

## REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31 AUGUST 2014

### Purpose of the Report

1. This report provides the Month 5 monitoring statement on the City Council's Revenue Budget and Capital Programme for August. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 43.

### Revenue Budget Monitoring

#### Summary

2. At month 4 the overall Council position was for a potential overspend of £8.5m. This largely reflected areas where action is intended to be taken to implement corrective action but where the forecasts of managers do not yet reflect this. The position at month 5 shows an improvement of around £4m on the previous month, with a forecast potential overspend of £4.5m to the year end. This is summarised in the table below.

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 4
CYPF	71,633	71,444	189	↓
COMMUNITIES	160,801	156,147	4,654	↓
PLACE	163,563	161,236	2,327	↓
POLICY, PERFORMANCE & COMMUNICATION	2,689	2,601	88	↔
RESOURCES	84,668	83,963	705	↑
CORPORATE	(478,866)	(475,392)	(3,474)	↓
<b>GRAND TOTAL</b>	<b>4,488</b>	<b>-</b>	<b>4,488</b>	↓

3. In terms of the main variations since month 4 these are due to the following:
  - Communities are forecasting an improvement of £502k which has arisen across most services, primarily in Care & Support due to an improvement in the forecast position on service user contributions and in Commissioning through a receipt of funding for pension liabilities and a reduction in spend on Housing Related Support contracts.
  - Corporate budget items are forecasting an improvement of £3.2m which has arisen largely through a reduction in spend of £3.1m due to additional grant income.

4. The overall trend is for forecast spending to reduce and to move closer to the allocated budget. The three main Council Portfolios have all forecast an improved position compared to month 4.
5. Included in the overall position, is a forecast underspend on Public Health of £1.4m in respect of the total amount supported by grant of £30.7m. This is across a number of Portfolio's: further detail is set out in paragraph 42.

## Individual Portfolio Positions

### Children Young People And Families (CYPF)

#### Summary

6. As at month 5 the Portfolio is forecasting a full year outturn of an over spend of £189k on cash limit (shown in the table below), and the position on DSG is a forecast reduction in spend of £594k. The key reasons for the forecast outturn position are:
  - **Children and Families:** £473k forecast overspend, £196k overspend in Management and Business Support due to delay in the Business Support MER, £157k overspend in Legal Fees (based on previous year's trends), £343k net overspend (following some mitigation) on Fieldwork Service areas and Permanence and Throughcare mainly due to difficulties in achieving vacancy monitoring targets and £398k overspend in Adoption due to additional placements particularly via Special Guardianship Orders and Inter Agency. These overspends are being partially offset by a reduction in spend of £335k on Early Years as a result of the effective integration of Early Years and the Multi Agency Support Team including an appropriate commissioning strategy for external contracts, Contact Contracts of £319k due to more efficient management using contact centres and Youth Justice reduction in spend of £48k due to efficiencies. The service is continuing to review activities and funding streams to find mitigating action to offset the remaining overspend.
  - **Inclusion and Learning Services:** £232k forecast reduction in spend, made up of £183k in Inclusion and Targeted Services as a result of additional traded income to Educational Psychologists and £50k in Advocacy and Challenge due to vacancies.
  - **DSG Budgets:** Overall a £594k reduction in spend made up of a £864k reduction in spend in Business Strategy overall due mainly to

a £904k reduction in spending on 2 Year Old FEL, as a result of numbers being lower than anticipated. A reduction in spend of £100k in Children and Families in the combined Early Years and MAST Service as a result of an appropriate commissioning strategy. An anticipated overspend of £387k in Inclusion and Learning overall, made up of overspends of £431k in Banded Funding and £103k Independent Placements due to demand pressures, partially offset by reductions in spend on Sensory Services £56k and £90k Inclusion and Learning Services due to vacancies.

### Financials (Non – DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 4
BUSINESS STRATEGY	(2,338)	(2,309)	(29)	↔
CHILDREN & FAMILIES	61,581	61,108	473	↓
INCLUSION & LEARNING SERVICES	2,450	2,682	(232)	↔
LIFELONG LEARN, SKILL & COMMUN	9,940	9,963	(23)	↔
<b>GRAND TOTAL</b>	<b>71,633</b>	<b>71,444</b>	<b>189</b>	<b>↓</b>

### Commentary

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

### Non DSG Budgets

8. As at month 5 the Portfolio is forecasting a full year outturn of an overspend of £189k on cash limit, an improvement of £141k compared with last month's position.

### Children & Families

9. As at month 5, Children and Families is forecasting a £473k overspend. This is an improved position of £154k due to the combined Early Years and MAST Service maintaining an appropriate commissioning strategy for external contracts.

### Place

#### Summary

10. As at month 5 the Portfolio is forecasting a £2.3m overspend, an improvement of £226k from the month 4 position. The key reasons for the forecast outturn position are:
- **Business Strategy & Regulation:** £1.4m forecast overspend largely due to risks associated with contract negotiations to deliver

the full £3.3m waste management savings in the 2013/14 and 2014/15 Budgets.

- **Capital & Major Projects:** £756k forecast overspend due to income and cost pressures in retail investment of £700k.

11. All directors continue to review current spending plans to prepare options to further reduce the overspend which will be reported in the Month 6 forecast.

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 4
BUSINESS STRATEGY & REGULATION	29,770	28,381	1,389	↔
CAPITAL & MAJOR PROJECTS	1,016	260	756	↓
CREATIVE SHEFFIELD	2,763	2,830	(67)	↔
CULTURE & ENVIRONMENT	44,437	44,431	6	↔
MARKETING SHEFFIELD	928	777	151	↔
PLACE PUBLIC HEALTH	(1)	0	(1)	↔
REGENERATION & DEVELOPMENT SER	84,650	84,557	93	↓
<b>GRAND TOTAL</b>	<b>163,563</b>	<b>161,236</b>	<b>2,327</b>	<b>↓</b>

### Commentary

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

### Capital & Major Projects

13. The forecast for this activity is an overspend of £756k, an improvement this period of £122k. The improvement largely arises from increases in forecast rental income within the commercial estate and £200k for the new retail quarter, offset to some extent by further reductions in forecast market rent.
14. The forecast position largely reflects income pressures of £0.7m within the Markets service. There may be further risk here if more market traders leave once the full rents are demanded. The business model for the market is under review as is the balance between rent and service charges to traders.

### Culture & Environment

15. The forecast for this activity remains broadly balanced. The Service is currently working with SIV to finalise a three year funding commitment which will enable them to deliver a significant package of savings. The three year funding commitment should remove the requirement for the Council to pick up risks associated with reductions in profit at the Motorpoint Arena or trading deficits within the SCT / SIV group, which would be absorbed by the Trust as part of their 3 year plan. The Director

continues to work closely with SIV to ensure that these plans are progressed and the risk is mitigated.

