



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Eugene Walker

Date: 10 April 2013

Subject: Revenue Budget & Capital Programme Monitoring
2012/13 – As at 31 January 2013

Author of Report: Allan Rainford; 35108

Summary: This report provides the month 10 monitoring statement on the City Council's Revenue and Capital Budget for 2012/13.

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

Recommendations:

Please refer to paragraph 85 of the main report for the recommendations.

Category of Report: OPEN/CLOSED

Statutory and Council Policy Checklist

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

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 31 JANUARY 2013

PURPOSE OF THE REPORT

1. This report provides the Month 10 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 68.

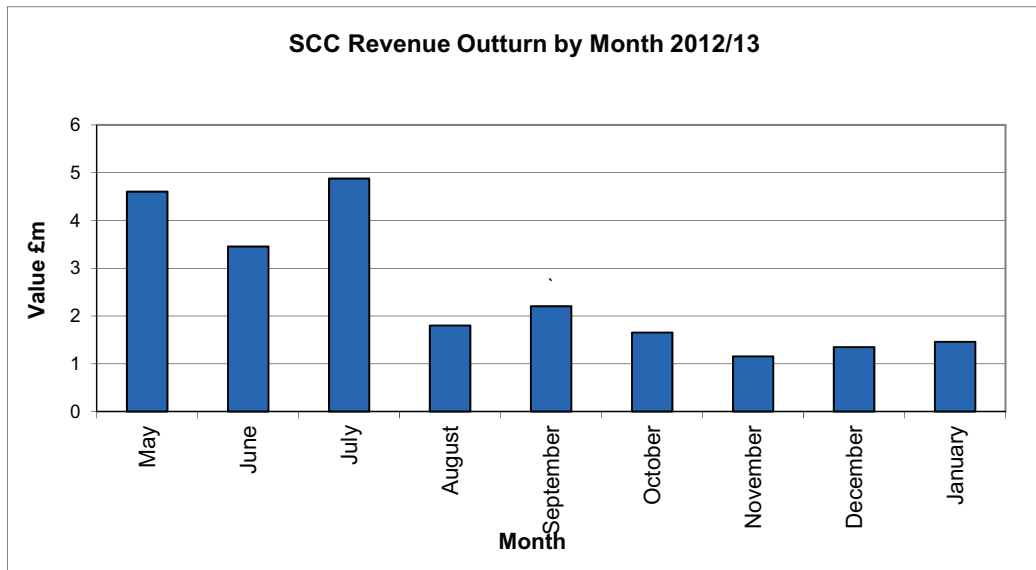
REVENUE BUDGET MONITORING

SUMMARY

2. The budget monitoring position at month 9 indicated a forecast overspend of £1.3m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 10 shows a forecast overspend of £1.5m to the year end: i.e. a forecast adverse movement of £113k since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
CYPF	79,884	80,506	(622)	↔
PLACE	163,395	163,896	(501)	↑
COMMUNITIES	171,815	168,750	3,065	↓
DEPUTY CHIEF EXECUTIVE	12,101	12,018	83	↔
RESOURCES	62,253	62,758	(505)	↔
CORPORATE	(487,988)	(487,928)	(60)	↔
GRAND TOTAL	1,460	(0)	1,460	↑

3. The forecast outturn for SCC had shown a trend of a reducing overspend from £4.6m reported in month 2 to £1.2m in month 8. However, since month 8 this trend has reversed with adverse movements month on month. EMT have therefore agreed to reinforce the message to directors that they need to take all necessary steps to ensure that their budgets balance by year-end, so as to avoid the use of reserves which would then have a knock-on effect in 2013/14. The position month by month is shown in the following chart.



4. In terms of the month 10 overall forecast position of £1.5m overspend, the key reasons are:
- Children Young People and Families (CYPF) are showing a forecast reduction in spending of £622k, due mainly to a £208k reduction in spending across a number of activities within Children and Families and the receipt of academic year funding within Lifelong Learning, Skills and Communities £443k.
 - Place are showing a forecast reduction in spending of £501k, due primarily from staff vacancy savings across Development Services (£1.2m) and planned slippage of grant funded project spend within HERS of £414k. These savings are partly offset by a £207k overspend in Street Force for the costs of backdated pay and grading appeals, £304k within Culture and Environment mainly due to the funding stabilisation programme of Museums Sheffield (£500k) and forecast reductions in income within Development Services of £600k, predominantly within car parking.
 - Communities are showing a forecast overspend of £3.1m, due to a £6m 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 £1.2m portfolio wide contingency and a £1.7m underspend created mainly by the release of prior year funding in Social Care Commissioning.
 - Resources are showing a forecast reduction in spending of £505k, due mainly to £481k savings on Central Costs and increased income within Human Resources, Commercial Services and Transport

Services of £106k, £494k and £211k respectively. This reduction in spending is partly offset by a reduction in income of £287k within Legal Services and an overspend relating to delays in the employee reduction process within Business Information Solutions of £240k.

5. The reasons for the movement from month 9 are:
 - Place are forecasting an adverse movement of £306k, due mainly to the inclusion of an estimated £300k for potential grant 'clawback' following a recent European audit on Tudor Square.
 - Communities are forecasting an improvement of £174k, due to the confirmation of £611k of additional PCT funding to support the Carers Partnership Investment Agreement, transition of LD hostel provision and additional Short Term Intervention capacity. These improvements are partly offset by an adverse movement of £411k relating to the increased cost of care purchasing.

