

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 30 NOVEMBER 2013

Purpose of the Report

- This report provides the Month 8 monitoring statement on the City Council's Revenue Budget and Capital Programme for November. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 60.

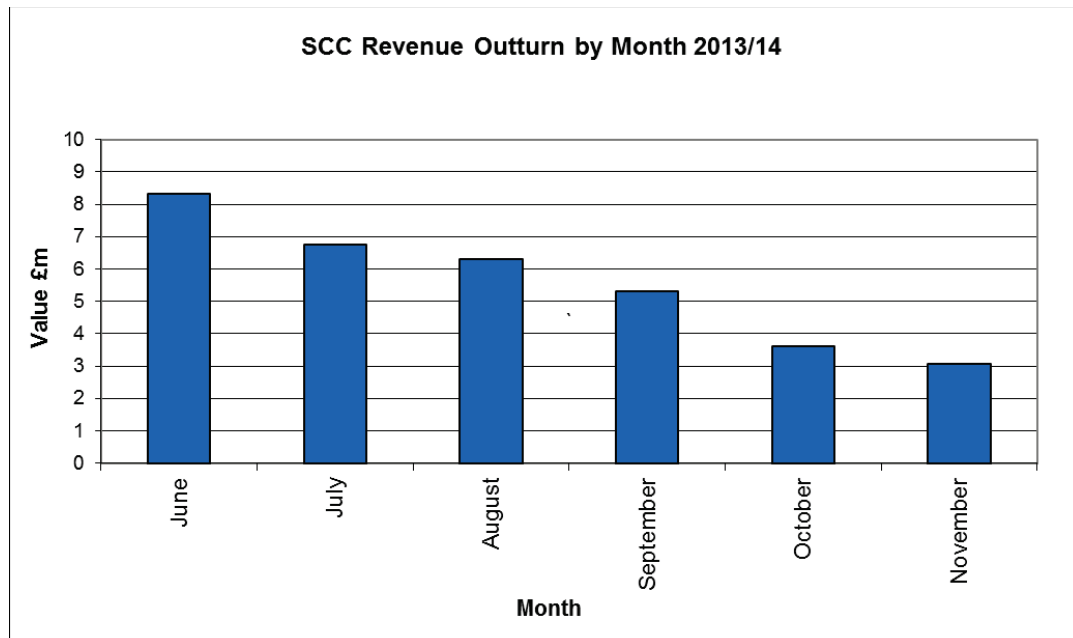
Revenue Budget Monitoring

Summary

- The budget monitoring position at month 7 indicated a forecast overspend of £3.6m, 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 £3.1m to the year end: i.e. a forecast improvement of £533k since last month. This is summarised in the table below:

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
CYPF	88,673	88,645	28	↔
PLACE	180,847	180,298	549	↔
COMMUNITIES	180,797	170,787	10,010	↓
POLICY, PERFORMANCE & COMMUNICATION	2,640	2,617	23	↔
RESOURCES	62,488	63,877	(1,389)	↑
CORPORATE	(512,355)	(506,224)	(6,131)	↔
GRAND TOTAL	3,090	-	3,090	↓

- The forecast outturn shows a reducing overspend from the £8.3m overspend reported in month 3 to £3.1m in month 8. This improvement reflects Portfolios attempts to reduce spending but also the use of one-off grants to offset the significant pressures within the Communities portfolio. Further work is being undertaken to deliver a balanced position at year end. The position month by month is shown in the following chart:



4. In terms of the month 8 overall forecast position of a £3.1m overspend, the key reasons are:
- Place are showing a forecast overspend of £549k, due to an estimated £447k associated with contract negotiations to deliver the waste management savings, additional forecast costs within commercial estate of £200k, a reduction in anticipated markets income of £300k caused mainly by low rental levels at the old Castle Market and a potential deficit arising from difficult trading conditions within Sheffield International Venues of £800k . These overspends are partly offset by reductions in forecast spend on the contract and street lighting costs within the Highways Department of £700k, savings on Local Growth Funded Projects of £200k and a reduction in spending across the Culture and Environment Service of £300k.
 - Communities are showing a forecast overspend of £10m, due predominately to a £8m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People’s care and a £3.2m overspend on Mental Health purchasing budgets.
 - Resources are showing a forecast reduction in spending of £1.4m, due to £1m savings on the housing benefits subsidy adjustments, £1m of insurance fund savings and £238k reduction in spending within the Finance Service as a result of early staff savings for the 2014/15 budget. These savings are partly offset by reduced income from project recharges of £326k and a £200k provision for EU grant

clawback within Business Information Solutions, £147k of unfunded E-Business project costs and a £203k overspend within HR on employee costs.

- Corporate budgets are showing a forecast reduction in spending of £6.1m, due predominantly to savings against the redundancy budget of £2m and the receipt of additional grant income totalling £3.7m.
5. The reasons for the movement from month 7 are:
- Communities are forecasting an improvement of £698k, due mainly to additional income in Provider Services and the management of vacancies and spend across the whole Service.
 - Resources are forecasting an adverse movement of £126k, due mainly to the aforementioned provision of £200k taken this month in respect of EU grant claw back for historic European projects within Business Information Solutions.

Individual Portfolio Positions

Children Young People and Families (CYPF)

Summary

6. As at month 8 the Portfolio is forecasting a full year outturn of an overspend of £28k and is shown in the table below. The DSG forecast is an overspend of £321k. These forecasts are broadly consistent with the month 7 position. The key reasons for the forecast outturn position are:
- **Business Strategy:** a £131k forecast reduction in spend, due mainly to a £373k forecast overspend in Children's Public Health, offset by increased income of £630k on the Education Services Grant (ESG).
 - **Children and Families:** a £76k forecast underspend, which includes £401k forecast overspend in legal fees, £314k forecast overspend on residential homes, £73k overspend in Adoption, £341k forecast reduction in spend on fieldwork services, £156k forecast reduction in spend on Early Years and £364k forecast reduction in spend on Placements .
 - **Inclusion and Learning Services:** a £201k forecast overspend, due to £119k forecast overspend on faith travel passes, £261k forecast overspend on travel passes due to an increase in demand. Offset by a forecast reduction in spend of £47k in the Learning and Achievement Service and a forecast reduction in spend of £39k in Inclusion and Targeted Services.