### Regeneration & Development Services

16. The forecast for this activity is an overspend of £93k, an improvement of £230k this period. The improvement arises from additional forecast income within the Transport service area primarily in the Highway Network management activity.
17. A key strand of the 2014/15 business plan was to deliver £4.2m reductions in contract spend on the Sheffield City Region Local Transport Body (SCRLTB) levy and Streets Ahead Programme. This is largely on track, with a relatively small shortfall of £300k being forecast at this stage, which to a large extent is now being mitigated by other favourable variances across the service.

### Communities

#### Summary

18. As at month 5 the Portfolio is forecasting a full year outturn of £4.7m overspend. The key reasons for the forecast outturn position are:
  - **Care & Support:** An overspend of £4.5m is currently forecast due to ongoing pressures and issues in Adult Social Care primarily relating to care purchasing budgets. These budgets are currently the focus of recovery action led by the Adult Social Care Savings Board, overseeing several initiatives to contain the overall cost of care purchasing. Significant improvements have been made in Adults Service's Assessment and Care Management, which is forecasting a reduction in spending of £488k by year-end. However this is offset by a reduction in service user income, which is currently forecasting a total shortfall of £1.4m due to numbers of contributing service users falling more significantly than anticipated. Also significant overspends are forecast within the Learning Disabilities Service (currently standing at £4.8m overspent) relating to care purchasing and in-house care provision.
  - **Community Services:** Forecast overspend of £175k mainly as a result of spend on Library Services.

## Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 4
BUSINESS STRATEGY	4,247	4,279	(32)	↓
CARE AND SUPPORT	115,872	111,371	4,501	↓
COMMISSIONING	31,887	31,877	10	↓
COMMUNITY SERVICES	8,796	8,620	175	↑
<b>GRAND TOTAL</b>	<b>160,801</b>	<b>156,147</b>	<b>4,654</b>	<b>↓</b>

### Commentary

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

#### Business Strategy

20. A favourable movement of £220k mainly due to the elimination of Portfolio-wide savings targets as a result of the transfer in of Portfolio-wide Leadership Team budgets partly offset by increase in expected Deprivation of Liberty (DoL) costs.

#### Care & Support

21. C & S has seen a favourable movement of £219k, predominantly due to an improvement in the forecast position on service user contributions.

#### Commissioning

22. A favourable movement of £286k as a result of receipt of funding for pension liabilities for staff transferred to the Care Trust and reduction in spend on Housing Related Support contracts.

#### Community Services

23. An adverse movement of £222k as a result of the move of Leadership staff savings to Executive and Portfolio wide Services and a review of Library Service's financial risk related to the achievement of the savings target.

## Resources

### Summary

24. As at month 5 the Portfolio is forecasting a full year outturn of an overspend of £705k, an adverse movement of £103k from the month 4 position. The key reasons for the forecast outturn position are:

- **Business Change and Information Solutions:** £184k overspend due in the main to an under recovery in traded income in both BCIS Core and Business Change and Programme Development (BCPD).

- **Commercial Services (savings):** £339k overspend due to reduced forecast income from cashable procurement savings.
- **Central Costs:** £157k overspend in Central costs due to Bank Charges £81k (a volume driven increase in transaction charges) and CDC Recharges £89k.
- **Housing Benefit:** £110k overspend in Housing Benefit, mainly Rent Rebate Benefits, that appears to be a change in overpayment activity.

Offset by:

- **Human Resources:** £100k reduction in spend due to increased income in the Moorfoot Learning centre, offset by additional short term costs related to the new occupational health contract .

## Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 4
BUSINESS CHANGE & INFORMATION SOLUTIONS	547	363	184	↑
COMMERCIAL SERVICES	817	866	(49)	↔
COMMERCIAL SERVICES (SAVINGS)	(1,112)	(1,451)	339	↔
CUSTOMER SERVICES	3,232	3,187	45	↔
FINANCE	6,774	6,779	(5)	↔
HUMAN RESOURCES	3,550	3,650	(100)	↔
LEGAL SERVICES	3,414	3,397	17	↔
RESOURCES MANAGEMENT & PLANNING	184	205	(21)	↔
TRANSPORT AND FACILITIES MGT	41,374	41,346	28	↔
<b>TOTAL</b>	<b>58,780</b>	<b>58,342</b>	<b>438</b>	<b>↔</b>
CENTRAL COSTS	25,051	24,894	157	↔
HOUSING BENEFIT	837	727	110	↔
<b>GRAND TOTAL</b>	<b>84,668</b>	<b>83,963</b>	<b>705</b>	<b>↑</b>

## Commentary

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

### Business Change and Information Solutions

26. A forecast £184k overspend. This is an adverse movement of £131k from the previous month. The adverse movement this month is due in part to an error in the Month 4 reported figure of £53k overspend which omitted the BCIS Core overspend of £89k and should therefore have

been £142k. The remaining £42k is a shortfall in the traded income for August for BCPD.

## Policy, Performance and Communications

### Summary

27. As at month 5 the Portfolio is forecasting a full year outturn of an overspend of £88k, an improvement of £13k from the month 4 position. The key reasons for the forecast outturn position are:

- £86k overspend in Communications mainly due to forecast income not covering employee costs.
- £42k overspend in Electoral registration due to the costs of canvas staff and IT support costs.

Offset by:

- £36k reduction in spend in Business Support due to salary costs & training expenditure.

### Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 4
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	2,824	2,736	88	↔
PUBLIC HEALTH	(135)	(135)	0	↔
<b>GRAND TOTAL</b>	<b>2,689</b>	<b>2,601</b>	<b>88</b>	<b>↔</b>

## Corporate items

### Summary

28. The month 5 forecast position for Corporate budgets is a £3.5m reduction in spend, which is an improvement of £3.2m from the month 4 position. The key reason for the forecast outturn position is a reduction in spend of £3.1m due to additional grant income.

29. The table below shows the items which are classified as Corporate and which include:

- **Corporate Budget Items & Corporate Savings:** (i) corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs, and; (ii) the budgeted saving on the review of



enhancements and the budgeted saving from improved sundry debt collection.

- **Corporate income:** Revenue Support Grant, locally retained business rates and Council tax income, some specific grant income and contributions to/from reserves.