Carry Forward Requests

6. Portfolios are requesting to carry forward a total of £1.2m into 2013/14. Details of the requests for approval are summarised in Appendix 1 of the report. The £1.2m 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 £1.2m from £1.5m to £2.7m overspent. The recommendation to EMT and Members continues to be 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 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £622k, an improvement of £24k from the month 9 position. The key reasons for the forecast outturn position are:
 - **Lifelong Learning, Skills & Communities:** £443k 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 £305k. The service has requested that these resources be carried forward provided the Portfolio maintains a balanced budget position.

- **Children and Families:** a reduction in spending of £208k due to savings within Early Years, Placements, Prevention and Early Intervention, Fostering Services and Placement strategy budgets.

Financials (Non – DSG activity)

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY	13,928	13,869	59	↔
CHILDREN & FAMILIES	52,408	52,616	(208)	↔
INCLUSION & LEARNING SERVICES	5,507	5,536	(30)	↔
LIFELONG LEARN, SKILL & COMMUN	8,042	8,485	(443)	↔
GRAND TOTAL	79,884	80,506	(622)	↔

Commentary

DSG and Non DSG Budgets

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

Non DSG Budgets

10. The forecast £622k reduction in spending on Non DSG budgets is consistent with the Month 9 report.

DSG Budgets

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

	Month 9 £000	Month 10 £000
Business Strategy	(166)	(212)
Children and Families	(194)	(340)
Inclusion and Learning Services	308	184
Lifelong Learning, Skills and Communities	(7)	(67)
	(59)	(435)

12. The key reasons for the movement from the month 9 position are:
- **Business Strategy:** An improved movement of £46k due to activity now anticipated to take place in 2013/14.
 - **Children and Families:** An improved movement of £146k due to the reallocation of qualifying expenditure to the Successful Families Project which is funded from a specific grant.

- **Inclusion and Learning Services:** An improved movement of £124k due mainly to increased activity leading to income being received in excess of budget for out of city pupils in Hospital and Home Education.
- **Lifelong Learning, Skills and Communities:** An improved movement of £60k due to a forecasted salary underspend in Performance & Partnerships and Extended Schools.

PLACE

Summary

13. As at month 10 the Place Portfolio is forecasting a full year outturn reduction in spending of £501k prior to carry-forward requests of £676k (i.e. £175k overspent). This is an adverse movement of £289k on the previous period. The key reasons for the forecast position are:

- **Culture and Environment:** £304k 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.
- **Development Services:** £703k reduction in spending due to staff vacancy savings across the whole service area (£1.2m), offset to some extent by reductions in income of £600k, largely within car parking and planning.
- **HERS:** £414k reduction in spending primarily from planned slippage of grant funded project spend (Local Growth Fund and Transitional HMR) into the following financial year.
- **Street Force:** £207k overspend due to costs of backdated pay and grading appeals and increased bad debt provisions.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY & REGULATION	31,911	31,964	(53)	↔
CREATIVE SHEFFIELD	3,310	3,338	(28)	↔
CULTURE & ENVIRONMENT	41,279	40,975	304	↔
DEVELOPMENT SERVICES	84,651	85,354	(703)	↔
HERS	1,532	1,946	(414)	↑
MARKETING SHEFFIELD	1,158	1,037	121	↔
STREET FORCE	(848)	(1,055)	207	↔
SUSTAINABLE DEVELOPMENT	403	337	66	↔
GRAND TOTAL	163,395	163,896	(501)	↑

Commentary

14. The following commentary concentrates on the key changes from the previous month.

Development Services

15. The current forecast for this activity is £703k under budget, broadly in line with the previous period.
16. The key risk for the service is in securing £10m planned external fee income from planning, building regulation and car parking activities. Manager forecasts indicate a £1m (10%) shortfall, an adverse movement in period of £120k this period, largely due to a further reduction in the fees forecast within car parking.
17. However, the above shortfall is being more than offset from reductions in staff costs due to vacancies across the whole service forecast at around £1.2m, showing an improvement of £73k this period.

HERS

18. The current forecast for this activity is a £414k reduction in spending, an adverse movement of £366k on the previous period.
19. The adverse movement arises from the inclusion in the forecast outturn of an estimated £300k for potential grant 'clawback' following a recent European audit on Tudor Square. Officers are currently reviewing the initial report with a view to further mitigating issues identified.
20. The key forecast variance arises from £567k of planned 'slippage' of grant funded spend, predominantly relating to Local Growth Fund projects (£495k), which are subject to requests to carry-forward (see Appendix 1). The ultimate value of the 'slippage' may change depending upon progress made in the actual delivery of projects.

Year To Date

21. When comparing the year to date position with forecast outturn, two services are showing significant variances:
- **Creative Sheffield:** The position to date shows spending to be £643k below budget, reducing to £28k below budget by year-end. This largely reflects that activity budget plans were finalised in the summer period, such that phasing of spend was planned in the second half of the year.
 - **Culture & Environment:** The position to date shows spend to be £261k below budget, whilst the current forecast out-turn for this activity is £304k over budget. The reasons for this are being reviewed / challenged.

