

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 30 NOVEMBER 2012

### PURPOSE OF THE REPORT

- This report provides the Month 8 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 Programmes are reported from paragraph 81.

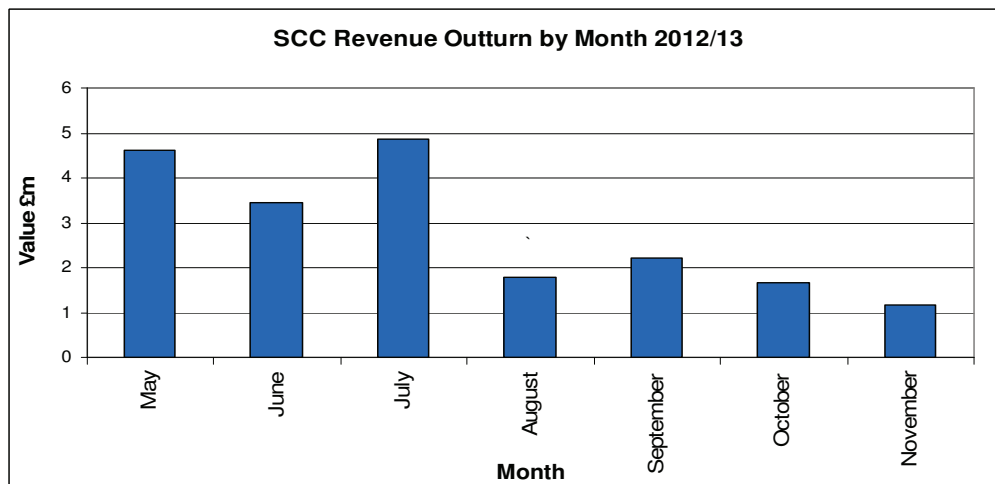
### REVENUE BUDGET MONITORING

#### SUMMARY

- The budget monitoring position at month 7 indicated a forecast overspend of £1.7m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 8 shows a forecast overspend of £1.2m to the year end: i.e. a forecast improvement of £497k since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
CYPF	81,805	82,306	(501)	↓
PLACE	163,107	163,896	(789)	↓
COMMUNITIES	171,679	168,750	2,929	↑
DEPUTY CHIEF EXECUTIVE	12,120	12,040	80	↔
RESOURCES	61,240	61,766	(526)	↔
CORPORATE	(488,794)	(488,758)	(36)	↔
<b>GRAND TOTAL</b>	<b>1,157</b>	<b>(0)</b>	<b>1,157</b>	<b>↓</b>

- The forecast outturn for SCC shows a reducing overspend from the £4.6m overspend reported in May 2012 to £1.2m in November 2012. The position month by month is shown in the following chart.



4. In terms of the month 8 overall forecast position of £1.2m overspend, the key reasons are:

- Children Young People and Families (CYPF) are showing a forecast reduction in spending of £501k, due mainly to a £201k reduction in spending across a number of activities with Children and Families and the receipt of academic year funding within Lifelong Learning, Skills and Communities £456k, of which £348k is requested to be carried forward.
- Place are showing a forecast reduction in spending of £789k, due primarily from staff vacancy savings across Development Services (£1m) and planned slippage' of grant funded project spend within HERS and Development Services of £704k and £214k respectively. These savings are partly offset by a £161k overspend in Street Force for the costs of backdated pay and grading appeals, £311k within Culture and Environment mainly due to funding stabilisation programme of Museums Sheffield (£500k) and forecast reductions in income within Development Services (£700k), predominantly within car parking .
- Communities are showing a forecast overspend of £2.9m, due to a £5.7m 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 a £1.6m underspend created by the release of prior year funding in Social Care Commissioning.
- Resources are showing a forecast reduction in spending of £526k, due to £631k savings on Central Costs and £506k increased income in Commercial Services. This reduction in spending is partly offset by a reduction in income of £423k within Legal Services and an overspend relating to delays in the employee reduction process within Business Information Solutions of £296.

5. The reasons for the movement from month 7 are:

- Children Young People and Families are forecasting an improvement £110k, due to a reduction in spending across a number of areas within the Children and Families service £201k, which is partly offset by an overspend of £108k on Post 16 Travel Passes.
- Place are forecasting an improvement of £510k, largely attributable to additional 'slippage' of Local Growth Fund project spend within HERS and Development Services of £150k and £214k respectively.

- Communities are forecasting an adverse movement of £119k, due to additional costs are care purchasing £110k, a forecast reduction in 'Contributions to Care' income £272k and £362k increased expenditure within the Joint Learning Disability services for care purchasing and staff costs. This adverse movement is partly offset by a £160k reduction in housing commissioning costs and a £309k reduction in spending relating to Learning Disability ex-health contract expenditure.

### Carry Forward Requests

6. Portfolios are requesting to carry forward a total of £1.6m into 2013/14. Details of the requests for approval are included within each portfolio section and summarised in Appendix 1 of the report. The £1.6m is in addition to the £2.9m previously approved.
7. If all requests were approved the impact upon the 2012/13 outturn would be an adverse movement of £1.6m from £1.2m to £2.8m overspent. The recommendation from EMT/CMT is that no carry forward requests should be considered for approval until the overall SCC forecast outturn position reports a reduction in spending sufficient to cover any such requests.

## INDIVIDUAL PORTFOLIO POSITIONS

### CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

#### Summary

8. As at month 8 the Portfolio is forecasting a full year outturn of a reduction in spending of £501k, an improvement of £110k from the month 7 position. The key reasons for the forecast outturn position are:
  - **Lifelong Learning, Skills & Communities:** £456k reduction in spending, due to resources being received that will be used to fund future year activities. This relates to academic year grant funding of £348k. In the month 7 report it was recommended that these resources be carried forward provided the Portfolio maintains a balanced budget position.
  - **Children and Families:** £201k reduction in spending, due to a reduction in spending on Early Years, Placements, Prevention and Early Intervention and Provider Services.

## Financials (Non – DSG activity)

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS STRATEGY	13,935	13,869	66	↔
CHILDREN & FAMILIES	54,215	54,416	(201)	↓
INCLUSION & LEARNING SERVICES	5,627	5,536	90	↑
LIFELONG LEARN, SKILL & COMMUN	8,029	8,485	(456)	↔
<b>GRAND TOTAL</b>	<b>81,805</b>	<b>82,306</b>	<b>(501)</b>	<b>↓</b>

## Commentary

### DSG and Non DSG Budgets

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

### Non DSG Budgets

#### Children and Families

10. A forecast £201k reduction in spending, this is an improvement of £218k from the previous month. The improvement this month is due to additional forecast reductions in spending particularly on Early Years, Placements, Prevention and Early Intervention and Provider Services.

#### Inclusion and Learning Services

11. A forecast £90k overspend, this is an adverse movement of £110k from the previous month. This is due to a £108k adverse movement on Post 16 Travel Passes, due to the forecasts reflecting more update to information received about the usage of these travel passes.