## Financials

	<u>FY Outturn</u>	<u>FY Budget</u>	<u>FY</u> <u>Variance</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Corporate Budget Items & Savings Proposals	69,208	69,566	(358)
Income from Council Tax, RSG, NNDR, other grants and reserves	(548,074)	(544,958)	(3,116)
<b>Total Corporate Budgets</b>	<b>(478,866)</b>	<b>(475,392)</b>	<b>(3,474)</b>

## Commentary

30. The following commentary concentrates on the key changes from the previous month.
31. Corporate Budget Items & Savings Proposals are forecasting a reduction in spend of £358k, an improvement of £148k from last month. This is as a result of net changes between the original Pay & Reward proposal which had been delegated to portfolios as part of the 2014/15 budget and the one finally agreed. The initial proposal had higher year one costs, partly offset by proposed savings on terms and conditions, particularly enhancements. Since the 2014/15 budget was finalised, the original proposal has been superseded by a firm proposal agreed with the unions which is broadly nil cost in 2014/15. The budgets for the original proposal have now been recouped from portfolios.
32. If any savings on enhancements have been or will be delivered, these will arise from changes in management practice. It has therefore been agreed with the Executive Director of Resources that those savings will accrue to the relevant portfolio, rather than being pooled corporately as had been intended in the 2014/15 budget.
33. The budget for Income from Council Tax, RSG, NNDR, other grants and reserves is forecasting a reduction in spend of £3.1m, an improvement of £3.1m from the month 4 position. This improvement is wholly attributable to a group of grants awarded to the Council as compensation for business rates-related measures introduced and/or extended in the 2013 Autumn Statement, the total amount of which has now been confirmed at around £3.1m. The grants relate to Small Business Rates Relief (£2.5m), Retail Relief (£495k) and Empty New Build Relief (£99k).

## New Homes Bonus Fund

34. The position on the New Homes Bonus Fund is as follows:

		<b>£m</b>
Income	Reserves as at 1/04/14	-5.1
	2014/15 NHB Grant Received	-1.9
	14/15 Anticipated NHB Grant	-4.5
	<b>Total Income</b>	<u>-11.5</u>
Expenditure	2014/15 Spend to date at Month 5	1.6
	Forecast to Year End	3.9
	Future Years' Commitments	<u>1.9</u>
	<b>Total Expenditure</b>	<u>7.4</u>
	<b>Funds Available for Investment</b>	<u><u>-4.1</u></u>

35. The spending on New Homes Bonus projects in Month 5 was over £600k. £500k was on capital projects, principally the cycle way between Park Square and Norfolk Park.

## Housing Revenue Account

### Summary

36. The HRA Business Plan is based on the principle of ensuring that investment and services required for council housing is met by income raised in the HRA.
37. The 2014/15 budget is based on an assumed in year surplus of £6.9m which is to be used to fund the HRA capital investment programme. In accordance with the HRA's financial strategy any further in- year revenue surplus / savings generated by the account will be used to provide further funding for the future HRA capital investment programme.
38. As at month 5 the full year forecast outturn is a predicted £2.7m overall improvement from budget. As such, funding for the capital investment programme will be revised from £6.9m to £9.6m (shown in the table below) and this will be factored into the planned update of the Business Plan and capital investment programme later in the year.
39. The areas contributing to the improvement are a forecast reduction of £283k in capital financing costs due to a small reduction in the interest

rate, lower than budgeted for bad debt provision mainly resulting from revised predictions of year-end debt bandings £229k and a saving of £702k on repairs. The main area of saving is a forecast £1.1m overall reduction in running costs primarily due to staff vacancies and lower than expected recharges to the HRA budget. A forecast improvement from budget of £131k in relation to rental income and £243k of other income is predicted at this stage.

40. During the latter part of 2014/15 there may be a need to spend on IT equipment and systems in relation to reshaping the Housing service. Once firmer timescales and costs are known these will be factored into budget and outturn forecasts later in the year.

### Financial Results

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 4
1.RENTAL INCOME	(149,802)	(149,670)	(131)	↓
2.OTHER INCOME	(4,961)	(4,718)	(243)	↑
3.FINANCING & DEPRECIATION	52,528	52,811	(283)	↔
4.OTHER CHARGES	5,543	5,771	(229)	↔
5.REPAIRS	36,297	36,998	(702)	↓
6.TENANT SERVICES	50,671	51,739	(1,068)	↓
7.CONT TO CAPITAL PROG	9,614	6,925	(2,690)	↑

\*subject to roundings

### Community Heating

41. The budgeted position for Community Heating is a draw down from Community Heating reserves of £348k. As at month 5 the forecast position is a draw down from reserves of £438k resulting in an increase in expenditure of £91k. This is a movement of £30k from last month due to a revised forecast. The table below summarises the position as at month 5.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 4
INCOME	(3,232)	(3,440)	208	↑↑
EXPENDITURE	3,671	3,788	(117)	↓
<b>Total</b>	<b>438</b>	<b>348</b>	<b>91</b>	↓

\*subject to roundings

## Public Health

42. Public Health remains a ring fenced grant in 2014/15 and any reductions in spending are subject to carry forward requirements as per the grant conditions. At month 5 the forecast is for an underspend of £1.4m compared to the total grant of £30.7m as summarised in the table below.

Portfolio	Budget	Forecast @ month 5
	£000	£000
Communities	12,893	(£218)
CYPF	11,285	0
Place	3,655	(£800)
Director of PH office	2,567	(£342)
PPC	330	(38)
Resources	18	0
	<b>30,748</b>	<b>(1,398)</b>

- Communities:** is currently forecasting a £218k reduction in spend mainly due to reductions in supplies and services and contracts. However there are risks around prescribing costs which could increase costs by £435k. The Service is currently in negotiations with Clinical Commissioning Group (CCG) around who will be funding these costs in 2014/15. This potential increased cost will be held against any reduction in spend in year and the current unallocated 2013/14 carry forward (£546k).
- CYPF:** currently forecasting a breakeven position, there is a small overspend of £15k against Sheffield Sickle Cell & Thalassemia contract due to contract commitments following the decision to stop funding this project in the 2014/15 budget process. This has been offset by small reductions in spend in running costs/ vacancies
- Place:** currently forecasting an improvement against forecast which reflects a reduction in spend on the Stop Smoking Contract due to below target performance on this contract.
- DPH Office:** is forecasting a reduction in spend of £342k made up of £298k of unfilled vacancies; £111k in the DPH office mainly due to the delay in commencement of two new health contracts (with no date arranged as yet); £63k reduction in spend on GP Health checks due to low take up offset by a £135k savings target for public health which is netted off the overall improvement in spend.