COMMUNITIES

Summary

22. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £3.1 million, an improvement of £174k from the month 9 position. The key reasons for the forecast outturn position are:
- **Business Strategy:** a forecast £1.2m 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 position.
 - **Care and Support:** a forecast £6m overspend, due to LD purchasing (£2.5m), LD Transport contract (£192k), Provider Services (£361k), Adult Social Care purchasing (£4.1m), 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 £132k.
 - **Commissioning:** a forecast reduction in spending against budget of £1.7m due to; Mental Health Commissioning – £747k overspend on care purchasing; Social Care Commissioning – £2.2m reduction in spend against budget as a result of the release of funds unspent in previous years into 12/13 revenue budgets and reduction in spend on LD ex-Health care and accommodation provision. Housing Commissioning – £335k net reduction in spending against budget across several areas, reported in detail in PLT / SMT reports.
- General:** 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 9
BUSINESS STRATEGY	12,543	13,710	(1,167)	↔
CARE AND SUPPORT	109,973	103,939	6,034	↑
COMMISSIONING	38,427	40,198	(1,772)	↓
COMMUNITY SERVICES	10,873	10,903	(30)	↔
GRAND TOTAL	171,815	168,750	3,065	↓

Commentary

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

Care and Support

24. A forecast £6m overspend against budget. This is an adverse movement of £122k from the previous month and is due to:

- **Assessment & Care Management (A&CM):** adverse movement of £411k, 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.
- **Joint Learning and Disability Service:** improvement of £338k due to additional funding from the PCT to fund transition of LD hostel provision.
- **Provider Services:** improvement of £97k due to PCT agreeing to fund additional STIT capacity.

Commissioning

25. A forecast £1.8m reduction in spend against budget. This is an improvement of £342k from the previous month. The movement this month is due to:

- **Housing Commissioning:** improvement of £174k, due to reduction in third party payments relating a landlord accreditation scheme in Private Sector Housing of £36k, alternative funding identified for an

IT Scheme in Housing Related Support of £81k and the ending of funding for two projects in the same area £56k.

- **Social Care Commissioning:** improvement of £176k, following late confirmation of Funding, from the (Health) PCT, relating to Carers PIA.

Year To Date

26. 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). Part of this is due to redundancy costs awaiting corporate transfer of resources.

RESOURCES

Summary

27. As at month 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £505k, in line with the month 9 position. The key reasons for the forecast outturn position are:
- **Commercial Services (savings):** £494k additional income in Commercial Services savings due to achieving increased cashable savings.
 - **Human Resources:** £106k reduction in spending in Human Resources due to increased recharge income.
 - **Transport:** £211k reduction in spending in Transport mainly due to additional income on Central Transport.
 - **Central costs:** £481k reduction in spending in central costs (breakdown provided below).
28. Offset by:
- **Business Information Solutions:** £240k overspend in BIS, in part due to anticipated delay in MER process required to make staff savings.
 - **Customer Services:** £209k overspend in Customer Services due to transfer of costs from Customer First for operational team.
- Legal Services:** £287k overspend in Legal Services, £143k due to reduction in non-core income and £89k forecast spend on corporate work, primarily South Yorkshire Trading Standards (SYTS), Digital Region and leadership team time.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS INFORMATION SOLUTIONS	641	401	240	↔
COMMERCIAL SERVICES	1,903	1,788	115	↑
COMMERCIAL SERVICES (SAVINGS)	(1,314)	(820)	(494)	↓
CUSTOMER FIRST	5,853	5,853	(0)	↔
CUSTOMER SERVICES	3,100	2,891	209	↔
FINANCE	2,381	2,393	(12)	↔
HUMAN RESOURCES	708	814	(106)	↓
LEGAL SERVICES	2,532	2,245	287	↔
PROGRAMMES AND PROJECTS	1,697	1,669	28	↔
PROPERTY AND FACILITIES MGT	31,126	31,208	(82)	↑
TRANSPORT	190	401	(211)	↑
TOTAL	48,818	48,843	(25)	↔
CENTRAL COSTS	14,073	12,913	1,160	↑
HOUSING & COUNCIL TAX BENEFIT	(637)	1,002	(1,639)	↓
GRAND TOTAL	62,253	62,758	(505)	↔

Commentary

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

Commercial Services

30. A forecast £115k overspend is an adverse movement of £100k from the previous month due to correction of a budget allocated in error.

Human Resources

31. A forecast £106k reduction in spending is an improvement of £141k from the previous month. The improvement this month is due to additional recharge income from HR staff working on projects.

Transport

32. A forecast £211k reduction in spending is an adverse movement of £115k from the previous month. The adverse movement this month is due to the inclusion in the forecast of a contribution to capital of £130k in this financial year which was previously assumed to be rolled forward into 13/14. This will be reviewed in month 11.

Central Costs

33. A forecast £481k reduction in spending which is in line with the previous month. The breakdown on central costs is shown below.