### DSG Budgets

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

	Month 7 £000	Month 8 £000
Business Strategy	(146)	(165)
Children and Families	(86)	(186)
Inclusion and Learning Services	144	249
Lifelong Learning, Skills and Communities	0	0
	<b>(88)</b>	<b>(102)</b>

13. The key reasons for the movement from the month 7 position are:

- **Children and Families:** a £100k improvement, due to delays in recruitment within Multi Agency Support Team (MAST).

- **Inclusion and Learning Services:** an adverse movement of £105k, the key reasons for this movement is due mainly to an adverse movement of £72k on Statementing and Exceptional Needs.

### Carry Forward Requests

14. **Children and Families:** as highlighted in the Month 7 report, £1.8m had been requested to be carried forward from 2012/13 into 2013/14 in relation to the Successful Families grant. This has now been formally approved by Cabinet.
15. **Lifelong Learning, Skill and Communities:** in the month 7 report it was recommended that £348k relating to academic year grant funding be carried forward, provided the Portfolio maintains a balanced budget position. This request remains unapproved following the month 7 cabinet meeting.
16. **Lifelong Learning, Skill and Communities:** The City Skills Fund is held by SCC on behalf of Sheffield City Region Local Enterprise Partnership (LEP) and it is this body that will determine the distribution of this fund. In month 3, Cabinet approved, in principle, that £350k of the City Skill Fund could be carried forward. An additional £76k forecast underspend was added to the £350k already transferred to reserves in month 7, so the total carry forward request is now £426k.

## PLACE

### Summary

17. As at month 8 the Portfolio is forecasting a full year outturn of a reduction in spending of £789k, prior to carry-forward requests of £822k (i.e. £33k over budget). This is an improvement of £510k from the month 7 position. The key reasons for the forecast outturn position are:
  - **Culture and Environment:** £311k over budget arising from additional grant payments being 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.
  - **Development Services:** £671k under budget primarily from staff vacancy savings across the whole service area (£1m) and planned slippage of grant (Local Growth Fund) funded project spend (£214k), offset to some extent by reductions in income (£700k), predominantly within car parking.

- **HERS:** £704k under budget primarily from planned 'slippage' of grant funded project spend (Local Growth Fund and Transitional HMR) into the following financial year.
- **Street Force:** £161k over budget due to costs of backdated pay and grading appeals.

## Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS STRATEGY & REGULATION	31,965	31,964	1	↔
CREATIVE SHEFFIELD	3,316	3,338	(22)	↔
CULTURE & ENVIRONMENT	41,286	40,975	311	↔
DEVELOPMENT SERVICES	84,683	85,354	(671)	↓
HERS	1,242	1,946	(704)	↓
MARKETING SHEFFIELD	1,123	1,037	86	↔
STREET FORCE	(894)	(1,055)	161	↔
SUSTAINABLE DEVELOPMENT	385	337	48	↔
<b>GRAND TOTAL</b>	<b>163,107</b>	<b>163,896</b>	<b>(789)</b>	<b>↓</b>

## Commentary

18. The following commentary concentrates on the key changes from the previous month which have contributed to a £510k and any key risks.

### Development Services

19. The current forecast for this activity is £671k under budget, an improvement of £352k this period. This improvement is largely attributable to 'slippage' of Local Growth Fund project spend where phasing of spend is within the next financial year and is subject to a proposal to carry-forward (£214k).

### HERS

20. The current forecast for this activity is £704k under budget, an improvement of £150k on the previous period.
21. The improvement is due to an increase in the planned 'slippage' of Local Growth Fund project spend into the following financial year, which now totals £445k and is subject to a request to carry-forward. The ultimate value of the 'slippage' may still change depending upon progress made in the actual delivery of the projects.
22. Furthermore, 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 (£92k).

23. Excluding the two carry-forward requests above, the service is forecast at £167k below budget, largely due to staff savings arising from the completion of the capital delivery service restructure earlier than had been anticipated.
24. It should be noted that a key in-year risk is emerging around the potential for grant 'clawback' following a recent European audit. Officers are currently reviewing an initial report with a view to mitigating issues identified.

### Year To Date

25. The key variance is within Creative Sheffield, where the position to date shows spend to be £327k below budget, whilst the forecast outturn is broadly balanced. This is because activity budget plans were only finalised in the summer period, such that phasing of spend is in the second half of the year.

### Carry Forward Requests

26. Appendix 1 contains details of all of the proposed Place portfolio carry-forward requests which now total £822k. These relate to grants that have been received this year, where part of the spending is now planned in the following financial year. The Local Growth Fund accounts for £658k.

## COMMUNITIES

### Summary

27. As at month 8 the Portfolio is forecasting a full year outturn of an overspend of £2.9 million, an adverse movement of £119k from the month 7 position. The key reasons for the forecast outturn position are:
  - **Business Strategy:** a forecast £1.0m reduction in spending against budget, 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 £5.7m overspend, due to LD purchasing (£2.5m), LD Transport contract (£218k), Provider Services (£734k), Adult Social Care purchasing (£3.0m), with some reductions in Assessment & Care Management staffing costs against budget. These overspends are offset, to some degree, by

underspend in Housing-Related Services of £196k. This forecast is an adverse movement of £720k from the previous month but £200k of that is covered in Social Care Commissioning positive movement.

- **Commissioning:** a forecast reduction in spending against budget of £1.6m due to Mental Health Commissioning – £620k overspend on care purchasing. Social Care Commissioning – £2.0m reduction in spend against budget as a result of the release of funds unspent in previous years into 2012/13 revenue budgets and reduction in spend on LD ex-Health care and accommodation provision. Housing Commissioning – £264k net reduction in spending against budget across several areas, reported in detail in SMT report. This forecast is an improvement of £500k compared to last month but £200k of that is covering adverse movement in LD purchasing within Care & Support.
- **Community Services:** a forecast reduction in spend against budget of £74k compared to last month's position of £38k reduction.

28. Following an analysis of the trends in activity and spend, the Chief Executive has raised the issue of cost transfer from the NHS to adult social care and discussions are taking place on how this can be addressed to the satisfaction of both parties.

## Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS STRATEGY	12,574	13,656	(1,083)	↔
CARE AND SUPPORT	109,679	103,993	5,687	↑
COMMISSIONING	38,597	40,198	(1,601)	↓
COMMUNITY SERVICES	10,828	10,903	(74)	↔
<b>GRAND TOTAL</b>	<b>171,679</b>	<b>168,750</b>	<b>2,929</b>	<b>↑</b>

## Commentary

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

## Business Strategy

30. A forecast £1.1m reduction in spending against budget, mainly due to contingencies held to offset the purchasing position. This is consistent with last month's position.



## Care and Support

31. A forecast £5.7m overspend against budget. This is an adverse movement of £720k from the previous month and is due to:

- **Assessment & Care Management:** adverse movement of £110k, mainly due to an increase in care purchasing overspend, resulting from on-going pressures from Continuing Health Care (CHC) and the impact of the Right First Time Project (including Home of Choice). These demands are exceeding savings from Community Access and Reablement Services and Self Directed Support efficiencies.
- **Contributions to Care (income):** adverse movement of £272k, due to refining the assumptions around CHC income and re-alignment of income for in-house services with external purchasing.
- **Joint Learning and Disability Service:** the adverse movement of £362k is due to an increase in care purchasing overspend of £170k, due to ongoing pressures from CHC and increase in staffing costs of £197k on staff teams, due to the need to fill anticipated vacancies in order to clear backlogs in assessments and reviews. £200k of this adverse movement is covered by positive movement in Social Care Commissioning.

