

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31st DECEMBER 2014

Purpose of the Report

- This report provides the Month 9 monitoring statement on the City Council's Revenue Budget and Capital Programme for December. The first section summarises the position and the detailed Revenue Budget Monitoring and the Capital Programmes are reported in the Appendices.

REVENUE BUDGET MONITORING

Movements from Month 8

- At month 8 the overall Council position was for a reduction in spending of £144k. The position at month 9 shows an adverse movement of £257k on the previous month, with a forecast potential overspend of £113k to the year end. Given the size and challenges of the budget, this still represents a broadly balanced budget.

- The forecast by portfolio is summarised in the table below:

Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
CYPF	80,675	81,136	(461)	↔
COMMUNITIES	165,696	163,578	2,118	↓
PLACE	167,827	166,159	1,668	↔
POLICY, PERFORMANCE & COMMUNICATION	3,003	2,922	81	↔
RESOURCES	63,184	62,940	244	↓
CORPORATE	(480,272)	(476,735)	(3,537)	↑
GRAND TOTAL	113	-	113	↑

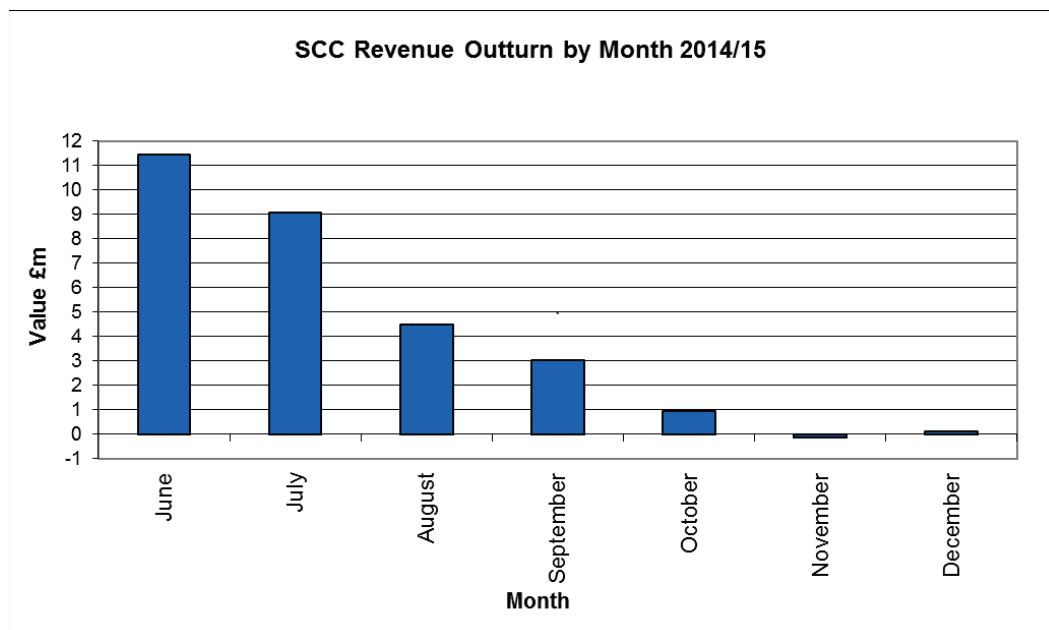
- The main variations since month 8 are:
 - Communities are forecasting an improvement of £541k, which is mainly due to the declaration of a number of small reductions in spending across the Care and Support services, as a result of ongoing challenge to Business Managers.
 - Resources are forecasting an improvement of £179k, which is mainly due to an improvement of £650k as a result of a Department of Works and Pensions led data-matching initiative which is generating high value overpayments to be recovered. This improvement is

offset by an adverse movement of £471k due to variations in forecast Council Tax and Business Rate court costs recovery.

- Corporate budgets are forecasting an adverse movement of £1m, which is mainly due to a temporary contribution towards the early repayment of the pension deficit account required to deliver £2.6m of savings over the next two years. These funds will be fully repaid during 2015/16.

Movements from initial forecasts at month 3

5. The forecast outturn shows an improving position from the £11.4m overspend reported in month 3 to the £113k overspend in month 9. This improvement reflects Portfolios' attempts to reduce spending but also the receipt of additional grant income within the Corporate budget area to help offset the significant pressures within the Communities and Place portfolios. The position month by month is shown in the following chart:



6. In terms of the month 9 overall forecast position of a £113k overspend, the key reasons are:
 - Children Young People and Families are forecasting a £461k reduction in spending mainly due to additional ESG income of £608k due to a delay in academy conversions, and £323k within the Inclusion and Learning Service predominantly due to additional traded income. These reductions in spending are partly offset by a forecast overspend on SEN Transport of £450k.