Central Costs	Forecast Variance	Forecast Variance
	Month 10	Month 9
	£ 000	£ 000
Capita – Control Account	691	599
Capita – ICT BIS	425	378
Capita – Finance	488	491
Capita - HR	170	132
Sub total Capita	1774	1600
Benefits subsidy	(1639)	(1489)
Other Central Costs	(616)	(608)
Total	(481)	(497)

DEPUTY CHIEF EXECUTIVE'S

Summary

34. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £83k, an adverse movement of £38k from the month 9 position. The key reasons for the forecast outturn position are:

- £164k over spend in Modern Governance mainly due to increasing election costs (£260k overspend), delay in spending the DEFRA grant for reservoir flood planning (£57k underspend) and staff and IT savings in Democratic Services (£73k underspend);
- £66k overspend in Performance and Corporate Planning due to forecast reduced demand in Creative Services/Communications;
- Off set by £127k under spend in Business Development due to salary sacrifice and vacant posts.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
BUSINESS DEVELOPMENT	2,577	2,704	(127)	↔
E-CAMPUS	1,029	1,029	0	↔
HEALTH IMPROVEMENT	211	211	0	↔
MODERN GOVERNANCE	3,894	3,730	164	↔
PERFORMANCE AND CORP PLANNING	853	787	66	↔
POLICY, PARTNERSHIP, AND RESEARCH	3,537	3,557	(20)	↔
GRAND TOTAL	12,101	12,018	83	↔

CORPORATE ITEMS

Summary

35. As at month 10, the Corporate Budgets are forecasting a reduction in spending of £60k which is consistent with month 9. 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

	FY Outturn £'000	FY Budget £'000	FY Variance £'000
Corporate Budget Items	44,864	45,478	-614
Savings Proposals	-1,234	-1,794	560
Income from Council Tax, RSG, NNDR, other grants and reserves	-531,617	-531,612	-5
Total Corporate Budgets	-487,988	-487,928	-60

36. Corporate Budget items are showing a forecast reduction in spending of £614k, 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' National Non-Domestic Rates (NNDR) overpayments of £115k. This forecast is consistent with month 9.

37. The forecast overspend on Savings Proposals of £560k relates to a reassessment of the sundry debt collection rates and subsequent revision, based upon month 10 actuals. This forecast is also consistent with the month 9 position.

LOCAL GROWTH FUND

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

			2012/13	
		Total Allocated	Spend to Date	Unspent Balance
		£000	£000	£000
<u>Approved Schemes</u>		4,889	681	4,208
<u>Schemes Pending Approval</u>		0		0
<u>Funds to be Committed</u>		444		444
<u>Total Fund</u>		5,333	681	4,652

39. Spend rate consistent with previous year to date performance. Proposals are being prepared which is expected to lead to the remaining funds being fully committed over the next few months.

HOUSING REVENUE ACCOUNT

40. The revised budgeted position for the HRA is a draw down from reserves of £1.3m (excluding Community Heating). As at month 10 the forecast outturn position is a projected in-year surplus of £8m. After making a contribution of £400k to the Capital Programme the projected net surplus will be £7.6m compared with a budgeted deficit of £1.3m. This is an improvement of £8.9m on the budgeted position.
41. 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 £6.3m. This is primarily as a result of access to more attractive interest rates.
42. 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.

43. Other main areas that contribute to the improved year end forecast position include revised rental income £240k; a reduction in the level of vacant properties £430k and related council tax savings of £305k; revised service charge income £371k; a reduction in running costs £852k and a delay in a number of projects £442k.
44. **Community Heating:** The budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 10 the forecast position is a draw down of £687k from reserves resulting in a reduction in spending of £313k. This is primarily due to an estimated reduction in energy costs and invoiced consumption.

CORPORATE FINANCIAL RISK REGISTER

45. 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

46. 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, but the final costs will only be clarified as the procurement is finalised from April 2013.

Capital Receipts & Capital Programme

47. 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.
48. Building Schools for the Future Programme Affordability – Latest projections indicate that the affordability gap in the capital programme for the secondary schools estate, which must be underwritten by the

Council, is in the order of £9m to £12m. This requirement has been identified in the Council's Capital Programme.

Pension Fund

49. 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

50. 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.
51. 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 December, the target was 79% but the actual is only 63%, mainly as the result of the termination of a tenant's licence due to trading conditions. A report on the future of Electric Works will be brought to Members in 2013.

Contract Spend

52. 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 will not be available to the Council's main funding streams, e.g. Council Tax, RSG and locally retained Business Rates.

Economic Climate

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

NHS Funding Issues

55. 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.
56. The Council is participating in the Right First Time (RFT) programme with the Clinical Commissioning Group (CCG) and Hospital Trust. This programme aims to shift pressures and resources from the hospital to community settings over the longer term, which should assist the Council in managing adult social care pressures. However, there are short-term pressures from the programme changes that are adding costs to the Council.

Housing Regeneration

57. 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 has caused funding pressure on the Council's capital programme, e.g. on site clearance work and in enabling further phases of commenced demolition schemes.

Trading Standards

58. 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

59. 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

60. It is currently anticipated that 21 (12 primary / 9 secondary) of the Council's maintained schools will have become independent academies during 2012/13. To date 16 schools (7 primary / 9 secondary) have converted in 2012/13. In 2013/14 a further 20 academy conversions are currently anticipated (18 primary / 2 secondary).
61. Academies are entitled to receive a proportion of the Council's central education support services budgets. Based on projected academy conversions it is estimated that:
- In 2012/13 up to £700k of DSG funding will be deducted from the Council and given to the Academies. For 2013/14, it is estimated that up to £1.75 million of DSG funding will be given to academies.
 - In 2013/14 it is estimated that up to £3.25 million will be deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies.
62. 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. It is estimated that this may be up to £750k based on current projected academy conversions.
63. Where new independent schools (free schools) or Academies are set up and attract pupils from current maintained PFI schools, then 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. There are also further potential risks if a school becoming an academy is a PFI school, as 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.