## Commissioning

32. A forecast £1.6m reduction in spend against budget. This is an improvement of £500k from the previous month. The improvement this month is due to:

- **Housing Commissioning:** Improvement of £160k, due to reductions in Housing related support contract expenditure and Private Sector Team expenditure.
- **Social Care Commissioning:** £309k positive move as a result of reduction in Learning Disability ex-health contract expenditure and net reduction in pay costs. £200k of this covers adverse movement in Learning Disabilities care purchasing.

## Year To Date

33. Some year to date variances are not consistent with forecast outturn variances, so work is on going to investigate the reasons for this (including refining income/expenditure budget profiles and more vigorous challenges to year to date actuals and accruals).

### Carry Forward Requests

34. A number of requests have been received from Community Assemblies to carry forward underspends from the discretionary grants budgets – these are as follows:

- North East – Consultation Vehicle £2.5k.
- East – Richmond Development worker £7.5k.
- East & South East – Green estate £45k for the delivery of a horticultural apprentice scheme.
- Northern Community Assembly – Development Worker and rural villages officer £29k.

## RESOURCES

### Summary

35. As at month 8 the Portfolio is forecasting a full year outturn of a reduction in spending of £526k, which is consistent with the month 7 position. The key reasons for the forecast outturn position are:

- **Business Information Solutions:** a forecast £296k overspend, due mainly to an anticipated delay in the MER process required to make staff savings.
- **Commercial Services (savings):** a forecast £506k increase in savings income.
- **Legal Services:** a forecast £423k overspend, due to a reduction in non-core charging income.
- **Central costs:** a forecast £631k reduction in spending.

## Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS INFORMATION SOLUTIONS	(303)	(599)	296	↔
COMMERCIAL SERVICES	1,940	1,904	36	↔
COMMERCIAL SERVICES (SAVINGS)	(1,326)	(820)	(506)	↔
CUSTOMER FIRST	5,853	5,853	(0)	↔
CUSTOMER SERVICES	2,987	2,891	96	↔
FINANCE	2,327	2,338	(11)	↔
HUMAN RESOURCES	478	454	24	↑
LEGAL SERVICES	2,646	2,223	423	↔
PROGRAMMES AND PROJECTS	1,729	1,749	(20)	↔
PROPERTY AND FACILITIES MGT	31,394	31,410	(16)	↔
TRANSPORT	231	448	(217)	↓
<b>TOTAL</b>	<b>47,956</b>	<b>47,851</b>	<b>105</b>	<b>↔</b>
CENTRAL COSTS	13,771	12,913	858	↔
BENEFIT SUBSIDY	(487)	1,002	(1,489)	↔
<b>GRAND TOTAL</b>	<b>61,240</b>	<b>61,766</b>	<b>(526)</b>	<b>↔</b>

## Commentary

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

### Human Resources

37. A forecast £24k overspend, this is an adverse movement of £293k from the previous month. The adverse movement this month is due to the correction of £180k double counted traded services income from schools, included incorrectly in the month 7 forecast.

### Transport

38. A forecast £217k reduction in spending, this is an improvement of £217k from the previous month. The improvement this month is due to:

- Agreement over the treatment of the vehicle income received from AMEY, as a result of vehicles being transferred as part of the Highways PFI contract.
- Additional children are being transported compared to previous year, generating additional income; this has now been built into the forecasts.

39. The service are requesting that the reduction in spending be used as part of a Capital Approval Form (CAF) application for new vehicle purchase and to reduce the risk and liability around prudential borrowing

in future years. This will provide transport some time for the business to settle following all of the step down programmes and work through what new business might be available.

### Central Costs

40. Central costs (excluding Capita) are continuing to forecast a £2m reduction in spend. The overall variance of £580k is an improvement from the month 8 position of £53k.

Central Costs	Forecast Variance Month 7 £ 000	Forecast Variance Month 8 £ 000
Capita – Control Account	599	599
Capita – ICT BIS	265	233
Capita – Finance	505	488
Capita - HR	94	132
Sub total Capita	1,463	1,452
Other Central Costs	(554)	(596)
Sub total	909	856
Benefits subsidy	(1,489)	(1,489)
Total	(580)	(633)

### Carry Forward Requests

41. **Transport:** The service are requesting that the reduction in spending of £217k be used as part of a Capital Approval Form (CAF) application for new vehicle purchase and to reduce the risk and liability around prudential borrowing in future years. This will provide transport some time for the business to settle following all of the step down programmes and work through what new business might be available.

## DEPUTY CHIEF EXECUTIVE'S

### Summary

42. As at month 8 the Portfolio is forecasting a full year outturn of an overspend of £80k, this is consistent with the month 7 position. The key reasons for the forecast outturn position are:
- **Modern Governance:** a forecast £156k overspend, the key reason for this overspend is due to higher forecast election costs, which is forecasting a full year outturn of an overspend of £247k.

## Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
BUSINESS DEVELOPMENT	2,634	2,726	(92)	↔
E-CAMPUS	1,029	1,029	0	↔
HEALTH IMPROVEMENT	211	211	0	↔
MODERN GOVERNANCE	3,886	3,730	156	↔
PERFORMANCE AND CORP PLANNING	821	787	34	↔
POLICY,PARTNERSHIP,AND RESEARCH	3,540	3,557	(17)	↔
<b>GRAND TOTAL</b>	<b>12,120</b>	<b>12,040</b>	<b>80</b>	<b>↔</b>

## Commentary

There are no significant changes from the previous month.

## Carry Forward Requests

43. **Accountable Bodies:** Sheffield First is forecasting a balanced budget. However, at month 8 there is £32k that may not be spent before the year end due to the timing of planned activity being after 31 March 2013. The Director of Sheffield First has been advised to discuss this with the Chief Executive to request a carry forward of budget to 2013/14.
44. **Modern Governance:** In Month 7 the Portfolio requested that £57k for spend of DEFRA funding for reservoir flood planning is carried forward for use in 2013/14. The request to carry forward this funding into future years will only be recommended if the Portfolio underspends.

## CORPORATE ITEMS

### Summary

45. As at month 8, the Corporate Budgets are forecasting an underspend of £36k which is consistent with month 7. 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	44,898	45,477	-579
Savings Proposals	-1,246	-1,794	548
Income from Council Tax, RSG, NNDR, other grants and reserves	-532,447	-532,442	-5
<b>Total Corporate Budgets</b>	<b>-488,795</b>	<b>-488,759</b>	<b>-36</b>

46. Corporate Budget items are showing a forecast underspend of £579k, due mainly to the temporary reduced cost of borrowing and increased investment income within the capital financing budget of £500k, and the recovery of previous years NNDR overpayments of £88k. This forecast is consistent with month 7.
47. The forecast reduction on Savings Proposals of £548k relates to a reassessment of the sundry debt collection rates and subsequent revision, based upon month 8 actuals. This forecast is also consistent with the month 7 position.