Financials (Non – DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS STRATEGY	6,458	6,588	(131)	↔
CHILDREN & FAMILIES	65,447	65,523	(76)	↔
INCLUSION & LEARNING SERVICES	4,975	4,774	201	↔
LIFELONG LEARN, SKILL & COMMUN	11,794	11,760	34	↔
GRAND TOTAL	88,673	88,645	28	↔

Commentary

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

Non DSG Budgets**Children and Families**

8. As at month 8, the overall position for Children and Families is consistent with the month 7 position. However, the Early Years budgets have improved by £156k from the month 7 position and is due to the early implementation of the 2014/15 savings in Early Years.

DSG Budgets

9. As at month 8, DSG is forecast to overspend by £321k, which is consistent with the position reported at month 7. The only significant movement to report in DSG is an adverse movement of £165k in ILS on Independent Placements. This is due to an income shortfall on EFA income for High Needs, total income of £2.1m had been assumed by LLSC and ILS but only £1.8m is receivable, therefore, ILS are forecasting an overspend of £165k, with the balance of £135k being mitigated from underspends.

Place**Summary**

10. As at month 8 the Place Portfolio is forecasting a full year outturn of an overspend of £549k which is consistent with the month 7 position. The key reasons for the forecast outturn position are:
- **Business Strategy & Regulation:** £447k overspend due to risks associated with contract negotiations with the Contractor on the new service to deliver the full £2.1m waste management savings in the 2013/14 Budget.
 - **Capital & Major Projects:** £570k overspend largely arising from cost and income pressures within the markets service as a result of low rental levels at the old Castle Market which has become unattractive

to traders. This position has been addressed by building the new indoor market on the Moor. Approximately £200k relates to historic decline in lettings and a further £100k due to concessions in rental levels this year. Also contributing to this forecast overspend is additional costs within commercial estate of £200k.

- **Culture & Environment:** £487k overspend due to the forecast including provision for a potential £800k deficit arising from difficult trading conditions within Sheffield International Venues (SIV), offset to some extent by savings across the overall Culture and Environment service area of £300k
- **Regeneration & Development Services:** £986k reduction in spending, largely due to savings on the contract and street lighting costs within the Highways Department of £700k and Local Growth Funded Projects in Sustainable Cities of £200k.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS STRATEGY & REGULATION	29,501	29,054	447	↑
CAPITAL & MAJOR PROJECTS	1,369	799	570	↑
CREATIVE SHEFFIELD	3,658	3,662	(4)	↔
CULTURE & ENVIRONMENT	54,670	54,183	487	↔
MARKETING SHEFFIELD	943	900	43	↔
PLACE PUBLIC HEALTH	(7)	0	(7)	↔
REGENERATION & DEVELOPMENT SER	90,714	91,699	(986)	↓
GRAND TOTAL	180,847	180,298	549	↔

Commentary

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

Business Strategy & Regulation

- The current forecast for this activity is an overspend of £447k. This is an adverse movement of £130k this period largely associated with a relatively small increase in forecast waste management costs.

Capital & Major Projects

- The current forecast for this activity is an overspend of £570k. This is an adverse movement of £152k this period due to the cumulative impact of small increases in forecast spend over a range of activities.

Regeneration & Development Services

14. The forecast for this activity is £986k reduction in spending, an improvement this period of £157k largely due to further forecast savings within the Highways Department.

Communities

Summary

15. As at month 8 the Portfolio is forecasting a full year outturn of £10m overspend, an improvement of £695k from the month 7 position. The key reasons for the forecast outturn position are:

- **Business Strategy:** a forecast reduction in spending of £354k. Executive and Portfolio-Wide Services report a forecast £88k reduction in spend mainly due to reduction in pay costs but also due to some restrictions on non-pay expenditure. Improvement and Development Services report a forecast £89k reduction in spend due to holding of staff vacancies. Quality and Safeguarding is forecasting reduction of spend of £177k mainly due to reduced costs of the Moorfoot Learning Centre.
- **Care and Support:** a significant overspend forecast of £8m. This overspend is across Older People's / Physical Disabilities (together, known as "Adults") / Learning Disabilities (LD) care purchasing budgets, and is due to the full year effect of 2012/13 activity, and anticipated continued growth in 2013/14 offset by action and interventions implemented to date. This position includes the use of the corporate contingency, identified in the budget process, for Adult Social Care.
- **Commissioning:** a forecast £2.3m overspend due to, Mental Health Commissioning Service forecasting an overspend of £3.2m, mainly as a result of an overspend in MH Purchasing Budgets due to an increase in the number of people coming to us for care provision (predominantly using SDS Personal Budgets). This overspend is partly offset by a reduction in spending of £617k within Housing Commissioning, mainly on the Housing Related Support Programme (formerly Supporting People) and a reported underspend of £223k as a result of termination of third party contracts, maintaining staff vacancies and restrictions on non-pay spend within Social Care Commissioning.

16. There are a range of actions being taken to reduce the forecast over spends in Communities. These include:

- Tight control over all spending.
- Holding staff vacancies open where they are not absolutely necessary to deliver safe and effective services.
- Providing direct support to help people maintain and regain their independence.
- Making sure that we have an up-to-date understanding of peoples eligible needs, and that these needs are met in the most cost effective way.
- Making sure that costs are not transferred to the Council as a result of decisions taken by other organisations.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS STRATEGY	11,661	12,016	(354)	↔
CARE AND SUPPORT	121,734	113,767	7,967	↓
COMMISSIONING	36,860	34,548	2,312	↔
COMMUNITY SERVICES	10,542	10,457	85	↔
GRAND TOTAL	180,797	170,787	10,010	↓

Commentary

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

Care and Support

18. A forecast £8m overspend. This is an improvement of £722k from the previous month and is due to additional income in Provider Services and the management of vacancies and spend across the whole service.

Resources

Summary

19. As at month 8 the Portfolio is forecasting a full year outturn of a reduction in spending of £1.4m, an adverse movement of £128k from the month 7 position. The key reasons for the forecast outturn position are:

- **Business Information Solutions:** £696k overspend due in the main to reduced income from project recharges of £326k and £200k of EU grant claw back.

- **Commercial Services (savings):** £147k overspend in Commercial services due to E Business project costs of £245k offset by vacancy management and other cashable savings.
- **Human Resources:** £203k overspend on employee costs due to the delayed MER within the service.

