



Author/Lead Officer of Report:
Damian Watkinson,
Finance Manager

Tel: 0114 273 6831

Report of: *Eugene Walker*

Report to: *Cabinet*

Date of Decision: *17th January 2018*

Subject: *Capital Approvals for Month 7 2017/18*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Finance and Resources</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Overview and Scrutiny Management Committee</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:
<i>This report provides details of proposed changes to the Capital Programme as brought forward in Month 8 2017/18</i>

Recommendations:

Cabinet is recommended to:

- Approve the proposed additions and variations to the Capital Programme listed in Appendix 1, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts;
- Approve the variations to the Housing Capital Programme as part of the annual programme refresh as detailed in Appendix 3

**Background Papers:
Appendix 1, Appendix 2a, Appendix 3**

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Marianne Betts</i>
	Legal: <i>David Hollis</i>
Equalities: No	
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>Eugene Walker</i>
3	Cabinet Member consulted: <i>Councillor Olivia Blake Cabinet member for Finance and Resources</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Damian Watkinson</i>
	Job Title: <i>Finance Manager Business partner Capital</i>
Date: 22nd December 2017	

MONTH 08 2017/18 CAPITAL APPROVALS

1. SUMMARY

- 1.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during the Month 8 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.
- 1.2 Below is a summary of the number and total value of schemes in each approval category:
- 1 addition of specific projects to the capital programme creating a net increase of £11k
 - 28 variations of specific projects in the capital programme creating a net reduction of £796k
 - Revisions to the Housing Capital Programme including the addition of the 2022/23 indicative allocations creating a net increase of £74.4m
 - Total net impact of the additions and variations proposed on the capital programme is net increase of £73.2m
- 1.3 Further details of the schemes listed above can be found in Appendix 1 for specific projects and Appendix 3 in relation to the Housing Capital Programme changes.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposed changes to the Capital programme will improve the recreational leisure facilities, schools, roads and homes used by the people of Sheffield, and improve the infrastructure of the city council to deliver those services.

3. BACKGROUND

This report is part of the monthly reporting procedure to Members on proposed changes to the Council's capital programme.

4. OUTCOME AND SUSTAINABILITY

- 4.1 By delivering these schemes the Council seeks to improve the quality of life for the people of Sheffield.

5. OTHER IMPLICATIONS

5.1 Finance Implications

The primary purpose of this report is to provide Members with information on the proposed changes to the City Council's Capital Programme further details on each scheme are included in Appendix 1 in relation to specific

schemes and Appendix 3 in relation to the refresh of the Housing Capital Programme

5.1.1 Programme Slippage

Due to the size and complexity of schemes delivered in the capital programme a level of slippage in budgets is inevitable. However, it is recognised that concerns have been raised regarding levels of slippage in recent years. Two main initiatives will be taken forward to improve the quality of reporting and understanding of slippage:

a) A training programme for project managers to improve business case development, budget setting and forecasting skills in order to improve the quality of base budgets to hopefully minimise requirements for slippage.

b) Recognition that slippage of budgets across financial years does not necessarily mean the delivery of a project has fallen behind schedule. The profile of payments may only have moved by a month or 2 e.g from February to April and this happens to cross financial years. In future months a clear distinction will be drawn in this report between slippage as a result of purely financial profiling and that which relates to genuine project delays impacting on outputs and outcomes. This information should provide greater clarity on the reasons for slippage and progress on delivery.

5.2 Procurement and Contract Award Implications

This report will commit the Council to a series of future contracts. The procurement strategy for each project is set out in Appendix 1. The award of the subsequent contracts will be delegated to the Director of Financial and Commercial Services.

5.3 Legal Implications

Any specific legal implications in this report are set out in Appendix 1..

5.4 Human Resource Implications

There are no direct Human Resource implications for the Council.

5.5 Property Implications

Any specific property implications from the proposals in this report are set out at Appendix 1.

6 Reasons for Recommendations

- The proposed changes to the Capital programme will improve the services to the people of Sheffield

- To formally record changes to 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.

- Obtain the relevant delegations to allow projects to proceed.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 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.

Finance & Commercial Service - December 2017

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