## LOCAL GROWTH FUND

48. 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	3,943	448	3,495
Schemes Pending Approval	380		380
Unallocated Balance	1,010		1,010
<b>Total Fund</b>	<b>5,333</b>	<b>448</b>	<b>4,885</b>

49. Spending on Local Growth Fund projects has been slower than anticipated following the approvals earlier in the year. Services have reviewed their project plans and a number have submitted request to carry forward funding amounting to £658k into next year.

## HOUSING REVENUE ACCOUNT

50. The revised budgeted position for the HRA is a draw down from reserves of £1.3m (excluding Community Heating). As at month 8 the forecast outturn position is a projected in-year surplus of £7m. A contribution to

the Capital Programme of £400k will be made leaving a net surplus of £6.6m compared with a budgeted deficit of £1.3m. This is an improvement of £7.9m on the budgeted position.

51. 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. This is primarily as a result of access to more attractive interest rates.
52. Although some of this overall saving on interest rates is sustainable, some is a one off. Now that 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.
53. 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 £300k; revised service charge income £300k; a reduction in running costs £800k and a delay in a number of projects £400k.
54. **Community Heating:** The budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 8 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**

55. 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**

56. 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**

57. 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.
58. 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**

59. 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**

60. 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.
61. 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**

62. 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**

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

### **NHS Funding Issues**

65. 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**

66. 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**

67. 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**

68. 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**

69. 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.
70. 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.
71. 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.
72. 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.
73. 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.
74. In 2013/14 a further 14 academy conversions (13 primary / 1 secondary) are currently anticipated.
75. 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**

76. The ongoing sovereign-debt crisis is subjecting the Council to significant counterparty and interest-rate risk. Counterparty risk arises where we have cash exposure to banks and financial institutions who may default on their obligations to repay to us sums invested. There is also a real risk that the Eurozone crisis could impact upon the UK's recovery, which in turn could lead to higher borrowing costs for the nation.

77. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. Ongoing monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.

### **Welfare Reforms**

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

- Housing Benefit changes – there are a number of proposals where the anticipated impacts are that a number of claimants will receive 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.

### **Housing Revenue Account (HRA)**

79. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. As well as the introduction of Universal Credit, outlined in the risk above, the main identified risks to the HRA are:

- Interest rates – fluctuations in the future levels of interest rates have always been recognised as a risk to the HRA.

80. Repairs and Maintenance – existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

## THE CAPITAL PROGRAMME FOR 2012/13

### Summary

81. At the end of November 2012, capital expenditure so far to date is £28.4m (26%) below budget. The outturn forecast is £39.7m (21%) below the Approved Capital Programme.
82. The variation in the year to date position arises mainly from either operational delays (£2.4m); project slippage (£3.7m) and incorrect budget profiling of (£6.5m). During the month of November, expenditure was £11.7m 35% above the programme budget. This is mainly due to spending ahead of profile within the Housing (£4.9m) and CYPF (£1.1m) programmes.
83. The forecast for the year shows all portfolios slipping against the approved programme. The forecast, at £151.2m, is £12.7m lower than the Month 7 position (£164.7m) with the biggest movements being in CYPF (down £11.4m), Resources (down £2.4m) and Place (up £2.2m). Further detail can be found in the specific sections below.
84. The programme is under constant review and challenge to ensure capital funds are used to best advantage.

### 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	34,121	43,080	(8,959)	60,503	72,566	(12,063)
Place	11,586	19,360	(7,774)	25,301	30,573	(5,272)
Housing	29,220	32,328	(3,107)	49,585	60,857	(11,271)
Communities	616	1,796	(1,180)	2,082	3,096	(1,014)
Resources	3,983	11,397	(7,414)	14,521	24,643	(10,122)
<b>Grand Total</b>	<b>79,527</b>	<b>107,962</b>	<b>(28,435)</b>	<b>151,993</b>	<b>191,735</b>	<b>(39,742)</b>

### Commentary

#### Children, Young People and Families Programme

85. CYPF capital expenditure is £8.9m (21%) below the profiled budget for the year to date and forecast to be £12.1m (17%) below the programme by the year end for the reasons set out in the table below.

Cause of change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-6,568
Slippage on Devolved Budgets	0	-3,000
Accelerated spend	0	0
Operational delays in projects due to planning, design or changes in specification	-1,582	-10
Revised profile for Building Schools for the Future programme	-1,599	0
Incorrect budget profiles	-4,440	0
Delayed Forecasts	0	-237
Projects submitted for Approval	0	57
Savings on project estimates	-363	-1,295
Other variances	-976	-1,011
	<u>-8,959</u>	<u>-12,063</u>
Spend rate per day	203.1	244.0
Required rate to achieve Outturn	432.5	
Rate of change to achieve forecast	112.9%	

86. The CYPF forecast shows a projected reduction in spend against the approved programme of £12.1m. The cause of the shortfall against the Budget is due to slippage with £3m on the Devolved Formula Capital; £5m on BSF; £700k on the Foster Carers Housing Extension project; £500k on Grace Owen Nursery and £300k within the Primary Prioritisation Programme. A further £1.3m of potential underspend against approved amounts has been identified on various Primary school programmes.

### Place Programme

87. The Place portfolio programme (excluding Housing) is £7.8m (40%) below the profiled budget for the year to date and forecast to be £5.2m (17%) below the programme by the year end for the reasons set out in the table below. The main reason for this month's variance is due to incomplete forecasting by project managers. With regard to the £7.8m year to date variance this is spread across all projects and programmes with no single project creating the majority of the variance.

<b>Cause of change on Budget</b>	<b>Year to Date £000</b>	<b>Full Year Forecast £000</b>
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-2,042	-275
Operational delays in projects due to planning, design or changes in specification	-1,070	-445
Incorrect budget profiles	-2,482	0
Delayed Forecasts	0	-5,278
Projects submitted for Approval	106	222
Overspending on project estimates	-218	403
Other variances	-2,069	101
	<b>-7,774</b>	<b>-5,272</b>
Spend rate per day	69.0	102.0
Required rate to achieve Outturn	224.8	
Rate of change to achieve forecast	226.0%	

### Housing Programme (Place Portfolio)

88. The Housing capital programme is £3.1m (10%) below the profiled budget for the year to date and forecast to be £11.2m (19%) 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	-2,484	-9,081
Operational delays in projects due to planning, design or changes in specification	-861	-48
Incorrect budget profiles	0	0
Delayed Forecasts	0	0
Projects submitted for Approval	-2,877	-30
Home Improvement grants held on behalf of other local authorities	137	-972
Items under investigation		
Savings on project estimates	-22	-540
Other variances	3,000	-601
	<b>-3,107</b>	<b>-11,271</b>
Spend rate per day	173.9	199.9
Required rate to achieve Outturn	333.9	
Rate of change to achieve forecast	91.9%	

89. The main reason for this months variation is due to slippage (£9m) within the Delegated Capital Schemes managed by Sheffield Homes which equates to 15% of the underspend against this year's Housing budget.