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 making changes to the Welfare system, phased in over the next few years, which will have a profound effect on council taxpayers and council house tenants in particular. The cumulative impact of these changes will be significant. Changes include:
- 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. The Council approved a replacement scheme, including a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund.
 - 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.
 - 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)

67. 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.
 - 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

68. At the end of January 2013, capital expenditure so far to date is £36.6m (28%) below budget. The outturn forecast is £45.7m (24%) below the Approved Capital Programme. Full Council has approved on 1st March slippage requests of £34.2m which will substantially reduce this variance and this will be reflected in the Month 11 report.
69. The variation in the year to date position arises mainly from either operational delays (£17.1m) or project slippage (£13.3m). During the month of January, expenditure was £6.8m (16%) below the programme budget.
70. The forecast for the year shows all portfolios are below profile against the approved programme. The forecast, at £141m, is £5.4m lower than the Month 9 position (£147.6m) with the biggest movements being in Place (down £4.1m) and Housing (down £1.3m). Further detail can be found in the specific sections below.

Financials 2012/13

Portfolio	Spend to date	Budget to Date	Variance	Full Year forecast	Full Year Budget	Full Year Variance
	£000	£000	£000	£000	£000	£000
CYPF	37,189	48,157	(10,968)	58,836	71,906	(13,069)
Place	14,021	21,685	(7,663)	18,531	26,879	(8,348)
Housing	35,513	40,890	(5,377)	47,996	59,907	(11,911)
Communities	1,010	1,765	(755)	1,356	2,216	(860)
Resources	4,951	16,816	(11,864)	14,341	25,872	(11,530)
Grand Total	92,685	129,312	(36,627)	141,059	186,779	(45,719)

Commentary

Children, Young People and Families Programme

71. CYPF capital expenditure is £10.9m (23%) below the profiled budget for the year to date and forecast to be £13.1m (18%) 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	-832	-7,090
Slippage on Devolved Budgets	-731	-3,038
Operational delays in projects due to planning, design or changes in specification	-7,988	445
Incorrect budget profiles	731	0
Delayed forecasts	0	-136
Underspending on project estimates	82	-2,032
Other variances	-2,230	-1,219
	<u>-10,968</u>	<u>-13,069</u>
Spend rate per day	178.8	237.2
Required rate to achieve Outturn	541.2	
Rate of change to achieve forecast	202.7%	

72. £10.1m of the £13m forecast 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 £800k within the Primary Prioritisation Programme. A further £2m of potential under spend against approved amounts has been identified on various Primary school programmes.

Place Programme

73. The Place portfolio programme (excluding Housing) is £7.6m (35%) below the profiled budget for the year to date and forecast to be £8.3m (31%) below the programme by the year end for the reasons set out in the table below. The main reason for forecast variance to date is due to £2.9m of project slippage and a further £2.6m of operational delays of which £1.7m relates to the BRT North project. Land acquisitions are progressing but not to the anticipated timescales.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-3,051	-2,970
Operational delays in projects due to planning, design or changes in specification	-1,361	-2,595
Delayed forecasts	0	-729

Projects submitted for Approval	106	-1,433
Overspending on project estimates	-5	-4
Other variances	-3,352	-617
	<u>-7,663</u>	<u>-8,348</u>
Spend rate per day	67.4	74.7
Required rate to achieve Outturn	112.7	
Rate of change to achieve forecast	67.2%	

Housing Programme (Place Portfolio)

74. The Housing capital programme is £5.3m (13%) below the profiled budget for the year to date and forecast to be £11.9m (20%) 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	-4,880	-9,708
Operational delays in projects due to planning, design or changes in specification	-981	0
Delayed forecasts	0	41
Projects submitted for Approval	-2,877	-364
Home Improvement grants held on behalf of other local authorities	47	-972
Underspending on project estimates	-1,824	-863
Other variances	5,138	-46
	<u>-5,377</u>	<u>-11,911</u>
Spend rate per day	170.7	193.5
Required rate to achieve Outturn	312.1	
Rate of change to achieve forecast	82.8%	

75. The main reason for this month's variation is due to slippage (£6.5m) within the Delegated Capital Schemes managed by Sheffield Homes which equates to 11% of the under spend against this year's Housing budget.

Communities

76. The year to date spend on the Communities portfolio capital programme is £800k (43%) below the profiled budget and the forecast (£900k (39%) below budget) suggests this will not be recovered. £300k relates to slippage on the implementation of the ICT infrastructure and £300k slippage on the PCT/SCC Accommodation Strategy.

Resources

77. The year to date spend is £11.8m (71%) below the programme and forecast to be £11.5m (45%) below the approved budget for the whole year.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-3,264	-4,906
Operational delays in projects due to planning, design or changes in specification	-6,840	-5,194
Delayed forecasts	0	73
Projects submitted for Approval	0	-937
Other variances	-1,760	-567
	-11,864	-11,530
Spend rate per day	23.8	57.8
Required rate to achieve Outturn	234.7	
Rate of change to achieve forecast	886.1%	

78. The year-end forecast position is £11.5m under budget and comprises of the following :

- £2.6m slippage on the Accommodation strategy;
- £5.2m slippage on the Moor Indoor market which is now progressing well to a revised project plan submitted by the contractor post appointment. The project is on schedule for a November opening. The revised plan is awaiting Council approval and will be reflected in the Month 11 report;
- £346k slippage on the Asset Realisation project which is designed to make vacant sites more attractive to potential developers; and
- £421k slippage on roof and lift replacement at the Town Hall. Work has now commenced on the urgent aspects of the project.