Offset by:

- **Housing Benefit:** approx. £1m reduction in spending.
- **Central costs:** £1m reduction in spending owing to a transfer of £1m from the Insurance Fund.
- **Finance:** £238k reduction in spending in Finance as a result of early staff savings for the 2014/15 budget.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
BUSINESS INFORMATION SOLUTIONS	1,439	753	686	↑
COMMERCIAL SERVICES	785	638	147	↔
COMMERCIAL SERVICES (SAVINGS)	(820)	(820)	0	↔
CUSTOMER FIRST	3,117	3,117	0	↔
CUSTOMER SERVICES	2,732	2,700	32	↔
FINANCE	1,907	2,145	(238)	↔
HUMAN RESOURCES	1,095	892	203	↔
LEGAL SERVICES	5,194	5,270	(76)	↔
RESOURCES MANAGEMENT & PLANNING	1,247	1,219	28	↔
TRANSPORT AND FACILITIES MGT	32,598	32,724	(126)	↔
TOTAL	49,294	48,638	656	↑
CENTRAL COSTS	13,190	14,237	(1,047)	↔
HOUSING BENEFIT	4	1,002	(998)	↔
GRAND TOTAL	62,488	63,877	(1,389)	↑

Commentary

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

Business Information Solutions

21. A forecast £686k overspend. This is an adverse movement of £219k from the previous month and is due to a provision of £200k taken this month in respect of EU grant claw back for historic European projects within BIS. This has been raised previously as a financial risk.

Policy, Performance and Communications

Summary

22. As at month 8 the Portfolio is forecasting a full year outturn of an overspend of £23k which is consistent with the month 7 position. This overspend is due to increasing Election canvassing costs.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 7
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,775	2,752	23	↔
PUBLIC HEALTH	(135)	(135)	0	↔
GRAND TOTAL	2,640	2,617	23	↔

Corporate items

Summary

23. The month 8 forecast position for Corporate budgets is a £6.1m reduction in spending which is consistent with the month 7 position. 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:** 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	55,051	57,443	-2,392
Savings Proposals	-450	-450	0
Income from Council Tax, RSG, NNDR, other grants and reserves	-566,956	-563,217	-3,739
Total Corporate Budgets	-512,355	-506,224	-6,131

24. Corporate Budget items are showing a forecast reduction in spending of £2.4m, due mainly to the reassessment of the budget requirement for redundancy cost of £2m, other miscellaneous income of £258k including the recovery of previous years' National Non-Domestic Rates (NNDR) overpayments and £120k saving against the Carbon Reduction Credits budget resulting from more up to date information on the estimated 2013/14 costs. This forecast is consistent with the month 7 position.
25. Additional income accounts for the remaining £3.7m underspend. This additional income includes a £1.1m RSG refund, £1.4m LACSEG refund, £271k additional Council Tax Freeze grant, and two un-ringfenced grants including £947k adoption grant and £98k from the Department of Health (DoH). This forecast is consistent with the month 7 position.

Local Growth Fund

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

LOCAL GROWTH FUND		
		£m
Income	Reserves as at 31/03/13	-3.0
	13/14 NHB Grant	-4.6
	Earned Future NHB Grant	
	Total Income	-7.6
Expenditure	13/14 Spend to date at Month 8	1.5
	Forecast to Year End	2.8
	Future Years' Commitments	4.3
	Total Expenditure	8.6
	Funding Requirement	1.0

27. Substantial increase in expenditure this period reflects the completion of the contract for the former Norton Aerodrome. Expenditure in future years has increased following the declaration of slippage on Grace Owen Nursery project which should now commence in the first half of 2014-15.

Housing Revenue Account

28. As at month 8 the full year outturn position is a forecast in-year surplus of £10.4m. At this stage, this represents a projected improvement of £4.5m from the revised budget. Any predicted improvement on the account will be factored into the planned update of the Business Plan and Capital Investment Programme later in the year.
29. The main reason for the variation in the overall improved position reported above relates to a predicted reduction in capital financing costs

of £2.5m. This is primarily a result of reduced interest costs arising from the Councils on-going active Treasury Management Strategy.

30. Now that that HRA is self-financing, the Council has to consider the long term risks on interest rates and ensure that its 30 year business plan includes a sustainable level of debt.
31. Other main areas contributing to the projected improvement include a revised forecast re service charge income of £467k, £170k forecasted underspend on repairs and a £2.2m forecasted reduction in running costs mainly as a result of staff vacancies and various underspends on other budget heads. This is offset by a forecast increase of £601k in the cost of council tax on vacant properties and provision for rent arrears and a £260k reduction in overall rental income.

HOUSING REVENUE ACCOUNT	FY Outturn £000's	FY Budget £000's	FY Variance £000's
1.RENTAL INCOME	(142,324)	(142,579)	255
2.OTHER INCOME	(5,157)	(4,761)	(396)
3.FINANCING	52,098	54,581	(2,483)
4.OTHER CHARGES	3,778	3,164	614
5.REPAIRS	33,006	33,091	(85)
6.TENANT SERVICES	48,693	50,647	(1,954)
Grand Total	(9,906)	(5,857)	(4,049)

Community Heating

32. The budgeted position for Community Heating is a draw down from Community Heating reserves of £670k. As at month 8 the forecast position is a draw down from reserves of £313k resulting in a reduction in spending of £357k. This is largely due to a revised forecast to reflect lower expenditure on gas and a reduction in the number of vacant properties.

COMMUNITY HEATING	FY Outturn £000's	FY Budget £000's	FY Variance £000's
INCOME	(3,506)	(3,548)	42
EXPENDITURE	3,819	4,218	(399)
Grand Total	313	670	(357)

Corporate Financial Risk Register

33. 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.

Corporate

Medium Term Financial Position

34. In the future the Council's financial position will be significantly determined by the level of Business Rates and Council Tax income. Each of these may be subject to considerable volatility and will require close monitoring. Based on the Spending Review in June, the funding position is especially difficult from April 2015 and will require a focus on delivering economic growth to increase our income and on delivering outcomes jointly with other public sector bodies and partners.

Pension Fund

35. Following the triennial valuation of the South Yorkshire Local Government Pension Scheme, current estimates are that the increase required in 2014/15 for deficit payments may be over £12m (in addition to the £5m which has already been assumed in the Medium Term Financial Strategy) on top of £3.6m for ongoing pension costs i.e. £17m in total. Negotiations with SYPA are continuing as this figure is something of a surprise to all South Yorkshire Councils. In addition, a surplus on the Kier pension pot set up to manage pension risk may be available at the contract end to smooth the impact to some extent.
36. 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.