- Place are showing a forecast overspend of £1.7m, due mainly to delays in delivering the planned cost reductions to the waste contract as a result of protracted negotiations with the provider.
- Communities are showing a forecast overspend of £2.1m, due predominately to a £4.4m overspend in Care and Support relating to Learning Disability Services and the purchase of Older Peoples' care. This overspend is partly offset by significant improvements in the Adults Assessment & Care Management, which is forecasting a reduction in spend of £1.1m and a reduction in expenditure on Housing Related Support Contracts of £558k as a result of contract negotiation activities.
- Resources are showing a forecast overspend of £244k, due mainly to £256k forecast reduced forecast income from cashable procurement savings and £449k overspend in Central costs due in the main to Council Tax and Business Rates court costs recovery. These overspends are partially off-set by a £123k reduction in spending in Human Resources due to increased income in the Moorfoot Learning centre and £436k underspend in Housing Benefit due to high value over payments as a result of a DWP data-matching initiative .
- Corporate budgets are reporting a forecast reduction in spending of £3.5m, due mainly to the receipt of additional grant income awarded to the Council as compensation for business rates related measures introduced or extended in the 2013 Autumn Statement and the release of a year end provision, which is no longer required and was taken to cover any possible stamp duty liabilities resulting from the reacquisition of the Don Valley Stadium under the Major Sporting Facilities refinancing. The release of this provision and additional income has been partly offset by the aforementioned need to temporarily contribute £1m towards the early repayment of the pension deficit account in order to deliver significant savings over the next two years.

Public Health

7. The Public Health ring-fenced grant is currently forecasting a potential £1.4m underspend. However it was approved via the month 6 monitoring report that £400k of this underspend be made available to fund food bank and fuel poverty projects in 2015/16. In addition to this approval, three further projects totalling £121k are being proposed for approval in this report. Further details of these requests and the forecast outturn position can be found in **Appendix 2**.

8. The approved £400k and £121k proposed carry forward requests are not currently reflected within the forecast figures and will therefore reduce the Public Health underspend to approximately £900k. It was previously approved that the balance of this underspend would be considered in the context of the 2015/16 budget savings on public health.

Housing Revenue Account

9. 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.
10. As at month 9 the full year forecast outturn is a predicted £6.2m overall improvement from budget. As such, the funding contribution to the capital investment programme will be revised from £6.9m to £13.1m Further details of the HRA forecast outturn can be found in **Appendix 3** of this report.

New Homes Bonus Fund

		£m
Income	Reserves as at 1/04/14	-5.1
	2014/15 NHB Grant Received	-1.9
	14/15 Anticipated NHB Grant	<u>-4.5</u>
	Total Income	<u><u>-11.5</u></u>
Expenditure	2014/15 Spend to date at Month 9	2.5
	Forecast to Year End	1.7
	Future Years' Commitments	<u>5.3</u>
	Total Expenditure	<u><u>9.5</u></u>
	Funds Available for Investment	<u><u>-2.0</u></u>

11. The major change in the fund position is on the former Don Valley Stadium Remediation project where the spend has been re-profiled following receipt of the detailed construction plan following the award of the construction contract. Approximately £0.5m of expenditure has been moved into future years.

Collection Fund

12. As at the end of quarter 3 the Collection Fund is forecasting a £0.4m year-end surplus on Council Tax primarily due to a combination of student exemptions decreasing compared to budget and an increase in properties since the tax base was set.
13. As at the end of quarter 3 the Collection Fund is forecasting a year-end surplus on locally retained Business Rates. There has been significant growth in the potential Business Rates yield in 2014/15 but this has been largely offset by expected increases in reliefs and appeals.
14. Further details about the quarter 3 performance of the Collection Fund can be found in **Appendix 5**.

Capital Summary

15. At the end of December 2014, the end of year position forecasts a variance of £35.6m (18%) below the approved Capital Programme. Project managers are forecasting to deliver a capital programme of £169.1m.
16. This has been reduced by £20.3m from the previous forecast of £189.4m. The main changes arise from a £1.2m reduction in the overspend on Bus Rapid Transit North project, £10m on the NRQ project where land purchases will slip into 2015/16, and a £5.7m re-profiling of spend into 2015/16 on projects following the receipt of detailed construction programmes from contractors who have just been awarded contracts. The remaining level of slippage is £3.4m.
17. Further details of the Capital Programme monitoring and projects for approval are reported in **Appendices 4 and 4.1**.