Approvals

79. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
80. Below is a summary of the number and total value of schemes in each approval category:
- 10 additions to the capital programme with a total value of £1.7m;
 - 1 cancellation from the capital programme with a value of £9k;
 - 1 variation to the capital programme creating a net decrease of £1.7m;
 - 6 contract awards where the total tender costs were in line with the approved sums;
 - 4 instances where either EMT or service directors have exercised their delegated powers to vary approved expenditure levels.
81. Further details of the schemes listed above can be found in Appendix 2.

FINANCIAL IMPLICATIONS

82. 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

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

PROPERTY IMPLICATIONS

84. 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

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

- (b) In relation to the Capital Programme, EMT is recommended to submit the report for approval at Cabinet, noting that Cabinet will approve:
- (i) the proposed additions, cancellation and variation 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) approve the proposed variations in Appendix 2 within their delegated authority; and note
 - (iii) the latest position on the Capital Programme including the current level of delivery and forecasting performance.

REASONS FOR RECOMMENDATIONS

86. 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

87. 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

Portfolio - Carry Forward Requests

CYPF

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
Lifelong Learning, Skills and Communities	Skills Funding Agency	305	The grant received is to cover an academic year and therefore spans two financial years. 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.	To ensure schools / college programmes are funded from April 2013 to August 2013.
Lifelong Learning, Skills and Communities	City Skills Fund	39	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.	Cabinet, in month 3, approved £350k to be carried forward. The additional request reflects further projected underspend within the year against the fund.
Lifelong Learning, Skills and Communities	Youth	50	The original spending plan included a specific budget for Youth Justice Support Workers which has not been utilised due to a delay in the recruitment process.	This underspend is 40% funded by Partnership Organisations that will clawback the funding if unspent.
	Total	394		

PLACE

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
HERS	Local growth fund (LGF)	495	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.	To 'match' approved funding with the revised profile of planned spend on the LGF Programme.
Dev Services	Land Drainage	40	Flood work initially to be completed by Amey in 2012/13 but now expect part of this to slip into 2013/14.	To fund the remainder of the committed work not completed.
Dev Services	'Bike-It'	27	School Travel Incentives Grant funding for 2 external "Bike-It" staff until July 2013.	To 'match' grant received with proposed work programme.
Culture & Env	High street innovation grant	26	Grant awarded with planned work/ spend that runs into the following financial year.	To 'match' grant received with proposed work programme.
Culture & Env	Sport Inclusion	16	Grant received for a 3 year programme.	To 'match' grant received with proposed work programme.
	Total	604		

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	<p>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> <p>How carry forward will be spent</p> <ul style="list-style-type: none"> Temporary Member of Staff - £27,500 Plan production: printing of plans, maps etc - £3,000 Production of 10k accompanying letters for the leaflets - £1,400 Postage and packaging of 10k leaflets/letters - £7,000 Media campaign - £1,000 Multi-agency training - £900 Multi-agency tabletop exercise -

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

Community Assemblies - Carry Forward Requests

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
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 Apprentice Scheme	45	Delays in starting the project. Apprentice scheme follows academic, rather than Financial year	Project will need to run it's course, irrespective of start date
Northern	Development Worker	29	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 request is to carry forward £29,000 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. Over the past years the project has attracted the following match funding: Development Worker Project: £22,000

2012/13

Revenue Budget Monitoring – Month 10

			<p>the available funding in 2013/2014 would have a greater impact than the alternative options considered.</p>	<p>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"> • Salary costs (including on costs) 43k per year (1 and ½ post). • Ecclesfield Parish Council contribution : £7,000 (possible similar contribution for next year) • NHS contribution: £8,000 (possible similar contribution for next year) • 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 communities pot.
	Total	84		

Overall Carry Forward Requests = £1,171

Scheme Description	Approval Type	Value £000	Procurement Route
<p>GREAT PLACE TO LIVE</p> <p>Long Term Empties – Purchase & Repair The Purchase & Repair Scheme will enable the Council to purchase properties which have been empty for at least 2 years. The scheme will target properties that help the Council meet its strategic housing objectives, increasing the delivery and range of quality affordable homes, in places where people want to live. Once the property has been purchased, it will be renovated to Decent Homes and the HCA Design & Quality Standards, brought into the Council housing stock as permanent Council housing and let on a secure tenancy.</p> <p>Given there is a shortfall of affordable housing in all areas of the City, the Purchase and Repair Scheme will primarily target family houses (3 bed+) in areas where they will be cost effective for the Council to manage. It is likely that these properties will be ex Right to Buy properties in predominantly Council managed areas.</p> <p>The project is funded from a combination of HCA Grant (£538k) and prudential borrowing of (£2,260k). The prudential borrowing interest will be charged to the Housing Revenue Account (HRA). The anticipated total upfront costs for the scheme are therefore £2,798k with an average purchase price of between £60k-£80k per unit, with total costs per unit of £90k. This will include work cost, purchase price, stamp duty, legal and survey costs and all fees. The grant has been agreed in principle and the formal agreement will be signed on approval of the capital investment submission.</p> <p>The scheme does break even in the long term (30 years +) and is being undertaken primarily to address the city's housing needs and help tackle the issue of long term empty properties</p>	Addition	2,798	Existing Decent Homes Contract with Kier Sheffield LLP (2013-14 only pending outcome of contract re-tender)

