

# CAPITAL PROGRAMME MONITORING AS AT MAY 2020

## 1 - Statement of Budget Movement

The table below summarises the movement in budget from month 1 to month 2 20/21 and Capital programme budget position as at May 20.

	2020/21	2021/22	Future	Total	Comments
Month 1 Approved Budget	224.2	189.9	363.9	777.9	The key changes to the programme from last month relate to: ADDITIONS + £0.3m - Funding for increased SEND School Places + £0.3m - For ASPIRE Hubs + £0.1m - For reactive mechanical works to schools + £0.2m For Heart of The City II Block 1
Additions	0.9	0.0	0.0	0.9	
Variations	0.0	0.0	0.0	0.0	
Reprofile	0.0	0.0	0.0	0.0	
Slippage & Acceleration	0.0	0.0	0.0	0.0	
Month 2 Approved Budget	225.1	189.9	363.9	778.8	

## 2 - Top 20 Projects by value as at May 2020

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2020/21. This group accounts for 59% of the 2020/21 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT	Current Year							Remaining Life of Project					Comments
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %	
Msf Finance	2,440	2,440	0	14,641	14,641	0	0.0%	NR	64,378	64,378	(0)	0.0%	NR
New Build Coun Hsg Ph 4a	498	1,533	(1,036)	11,392	12,895	(1,503)	-11.7%	G	20,827	20,827	(0)	0.0%	G
C Pepper Pot Building	751	635	116	12,776	12,519	257	2.1%	A	14,049	14,049	0	0.0%	A
B Laycock House New Build	956	642	314	12,359	11,922	437	3.7%	A	13,685	13,685	(0)	0.0%	A
Srq 2	-	-	-	-	11,106	(11,106)	-100.0%	NR	-	62,039	(62,039)	-100.0%	NR
New Build Coun Hsg Ph10	373	575	(202)	8,176	8,176	0	0.0%	G	13,886	13,886	0	0.0%	G
H & S Essential Work	-	-	-	6,717	6,717	-	0.0%	NR	55,456	55,456	-	0.0%	NR
Stock Increase (chs)	-	-	-	2,379	6,449	(4,070)	-63.1%	G	161,225	161,369	(143)	-0.1%	G
Brownfield Site	1	18	(17)	5,978	5,978	0	0.0%	NR	5,978	5,978	0	0.0%	NR
Roofing Replacements Prog	7	7	1	1,526	5,026	(3,500)	-69.6%	G	38,570	38,570	(0)	0.0%	G
Heating, Energy Effic & Carbon Red	-	-	-	4,784	4,784	-	0.0%	NR	29,129	29,129	-	0.0%	NR
Hoc II Infrastructure & Pr	25	37	(12)	4,192	4,192	0	0.0%	G	7,218	7,218	0	0.0%	G
Udv Flood Scheme Phase 1	221	227	(6)	4,167	4,097	69	1.7%	A	8,342	8,342	(0)	0.0%	A
H1 Leaks Yard	36	59	(23)	3,880	3,880	0	0.0%	NR	3,880	3,880	0	0.0%	NR
Council Hsg Acquisitions Prog	370	429	(59)	3,789	3,748	41	1.1%	G	31,860	31,860	(0)	0.0%	G
Electrical Strategy	6	6	0	3,279	3,727	(448)	-12.0%	G	3,727	3,727	0	0.0%	G
Interim Ta Accommodation	-	-	-	3,250	3,250	-	0.0%	G	3,250	3,250	-	0.0%	G
Transport Efficiency 20-21	-	-	-	3,195	3,195	-	0.0%	NR	3,195	3,195	-	0.0%	NR
Clean Bus Technology	540	300	240	3,194	3,194	(0)	0.0%	NR	3,194	3,194	(0)	0.0%	NR
Accelerated Adaptations Grant	7	7	-	2,071	3,067	(997)	-32.5%	NR	2,071	3,067	(997)	-32.5%	NR
Top 20 Value	6,230	6,915	(684)	111,744	132,563	(20,819)	-15.7%		483,920	547,099	(63,179)		
Rest of Programme	5,850	8,391	(2,541)	102,388	92,517	9,871	10.7%		287,692	231,738	55,954		
Total Capital Programme Value	12,080	15,305	(3,225)	214,132	225,080	(10,949)	-4.9%		771,612	778,837	(7,225)		
% of Programme within the Top 20	52%	45%	21%	52%	59%	190%			63%	70%	87%		

## 3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £10.9m below budget, an increase of £4m from the £6.9m reported last month. The key variances by board are explained below. This movement was expected as the impact of COVID 19 is assessed and feeds through into capital programme forecasts.