Contract Spend

37. 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

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

Trading Standards

40. There is a low risk that it is not 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

41. The Council utilises many different grant regimes, for example central government and EU. Delivering projects that are grant funded involves an element of risk of grant claw back where agreed terms and conditions are not stringently adhered to and evidenced by portfolios. Strong project management skills and sound financial controls are required by project managers along with adherence to the Leader's Scheme of Delegation in order to minimise risk.

Treasury Management

42. The ongoing sovereign-debt crisis continues to subject 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 risk that the Eurozone crisis will impact upon the UK's recovery and would in turn lead to higher borrowing costs for the nation. Whilst this is still a possibility, the UK recovery is beginning to take hold and the associated risk is beginning to ease.
43. 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.
44. Over the next few months, we will be developing the Treasury Management and Investment Strategies, as part of the 2014/15 budget process, and will be discussing our risk appetite with members and senior officers as part of this process. This will include a review of our counter-party risk to ensure it is reflective of the relative risks present in the economy without being unduly conservative for the improving UK economic position.
45. The Co-op Bank have notified us that they will be withdrawing from the Local Authority banking market with effect from the ending of their contract with us, which is due to end in March 2015. Despite the well-publicised issues with the bank, we do not believe, given the above timescales, there is anything preventing a full and proper tender process

being undertaken. Work has begun to scope our requirements in preparation for the tender process.

Welfare Reforms

46. The government is proposing 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:** replaced with a local scheme of Council Tax Support from April 2013. The Council approved the replacement scheme, based on the reduced funding available from Government, and set up a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund which are being closely monitored.
- **Housing Benefit changes:** there have been a number of changes, including the implementation of the 'bedroom tax', from April 2013 where the impacts are that a significant number of claimants are now receiving fewer benefits, thereby impacting on their ability to pay rent.
- **Introduction of Universal Credit:** originally scheduled from October 2013 but now delayed, awaiting further update from DWP who will administer it. 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.

Children, Young People and Families

Education Funding

47. In 2013/14 it is anticipated that 29 of the Council's maintained schools will become independent academies (24 primary / 5 secondary). To date 10 primary schools and 2 secondary schools have converted in 2013/14. 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:

- up to £1.75m of DSG funding will be deducted from the Council and given to academies to fund support services.

- up to £2.62m will be deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies.
48. 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 £545k based on current projected academy conversions during 2013/14.
49. 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.

Communities

NHS Funding Issues

50. 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.
51. 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, but there are risks to programme delivery at the same time as delivering funding cuts.

Resources

Digital Region

52. At the time of making the decision to close the company and migrate its business (including the Council's) to other networks, the cost to the shareholders was estimated at £83.3m, with SCC's share of this being £14.3m. This was a lower cost than the likely cost of continuing with the procurement and also less risky. The SCC cost of £14.3m is within the

amount of money set aside to cover DRL costs in the 2012/13 accounts (£15m was set aside).

53. All these figures were based on estimates and some costs cannot be firmed up until existing contracts are terminated and negotiations on new ones commence. However, since the decision was made to close, progress has been good and costs now look like they will come in lower than was estimated. The key issue remaining is that value may result from a sale of the assets and whether that reintroduces risk.

Electric Works

54. 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.
55. A full review of the options for the future is underway and will be reported to Members as soon as possible.

Housing Revenue Account

Housing Revenue Account (HRA)

56. 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).

Capital Programme

Capital Receipts and Capital Programme

57. Failure to meet significant year on year capital receipts targets due to reduced land values reflecting the depressed market and the impact of the Affordable Housing policy. This could result in over-programming / delay / cancellation of capital schemes.

Building Schools for the Future Programme Affordability

58. 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 £4m, a significant reduction on the previous gap. This requirement has now been identified in the Council's Capital Programme planning, and will therefore be removed from the risk register next month.

Housing Regeneration

59. 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 which would fall to the HRA to meet.

The Capital Programme for 2013/14

Summary

60. At the end of November 2013, the end of year position shows a variance of £22.4m which is an increase of £3.1m on the month 7 variance which was £19.2m below budget reflecting the continuing work to validate the forecast and refine the spending profiles of projects. Having identified more accurate (i.e. lower forecasts) this will increase the variance against budget. The Cabinet Member for Finance, on behalf of the Cabinet will consider if the slippage request is justified and the budget will be similarly revised downwards.
61. In this month's investment submission proposals in Appendix 1, £5.1m of slippage requests have been put forward plus a further £4.7m reduction following the cancellation of the Westfield Sports Village. If approved, this will bring the Budget down by £6.6m and make the reduction against budget still smaller in subsequent reports. The CYPF programme is very close to reducing the variance to less than £700k.
62. Analysis of the revised forecasts shows that whilst considerable progress has been made further reductions in both the budget and forecast are required to ensure an accurate year end estimate of spend. The basis for this assertion is:
- The actual spend at the end of month 8 is £63.6m which is £23.1m (27%) below budget; and

- The forecast capital spend for 2013/14 at £128.3m is £13.5m above that delivered in 2012/13 but the current rate of spend is below that seen last year.
63. In order to achieve the forecast level of spend a substantial turnaround in performance across all programmes is required. Given the current rate of spend, which is averaging around £7-8m per period, and allowing for expected increases in some Highways programmes such as Streets Ahead and Better Buses, an outturn in the range of £100 – £120m looks a more likely year end position with the final position being closer to £100m rather than £120m. Finance continues to challenge unrealistic project manager forecasts and the necessary adjustments will be brought forward for approval in future reports.
64. The Highways programme shows the biggest forecast acceleration in spend. £7.1m of spend is forecast in four months at an average of £1.8m per month compared to £3.1m in the first eight months of this year. The main accelerants are BRT North (£3m), bus route schemes (£1m) and the Optio Orange project (£700k).
65. Capital Programme Group continues to challenge the delivery plans from Project Managers when submitting requests to include new projects in the programme. Similarly, slippage requests must show a credible, revised programme rather than be an attempt to roll over unused budgets. Several submissions have failed these tests and been rejected.