Implications of this Report

Financial implications

18. 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

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

Legal implications

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

Property implications

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

Recommendations

22. Members are asked to:

- (a) Note the updated information and management actions provided by this report on the 2014/15 Revenue budget position.
- (b) Approve the use of £121k of Public Health forecast reduction in spend, as noted in paragraph 8 of **Appendix 2** of the report.

- (c) In relation to the Capital Programme:

- (i) Approve the proposed additions to the Capital Programme listed in **Appendix 4.1**, 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) Approve the proposed variations and slippage in **Appendix 4.1**.

and note;

- (iii) The latest position on the Capital Programme; and
- (iv) the slippage requests authorised by the Cabinet Member for Finance under his delegated authority.

Reasons for Recommendations

23. 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

24. 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.

Dave Phillips
Interim Director of Finance

Portfolio Month 9 Budget Monitoring Reports

Children Young People and Families (CYPF)

Summary

1. As at month 9 the Portfolio is forecasting a full year outturn of a reduction in spending of £461k on cash limit, an improvement of £40k from the month 8 position (after taking into account the carry forward request for the Apprenticeship schemes agreed last month), and DSG is forecast to be overspent by £215k. The key reasons for the forecast outturn position are:
 - **Business Strategy:** £60k forecast reduction in spending, additional Education Services Grant (ESG) income to that budgeted of £608k and £77k on Insurance due to the timing of academy conversions and a reduced level of pump priming of £63k for Vulnerable Groups with activity now being picked up by schools. This underspend is partly offset by a forecast £150k overspend on Bus Passes and £450k overspend on SEN Transport due to demand increase, redundancy costs against Music Service £79k and under recovery of traded income Advice and Conciliation Service £43k.
 - **Children and Families:** £2k forecast overspend. Overspending areas are Management and Business Support £169k due to delay in the Business Support MER, Legal Fees £132k (based on previous year's trends), Fieldwork Service Areas and Permanence and Throughcare £662k net overspend mainly due to difficulties in achieving vacancy monitoring targets, Placements £73k due to costs being significantly greater than the external funding available, Direct Payments £213k due to parents accessing their own care arrangements. These overspends are being partially offset by a reduction in spending on Contact Contracts £530k due to more efficient management using contact centres and Placements £561k due to the positive trends in the numbers and costs of placements .
 - **Inclusion and Learning Services:** £323k forecast reduction in spending due to £197k as a result of additional traded income in Educational Psychologists, £91k in Advocacy and Challenge and £142k in SEN Placement Team due to vacancies. These are partly offset by an overspend in In City SEN Provision £134k due to additional High Risk Learners identified.
 - **Lifelong Learning and Skills:** £80k forecast reduction in spending due to £220k underspend in Youth Teams which is unallocated budget partly offset by overspends in the Training Units £135k, these are under review and as delivery reflects changes in provision an MER will be undertaken .

- DSG Budgets:** Overall a £215k overspend made up of a £675k reduction in spend in Business Strategy due mainly to a £968k reduction in spending on 2 Year Old FEL offset by £258k overspend on SEN Transport. A reduction in spend of £97k in Children and Families in MAST due to a saving identified on staffing. An anticipated overspend of £879k in Inclusion and Learning overall, made up of overspends of £562k in Banded Funding, £242k Independent Placements and £369k in In City SEN Provision due to demand pressures, partially offset by reduction in spends on Sensory Services £49k and £130k Inclusion and Learning Services due to vacancies and £51k in Pupil Admissions. An overspend in Lifelong Learning and Skills of £107k due mainly to increased numbers of Post 16 High Needs learner placements £130k partially offset by a small under spend in Extended Learning £16k.
- City Deal:** City Skills funding carry forward of £275k has been used to pump prime City Deal and this funding has all been spent. City Deal is currently forecasting to budget with approximately £300k of spend to take place between January and March. Currently the funds held on the balance sheet are £6.5m with the EFA taking back £2m imminently.

Financials (Non-DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS STRATEGY	548	608	(60)	↔
CHILDREN & FAMILIES	64,862	64,860	2	↔
INCLUSION & LEARNING SERVICES	5,403	5,726	(323)	↓
LIFELONG LEARN, SKILL & COMMUN	9,862	9,942	(80)	↔
GRAND TOTAL	80,675	81,136	(461)	↔

Commentary

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

Non-DSG Budgets

- As at month 9 the Portfolio is forecasting a full year outturn of a reduction in spending of £461k on cash limit. This compares with last month's position £423k, (after taking into account the carry forward request for the Apprenticeship schemes agreed last month), a movement of £38k.