BOARD	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
QUALITY OF LIFE	3,528	2,825	(296)	19,471	19,466	5	
HOUSING GROWTH	1,468	3,319	(1,851)	42,466	47,341	(4,875)	Key Variances See items 4.2, 4.5, 5.2 and 5.6
HEART OF THE CITY II	3,315	2,941	375	62,720	60,251	2,470	Key Variances - Anticipated Acceleration on Block H Site (£3.3m) - See items 4.1 and 5.1 - Acceleration Blocks B & C (£40.7m) - See items 5.3 & 5.5 - Delay to Block G Wellington St Car Park as decisions still being made as to overall plan for site (£3.6m). See item 4.4
HOUSING INVESTMENT	1,172	1,058	114	40,352	46,105	(5,753)	Key Variances - Delay to new Roofing Replacement Scheme still at tendering stage (£3.5m) See item 4.3 - Potential saving on anticipated adaptations works (£4.3m) See item 4.7 - Covid 19 delays on Obsolete Heating (item 4.10) and Electrical Replacement works (£40.9m)
ECONOMIC GROWTH	1,213	1,127	86	8,400	8,182	218	Key Variances - LDV Fish Pass (£120k) See item 5.10 - UDV Flood scheme acceleration (£470k) - CIL payments to Parish Councils (£430k)
ESSENTIAL COMPLIANCE & MAINT	470	443	28	9,569	9,576	(7)	
TRANSPORT	1,395	2,197	(802)	14,413	15,065	(653)	Key Variances - Broadfield Road slippage (£0.9m) See item 4.9 - TCF Bridge Cycling overpass (£40.4m) See item 5.9 - TCF E-Block scheme waiting approval (£0.1m) See item 5.6
PEOPLE CAPITAL & GROWTH	481	1,356	(875)	13,851	16,314	(2,463)	Key Variances - Disabled Facilities Grant Funded work forecast to be below budget due to Covid 19 restrictions in accessing clients' properties. (£3.2m) - Aldine House 2 Bedroom Extension slippage (£4.2m) See item 4.6
ICT	-	-	-	1,442	1,442	-	
GREEN & OPEN SPACES	37	40	(3)	1,444	1,333	111	Key Variances - Hillborough All Wheels Park - awaiting approval (£0.3m) See item 5.4 - Section 106 Block allocation - reprofile following review of likely schemes in 20/21 (£0.2m)
CORPORATE	-	-	-	-	-	-	
Grand Total	12,080	15,305	(3,225)	214,132	225,080	(10,949)	

## 4 - Top 10 Forecast Slippage against Full Year Budget

The £11.1m at 4.1 can be discounted as this relates to budget adjustments (offset by 5.1 below). Of the remaining £15.4m, £8.2 can be attributed to Covid related issues.

Business Unit	Board	FY Budget	FY variance on budget	Explanation
4.1 Srq 2	HEART OF THE CITY II	11,106	(11,106)	Awaiting Approval - Transfer of budget from block allocation to delivery business unit. Brought for approval to June CPG
4.2 Stock Increase (chs)	HOUSING GROWTH	6,449	(4,070)	REPROFILE - Review of Stock Increase programme in light of COVID issue revealed that some schemes anticipated to come forward in 20/21 will now be later. Formal reprofile request to be brought forward when full impact finalised.
4.3 Roofing Replacements Prog	HOUSING INVESTMENT	5,026	(3,500)	REPROFILE - Still at tendering stage and start on site very likely to be delayed, possibly till Nov20 or even later
4.4 G Wellington St Car Park	HEART OF THE CITY II	2,981	(1,630)	REPROFILE - Delay to Block G Wellington St Car Park as decisions still being made as to overall plan for site.
4.5 New Build Coun Hsg Ph 4a	HOUSING GROWTH	12,895	(1,503)	SLIPPAGE - Delays have been incurred as a result of Covid 19 and the suspension of works on site
4.6 Aldine Hse- 2 Bed Extn & Muga	PEOPLE CAPITAL & GROWTH	2,387	(1,185)	SLIPPAGE - Delays to works getting underway in 20/21 due to Covid19. Budget reprofile brought to June CPG for approval.
4.7 Adaptations	HOUSING INVESTMENT	3,063	(1,143)	SAVING - Review of Adaptations programme underway including new procurement strategy has indicated reduced resources over next 5 years.
4.8 Accelerated Adaptations Grant	PEOPLE CAPITAL & GROWTH	3,067	(997)	REPROFILE - Coronavirus has meant that service is only processing extreme emergency cases so the April spend has been severely reduced and forecast spend may reduce further
4.9 Broadfield Road Junction	TRANSPORT	2,706	(918)	SLIPPAGE - due to a number of on-going issues, cost plan not accurate and forecast is showing slippage into 20-21. Current issues: know issue with the advertising board permit linked with compensation payment. EA permit been lost: to allow investigation on the river banks for the bridge. To re-profile once position is better understood
4.10 Obsolete Heating	HOUSING INVESTMENT	2,017	(475)	SLIPPAGE - it is very likely that a budget variation will be needed with this discipline of works given the current Covid 19 issues. A revised programme has been requested from RMS. Once this has been received, an accurate budget variation can be made.
Total		51,698	(26,127)	