Financials 2013/14

All figures reported in £000

Portfolio	Spend to date	Budget to Date	Variance	Full Year forecast	Full Year Budget	Full Year Variance
	£000	£000	£000	£000	£000	£000
CYPF	12,440	26,267	(13,827)	35,286	40,954	(5,669)
Place	15,549	15,862	(312)	21,575	31,008	(9,433)
Housing	26,268	28,520	(2,252)	45,081	49,702	(4,621)
Highways	3,100	6,735	(3,635)	11,532	10,217	1,316
Communities	616	1,426	(810)	1,726	2,914	(1,188)
Resources	5,588	7,851	(2,263)	13,050	15,818	(2,768)
Grand Total	63,562	86,661	(23,099)	128,250	150,613	(22,363)

66. The outturn forecast is £22.4m (15%) below the budget. This is a £3.1m higher than last month, which is a combination of £1.4m slippage on

Lower Don Valley, which has now been approved and £3.1m amendment to the Westfield Sports Village forecast to reflect that the cancellation of the project.

67. The table below shows that the improvement in defining a realistic budget continues where £4.2m of spend has been re-profiled into future years. Thus the revised budget for the year of £150.6m is £1.3m below the position at Month 7 after additions and variations of £2.9m.

Capital Programme				
	2013-14	2014-15	Future	Total
	£m	£m	£m	£m
Month 7 Approved Budget	151.9	79.8	237.1	468.8
Additions	1.3	0.5	6.9	8.7
Improved accuracy of the Budget	1.6	7.1	-7.3	1.4
Slippage	-4.2	4.2		0
Month 8 Approved Budget	150.6	91.6	236.7	478.9

68. The variation in the year to date position of £23.1m arises mainly from operational delays (£8.6m), projects awaiting approval £7.6m, projected underspends £1.3m and slippage of £500k. The operational delays are due to lengthy contract negotiations on the Fisk Risk Assessment project (£950k), New Primary North East (£2.3m) and (£2m) on the BSF Programme this is due to re-profiling. A further (£2.5m) on the BRT North project which is due to delays in land purchases and specialist materials required for the Supertram crossing.
69. The forecast for the year shows that with the exception of Highways all portfolios are below profile against the approved programme. They key variances are detailed below:
- **CYPF:** £5.7m (14%) below budget this is due to £2.8m reduction in the current years BSF programme, plus £0.4m slippage which is included as part of the proposals put forward this month. The overall reduction in the BSF programme, including future years is (£4.1m). This reduction now incorporates a provision of £3.8m for the potential VAT liability on the BSF programme. There is a further £0.7m due to under spend on projects and £0.8m expected slippage on Grace Owen Nursery.

- **Place:** £9.4m below budget of which £4.9m relates to the CPO acquisitions for the New Retail Quarter. This project is currently on hold pending a review of the options for taking the development forward but a revised position will be forecast and reported at Month 9. A further £3.1m is due to the cancellation of the Westfield Sports Village project which is included in Appendix 1.
- **Housing:** £4.6m below budget of which £2.7m is due to project slippage, which is included within the current proposals. There is a further £1.8m under spend relating to the environmental improvement programmes at South West Abbeybrook, South East and North New Parson Cross. On all 3 schemes the estimates put forward by the contractor were over estimated by around 400 heating installations. This is being offset by an increase of (£1.0m) in anticipated HRA Programme Management costs.
- **Highways:** £1.3m above budget of which £1.4m relates to projects which have been submitted for approval and (£0.9m) of projects where no forecast has been submitted.
- **Communities:** £1.2m below budget: this is mainly due to projects which have slipped behind schedule and into future years.
- **Resources:** £2.8m below budget of which £1.4m relates to projects have slipped behind schedule and into future years.

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

Commentary

Children, Young People and Families Programme

71. CYPF capital expenditure is £13.8m (57%) below the profiled budget for the year to date and forecast to be £5.7m (14%) 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	-378
Operational delays in projects due to planning, design or changes in specification	-5,263	0
Revised profile for Building Schools for the Future programme	-6,499	-94
Incorrect budget profiles	221	0
No forecast entered by project managers	0	-120
Projects submitted for Approval	0	-2,418
Underspending on project estimates	-312	-702
Other variances	-1,974	-1,956
	<u>-13,827</u>	<u>-5,669</u>
Spend rate per day	72.7	138.9
Required rate to achieve Outturn	275.2	
Rate of change to achieve forecast	278.4%	

72. Of the £13.8m variance to date £6.5m relates to BSF in respect of reductions in the BSF Programme, which are already within the approvals process.
73. The forecast variance of £5.7m relates to reductions to the BSF programme of £2.8m, these are included within proposals already put forward and a further £378k of programme slippage. There is a further £800k of proposed slippage on the Grace Owen Nursery project which is due to delays in securing the external funding.

Place Programme

74. The Place portfolio programme (excluding Housing and Highways) is £312k (2%) below the profiled budget for the year to date and forecast to be £9.4m (30%) below the programme by the year end for the reasons set out in the table below.
75. The Other variance for the forecast position in the table below £4.9m relates to the New Retail Quarter CPO scheme which is on hold pending a review of the project.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2012/13		
Slippage to be carried forward	-125	-260
Operational delays in projects due to planning, design or changes in specification	-683	0
No forecast entered by project managers	0	-336
Projects submitted for Approval	106	-3,143
Overstatement of budgets		
Overspending on project estimates	-284	595
Other variances	673	-6,289
	<u>-312</u>	<u>-9,433</u>
Spend rate per day	90.9	84.9
Required rate to achieve Outturn	72.6	
Rate of change to achieve forecast	-20.2%	

Transport & Highways Programme (Place Portfolio)

76. The main reason for the year to date variance relates to operational delays expected on the BRT North project, this is due to delays in land purchases and specialist materials required for the Supertram crossing. Other projects related to the Streets Ahead programme are now underway and spend is being incurred.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Operational delays in projects due to planning, design or changes in specification	-2,793.5	0.0
Incorrect budget profiles	319.3	0
No forecast entered by project managers	0	-946.0
Projects submitted for Approval	0	1,449.0
Overspending on project estimates	184.4	109.0
Other variances	-1,345	704
	<u>-3,635</u>	<u>1,316</u>
Spend rate per day	18.1	45.4
Required rate to achieve Outturn	101.6	
Rate of change to achieve forecast	460.3%	

Housing Programme (Place Portfolio)

77. The Housing capital programme is £2.2m (8%) below the profiled budget for the year to date and forecast to be £4.6m (9%) 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	-123	-2,759
Incorrect budget profiles	-824	0
Projects submitted for Approval	-4,745	-294
Home Improvement grants held on behalf of other local authorities	-102	-260
Items under investigation		
Underspending on project estimates	-918	-332
Other variances	4,460	-977
	<u>-2,252</u>	<u>-4,621</u>
Spend rate per day	153.6	177.5
Required rate to achieve Outturn	226.7	
Rate of change to achieve forecast	47.6%	

78. The main reason for the forecast variance is due to £2.5m of expected savings to the Housing programme, of which £1.8m sites across South West Abbeybrook, South East and North New Parson Cross. All 3 schemes are in connection with the Environmental Programmes within each area which include new heating installations. The actual level of work is about 400 installations below what was anticipated.