## CAPITAL PROGRAMME MONITORING AS AT 31 AUGUST 2014

### Summary

43. At the end of August 2014, the end of year position forecasts a variance of £5.2m (2%) below the approved Capital Programme. There have been significant changes to the Place and Housing programmes as a few key projects have slipped behind schedule and the reasons are discussed below. The variance on the CYPF programme has improved following action taken to re-profile of the budget.
44. The Year to Date position shows spending to be £13.4m below the approved programme profile. The CYPF programme is 12% below budget while the others vary between 25% and 49% below budget.
45. Of the £13.4m Year to date variance:
- £8.8m (66%) is identified as being caused by operational delays where delivery has fallen behind the original project plan due to planning, design, procurement or scope changes. These represent genuine variations to the plan and show that project managers are pro- actively monitoring and forecasting project delivery;
  - Only £221k (2%) is due to “incorrect budget profiles” (down from £1.5m last month) and project managers are working on revising the profiles;
  - £1.5m (11%) of slippage has been identified and will come forward for approval;
  - Cost saving on projects account for £401k (3%) of the underspend to date; and
  - Review work has identified that project managers had not raised accruals for approximately £560k (4%) of work done, not invoiced which would have reduced the variance to £12.8m.
46. Finance and the Capital Delivery Service are working together to review financial results and relate this to physical progress in order to gain an informed understanding of capital delivery performance and in doing so identify areas for improvement e.g. missed expenditure accruals have

been identified this period and reflects an improved understanding of the causes of change within programme.

## Financials 2014/15

<u>Portfolio</u>	<u>Spend to date</u>	<u>Budget to Date</u>	<u>Variance</u>	<u>Full Year forecast</u>	<u>Full Year Budget</u>	<u>Full Year Variance</u>	<u>Change on last Month</u>
	£000	£000	£000	£000	£000	£000	£000
CYPF	9,112	10,363	(1,251)	35,950	38,744	(2,793)	5,586
Place	3,667	5,879	(2,212)	48,867	51,919	(3,052)	(2,377)
Housing	7,229	14,096	(6,866)	47,005	52,847	(5,841)	1,579
Highways	5,972	7,971	(1,999)	36,413	29,456	6,957	(740)
Communities	727	1,090	(363)	1,983	2,123	(141)	49
Resources	1,596	2,283	(688)	9,776	10,089	(312)	(133)
Corporate	-	-	-	32,883	32,883	-	-
<b>Grand Total</b>	<b>28,304</b>	<b>41,682</b>	<b>(13,378)</b>	<b>212,878</b>	<b>218,060</b>	<b>(5,183)</b>	<b>3,964</b>

## Capital Programme

### Capital Programme

	2014-15 £m	2015-16 £m	Future £m	Total £m
Month 4 Approved Budget	222.9	155.4	314.5	692.9
Additions	1.4	1.4	0.1	2.9
Variations	-6.3	1.9	7.7	3.3
Month 5 Approved Budget	<u>218.1</u>	<u>158.7</u>	<u>322.3</u>	<u>699.1</u>

47. The capital programme has been increased following the addition of the approval by Cabinet of £2m of works for the provision of additional places at the Rowan School and footpath diversion at Prince Edward School, and £0.6m of Housing Improvement Loans for other local authorities and £0.3m of design work to strengthen road bridges over railways.

48. Major variations approved include the delivery of £3.1m of Transport programme schemes of which £2.5m are associated with accelerating journey times for buses.
49. Progress in the current year is just under 70% of the budget profile. Five projects are forecasting year end underspends of circa £1m:
- the demolition of the former Castle Market site (£2.2m) where the project manager has submitted in this report an approval request for slipping expenditure into 2015/16
  - Arbourthorne redevelopment (£1.1m), the replacement of obsolete and broken heating systems (£1.13m and £0.9m respectively) and the installation of meters to the District Heating system (£1.1m). The Month 6 report will include approval requests to slip the expenditure on the latter three schemes into 2015/16.

## Commentary

### Children, Young People and Families Programme

50. CYPF capital expenditure is £1.3m (12 %) below the profiled budget for the year to date and forecast to be £2.8m (7 %) below the programme by the year end for the reasons set out in the table below.

<b>Cause of change on Budget</b>	<b>Year to date £000</b>	<b>Full Year forecast £000</b>
Slippage to be carried forward	0	-1,930
Operational delays in projects due to planning, design or changes in specification	-459	0
Projects submitted for Approval	0	-602
Underspending on project estimates	67	67
Other variances	-858	-328
	-1,251	-2,793
 Spend rate per day	 87.6	 142.1
Required rate to achieve Forecast	180.1	
Rate of change to achieve Forecast:		
- compared to budget profile	52.1%	
- compared to year to date spend	105.6%	

51. The main causes of the year to date variance are delays in the completion of Don Valley and Stocksbridge schools as a result of contractor performance which means works will be completed later than forecast. Review work has identified over £0.5m of accruals for work done but not invoiced and this is the largest component of the “Other” variance.
52. The Outturn forecast of £1.9m slippage reflects delays on Gleadless Primary rebuild (£1.1m) where the client is considering revised design proposals from the contractor to meet the target cost and £575k slippage on the Fire Risk Assessment programme where the work has had to be retendered because the initial submissions did not meet the quality threshold.

### Place Programme

53. The Place portfolio programme (excluding Housing and Highways) is £2.2mm (38% - compared to 26% last month) below the profiled budget for the year to date and forecast to be £3.1m (6 %) 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	-2,213
Operational delays in projects due to planning, design or changes in specification	-1,553	-100
No forecast entered by project managers	0	-285
Revised Budget profile required	-307	-21
Underspending on project estimates	-296	-318
Other variances	-57	-115
	-2,212	-3,052
Spend rate per day	35.3	193.1
Required rate to achieve Forecast	303.4	
Rate of change to achieve Forecast:		
- compared to budget profile	513.1%	
- compared to year to date spend	760.4%	

54. The Year to date variance arises on slippage of two schemes New Retail Quarter (£0.6m) and £750k on the Graves Leisure Centre redevelopment. The forecast is expected to be recovered by the year end. The delivery of the Graves scheme was taken over from a third party partner and has required significant redesign to keep within an



affordable budget. Although this has led to a delay, it has avoided real costs which would have been incurred if the contractor had been appointed and incurred idle time costs awaiting finalisation of the design.

55. There is a further £439k underspend on two Asset Enhancement schemes as a result of the planned enhancement costs being less than originally anticipated and a delay to the remedial works on the River Porterbrook due to the scale of survey work exceeding the planning permission. The slippage (£106k year to date) is expected to be recovered by year-end.
56. The Year End slippage has increased from last month by £2.2m following delays in agreeing the specification for the demolition of the former Castle Market site. This contract has now gone out to tender. Appendix 1 seeks approval to slip this money into 2015-16.