### Communities

90. The year to date spend on the Communities portfolio capital programme is £1.1m (66%) below the profiled budget and the forecast (£1m (33%) below budget) suggests this will not be recovered. £412k relates to an underspend on the Parson Cross Library project. A further £848k relates to slippage on the implementation of the ICT infrastructure project.

### Resources

91. The year to date spend is £7.4m (65%) below the programme and forecast to be £10.1m (41%) below the approved budget for the whole year. The key reasons for the variance are below:

Cause of change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	0	-8,400
Operational delays in projects due to planning, design or changes in specification	0	0
Incorrect budget profiles	-5,199	0
Delayed Forecasts	0	-929
Other variances	-2,216	-793
	<u>-7,414</u>	<u>-10,122</u>
 Spend rate per day	 23.7	 58.6
Required rate to achieve Outturn	172.8	
Rate of change to achieve forecast	628.6%	

92. The year end forecast position is £10.1m under budget and comprises of the following:

- £2.4m slippage on the Accommodation strategy;
- £5m slippage on the Moor Indoor market;
- £505k 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;
- £421k slippage on the general Council building refurbishment and repairs programme; and

- £421k slippage on roof and lift replacement at the Town Hall.

## **Approvals**

93. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
94. Below is a summary of the number and total value of schemes in each approval category:
- 7 additions to the capital programme with a total value of £3.2m;
  - 27 variations to the capital programme creating a net reduction of £65.9m;
  - 74 slippage requests totalling £34.3m; and
  - 2 procurement strategies.
95. Further details of the schemes listed above can be found in Appendix 2.

## **FINANCIAL IMPLICATIONS**

96. 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**

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

## **PROPERTY IMPLICATIONS**

98. 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**

99. Members are asked to:
- (a) Note the updated information and management actions provided by this report on the 2012/13 budget position.
  - (b) Note but not approve the carry forward requests detailed in Appendix 1.



- (c) In relation to the Capital Programme:
- (i) Note the proposed additions to the capital programme listed in Appendix 2, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
  - (ii) Note the proposed variations and slippage in Appendix 2; and note the EMT approved variations;
  - (iii) Approve the variations in appendix 2 which are within its delegated authority;
  - (iv) Delegate to the Cabinet members for Finance and Parks to approve the additional works for the Manor Toddler Play scheme, and note
  - (v) the latest position on the Capital Programme.

## **REASONS FOR RECOMMENDATIONS**

100. 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**

101. 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

## Portfolio - Carry Forward Requests

## CYPS

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
Lifelong Learning, Skills and Communities	Skills Funding Agency	348	<p>The grant received is to cover an academic year and therefore spans two financial years.</p> <p>This is an ongoing issue in the Council's accounts due to the changes in accounting procedures whereby the grant has to be drawn down to revenue when it is received not used.</p>	To ensure schools / college programmes are funded from April 2013 to August 2013.
Lifelong Learning, Skills and Communities	City Skills Fund	76	<p>SCC holds City Skills Funding on behalf of City Region Local Enterprise Partnership and is accountable for its distribution. Funding for the expenditure is not received in line with the budgeted spend.</p>	Cabinet, in month 3, approved £350k to be carried forward. The additional request reflects further projected underspend within the year against the fund.
	Total	424		

**PLACE**

<b>Service</b>	<b>Funding</b>	<b>Request Amount £'000</b>	<b>Why not spent this year</b>	<b>Reason for carry forward</b>
HERS	Local growth fund (LGF)	445	This is the first year of the LGF programme, where design and 'bedding-in' of governance arrangements meant both approval of and subsequent spend on a number of projects occurred part way through the current financial year. As above.	To 'match' approved funding with the revised profile of planned spend on the LGF Programme.
Dev Services	Local growth fund	214	As above.	As above.
HERS	Transitional housing market renewal fund grant	92	Grant received for the Sheffield City Region Partnership. It is being drawn-down by the Board on approval of specific business cases.	To 'match' grant received with the profile of spend as business cases get approved by the Board.
BSR	Drugs & alcohol intervention grant	40	Recent award of grant means planned work/spend will largely run into the following financial year.	To 'match' grant received with proposed work programme on increased interventions.
Culture & Env	High street innovation grant	31	Recent award of grant, means some planned work/ spend will run into the following financial year.	To 'match' grant received with proposed work programme.
	<b>Total</b>	<b>822</b>		

## Deputy Chief Executive

Service	Funding	Request Amount £'000	Why not spent this year	Reason for carry forward
Accountable Bodies	Grant	32	Sheffield First is anticipating an underspend against the budget available.	To enable Sheffield First to continue its work with partners to tackle issues in the Sheffield City Strategy. The funding which is requested to carry forward has been contributed by third party organisations in Sheffield. Note: approval to carry this funding forward will not affect the outturn position for DCEX as the forecast at month 8 does not reflect the anticipated underspend.
Modern Governance	DEFRA Funding – Reservoir Flood Planning	57	In 2010/11, SCC was allocated £97,880 via an Area Based Grant. This was to meet expenditure incurred for the production of the plans, the training and exercising program that would follow and to carry out a 'warning and informing' campaign to those at greatest risk of reservoir flooding. This was carried over into the 2011/12 financial year to allow for the planning work to continue. Funding was also set aside in 2012/13 to continue with the work. Spend to date has been £42,500 with a carry forward request of £55,400. Service manager has indicated that it was envisaged it would be a	The Emergency Planning Shared Services Team has identified the need to appoint a temporary member of staff to take forward the work but unlikely that this appointment will take effect immediately. The remainder of the expenditure can only occur once the appointed member of staff has settled into the role.
<p><b>How carry forward will be spent</b></p> <ul style="list-style-type: none"> <li>Temporary Member of Staff - £27,500</li> <li>Plan production: printing of plans, maps etc - £3,000</li> <li>Production of 10k accompanying letters for the leaflets - £1,400</li> <li>Postage and packaging of 10k leaflets/letters - £7,000</li> <li>Media campaign - £1,000</li> <li>Multi-agency training - £900</li> <li>Multi-agency tabletop exercise -</li> </ul>				

			three year project.	£1,400
				Gold Standard exercise plan and delivery - £12,000
				<b>Total: £54,200</b>
	Total	89		

**Resources**

<b>Service</b>	<b>Funding</b>	<b>Request Amount £'000</b>	<b>Why not spent this year</b>	<b>Reason for carry forward</b>
Transport	External Income – Vehicle Transfer	217	Additional Income resulting from the transfers of vehicles to AMEY as part of the Highways PFI Project.	The Service is requesting that the reduction in spending of £217k be used as part of a Capital Approval Form (CAF) application for new vehicle purchase and to reduce the risk and liability around prudential borrowing in future years.
	Total	217		

**Community Assemblies - Carry Forward Requests**

<b>Service</b>	<b>Funding / Activity</b>	<b>Request Amount £'000</b>	<b>Why not spent this year</b>	<b>Reason for carry forward</b>
North East	Consultation Vehicle	2,5	Maintenance costs did not materialise in 12/13	Need to meet future running costs (or disposal)
East	Richmond Development Worker	7,5	A delay in funding a suitable VCF in the Ward.	Political support for this project hosted by the local VCF and not SCC. Making sure the post exists for a reasonable period of time to enable the outcomes to be met.
East & South East	Green Estate – Horticulture	45	Delays in starting the project. Apprentice scheme follows	Project will need to run it's course, irrespective of start date