Communities

79. The year to date spend on the Communities portfolio capital programme is £810k (57%) below the profiled budget and the forecast £1.2m (41%) below budget.

80. The main reason for the forecast variance is £830k of project slippage relating to ICT Infrastructure and Mobile Working Solutions both of which are currently within the approvals process.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-244
Incorrect budget profiles	-727	0
Projects submitted for Approval	0	-830
Other variances	-83	-114
	-810	-1,188
 Spend rate per day	 3.6	 6.8
Required rate to achieve Outturn	13.4	
Rate of change to achieve forecast	271.0%	

Resources

81. The year to date spend is £2.3m (29%) below the programme and forecast to be £2.8m (17%) below the approved budget for the whole year.
82. The main cause of the shortfall on budget.to date is slippage in the Road Vehicle Efficiency replacement programme (£300k), Town Hall essential repairs to the Grade 1 listed building (£300k), Wincobank Community centre where a value engineering exercise is in place to keep within the approved budget as the tenders have exceeded the approved amount (£200k), and the Accommodation Efficiency strategy (£800k).
83. Project manager forecasts assume that most of this slippage will be recovered by the year end although £1.1m of compliance schemes are expected to slip into future years along with Town Hall essential repairs (£400k) and, potentially, contingency budgets (£300k). The Accommodation Efficiency strategy is also forecast to be £600k under budget.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-256	-1,430
Operational delays in projects due to planning, design or changes in specification	147	0
Projects submitted for Approval	0	-1,248
Overspending on project estimates	0	-171
Other variances	-2,154	82
	-2,263	-2,768
Spend rate per day	32.7	51.4
Required rate to achieve Outturn	89.9	
Rate of change to achieve forecast	175.1%	

Approvals

84. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process. Below is a summary of the number and total value of schemes in each approval category:

- 5 additions to the capital programme with a total value of £10.4m;
- 1 cancellation from the capital programme of £4.7m;
- 23 variations to the capital programme creating a net increase of £88m;
- 30 slippage requests with a total value of £4.9m;
- 7 contract awards with a total value of £7.7m where savings of £800k have been identified:
- 1 emergency approval with a total value of £25k; and
- 2 director variations with a total value of £12k.

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

Implications of this Report

Financial implications

86. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2012/13 and, as such it does not make any recommendations which have additional financial implications for the City Council.

Equal opportunities implications

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

Property implications

88. Although this report deals, in part, with the Capital Programme, it does not, in itself, contain any property implications, nor are there any arising from the recommendations in this report.

Recommendations

89. Members are asked to:

- (a) Note the updated information and management actions provided by this report on the 2013/14 Revenue budget position.
- (b) In relation to the Capital Programme, Members are asked to approve:
 - (i) the proposed additions to the capital programme listed in Appendix 1, including the procurement strategies and delegations of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;
 - (ii) the proposed variations and slippage in Appendix 1; note
 - (iii) the variations at Appendix 1 within the delegated authority of EMT and directors; and
 - (iv) the latest position on the Capital Programme including the current level of delivery; and
 - (v) Delegate to the Cabinet Member for Finance, the authority to vary approved amounts for projects until 31st May 2014.

Reasons for Recommendations

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

Alternative options considered

91. A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

Eugene Walker
Director of Finance

Scheme Description	Approval Type	Value £000	Procurement Route
GREAT PLACE TO LIVE			
Highways			
<p>93370 Streets Ahead Related Cycling Programme The primary aim of this project is to deliver minor works to improve local cycling accessibility and is fully funded from LTP</p> <p>The funding body has reviewed its support for schemes in part based on the progress delivered to date and concluded that Sheffield will not deliver the forecast spend. The funding for the Streets Ahead Cycling Programme has been reduced from £200k to £100k for 2013/14 and as a result only 50% of proposed minor works will be delivered this year.</p> <p>The budget will be reviewed in next year's LTP allocation.</p>	Variation	-100	n/a
<p>92769 Accident Savings Schemes This project delivers the Citywide SID (speed indication device) programme which involves rotating 23 speed indicator devices around the city to area's with speed concerns.</p> <p>The funding body has reviewed its support for schemes in part based on the progress delivered to date and concluded that Sheffield will not deliver the forecast spend. The funding for the Accident Saving Schemes block has been reduced from £150k to £100k for 2013/14.</p> <p>The impact of this will result in fewer rotations of the devices around the city.</p>	Variation	-50	n/a

	Variation (EMT)	40	As per original Procurement Strategy
<p>93557 Sustrans Connect 2 Halfway to Killamarsh</p> <p>This project was initially approved in 2010/11 and was to provide a multi-user route between Halfway and Killamarsh enabling sustainable travel choices for people in the area (cycling etc.).</p> <p>In addition to the new off-road multi route, two new bridleway bridges have been erected, new cycle parking and improved crossing at Halfway Park & Ride.</p> <p>Approval is being sought to add the 2013/14 LPT allocation to conclude the project.</p>	Variation (EMT)	27	As per original Procurement Strategy
<p>94310 A61 Chesterfield Road Route PI</p> <p>Approval is being sought to increase the value of the scheme by £27k for 2013/14 to enable the scheme to be aligned with the Amey works on the Zone A08 project.</p> <p>The project scope is for the removal of existing traffic lights within full width road rebuilding and is solely funded from LTP.</p>	Variation (EMT)		
<p>Homes</p>			
<p>See separate Housing Appendix 2</p>			
<p>92448 Former Norton Aerodrome</p> <p>Unforeseen issues arising with the land acquisition has resulted in a programme delay of approximately 4 months. The next stages of the project are demolition and decontamination which are now expected to be completed in June 2014.</p>	Slippage	-140.5	n/a