**5 - Top 10 Forecast Overspends over Full Year Budget**

The £14.4m at 5.1 can be discounted as this relates to budget adjustments (offset by 4.1 above). Of the remaining forecast overspends, Approx. £0.8m will form an additional call on HRA resources, £0.1m relating to HOCII will require additional borrowing. The main risks to general fund resources is the £240k relating to Magna Cycling and LDV Fish Pass. Potential mitigations are the transfer of anticipated underspends from other schemes (LDV) and the expected external funding re: TCF.

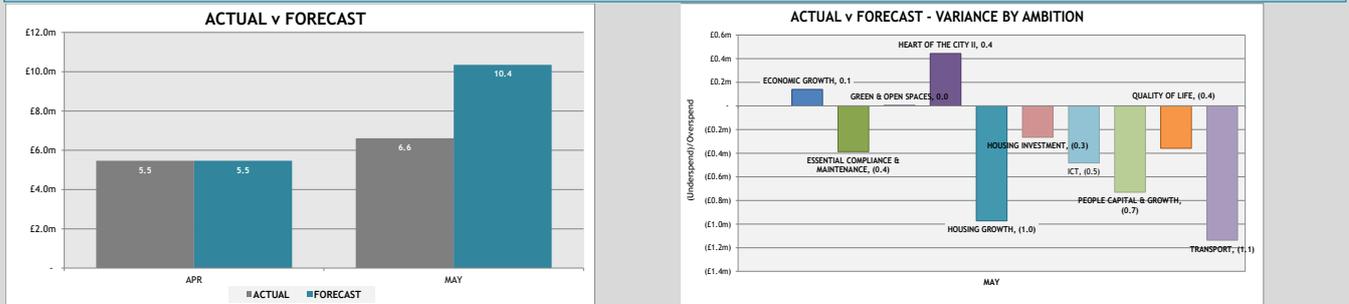
Business Unit	Board	FY Budget	FY variance on budget	Explanation
5.1 H Henrys Block	HEART OF THE CITY II	787	14,372	AWAITING APPROVAL - Transfer of budget from block allocation to delivery business unit. Brought for approval to June CPG
5.2 General/rtb Acquisitions Chs	HOUSING GROWTH	546	640	OVERSPEND - Budget is totally inadequate based on average costs. Report being prepared for Homes Board to highlight the issue. Repairs outputs are higher than the Acquisitions as there is a backlog of Repairs for RMS to complete. Properties still being purchased but repairs to those has been minimal due to Covid19.heme due for approval at May CPG -June Cabinet
5.3 B Laycock House New Build	HEART OF THE CITY II	11,922	437	ACCELERATION - Contractor making faster progress than anticipated
5.4 Hillsborough Park Wheels Park	GREEN & OPEN SPACES	-	266	AWAITING APPROVAL - Scheme due for approval at May CPG - June Cabinet
5.5 C Pepper Pot Building	HEART OF THE CITY II	12,519	257	ACCELERATION - Contractor making faster progress than anticipated
5.6 New Build Coun Hsg Ph13	HOUSING GROWTH	-	146	AWAITING APPROVAL - Scheme due for approval at May CPG - June Cabinet
5.7 Ewi Non-traditional1	HOUSING INVESTMENT	265	137	OVERSPEND - The cost report now reflects the addition of the outbuildings to a value of approximately £390k.
5.8 Charter Square Enabling Works	HEART OF THE CITY II	300	129	OVERSPEND - Details of higher specification public realm works still to be agreed but likely to exceed current approved budget. When finalised budget increase to be brought forward
5.9 Tcf Magna Mhall Cycling	TRANSPORT	58	120	OVERSPEND - Possibility that some costs charged incorrectly to this budget. This is under investigation.
5.10 Ldv Sandersons Fish Pass	ECONOMIC GROWTH	92	119	OVERSPEND - Extreme weather events on three occasions, resulting in exceptionally high river levels, have caused delays, disruption and damage to the works, resulting in increased costs. It is anticipated that budget saving on LDV full scheme will be available to meet this.
<b>Total</b>		<b>26,489</b>	<b>16,622</b>	