### Transport & Highways Programme

57. The Transport & Highways programme is £2.0m (25 %) below the profiled budget for the year to date and forecast to be £7.0m (24 %) above 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	-92
Operational delays in projects due to planning, design or changes in specification	-1,631	0
No forecast entered by project managers	0	39
Revised Budget profile required	86	
Projects submitted for Approval		-24
Overspending on project estimates	0	7,201
Other variances	-453	-168
	<u>-1,999</u>	<u>6,957</u>
Spend rate per day	57.4	143.9
Required rate to achieve Forecast	204.3	
Rate of change to achieve Forecast:		
- compared to budget profile	75.6%	
- compared to year to date spend	255.8%	

58. The Year to date position shows a substantial underspend. The key reasons for this are:

- £1.1m slippage on the BRT North project (see below), £0.3m on Penistone Road works and £0.2m at on the A57 works at Manchester Street.
- Other variances comprise numerous small variances under £50k over nearly sixty other projects in the programme.

The forecast Outturn position shows a considerable increase over the approved programme because of a projected overspend on the Bus Rapid Transit North scheme (£7m). This is due to significant delays on the scheme arising from the need to divert a previously undisclosed sewer main and significant levels of asbestos contamination which requires specialist removal. Management attention is currently focussed on devising solutions to minimise the overall delay which is causing part of the cost increase whilst reviewing opportunities for reducing scheme costs. Simultaneously the Council is examining its contractual positions to see if any of the increased costs can be recovered. The service is developing an effective mitigation plan to cover the potential overspend including both cost reduction and identifying other income sources to close the gap.

## Housing Programme

59. The Housing capital programme is £6.9m (49 %) below the profiled budget for the year to date and forecast to be £5.8m (11 %) below the programme by the year end for the reasons set out in the table below.

<b>Cause of change on Budget</b>	<b>Year to date £000</b>	<b>Full Year forecast £000</b>
Slippage to be carried forward	-1,506	0
Operational delays in projects due to planning, design or changes in specification	-4,557	-7,042
No forecast entered by project managers	0	237
Revised Budget profile required		
Projects submitted for Approval	-264	1,384
Underspending on project estimates	-120	-139
Other variances	-419	-281
	<u>-6,866</u>	<u>-5,841</u>
 Spend rate per day	 69.5	 185.8

Required rate to achieve Forecast	267.0
Rate of change to achieve forecast:	
- compared to budget profile	161.7%
- compared to year to date spend	284.0%

60. The Year To Date position shows a £4.6m underspend. The key reasons for this are:

- £1.5m – Obsolete Heating / Heating Breakdowns – delay in award of contracts.
- £872k Council Housing Environmental Programme. Contractor has not yet commenced work, expected to start in April.
- £684k District Heat Metering – delays due to contractor performance.
- £273k – Adaptations – Project slipped behind original delivery programme for a variety of minor delays.

61. The forecast for the year has been reduced by £2.5m from £49.5m the previous month to £47m this month. The key reasons for this are reduced forecasts of expenditure on Obsolete Heating, Heating Breakdowns and District Heat Metering.

The largest cause of the forecast Outturn variance against Budget is due to operational delays on the schemes mentioned above (Heating 2.6m), Environmental programmes (£0.6m), District Heat metering (£1.1m) and Arbourthorne redevelopment £1.1m. The Heating Programme works are behind schedule due to contractor performance which has necessitated the production of a revised work programme. It is hoped the contractor will provide this in September to allow for an accurate re-profiling of the works.

62. The Roofing contract has been delayed following a re-appraisal of the proposed scheme. Housing Services believe that an alternative specification using more durable materials could result in future maintenance savings. Progress with the project has been put on hold pending evaluation of this option. It is estimated that £6.56m will slip from 2014/15 into future years as result of this change. The project is progressing on other workstreams including leaseholder consultation.

## Communities

63. The year to date spend on the Communities portfolio capital programme is £363k (33 %) below the profiled budget and the forecast is £141k (7 %) below budget by the year-end.

<b>Cause of change on Budget</b>	<b>Year to date £000</b>	<b>Full Year forecast £000</b>
Slippage to be carried forward	0	0
Operational delays in projects due to planning, design or changes in specification	-190	0
No forecast entered by project managers	0	-95
Under or Overspending on project estimates	-52	0
Other variances	-121	-45
	<b>-363</b>	<b>-141</b>
Spend rate per day	7.0	7.8
Required rate to achieve Forecast	8.4	
Rate of change to achieve Forecast:		
- compared to budget profile	-30.6%	
- compared to year to date spend	20.4%	

64. The main element of the Communities programme is an IT system to deliver mobile working for care assessment staff. The scope of the project is currently being redefined with the IT contractor and is expected to be recovered by the end of the year. A re-profiled budget which reflects the new project plan will be submitted in due course.
65. The forecast variance has halved from last month but most of the remaining variance arises from incomplete forecasts input from project managers.

## Resources

66. The year to date spend is £688k (30 %) below the programme and forecast to be £312k (3 %) below the approved budget for the whole year.

Cause of change on Budget	Year to date £000	Full Year forecast £000
Slippage to be carried forward	0	0
Operational delays in projects due to planning, design or changes in specification	-375	0
Incorrect budget profiles	0	-
No forecast entered by project managers	0	0
Projects submitted for Approval	0	0
Management action	0	68
Overstatement of budgets		
Under or Overspending on project estimates	0	0
Other variances	-312	-380
	<b>-688</b>	<b>-312</b>
Spend rate per day	15.3	38.6
Required rate to achieve Forecast	54.9	
Rate of change to achieve forecast:		
- compared to budget profile	138.9%	
- compared to year to date spend	257.9%	

67. Five projects account for over £0.5m of the shortfall to date. These are: Abbeydale Industrial Hamlet watermill (£110k) where having drained the dam, the extent of the work required to plug the leak is far more extensive than envisaged and alternative solutions have had to be developed which has delayed the completion of the works, £184k delay on the Pathway resurfacing programme where the condition survey has not been completed and is being reprogrammed, £76k on the re-roofing of the City Road cemetery, £67k slippage on works to reconfigure Sorby House and £82k slippage on the Fire Risk Assessment project.
68. The “Other variances” figure is the cumulative total of many small variances across numerous projects.

## Approvals

69. A number of schemes have been submitted for approval in line with the Council’s agreed capital approval process.
70. Below is a summary of the number and total value of schemes in each approval category:
- 3 additions to the capital programme with a total value of £5.2m.

- 20 variations to the capital programme creating a net increase of £10.7m.
- 3 slippage requests moving £3.9m into future years.
- No emergency approvals.
- 4 director variations with a total value of £50k.

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

## **Implications of this Report**

### **Financial implications**

72. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2014/15 and, as such it does not make any recommendations which have additional financial implications for the City Council.

