member briefing on 3<sup>rd</sup> August 2012. This scheme is funded from the Local Transport Plan. The Primary benefit of this scheme is to improve road safety at accident ‘cluster’ sites.</p>	<p>Director Variation</p>	<p>4</p>	<p>Single source tender and in accordance with Schedule 7 of the Highways PFI contract</p>

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