**6 - Forecast 2020/21**

**6.1 - Capital Projects with Forecasts Committed**

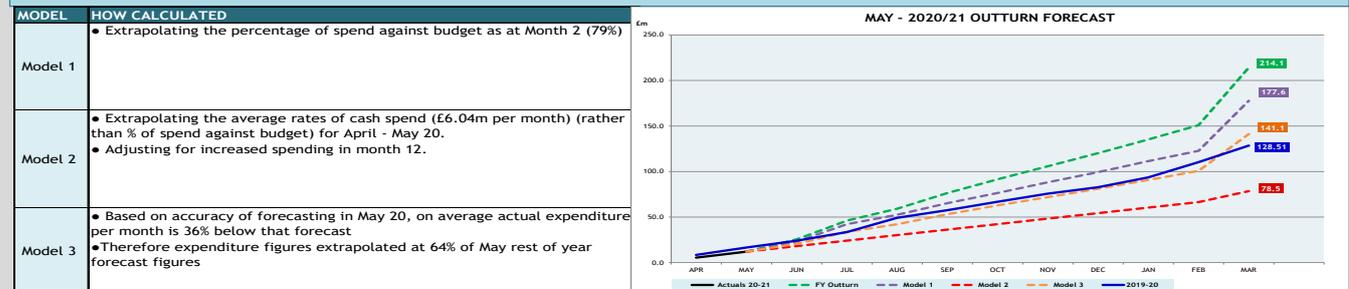


**6.2 - Forecast Accuracy**



Section 6.1 indicates 94% of Capital Business Units forecast by deadline which is a substantial increase from the 87% last month representing the improvement in IT connectivity across the authority and support offered by the Business Partner Capital Team to project managers. Graphs at 6.2 compare the actual expenditure incurred each month against that which was forecast in the prior month. As can be seen overall actual expenditure in May 20 was £3.8m less than had been forecast. Given the current situation increased variability around forecasts is expected. Further analysis shows 3 schemes account for £1.5m of variance. **Broadfield Rd Junction Scheme** - £0.8m - this scheme requires careful monitoring as the programme continues to extend. **Superfast Broadband** - £0.5m an expected profile of 3 payments of £0.5m per month now expected as one lump sum in June. **Green Estates Grant** - £0.3m grant payment delayed from May to June.

**6.3 - Forecasting Models**



The graph at 6.3 shows a potential spread of outturn positions compared to the current forecast based on the extrapolation models described. Also included is the profile of expenditure for 2019/20 as a comparator. All models suggest that the current outturn forecast remains significantly over optimistic. Of the 24 key forecasts identified last month as most in need of review (representing £42m of expenditure forecast in March 21), only 2 have been revised: Council Housing Stock Acquisition Allocation (£4m reduction) and Parks Section 106 allocation (£0.2m reduction). - 4 x Schemes relate to purchases of land and property yet to be identified (Housing Temp Accommodation and Brownfield Sites/Devonshire Acquisitions). For schemes of this nature to suggest that until definite purchases identified spend forecast is shifted into future years (£9m) Key forecasts still requiring review and either confirmation of reprofiling are - 10 x Housing Investment Q numbers (£20m), 2 x HOCII Schemes which are already under review and

**7 - Key Issues and Risks**

**Key Issues**

- The impact of Covid 19 on the capital programme is not yet able to be quantified. However, it is clear that the most likely issues will relate to significant delays to schemes and potentially increased costs as a result of this and other changes to working practices required in response to safe working.

**Key Risks**

Key risk areas will be:  
 - Schemes funded via time limited grants - for example the Upper Don Valley Flood Scheme - risks loss of funding if spend profile targets are not met.  
 - Related to the above requirement to meet spend profiles on new council housing to avoid return of 1-4-1 capital receipt - It should be noted however that MHCLG have offered a temporary relaxation of the rules around this and revised modelling work is ongoing to ensure SCC is not required to repay.