### **Equal opportunities implications**

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

### **Legal implications**

74. There are no specific legal implications arising from the recommendations in this report.

### **Property implications**

75. 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**

76. Members are asked to:

- (a) Note the updated information and management actions provided by this report on the 2014/15 Revenue budget position;
- (b) In relation to the Capital Programme, Members are asked to:
  - (i) approve

- 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;
- The proposed variations and slippage in Appendix 1;

and note;

- The latest position on the Capital Programme including the current level of delivery and forecasting performance;
- there was no exercise of delegated emergency approval by the Executive; and
- The instances where Cabinet Members, EMT or directors of service exercised their delegated authority to vary approved amounts.

### **Reasons for Recommendations**

77. 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**

78. 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.

**Andrew Eckford**  
**Interim Director of Finance**





Scheme Description	Approval Type	Value £000	Procurement Route
<b>GREAT PLACE TO LIVE</b>			
<b>Leisure Facilities</b>			
<p>The Football Association has launched a major national initiative to improve performance by raising the standard of the facilities available to junior and amateur players. This will involve building the latest 3-G pitches and high quality changing facilities. Sheffield has been chosen as the pilot city for the project.</p> <p>Football is the city's major participation sport with over 800 teams, of which over 500 are junior/youth teams. The benefits to Sheffield include new and affordable facilities – artificial pitches, grass pitches and changing; increased participation levels and improved health; major capital investment from national sources and a potential long term saving to the Council as more play is concentrated on fewer pitches. Therefore whilst the FA's national initiative is recognition of the budget pressures faced by most local authorities, the potential opportunities and benefits are substantial for Sheffield.</p>	Addition	4,675	To be confirmed but likely to be extension of existing contracts for the development of the leisure facilities.
<p>This submission seeks approval for the first two hub sites to be located at Thorncliffe Recreation Ground and at Graves Leisure Centre which will complement the indoor sports developments underway at each site.</p> <p>Ultimately the FA is proposing to set up a local charitable trust to oversee their investment programme. The trust will take an operating interest in the new facilities and resulting income will be reinvested in the city's football facilities in accordance with the plan agreed between the Council and the FA. This will involve the transfer of the</p>			

<p>assets to the new trust.</p> <p>The total cost of the scheme is estimated at £4.675m with funding being provided from</p> <ul style="list-style-type: none"> <li>• The FA £1.503m</li> <li>• Sheffield City Council £1.172m</li> <li>• Sport England £1m (£0.5m yet to be secured)</li> <li>• Football Foundation £1m</li> </ul> <p>The SCC funding will be provided from a mix of capital programme funding which optimises the Council's capital strategy. This may include borrowing repaid from the anticipated future revenue savings.</p>				
<p><b>Highways</b></p>		<p>Addition</p>	<p>466</p>	
<p><b>Better Buses 2 (BB2) City Centre Package</b></p> <p>Better Buses 2 funding (BB2) is a grant awarded by the Department of Transport (DFT) to South Yorkshire Passenger Transport Executive (SYPTe) on behalf of the Sheffield Bus Partnership (SCC, SYPTe, First and Stagecoach). Over a five year period, this will phase out the existing Bus Service Operators Grant (BSOG) provided by Government to bus operators. The total funding for five years is agreed at £18m (£11m capital and £7m revenue), the overall aim being to improve journey times for buses leading to reduced operating costs and fares and thereby reduce the need for the BSOG "subsidy". A number of BB2 schemes have already been approved by Cabinet in December 2013.</p> <p>Works carried out under this grant are agreed in partnership with a number of key stake holders, formally approved by the SYPTe management board and subsequently endorsed by SCC Cabinet Highways Committee.</p>				<p>Purchase of software undertaken by RMBC</p> <p>Development of the installed software – in house</p> <p>Detection Loops – AMEY Schedule 7 Streets Ahead</p>

<p>The City Centre Scheme is a leading edge development that will link real-time bus tracking information into the South Yorkshire's new Intelligent Transport System Common Database.</p> <p>This will enable the information to be processed and adaptively adjust timings of the traffic signals in the City Centre to assist public transport that is running behind schedule.</p> <p>The procurement for the purchase of the software is being undertaken by Rotherham Metropolitan Borough Council with the development of the adaptive traffic control being carried out by staff in Sheffield's Urban Traffic Control Centre.</p>			
<p><b>Spital Hill (Tesco)</b> This project is to use Section 106 funding to provide a software upgrade to the Council's bus priority system and purchase and install twenty additional Automatic Number Plate Recognition (ANPR) cameras (£60k) in the Spital Hill area.</p>	Addition	122	Works: Schedule 7 Streets Ahead Waiver for the purchase of the cameras
<p><b>HGV Routing Strategy</b> This project is to be increased by £40k funded from LTP to carry out additional works (£20k) and deal with increase in costs (£20k). These include:-</p> <ul style="list-style-type: none"> <li>Covering the increase in the budgeted cost to implement the weight restriction to deal with HGV issues in Mayfield Valley in 2014/15;</li> <li>The design and implementation of signing revision to enable the legal enforcement of existing weight restrictions on Burncross Road and Darnall Road</li> <li>Update the existing Parkmap database of static orders to complement the</li> </ul>	Variation (Change of scope)	40	n/a

<p>expanded functionality afforded by the incorporation of the moving traffic orders and to develop versions of the data that can be read via ArcReader and on the internet.</p>			
<p><b>2+ Lanes</b>                  The £40k reduction in LTP funding from this project will be used to fund the increase scope on 97982 HGV Routing Strategy project.</p> <p>The project will now complete fewer tasks including the implementation of a trial site and suspension of the bus lane on Savile Street but will still deliver the following outputs:-</p> <ul style="list-style-type: none"> <li>• A City-wide Strategy for 2+ lanes</li> <li>• Confirmed feasibility for preferred locations</li> <li>• Modelling of the temporary suspension of Saville Street bus lane</li> </ul>	<p>Variation (Change of scope)</p>	<p>-40</p>	<p>n/a</p>
<p><b>SYITS ANPR (Automatic Number Plate Recognition)</b></p> <p>The budget reduction for the development of Automatic Number Plate Recognition (ANPR) cameras has been part of a Countywide review of LTP funding allocation to schemes.</p> <p>The project aim was to develop systems to process information from the ANPR cameras to enable incident management on the road network.</p> <p>The funding reduction will slow down the system development; however some of this will be offset by improvements to the effectiveness of traffic management gained from</p>	<p>EMT Variation</p>	<p>-43.5</p>	<p>n/a</p>