Homes				
Parks				
<p>Woodlands S106 This project aims to improve access to 7 footpaths and 1 boundary across several woodlands in Sheffield; specifically, at Rivelin Valley, Roe Woods, Wincobank Common, Jervis Lumb, Gleadless Valley, Chancet Wood, Spring Close Dell and Brincliffe Edge Woods. In addition, it will aim to improve the interpretation and signage to 2 Noticeboards, at Rivelin Valley and Brincliffe Edge Woods.</p> <p>The improved signage and interpretation will make the woodlands more welcoming and improve their Sheffield Standard assessment score. The preventing of fly-tipping through barrier control will cut down costs in waste removal and also remove the inherent dangers of this to people, wildlife and the environment.</p> <p>The project is funded by Section 106 monies, all of which have now been received, totalling £72k. A proportion (12%) of the S106 funding is for revenue maintenance, will fund the project's future maintenance.</p>	Addition	63	In House Provider	
<p>Lowfield Pro-fit This project that will set up a live innovative 'field lab' for future research and partnership working (with Sheffield Hallam University) to develop new activity-related through consultation and experimentation. The usage of these items of equipment will then be monitored using motion sensors, to measure the success of these new products are.</p> <p>Success in this pioneering project could lead to further similar schemes being commissioned at other locations in Sheffield.</p> <p>The project adds significant value to the Lowfield MyPlace project. It is a flag ship project for SCC and, as well as significantly enhancing SCC's reputation, it may lead to</p>	Addition	116	Waivers - as suppliers directed by grant provider; except for £25k, which will require a Procurement Strategy to be agreed by Commercial Services.	

<p>further investment in Sheffield's green and open spaces.</p> <p>It is funded by INTERREG IVB North West Europe and as such, strict adherence to European funding regulations needs to be followed. The equipment and Pro-fit is at no cost to SCC and entirely funded through INTERREG, including staff. A requirement of the funding is to work in partnership with Sheffield Hallam University.</p>				
<p>Manor Community Allotments This project has been cancelled to fund playground and pond projects as it gives better value for money. The projects will be submitted for approval in next month's report.</p>		Cancel	(9)	N/A
<p>COMPETITIVE CITY:-</p>				
<p>DVS (Don Valley Stadium) Demolition and Re-opening of Woodburn Road Subject to the approval of the decision to withdraw funding and close the Don Valley Stadium (DVS) it is proposed to demolish DVS as soon as possible after its proposed closure on the 30th September 2013.</p>		Addition Addition	250 345	Competitive tender Competitive tender
<p>Replacement facilities will be provided by re-opening Woodbourn Road Athletics Stadium (WRAS). WRAS was mothballed two years ago and is therefore in need of refurbishment and re-equipping.</p> <p>Given the decision to close the stadium there is a need to redevelop the site either for further sports use or for residential development so the proposal therefore is to demolish and clear the site regardless of future use.</p> <p>Outdoor athletics is a high profile element of the sporting offer within Sheffield. The actual track at WRAS is the same specification as the track at DVS and therefore is acceptable to both major clubs in the city. In addition there is a practice throws area</p>				

<p>which DVS does not have.</p> <p>In order to minimise the potential for vandalism etc. it is proposed to start demolition as soon as possible after 30th September so contracts will be let and some preparatory survey work carried out in advance of this date. It is estimated that it may take 6 months from when the demolition contractors get on site.</p> <p>WRAS has to be available for use from the end of September 2013 although it is possible to have improvement works being undertaken after this date.</p> <p>A budget price for the demolition of DVS prepared by Council officers indicates a budget price of £250k. This will be a single task contract procured by staff with the relevant expertise.</p> <p>The closure of DVS saves £700k annually which was the amount paid to Sheffield International Venues for the operation of the stadium.</p> <p>The costs so far identified at WRAS for ground clearance and the lighting etc. amount to just below £200k which will be funded from £150k of revenue budget contributions in 2012-13. This is the basic level of provision however incremental enhancement works will be carried out if bids for further grants are successful. This submission seeks authority for the full works (£345k) conditional on receiving the external funding.</p>	<p>Stocksbridge Leisure Centre (SLS) Demolition</p> <p>Subject to approval of the Council Budget decision to withdraw funds from the Stocksbridge Leisure Centre from 30th April 2013 unless there is a viable business plan forthcoming from either the Stocksbridge Town Council or the community, this proposal seeks Cabinet approval for the demolition of the existing site and its re-instatement to park land. The Land is part of the Oxley Park Charity. The saving to the Council is estimated to be £400k pa.</p>	<p>Addition</p>	<p>105</p>	<p>Competitive tender</p>
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<p>The project would be managed by Development Services working to Culture and Environment as a client and would be procured through competitive tendering.</p> <p>Within the 2013-14 Corporate Resource Pool there is a sum of £105k provisionally earmarked for this project.</p>				
<p>INFRASTRUCTURE</p>				
<p>Accommodation Efficiency Strategy</p>				
<p>The project was approved by Cabinet in October 2011. It will deliver substantial accommodation savings and is a key part of the Council's cost reduction strategy.</p> <p>The project is under constant review and this variation reflects the latest cost estimates and business cases for the different locations. The project was originally approved at £11.2m and this variation will bring the approved sum down to £9.4m. The main changes are:</p>				
<p>£m</p>	<p>Change</p>			
<p>11.2</p>	<p>Original approval</p>			
	<p>Reduction in the City Centre</p>			
	<p>Accommodation package pending delivery of a business case to support</p>			
<p>-1.2</p>	<p>the spend</p>			
	<p>Cancellation of work at Carbrook and Sovereign House where the proposed work has been reviewed and a cheaper</p>			
<p>-0.3</p>	<p>solution found</p>			
<p>-0.3</p>	<p>Other small cost variations</p>			
		<p>Variation (Cabinet)</p>	<p>(1,734)</p>	<p>Competitive tender (unchanged)</p>