<p>Approval is being sought to slip £140.5k into future years (as outlined in the profile below)</p> <table border="1" data-bbox="389 1092 552 1921"> <thead> <tr> <th></th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Approved Budget</td> <td>590.0</td> <td>80.0</td> <td>80.0</td> <td>750.0</td> </tr> <tr> <td>This Submission</td> <td>449.5</td> <td>190.5</td> <td>110.0</td> <td>750.0</td> </tr> <tr> <td>Slippage</td> <td>-140.5</td> <td>110.5</td> <td>30.0</td> <td>0.0</td> </tr> </tbody> </table>		2013/14	2014/15	2015/16	Total	Approved Budget	590.0	80.0	80.0	750.0	This Submission	449.5	190.5	110.0	750.0	Slippage	-140.5	110.5	30.0	0.0			
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<p>Recreational Leisure Facilities</p> <p>94104 Active North Project</p> <p>The project will be delivered by Sheffield City Council and involves the provision of a new purpose built swimming pool facility to replace the two ageing swimming pools in the north of Sheffield (Stocksbridge Leisure Centre Pool and Chapeltown Pool). The facility will be located within the Ecclesfield Parish boundary on a site chosen to complement existing outdoor sporting facilities. The new facility will also become a hub for the National Centre for Sport & Exercise Medicine (NCSEM), one of 3 hub sites identified within the city. The facility will be developed adjacent to an existing recreation ground (Thornccliffe Recreation Ground) so as to maximise integration with the existing outdoor facilities at the site.</p> <p>The facility mix will include a 25m 6 lane pool, learner pool, 40 station gym, 2 exercise studios and 6 consulting/clinic rooms along with changing provision</p> <p>The overall project value is £7.1m and Sheffield City Council will be contributing £2.5m from CRP and £700k Prudential Borrowing with the remainder of the funding being contributed by number of different stakeholders:-</p>	<p>7,100</p>	<p>Addition (conditional Approval subject to receipt of funding)</p>	<p>YorBuild</p>																				

<p>Stake Holder Funding</p> <table border="0"> <tr> <td>Olympic Legacy Fund</td> <td style="text-align: right;">£000</td> <td style="text-align: right;">£000</td> </tr> <tr> <td>Sport England</td> <td style="text-align: right;">5,000</td> <td></td> </tr> <tr> <td>Lawn Tennis Association</td> <td style="text-align: right;">2,250</td> <td></td> </tr> <tr> <td>British Gymnastics</td> <td style="text-align: right;">800</td> <td></td> </tr> <tr> <td>Capital Receipt from sale of land</td> <td style="text-align: right;">200</td> <td></td> </tr> <tr> <td>Sheffield City Trust</td> <td style="text-align: right;">500</td> <td style="text-align: right;">13,000</td> </tr> <tr> <td>Sheffield City Council Contribution</td> <td style="text-align: right;">4,250</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Total Project Value</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;"><u>14,000</u></td> </tr> </table> <p>The Sheffield City Trust is the Accountable Body for the project and owns the asset. SCC's contribution is to a maximum of £1m, with any funding risk being managed by the NCSEM Partnership.</p>	Olympic Legacy Fund	£000	£000	Sport England	5,000		Lawn Tennis Association	2,250		British Gymnastics	800		Capital Receipt from sale of land	200		Sheffield City Trust	500	13,000	Sheffield City Council Contribution	4,250	1,000	Total Project Value	1,000	<u>14,000</u>			
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<p>94098 Westfield Sports Village</p> <p>This was originally approved in December 2012 as a joint project between Sheffield City Council and the Football Association (FA) with the aim of constructing a community football centre with pavilion to include changing rooms, offices, gym, studio etc. as well as artificial turf pitches with floodlighting, a groundsman's store, car park and access road, which was to be situated on the former Westfield School site.</p> <p>Unfortunately the FA is no longer able to commit to the funding and as a result it has been necessary to cancel the project.</p>	<p>Cancellation</p>	<p>-4.700</p>	<p>n/a</p>																								

<p>The project has incurred costs to-date of £23k which we are trying to recover from the FA.</p>																							
<p>Parks</p>																							
<p>94470 Urban Nature Parks</p> <p>The Urban Nature Parks project aims to facilitate the conversion of 300 hectares of park land to naturalistic management.</p> <p>The service have started to develop implementation plans for what is now recognised as a complex project split over 55 sites and have developed a more realistic delivery plan requiring slippage into future years (as outlined in the profile below)</p> <table border="1" data-bbox="771 1102 917 1923"> <thead> <tr> <th></th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Approved Budget</td> <td>250,000</td> <td>250,000</td> <td>250,000</td> <td>750,000</td> </tr> <tr> <td>Nov 13 Variation</td> <td>57,656</td> <td>303,344</td> <td>389,000</td> <td>750,000</td> </tr> <tr> <td>Slippage</td> <td>-192,344</td> <td>53,344</td> <td>139,000</td> <td>0</td> </tr> </tbody> </table>		2013/14	2014/15	2015/16	Total	Approved Budget	250,000	250,000	250,000	750,000	Nov 13 Variation	57,656	303,344	389,000	750,000	Slippage	-192,344	53,344	139,000	0	<p>Slippage</p>	<p>-192</p>	<p>n/a</p>
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<p>Vibrant City</p>																							
<p>94457 Women of Steel</p> <p>The project was previously approved for £28k for the initial stage for the recruitment, design and approval of an artist's maquette and finance fund raising and project management costs.</p> <p>Active fund raising through the South Yorkshire Community Foundation has currently generated £87k. Agreements are in place for SCC to draw down funding for this stage of the project.</p>	<p>EMT Variation</p>	<p>54.5</p>	<p>Covered by the original Procurement Strategy</p>																				

<p>Having raised the funds this variation seeks authority to apply the funds for the manufacture of two 2m high bronze figures on a slate base in Barkers Pool.</p> <p>The artist will be selected through a two stage open tender process, with comprehensive, targeted promotion of Stage 1 and with Stage 2 tenders submitted through Yortender to deliver an artist of sufficient quality who is capable of delivering a major public art work in compliance with the exacting standards of the city council whilst interacting with multiple stakeholders. It is proposed that tenders be evaluated on a price/quality basis.</p>			
<p>94008 Castlegate SYPTE Acquisition The scope of this project was to purchase and part-demolish the former SYPTE building at Castlegate in order to regenerate the area.</p> <p>A review of the project has concluded that there are operational advantages and that Council would obtain better value for money if this building were demolished at the same time as the adjoining market building. Thus approval is sought to delay the project until 2014-15.</p> <p>The project is fully funded by Local Growth Fund.</p>	Slippage	-83.5	n/a
<p>94007 Spital Hill Ellesmere Green</p> <p>This project was originally approved in April 2012 to deliver public realm and soft landscape improvements in the Spital Hill / Ellesmere Green areas. These included in brief:-</p> <ul style="list-style-type: none"> • Street lighting and street furniture to improve the core shopping area and support 	Slippage / Variation	260.7k slippage -35k variation	n/a