<p>other LTP schemes that have been allocated additional funding.</p>			
<p><b>COMPETITIVE CITY:-</b></p>			
<p><b>Lower Don Valley Flood (LDV) Defence Works</b>                  The LDV is a strategically important industrial area of the city. Severe flooding in 2007 caused many businesses significant disruption and some ceased trading because of it.</p> <p>The overall aim of this scheme is to improve flood protection in Sheffield's Lower Don Valley with the construction of flood defence interventions between Nursery Street and Blackburn Brook. This will reduce the risk of flooding for 256 businesses, safeguarding 5,000 jobs in the area and reassuring existing business and potential new investors that action is in hand to reduce the flood risk.</p> <p>In September 2013 Cabinet approved this scheme for £7.3m and the Council subsequently appointed Carillion as the preferred contractor.</p> <p>However, feedback by the EA's national Environment Agency Large Projects Review Group (LPRG) has highlighted an opportunity to improve the initial proposal so that it would provide protection to a 1:100 year event until 2039 .rather than 2025 which was in the original proposal (based on the latest climate change intelligence).</p> <p>Consequently, having been advised to appoint specialist support to review the basics of the project, the application has been revised, most notably presenting a new approach to the mitigation of climate change. The new proposal involves increasing the number of flood defence interventions from 38 to 60 and extending the length and height of defences by a greater amount along the full 8km stretch of the river. This has resulted in a significantly increased investment of £18.144m</p>	<p>Variation</p>	<p>10,800</p>	<p>Already let through competitive tender using YorCivil Regional Framework</p>

<p>Additional funding has been secured from the Flood Defence Grant in Aid (FDGiA) to fund the increased investment. The total overall project is being funded as follows (including spend to date):-</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">EA FDGiA Grant</td> <td style="text-align: right;">12,144,000</td> </tr> <tr> <td>EA Growth Fund</td> <td style="text-align: right;">5,500,000</td> </tr> <tr> <td>BID</td> <td style="text-align: right;">500,000</td> </tr> <tr> <td><b>Total Project Budget</b></td> <td style="text-align: right;"><b>18,144,000</b></td> </tr> <tr> <td>Less Prior Year Spend</td> <td style="text-align: right;">-521,719</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>17,622,281</u></td> </tr> </table>	EA FDGiA Grant	12,144,000	EA Growth Fund	5,500,000	BID	500,000	<b>Total Project Budget</b>	<b>18,144,000</b>	Less Prior Year Spend	-521,719		<u>17,622,281</u>				
EA FDGiA Grant	12,144,000															
EA Growth Fund	5,500,000															
BID	500,000															
<b>Total Project Budget</b>	<b>18,144,000</b>															
Less Prior Year Spend	-521,719															
	<u>17,622,281</u>															
<b>SUCCESSFUL CHILDREN &amp; YOUNG PEOPLE :-</b>																
<p><b>Thornbridge Accessible Unit</b></p>	<p>This project was set up for the creation of new Outdoor Education Centre at Thornbridge Outdoors. Specifically, the scheme will erect an outdoor classroom with additional ancillary accommodation for a disabled child to stay overnight when not being used for teaching. The new centre will create expanded opportunity for disabled children and their families to access Thornbridge and the Peak District either as part of a residential visit with school or as a family short break.</p>	<p>Three years ago the Council received funding under the Aiming High for Disabled Children's programme. The approved project used £416k of this fund and a further £484k from the Schools Capital Maintenance programme. £165k of the Aiming High funding is unspent and it is proposed to use this to free up further funds to support the Schools Maintenance programme where there are unsupported pressures.</p>														
<p><b>Short Breaks</b></p>	<p>This project was initially set up as a capital allocation to support developments in short</p>	<p>Cabinet Member</p>	<p>-145</p>	<p>n/a</p>												

breaks for disabled children. The programme aimed to deliver significant benefits for disabled children and young people across the City through specific projects managed by the Council and provide an opportunity to support the voluntary and community sector at a time when capital funding was sparse and decreasing.	Variation		
<b>Capital Maintenance Block Allocation</b>	Cabinet Member Variation	145	n/a
<b>Capital Maintenance Programme -</b>			
<b>The following projects are now complete and are to be formally closed. The net underspend of £281k will be returned to the Capital Maintenance Programme to undertake more work at other schools:</b>			
<b>Primary Maintenance - Condition Management</b> This project has up until now acted as a central point for the collection, collation of asset management information, including asset surveys and project management costs on authority led schemes. This variation is to reflect the 2014 cumulative overspend to be charged to this project before the decision, now taken by the CYPF Capital Commissioner, to allocate all such future costs to the relevant school or end project.	EMT Variation	67	n/a
<b>Primary Maintenance – Windows Programme</b> This project provided for replacement windows at various primary school sites across the Sheffield City Council estate, to improve the learning environment, security and energy efficiency to city wide standards.	EMT Variation	-38	n/a
<b>Primary Maintenance Heating – Dobcroft Junior</b> This project was set up to install a replacement heating system on site. The work is now complete and this variation seeks to return the savings made to the capital maintenance block allocation, as a result of on-site efficiencies agreed with the school and avoiding the use of the contingency provision.	EMT Variation	-47	n/a

<p><b>Primary Maintenance Heating – Bankwood</b> This project was set up to replace the full heating system and boiler plant, including controls at Bankwood school. The work is now complete and this variation seeks to return the savings made to the capital maintenance block allocation, as a result of on-site efficiencies agreed with the school and avoiding the use of the contingency provision.</p>	EMT Variation	-40	n/a
<p><b>Primary Maintenance Electrical – Wisewood</b> This project was set up to provide a full electrical rewiring at the school, including Fire Alarm Detection work. The scheme is now finished and this variation seeks to return the savings made to the capital maintenance block allocation, as a result of on-site efficiencies agreed with the school and contingency/risk items not required.</p>	EMT Variation	-30	n/a
<p><b>Primary Maintenance Electrical – Limpsfield</b> This project was set up to provide a full electrical rewiring at the school, including Fire Alarm Detection work. The scheme is now finished and this variation seeks to draw down extra funding from the capital maintenance block allocation, as a result of additional costs due to Fire Risk Assessment requirements.</p>	EMT Variation	39	n/a
<p><b>Fire Risk Assessment Works Programme</b> This project was set up for work to schools across the Sheffield City Council estate following recommendations received Fire Risk Assessments. The project has now finished and this variation seeks a £155k reduction from the originally authorised £950k budget, due to £90k saving on asbestos removal (only £14k used), £50k saving on construction contingency and £15k general savings.</p>	Variation	-155	n/a
<p><b>Norfolk Park Community Primary School - Heating</b> This project was set up to provide a replacement heating plant at the school, following the district heating system's operator 's decision to remove the school's connection to the city-wide district heating system because it was uneconomic to maintain.  The work is now finished and this variation seeks to return the savings made to the capital maintenance block allocation, as a result of on-site efficiencies agreed with the</p>	EMT Variation	-46	n/a