9.4 New Proposed spend				
<p>This project is fully funded by Prudential Borrowing - the capital and interest repayments are to be met by the accommodation cost savings over a 10 year period. The procurement strategy is unchanged.</p>				
<p>Rationalisation of Council Buildings This project will relocate staff from Osgathorpe Depot to Carbrook and Staniforth Road. The proposed relocation to Staniforth Rd is in line with the Accommodation Efficiency strategy.</p> <p>Demolition of the building should realise a larger capital receipt than if it was sold in situ. The variation follows a professional assessment of the works involved and the additional cost will be met from the Minor Works revenue budget.</p>	Addition	26	Competitive Quotations from Construction Line list	
SUCCESSFUL CHILDREN & YOUNG PEOPLE				
<p>Stannington Infants Mobile Replace</p> <p>This project is part of CYPF's Mobile Accommodation Strategy which aims to replace or renew mobile classrooms across the estate on a priority led basis to maintain and improve school standards.</p> <p>The project will transfer an existing double mobile classroom currently on the Lydgate Junior School site to Stannington Infant School replacing the existing dilapidated single classroom. The classroom has become available following the completion of heating renewal work project at Lydgate.</p>	Addition	130	Kier Sheffield LLP – Jobs Compact	

<p>The project is entirely funded from the DfE Capital Maintenance grant allocation for 2013/14.</p> <p>Tinsley Junior Internal Remodel This project comprises an internal remodel at Tinsley Junior School to facilitate the admission of an additional 8 pupils across all year groups from September 2013 and satisfies the Council's statutory duty to provide sufficient local school places.</p> <p>The additional 8 places are required as a result of increased catchment demand for places and to allow for provision of fair access placements in the area. The extra capacity will allow for an increase in admissions from 67 per year group to 75 per year groups, across the 4 year groups in the school (Y3-Y6).</p> <p>The additional capacity will be achieved through an internal remodel, incorporating the ICT suite, nurture area and former caretaker's house to create two additional classrooms.</p> <p>The project is entirely funded from the DfE Capital Basic Need grant allocation for 2013/14.</p>	Addition	210	Kier Sheffield LLP – Jobs Compact
<p>Hunters Bar NI & I Mobile Replace This project covers the construction of a new single storey classroom block at the Hunters Bar Nursery Infant/ Hunters Bar Junior School site, to replace two existing mobiles which are to be removed as part of the project.</p> <p>The project forms part of CYPF's mobile accommodation strategy which aims to replace or renew mobile classrooms across the estate on a priority led basis. The new single storey build will replace the two mobile classrooms with permanent accommodation. The existing mobiles are in a poor state of repair and will improve pupils' wellbeing and education.</p>	Addition	540	YORBUILD

<p>The securing of improved classroom accommodation at Hunters Bar NI and Jnr schools will contribute towards the Council's objective of maintaining and improving school standards.</p> <p>The project is entirely funded from the DfE Capital Maintenance grant allocation for 2013/14.</p>			
<p>SLIPPAGE / ACCELERATED SPEND:-</p>	<p>None</p>		
<p>EMERGENCY APPROVALS:- (Note only)</p>	<p>None</p>		
<p>EXECUTIVE MANAGEMENT TEAM VARIATIONS: (to note)</p>			
<p>PARKS</p>			
<p>Manor Fields Toddler Play This project will deliver a play area aimed specifically at the toddler age group in Manor Fields Park, together with pond landscape improvements plus associated landscape works to the interface with the garden of York House.</p> <p>The variation re-aligns the previously separated budgets after combining the Manor Fields Lighting, the Manor Community Allotments & the Manor Fields Play Area projects into one project, the Manor Fields Toddler Play scheme: specifically, the variation adds a further £1,210 from the Allotments project to the £35,190 previously authorised at the February 2013 Cabinet Meeting.</p> <p>The projects being progressed as part of this package of work have been identified as priorities in the masterplan document, working in partnership with Green Estate. The</p>	<p>Variation (EMT: as the cumulative variation is £65k)</p>	<p>1</p>	<p>N/A – variation</p>

projects chosen are the ones that will have the biggest impact, can be delivered within the timescale available and that will have minimal maintenance implications in the coming years.				
The project is funded from S106 contributions.				
DIRECTOR VARIATIONS: (to note)				
PARKS				
Hackenthorpe Skate & BMX Tender costs came in above budget and will be covered by using s.106 funds.	Director Variation	5	N/A - variation	
Hollinsend MUGA Additional funding received from the s.106 agreement and will be used for additional planting.	Director Variation	1	N/A - variation	
Ruskin Park Improvements Additional funding from a community group will pay for more outdoor gym equipment.	Director Variation	2	N/A - variation	
RETROSPECTIVE APPROVALS:-	None			

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