	Apprentice Scheme		academic, rather than Financial year	
Northern	Development Worker	29	<p>Options for allocating the available budget by the end of March 12 have been developed for different projects. However the Northern Community Assembly have taken the view that Community Development continuation is key to delivering priorities within the Community plan and as such using part of the available funding in 2013/2014 would have a greater impact than the alternative options considered.</p>	<p>The request is to carry forward <b>£29,000</b> which would be used as leverage to develop a package of funding with participating partners that would allow the continuation and extension of the project.</p> <p>Over the past years the project has attracted the following match funding:</p> <p>Development Worker Project: £22,000  NHS, £21,000 Ecclesfield Parish Council,  £3000 Adult learning. Village Officer: £5000  Peak Park Authority, the Peak Park also acts as host for this post, £17,892 East Peak Innovation Partnership Grant.</p> <p>The funding package for the community development project is as follows:</p> <ul style="list-style-type: none"> <li>• Salary costs (including on costs) 43k per year (1 and ½ post).</li> <li>• Ecclesfield Parish Council contribution : £7,000 (possible similar contribution for next year)</li> <li>• NHS contribution: £8,000 (possible similar contribution for next year)</li> <li>• Expenses to support the projects (e.g. room hire, training for groups, events) will be met through using other Assembly's Discretionary budget other funding pots including the 7k Community engagement pot and the 5k Supporting local</li> </ul>

2012/13 Revenue Budget Monitoring – Month 8

					communities pot.
				84	
	Total				

**Overall Carry Forward Requests = £1,636**



STRATEGIC OUTCOME AREA Scheme Description	Approval Type	Value £000	Procurement Route
<p><b>INFRASTRUCTURE:-</b></p> <p><b>Westfield Asset Enhancement</b> This project is to secure outline planning permission for residential development in order to:</p> <ul style="list-style-type: none"> <li>• enhance the capital value of the site and realise it as soon as possible;</li> <li>• improve the ability of developers to access funding and ensure that the Council secures optimum outcomes from the Sheffield and Hallamshire Football Association (SHFA) road proposal; and</li> <li>• mitigate any adverse impact from the access road.</li> </ul> <p>The Council will be required to repay the cost of the access road to the Sheffield City Region LEP Growing Places Fund from capital receipts once the site has been sold following enhancement. The £600k cost of the access road has already been approved by Cabinet on 16<sup>th</sup> January as part of the £4.7m Westfield Sports Village project.</p> <p>The project enhancement costs total £445k, which will be initially funded from prudential borrowing. Interest costs are estimated to be in the region of £31k and will be funded from the P&amp;FM revenue budget, the initial £448k capital will be eventually funded from the capital receipt generated from the future site disposal.</p>	Addition	445	Existing contract with KAPs
<p><b>Owlthorpe Asset Enhancement</b> The overall project scope covers the securing of planning permission for development in order to:</p> <ul style="list-style-type: none"> <li>• enhance the capital value of the site and realise it as soon as possible; and</li> <li>• improve the ability of developers to access funding.</li> </ul> <p>Due to the issues involved in seeking to develop the area, such as the need to firstly develop a comprehensive Master Plan for the area, existing conservation activity on sites, play facilities, community use etc, it is necessary to take a phased approach to</p>	Addition	589	Existing contract with KAPs

<p>the overall project. The scope of Phase 1 will concentrate on addressing issues that apply to all project sites and/or to the release of capital receipts across several project sites. The scope of further phases of the overall project will secure planning permission for the development on each site.</p> <p>The project enhancement costs total £589k, which will be initially funded from prudential borrowing. Interest costs are estimated to be in the region of £26k and will be funded from the P&amp;FM revenue budget. The borrowing will be repaid from the capital receipt generated from the future site disposal.</p>			
<p><b>Bannerdale Asset Enhancement</b> The aim of Asset Enhancement project is to secure outline planning permission for development of the Abbeydale/Bannerdale site. This project is split in to 2 phases. Phase 1 which was approved by Cabinet on 12<sup>th</sup> September 2012 was to carry out work at the site of the former Abbeydale Grange School. Phase 2 will develop a “Greenspace Management Plan” to cover the playing fields located at the former school, the area of open space, the ancient woodland, and the Bannerdale Centre and car park.</p> <p>A key first stage of Phase 2 is to determine the location of the future residential development. Dependent upon its location there may be a requirement for existing sports pitches to be relocated. Initial action on the project will, therefore, focus upon identifying the preferred location of the proposed residential development. Initial costs indicate that the costs associated with the relocation of the sports pitches could be in the region of £500k, this is incorporated within the overall enhancement costs of this project.</p> <p>The project enhancement costs total £1.28m, which will be initially funded from prudential borrowing. Interest costs are estimated to be in the region of £69k and will be funded from the P&amp;FM revenue budget, the borrowing will be repaid from the capital</p>	<p>Addition</p>	<p>1,281</p>	<p>Existing contract with KAPs</p>

## Capital Schemes

## Appendix 2

receipt generated from the future site disposal.				
<p><b>Accommodation Efficiencies</b></p> <p>This proposal is to amend the presentation of the project costings which when submitted for approval, incorrectly included £1m of project management costs within the Civic Accommodation element of the project. The net effect of the variation is nil. The project is funded by Prudential Borrowing. Detailed proposals on Civic Accommodation to be brought forward when prepared. This approval is for legislative compliance only.</p> <p>Project Management Costs Town Hall Meeting</p>	Variation / EMT and CMT to Note Only	1,000 -1,000		N/a
<p><b>Abbey-Bannerdale Asset Enhancement (Phase 1)</b></p> <p>This is a slippage request to move £179k into 2013/14 due to the reprioritisation of the project and the need to spend additional time this year in seeking external development consultancy support, consult on planning brief and procure design teams. The project is funded by Prudential Borrowing.</p>	Slippage	-179		N/A
<p><b>Former King Egbert's School</b></p> <p>This is a slippage request to move £167k into 2013/14 due to additional time required for consultation with key groups and additional design work to inform development appraisals. The project is funded by Prudential Borrowing.</p>	Slippage	-167		N/A
<p><b>Accommodation Efficiencies - Moorfoot</b></p> <p>This is a slippage request to move £2.627m into 2013/14 as a result of delays in awarding the contract due to changes in scope requested by the client. The project is funded by Prudential Borrowing.</p>	Slippage	-2,627		N/A
<p><b>Town Hall Works</b></p> <p>There are currently three approved schemes for essential roof (£88k), electrical systems (£88k) and lift (£297k) works including addressing compliance with legal requirements which have not been progressed pending a decision, as part of the wider</p>	Slippage	-473		N/A