<p>school and avoiding the use of the contingency provision.</p>			
<p><b>Carfield Primary Boiler Replacement</b> This project was set up to provide a replacement system comprising gas boiler plant, and controls in place of the former Oil based system.</p> <p>The work is now finished and this variation seeks to return the savings made to the capital maintenance block allocation, as a result of the asbestos removal element not being required.</p>	EMT Variation	-31	n/a
<p><b>Capital Maintenance Block Allocation</b> This block allocation was set up as a Primary School building maintenance programme for annual provision of targeted works as required across the Sheffield City Schools' estate. The Capital Commissioners of CYPF act as overall programme managers. This variation seeks to return the net savings made on capital maintenance projects to the capital maintenance block allocation, as described above.</p>	Variation	281	n/a
<p><b>SAFE &amp; SECURE COMMUNITIES:-</b></p>			
<p><b>CBT Wincobank Community Building</b> This project will partially refurbish the communal block of a closed Sheltered Home scheme to create a fit for purpose community facility. It currently has an approved budget of £276k. The project has been delayed for many months whilst an affordable option was found. A previous tender exercise brought in bids which were significantly above the approved funds. The roof, walkway, balustrade, mechanical &amp; electrical works and fees were all above the original estimate. Further work has been undertaken to value engineer the project to a lower cost.</p> <p>This variation seeks to request £47k additional funds from the Community Buildings Backlog Maintenance Fund which is funded by capital receipts.</p>	EMT Variation	47	n/a

<p><b>Community Buildings Maintenance Backlog H&amp;S Block Allocation</b> This block allocation is to provide the funds for maintenance and backlog of buildings within the Community Buildings portfolio and the variation is to fund increased costs at the Wincobank Community building.</p>	EMT Variation	-47	n/a
<b>SLIPPAGE / ACCELERATED SPEND:-</b>			
<b>Successful Children and Young People</b>			
<p><b>Gleadless Primary - Rebuild</b> This project will design and construct new Infant and Junior blocks at the existing Gleadless Primary School site. The Primary school exists on a split site, separated by a main road. The Infant site has significant condition issues which need addressing. It is proposed to rebuild the Infants on the Junior site. The project is to design new school buildings for both school phases and to initially rebuild the Infants only on the Junior site. Concurrent design of a new Junior block should take place to allow future build if funding permits at a future date.</p>	Slippage	-1,114	n/a
<p>This variation seeks to slip £1.1m of the £2.3m approved budget into 2015/16 due to delays in starting on-site as a result of negotiations to agree a suitable design with the contractor.</p>			
<p><b>Fire Risk Assessment Works Programme 2014/15</b> This project addresses work required to Schools in 2014/15 following recommendations received following Fire Risk Assessments.</p>	Slippage	-575	n/a
<p>This variation seeks to slip £575k of the £1.1m approved budget into 2015/16 following an unsuccessful tender exercise where the contractors failed to meet the quality criteria required to undertake these works. The next tender round will include additional briefing of contractors to ensure bidders understand the requirements of the job and tender</p>			

returns meet the required criteria.																			
<b>GREAT PLACE TO LIVE</b>																			
<p><b>Castle Market Decommissioning</b></p> <p>This project is to deliver the vacation and demolition of the Castle Market hall, offices, shops and other associated land and buildings which form the current site.</p> <p>Approval is being sought to slip £2.2m into 2015/16 due to delays in agreeing the specification for the demolition works which resulted in the late issue of the tender.</p> <p>The revised budget profile is shown below:-</p> <table border="1"> <thead> <tr> <th></th> <th>2014/15</th> <th>2015/16</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Approved Budget</td> <td>3,380,130</td> <td>654,500</td> <td>4,034,630</td> </tr> <tr> <td>Revised CAF</td> <td>1,167,074</td> <td>2,867,556</td> <td>4,034,630</td> </tr> <tr> <td>Slippage</td> <td>-2,213,056</td> <td>2,213,056</td> <td>0</td> </tr> </tbody> </table>		2014/15	2015/16	Total	Approved Budget	3,380,130	654,500	4,034,630	Revised CAF	1,167,074	2,867,556	4,034,630	Slippage	-2,213,056	2,213,056	0	Slippage	-2.213	n/a
	2014/15	2015/16	Total																
Approved Budget	3,380,130	654,500	4,034,630																
Revised CAF	1,167,074	2,867,556	4,034,630																
Slippage	-2,213,056	2,213,056	0																
<b>STAGE APPROVALS:-</b>																			
See Stage Approvals Report (Appendix 3) for further details.																			
<b>PROCUREMENT STRATEGY</b>																			
None to report this period																			
<b>EMERGENCY APPROVALS:- (Note only)</b>																			

<b>None to report this period</b>					
<b>DIRECTOR VARIATIONS:- (Note only)</b>					
<b>GREAT PLACE TO LIVE</b>					
<b>Parks Machinery (Parks)</b> This project was initially approved by Cabinet in May 2014 for the value of £43k to purchase equipment for Parks from the proceeds of the sale of redundant equipment. Unfortunately the proceeds generated a lower income than expected. As a result, the project budget has been reduced to £22k and the number of new mowers to be purchased has been reduced to 8. The reduction in new machines will not affect Parks service delivery but will result in an additional revenue cost of £1,800 to service the retained equipment.	Director Variation	-21		n/a	
<b>Tree Management (Parks)</b> This is a historic project which was to undertake safety works on trees. The variation increase is to fund charges from April to May 2014. This project will be closed and tree safety works are now to be funded from revenue.	Director Variation	2		n/a	
<b>Traffic Controller Upgrades (highways)</b> The increase in LTP funding will be used on upgrading the communications equipment for controlling traffic signals with an aim of improving the resilience of the operations	Director Variation	20		Schedule 7 Streets Ahead	

and reduce revenue maintenance expenditure.				
<p><b>Primary Maintenance HM&amp;E – Abbey Lane</b>  This project was set up to replace the full heating system and hard wired electrical system at Abbey Lane school. The work is now complete and this variation seeks to fund the overspend from the capital maintenance block allocation.</p> <p><b>Capital Maintenance Block Allocation</b>  This block allocation was set up as a Primary School building maintenance programme for annual provision of targeted works as required across the Sheffield City Schools' estate.  This variation seeks to apply an additional amount required to meet the overspend on Abbey Lane maintenance as above.</p>	Director Variation	8	n/a	
	Director Variation	-8	n/a	

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