Business Strategy

4. As at month 9, Business Strategy is currently forecasting a reduction in spend of £60k (shown in the table above) relating to cash limit. This is a reduction of £90k from the previous month.
5. The reduction this month is due mainly to additional pressure on SEN Transport £209k due to forecasting in additional volumes of client, £72k on Bus Passes due to previous forecast being based on 2013/14 academic year where 2014/15 actuals now available. These reductions are offset by additional income from Education Services Grant £210k due to reduced levels of academy conversions to that budgeted.

Children and Families

6. As at month 9, Children and Families is currently forecasting a £2k overspend (shown in the table above) relating to cash limit. This compares to last month's forecast.
7. Whilst the overall Children and Families position remains the same as month 8 there has been an additional reported overspend of £124k against Direct Payments due to increased level of activity which is offset by improvements in Policy and Service £50k and Prevention and Early Intervention £72k due to reductions in forecast expenditure.

Inclusion and Learning

8. As at month 9, Inclusion and Learning Service is currently forecasting £323k reduction in spend (shown in the table above) relating to cash limit. This is an improved position £109k from previous month.
9. The reduction this month is due to additional income on Educational Psychologists £53k, reduction in expenditure against both Learning Support £32k and Advocacy and Challenge £40k.

Lifelong Learning and Skills

10. As at month 9, Lifelong Learning Skills and Communities Service is currently a £80k reduced spend (shown in the table above) relating to cash limit. This is an improved position of £21k.
11. The key reason for the improved position is an under spend against Performance and Analysis £12k and Youth £8k due to vacancies.

DSG Budgets

12. The month 9 position is a £215k overspend, which is a worsened position of £390k from the position reported at Month 8. This worsened position is predominantly due additional spend against SEN Transport, SEN on Banded Funding, In City SEN Provision and Independent Placements. The position has also been impacted by a spending moratorium and removal of budget to provide for the SEN pressure in year, which has the impact of increasing the reserve on DSG going forward.

Place

Summary

13. As at month 9 the Portfolio is forecasting a full year outturn of an £1.6m overspend, broadly in line with previous month. The key reasons for the forecast outturn position are:
 - **Business Strategy & Regulation:** £1.5m over budget largely due to delays in delivering the planned cost reductions to the waste contract as a result of protracted negotiations with the provider.
 - **Capital & Major Projects:** £623k over budget largely due to income and cost pressures within the markets activity.
 - **Regeneration & Development Services:** £447k under budget largely due to vacancy management of £200k and additional forecast income of £300k primarily in planning and building regulation fees.
 - **Place Public Health:** whilst the net position is balanced, forecast spend and grant income at £3.1m is £0.8m below budget, largely due to below target performance on the Stop Smoking Contract.
14. All Directors have now completed a review of their spending plans for the remainder of the financial year. This has identified a range of planned actions / improvements with the potential for up to £1.1m of cost reductions compared to the month 8 forecast, of which to date £0.6m has been forecast in the month 9 position.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS STRATEGY & REGULATION	30,693	29,235	1,458	↔
CAPITAL & MAJOR PROJECTS	1,173	550	623	↔
CREATIVE SHEFFIELD	2,941	3,037	(96)	↔
CULTURE & ENVIRONMENT	45,174	45,241	(67)	↔
MARKETING SHEFFIELD	1,003	806	197	↔
PLACE PUBLIC HEALTH	-	0	0	↔
REGENERATION & DEVELOPMENT SER	86,843	87,290	(447)	↔
GRAND TOTAL	167,827	166,159	1,668	↔

Commentary

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

Business Strategy & Regulation

16. The forecast for this activity is £1.5m over budget, an £80k adverse movement on the previous period, due additional one-off pressures.
17. The forecast reflects an assumed £1.2m risk pending agreement with the Contractor on new terms to reflect the revised waste collection arrangements.
18. Other cost pressures have to a large extent been mitigated, through one-off savings / additional income including the finalisation of the prior year sale of heat income due to the Council. However, risks remain around underlying waste volumes and diversion of waste should further maintenance be required on the Energy Recovery Facility.
19. Work is progressing on developing further the range of options for negotiation with the contractor with a view to implementation towards the end of the financial year.

Capital & Major Projects

20. The forecast for this activity is £622k over budget, broadly in line with the previous period.
21. The forecast position largely reflects income pressures within the markets service of £700k. There may be further risk here if stall lettings cannot be held at current levels. The business model for the market is currently under review

balancing lower rents against the need for more flexibility in location to ensure let space is maximised.