## Capital Schemes

## Appendix 2

Accommodation Efficiencies Strategy, on the future use of the Town Hall. Authority is sought therefore to slip £473k into 2013-14. The project is funded by the Corporate Resource Pool (CRP).				
<b>Kelham Island flood</b> This is an under spend on the project and will be returned to the CRP	CANCEL	-53		N/A
<b>Asbestos Removal</b> This is a reactive budget and the full 2012-13 allocation has not been spent and is a slippage request to slip £29k from 2012/13 to 2013/14. The funding is to pay for emergency removals of category 1 asbestos as it is identified during the ongoing Survey programme. The project is funded by the CRP.	Slippage	-29		N/A
<b>City Centre Paving</b> The full programme of works has not been completed and this is a slippage request to slip £10k from 2012/13 to 2013/14 to undertake the remaining works in Barker's Pool. The project is funded by the CRP.	Slippage	-10		N/A
<b>Broomhill Library</b> This is a slippage request to slip £280k from 2012/13 to 2013/14 due to successive failures on the part of the developer. Alternative sites and options are being actively investigated. The project is funded by the CRP.	Slippage	-280		N/A
<b>New Market Development</b> This is a slippage request to slip £5.048m from 2012/13 to 2013/14 due to the original budget entered being an estimate using the best knowledge at the time. The contractors have supplied a definitive schedule of works which has now been updated on the project plan. The project is funded by Prudential Borrowing and the CRP.	Slippage	-5,048		N/A
<b>Greenhill Park Mess Room</b> This is a request to slip £14k from 2012/13 to 2013/14 pending the outcome of the Community Investment Plan review of buildings. The project is funded by the CRP.	Slippage	-14		N/A

## Capital Schemes

## Appendix 2

<p><b>Roof Renewals Programme</b> This block allocation has not been spent and it is a request to slip £170k from 2012/13 to 2013/14. The prioritised programme has not yet identified the planned spend going forward. Spend is planned to start in July 2013. The project is funded by the CRP.</p>	Slippage	-170	N/A
<p><b>Allotment Investment Programme</b> This block allocation has not been spent and is a request to slip £50k from 2012/13 to 2013/14. The project is funded by the CRP.</p>	Slippage	-50	N/A
<p><b>Provision of Disabled Access</b> This block allocation has not been spent and is a request to slip £270k from 2012/13 to 2013/14. Prioritised programme not yet identified, spend planned to start July 2013. The project is funded by the CRP.</p>	Slippage	-270	N/A
<p><b>Central Library</b> This block allocation is a reactive budget and has not been spent. This is a request to slip £124k from 2012/13 to 2013/14 as future work will be needed. The project is funded by the CRP.</p>	Slippage	-124	N/A
<p><b>Asbestos Schemes</b> This is a reactive budget for which demand is unpredictable but the funding is required to pay for emergency removals of category 1 asbestos as it is identified during the continuous survey programme. The project is funded by the CRP and the request is to slip £150k from 2012/13 to 2013/14.</p>	Slippage	-150	N/A
<p><b>CBT Woodhouse/Tannery Lodge</b> This block allocation is a request to slip £450k from 2012/13 to 2013/14 This scheme is delayed and should be on site August 2013. The project is funded by the CRP.</p>	Slippage	-450	N/A
<p><b>Non Office Asset Rationalisation</b> This block allocation has not been spent and is a request to slip £87k from 2012/13 to 2013/14 awaiting the outcome of the Community Investment plan, with the planned spend to start in April 2013. The project is funded by Prudential Borrowing.</p>	Slippage	-87	N/A

<p><b>GREAT PLACE TO LIVE:-</b></p>			
<p><b>Place Portfolio - Homes</b></p>			
<p><b>Housing Capital Programme</b>            43 projects will not be delivered to budget this year and authority is sought to extend the projects into 2013-14. The main items are:</p> <ul style="list-style-type: none"> <li>• £5.0m underspend on the Decent Homes programme. The amount is to be rolled forward to support the 2013-14 capital programme;</li> <li>• £3.8m on other non housing programme schemes (i.e. not the Decent Homes project) where policy approval is awaited;</li> <li>• £2.7m on the improvements to the Neighbourhood Environment where the tender process has taken longer than anticipated in the project plan;</li> <li>• £1.0m slippage on the Homes and Loans scheme administered by Sheffield on behalf of other authorities due to slower than anticipated applications;</li> <li>• £600k on the Hanover and Lansdowne cladding schemes where progress has been delayed by adverse weather;</li> <li>• £450k on the Roofing Programme due to an extended consultation programme;</li> <li>• £400k on the Newgate Close sheltered home heating scheme which has been re-profiled to avoid interrupting heating supplies during the winter period.</li> </ul> <p>The majority of the schemes are funded from the Housing Revenue Account except for the Homes and Loans scheme which is funded by from a specific fund established in the past. Of the £14.4m proposed slippage, £11.7m is on schemes managed by Sheffield Homes.</p> <p>Further substantial changes to the Housing programme are planned and these will be submitted as part of the 2013-14 Capital Programme Report.</p>	Slippage	14,429	N/A

<p><b>PLACE - Parks</b>  <b>Crookes Valley Park</b>                  This project contributes to the delivery of the 2010 Parks and Countryside master plan and aims to improve the path networks in the Crookes Valley Park and also reduce health and safety risks. Additionally, it will result in installation of play and outdoor gym equipment, a concrete table tennis table, the planting of fruit trees and installation of a new entrance sign at The Ponderosa.</p> <p>Funding is from allocated Section 106 Agreements. An associated £8k increase in revenue maintenance costs will also be covered by Section 106 monies. This work is a priority for the Central Community Assembly and for Parks and Countryside to raise the score of parks against the Sheffield standard assessment criteria. It forms part of the Corporate Plan: A Great Place to Live, Successful Young People, Better Health and Wellbeing.</p>	<p>Addition</p>	<p>60</p>	<p>In house providers will carry out procurement and installation of equipment, and other improvements where possible. Where this is not possible, 3 competitive quotes will be sought.</p>
<p><b>Manor Fields Park - Lighting Project</b>                  This authority is no longer required as the proposed lighting works are now to be done as part of the new Streets Ahead PFI Project and the section 106 funding, be transferred to the Manor Fields Toddler Play project below.</p>	<p>CANCEL</p>	<p>-35</p>	<p>n/a (see below)</p>
<p><b>Manor Fields Park –</b>                  The delivery of physical improvements to Manor Fields, a large green space adjacent to City Road S2. The priority projects include a new toddler play area, creation of a wetland area, uplift works including signage, benches and bins, a community allotment, informal football area, small BMX dirt track. The aim is to create a safe welcoming park with plenty of facilities which will encourage better use of the site.</p> <p>Proposal to increase the funding on the Toddler Play part of this project by the £35k from the Manor Fields Lighting Project (see above) increasing the total amount to £135k. The project will not be delivered until 2013-14 and approval is sought to slip the</p>	<p>Addition and Slippage</p>	<p>35 135</p>	<p>Scheme to be offered to in-house providers. External contractor quotes will be obtained where not available in-house.</p>