<p>local businesses</p> <ul style="list-style-type: none"> • Improve Ellesmere Green to create an attractive new small park and provide for a revived social focus • Create a space for a community led street market • Public Art • Consult widely with the local community traders and other stakeholders <p>The project is near to completion however due to previous delays experience in awarding the contract and recent work programming issues within Arney it is necessary to slip £260.7k into 2014/15 to conclude the project hopefully by May 2014.</p> <p>The initial budget included £35k for payment of the commuted sum; this has been removed from the capital budget into a revenue budget.</p>			
<p>INFRASTRUCTURE :-</p>			
<p>CIP – Feasibility & Design</p>		<p>Addition</p>	<p>100</p>
<p>The Community Investment Programme (CIP) manages the reduction of Sheffield's Corporate estate in order to enable investment in key buildings and dispose of those not fit for purpose and this project will cover the feasibility & design stage, including undertaking surveys, in order to get more detailed cost estimates going forward for the resultant individual property works. The costs will largely be internal at this stage, but as a specific scheme develops, business cases for each group of buildings in a geographic area will be worked up and subject to separate approvals including the development of an individual own procurement strategy.</p> <p>The CIP programme will be self-funded from capital receipts already received or revenue savings achieved,</p>			<p>Feasibility and design to be undertaken by in-house services wherever available. Work unable to be undertaken in-house – and surveys – will be undertaken through the YORconsult regional</p>

	framework
<p>COMPETITIVE CITY:-</p>	
<p>94011 Darnall Public Realm Improvements</p> <p>Conditional approval is being sought for this project;</p> <p>Darnall is one of five priority areas for 'Successful Centres' in the city. The project is to implement public realm improvements with the aim of increasing the attractiveness and vibrancy of the area which will hopefully attract shoppers to the district and inward investment.</p> <p>The scope of works include:-</p> <ul style="list-style-type: none"> • Improvement / replacement / painting of railings • Improved signage of centre facilities • Public art and tree planting • Improvements to two crossings and footpaths <p>The works are to be funded from £30k capital receipt from the sale of a Council freehold property at Irving Street and £12k Local Growth Funding transferred from the Darnall District Centre project.</p> <p>The sale of Irving Street is currently in negotiations with Legal and not yet finalised, as a result, conditional approval is being sought in advance of the sale. The project will only commence once funds have been received by the Council.</p>	<p>42</p> <p>Addition – Conditional Approval</p> <p>Public Art elements : full competitive tender</p> <p>Highway works: Waiver for Streets Ahead Works to Amey</p>

SUCCESSFUL CHILDREN & YOUNG PEOPLE :-			
Grace Owen Nursery Grace Owen Nursery is a 39 place Nursery with 35 Childcare places. It is a well-respected provision rated outstanding by Ofsted. This project provides for the relocation of the Nursery into a new unit with appropriate external play space. The project is mainly funded by Local Growth Fund (criteria for allocation agreed by Cabinet), with contributions from central government grants and the developer, "Great Place". The project is now expected to start in March 2014 and finish in August 2014 following delays in arranging the external funding. Thus the project needs to slip £837k into 2014/15.	Slippage	-837	N/A
SAFE & SECURE COMMUNITIES:-			
CBT Wincobank Community Building This project aims to partially refurbish the communal block of a closed Sheltered Home scheme in Wincobank to create a fit for purpose community facility. This will create a sustainable community facility in line with the Community Buildings Strategy. It will enable the provision of a variety of activities supporting delivery of key aspects of the Council's Corporate Plan. A consultation exercise in 2010 confirmed the need. The project is funded from the Corporate Resource Pool for investment in community buildings. The project has been delayed because the initial tender returns were higher than the approved sum. Subsequent review has identified an alternative way to deliver the	Slippage	-196	N/A

<p>project within the available funding. Fees of up to £41.5k are expected to occur in 2013/14 with the remainder in 2014-15 when construction will start.</p>				
<p>Community Buildings Maintenance Backlog block allocation This block allocation is for maintenance and backlog works to the buildings within the Community Buildings portfolio.</p> <p>This request is to slip the balance of £246k into 2014/15, after allowing for £40k potential use for fees this year, but slipping £196k due to the Wincobank Community Building tender price being too high to initially agree in 2013/14 and having to be reworked, and slippage of the remaining £50k not used in 2013/14.</p>	Slippage	-246	N/A	
<p>EMERGENCY APPROVALS:- (Note only)</p>				
<p>A Great Place to Live</p>				
<p>94471 Douglas Road</p>				
<p>Douglas Road is a closed landfill site located in the Shirecliffe area of Sheffield which has now reverted to rough grassland and is used by local people for walking.</p> <p>The site and surrounding area is a source of ground gas (methane) and the Council is required to manage, monitor and control it. In addition to this, the loss of leachate containment from the Douglas Road site has led to ground contamination. The large volumes of leachate generated are tankered from the site at significant cost of £30k per annum.</p>	Emergency Approval	25	Mini Tender through YorConsult	
<p>The Project aims to bring about a long-term solution to the issues at the site and reduce the cost of the removal of leachate; this will be delivered in 3 phases.</p>				

<p>Phase 1 of the project is for the appointment of consultants to review, recommend and develop design specifications for the Site's remediation at a cost of £25k funded from Corporate Resource Pool.</p> <p>Emergency Approval has been granted to approve the funding for phase 1 and to enable the appointment of the consultants.</p>			
DIRECTOR VARIATIONS:- (Note only)			
A Great Place to Live			
Manor Fields Projects			
<p>The Director Variation approved the closure of the Manor Fields Pump track project and the redistribution of the remaining £8.8k S106 funding to the remaining two Manor Fields Projects:-</p>	Variation	8.8	N/A
<p>Manor Fields Toddler Play project received £5.5k to fund increased costs from the returned tender enabling the project to be delivered to the agreed scope.</p>			
<p>Manor Fields Uplift Work project received £3.3k to fund additional signage and way markers.</p>			
94456 Spital Hill Public Art			
<p>The project is to be increased by £3.3k from S106 monies to fund artist designed children's seats in response to public consultation who wanted more family friendly elements within Ellesmere Green.</p>	Variation	3.3	Covered by the original strategy

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