## Capital Schemes

## Appendix 2

amount into 2013-14.				
The proposed procurement strategy will source the Interpretation Boards by waiver of standing orders so that the same supplier can provide the additional boards to match the others in the park. The street furniture will be procured through competitive tender and the rest of the project through in-house services, mainly Parks & Countryside staff.				
<b>Roads</b>				
<b>Be Bright, Be Seen</b> The SCC element of this project is to purchase high visibility vest for cyclists and rucksack straps for pedestrians given out free of charge. This is funded through the Countryside Road Safety Capital Programme. South Yorkshire Partnership will be delivering safety measures to raise awareness of safety issues on the roads to which SCC will contribute up to £8K.	Addition	27	Equipment through a corporate contract. Other elements procured by South Yorkshire Police	
<b>St Vincent's Permit Parking Scheme</b> This is part of the Council's permit parking scheme relating to Netherthorpe road, Broad Lane and Shaesmoor. This will cover parking surveys and design work; the scheme will be further funded from next year's allocation of funding at a later date. The scheme is to be funded out of the LTP block allocation.	Addition	16	Survey to be undertaken in-house. Design work by Highways Provider under existing waiver of standing orders	
<b>Learn Safe, Drive Safe.</b> This project is aimed at reducing driving accident rates among young people through engaging with young people and their parents through driver training schools and educational colleges. This increase in funding of £27k is funded through the Countryside Road Safety Capital Programme.	EMT Variation	27	In House Costs	
<b>Q00071 Integrated Transport 2012/13</b> This is to reduce the block allocation by £16k for St Vincent's permit parking scheme above.	EMT Variation	-16	N/A	



## Capital Schemes

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<p><b>Spital Hill Public Art</b> This is a slippage request to move £61k into 2013/14 due to operational delays. The scheme is funded by s. 106 developer funds.</p>	Slippage	-61	N/A
<p><b>SUCCESSFUL COMMUNITIES</b></p>			
<p><b>Q00021 Community Buildings Maintenance</b> This is to request slippage of £322k to address the health and safety backlog and maintenance/improvements to community buildings as identified by the review and community investment plan. The project is funded by the CRP.</p>	Slippage	-322	N/A
<p><b>COMPETITIVE CITY:-</b></p>			
<p><b>Plugged In South Yorkshire</b> This project is to fund 2 electric vehicles and contribute to around 90 electric vehicle charging points in Small and medium sized companies across South Yorkshire. The vehicles will be loaned to businesses to allow them to evaluate how carbon efficiencies can meet their business needs. The project is funded by a Department for Energy and Climate Change grant.</p>	Addition	235	European Union Procurement Rules - OJEU process
<p><b>Women of Steel</b> This is a slippage request due to delays in the initial consultation and design process. This is funded from a prior year revenue contribution to capital and s. 106.</p>	Slippage	-3	N/A

## Capital Schemes

## Appendix 2

<b>SUCCESSFUL YOUNG PEOPLE:-</b>				
<b>DFE Capital Maintenance Grant:</b>				
<p><b>i) Primary Maintenance - Structural – CLASP</b> Budget reduced from £500k to £280k due to an initial budget over estimate, and, less work as some planned work has been undertaken in new build schemes. Additionally, the number of asbestos incidents is lower than anticipated. All works are now complete, so the budget surplus is no longer required.</p> <p>The project was originally funded from a DFE Capital Maintenance Grant and the unutilised funds will revert back to the Capital Maintenance pot within CYPF, to be used instead on similar projects meeting the required criteria for such expenditure.</p>	Variation	-220	Kier Sheffield LLP - Jobs Compact route.	
<p><b>ii) Primary Maintenance – Heating Mechanical &amp; Electrical Works – Abbey Lane</b> This project relates to the replacement of a hard wired electrical system including fire alarm and emergency lighting at Abbey Lane school. Replacement was necessary due to its age and condition highlighted under the hard wired testing regime 2010/11. Budget revised due to final price agreed between QS sections: this represents a 12% reduction on the original budget of £1.2m</p> <p>The project was originally funded from a DFE Capital Maintenance Grant and the unutilised funds will revert back to the Capital Maintenance pot within CYPF, to be used instead on similar projects meeting the required criteria for such expenditure.</p>	Variation	-144	Kier Sheffield LLP - Jobs Compact route	
<p><b>iii) Heating Mechanical &amp; Electrical Design</b> £250k is to be added, as agreed at the CYPF Capital Commissioning Group, for design works in 2013/14 in respect of, fire prevention measures to be completed in 2014/15. Essential up front designs are required to meet procurement and delivery programmes and to provide sustainable management of workload for design teams.</p> <p>The project is funded from the annual DFE Capital Maintenance Grant.</p>	Variation	250	Scheme to be offered to in-house providers	

<p><b>Foster Carer Housing Enhance</b> This scheme aims to increase the size of a number of existing properties that foster carers currently use to provide additional fostering facilities to children, with an overall aim to cater for more fostered children within city boundaries.</p> <p>The variation requests slippage of £700k from 2012-13 into future years in respect of deferred private dwelling refurbishment costs, due to delays in reaching an agreement with HMRC on personal tax implications. The project is funded by Prudential Borrowing.</p>	Slippage	-700	N/A
<p><b>Devolved Formula Capital</b> This is a slippage request to move £3m of an inherently difficult to predict demand on budgeted expenditure, into 2013/14 as a result of low claims activity from eligible schools so far this year and the best estimate of required remaining budget for 2012-13, based on similar year-end outturn claim positions versus the current profile at this time of year in previous years. It should be noted that schools are allowed to carry this funding for three years if they wish, thus allowing them to save towards larger projects. The project is funded by central government grant.</p>	Slippage	-3,000	N/A
<p><b>Additional Pupil Places</b> This is a slippage request to move £5m into 2013/14 due to ongoing consultation about which secondary schools would be the most suitable/appropriate to expand. The project is funded by central government grant.</p>	Slippage	-5,000	N/A
<p><b>Primary Maintenance – Heating- Lydgate Jnr</b> This is a slippage request to move £327k into 2013/14 due to operational delays and effectively also revise the overall budget downward by £39k, being the amount taken out of 2012-13 but deducted from the total amount slipped into 2013-14. The project is funded by central government grant.</p>	Slippage	-327	N/A

<b>HEALTH &amp; WELLBEING:-</b>			
<b>ICT Infrastructure</b> This is a slippage request to move £192,593 into 2013/14 due to delayed delivery of this project which is funded from Department of Health Grants.		Slippage	-193  N/A
<b>PROCUREMENT STRATEGIES</b>			
<b>Lower Don Valley Cycle Route</b>			
<p>The project relates to work done by Sheffield City Council as part of a larger joint project with Rotherham Council, with a total £1.1m of funding being split to cover each Authority's costs accordingly.</p> <p>The main output comprises a complete tarmac route from Sheffield City Centre to Rotherham Town Centre, with the individual components made up as follows:</p> <ul style="list-style-type: none"> <li>1 Complete cycle route</li> <li>2 Upgrade signal crossings</li> <li>1 Resurfaced route</li> <li>1 Bridge refurbishment</li> </ul> <p>Uncertainty over the procurement route for the bridge works prevented simultaneous submission along with the Capital Approval Form. It is now propose to source all works via the PFI Contractor.</p>		Procurement Strategy	350  Single source tender and in accordance with Schedule 7 of the Highways PFI contract
<b>DIRECTOR VARIATIONS:</b> None			
<b>EMERGENCY APPROVALS:</b> None			