Culture & Environment

22. The forecast for this activity is £67k under budget, an improvement of £93k this period, largely due to lower spend now forecast on supplies and services across the whole service.
23. The Service has been working with Sheffield International Venues to finalise a three year funding commitment to 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 its 3 year plan.
24. The Director continues to work closely with SIV to ensure that these plans are progressed and risks are mitigated.

Marketing Sheffield

25. The forecast for this activity is £197k over budget, broadly in line with the previous period The forecast for this activity is £197k over budget, broadly in line with the previous period and largely reflects not securing planned reductions in subsidy for major events.

Public Health

26. The net forecast for this activity remains balanced since spend is covered from the Health grant. However, it should be noted that forecast spend and grant income at £3.1m is £0.8m below budget. This largely reflects a forecast reduction in spend on the Stop Smoking Contract due to below target performance on this contract.

Regeneration & Development Services

27. The forecast for this activity is £447k under budget, broadly in line with the previous period. The key variances include vacancy management of £0.2m and additional forecast income of £0.3m primarily in planning and building regulation fees. The forecast does not include at this stage a potential Streets Ahead contract performance deduction relating to problems at the bus lane at London Road during July / August.

Communities

Summary

28. As at month 9, the Portfolio is forecasting a full year outturn of an overspend of £2.1m, an improvement of £541k from the month 8 position. The main reason for this outturn position is due predominately to a £4.4m overspend in Care and Support relating to Learning Disability Services. The overall position can be summarised as follows:

- **Business Strategy:** Currently reporting a forecast reduction in spend of £228k against the full-year budget. This is mainly due to a reduction in spend on the mail / insurance and legal SLAs of £185k, forecast reduced spending in salary and related expenditure across the Directorate of £343k, offset by one-off expenditure of £300k used for business improvement activity.
- **Care & Support:** An overspend of £3m is currently forecast due to ongoing pressures and issues in Adult Social Care primarily relating to increased demand on care purchasing budgets. These budgets continue to be the focus of recovery action led by the Adult Social Care Savings Board and the LD Commissioning Board. Recovery action has helped improve the position by £1.7m from a forecast overspend of £4.7m earlier in the year at month 4.
- Significant improvements have been made in the Adults Assessment & Care Management, which is forecasting a reduction in spend of £1.1m by the end of March 2015, due to 2014/15 savings proposals. Contributions to Care is showing a small surplus against budget, with the main offsetting factors being a shortfall in income of £1m due to numbers of contributing service users being less than had been forecast because of business demand management and appliance of eligibility criteria and a surplus in income from CHC of £0.9m due to more joint funded cases where services are commissioned by the Council.
- There remains a significant overspend of £4.4m within the Learning Disabilities Service relating to increased demand on care purchasing budgets of £3.4m and in-house care provision £1m.
- **Commissioning:** Currently reporting a forecast reduction in spending of £560k against the full year budget. The reduction in spend can be attributed to a reduction in expenditure on Housing Related Support Contracts of £558k as a result of contract negotiation activities; surplus income from

Water Rates collection services of £74k and reduction in spending on staffing costs of £79k and non-pay costs of £40k.

- This reduction is offset by forecast overspend of £152k relating to the agreed sharing of SHSCT unachieved savings dating back to 2013/14 and an overspend related to staff joining the LD Re-Provision Team of £39k.
- **Community Services:** Reporting a forecast reduction in spending for the year of £93k due mainly to reduction in spending of £79k on pay-related costs in Locality Services due to vacancies not now being filled this financial year.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS STRATEGY	4,296	4,524	(228)	↑
CARE AND SUPPORT	119,556	116,556	3,000	↓
COMMISSIONING	32,183	32,743	(560)	↓
COMMUNITY SERVICES	9,661	9,754	(93)	↓
GRAND TOTAL	165,696	163,578	2,118	↓

Commentary

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

Business Strategy

- **Executive and Portfolio-wide Services:** £79k favourable move in month as a result of realignment of budgets for the management structure and reduction in expected cost of the legal SLA.
- **Planning and Performance:** £250k net adverse move in month, primarily relating to one-off business improvement expenditure of £300k, partly offset by a £50k reduction in forecast pay costs

Care & Support

- **Assessment & Care Management:** In the month, there has been a favourable movement of £42k, as a result of additional income and savings on salaries.
- **Contributions to Care (income):** There has been an improvement of £201k from the previous month, due to improvements in service users' contributions of £85k and a review of income due from property charges of £100k.

- **Housing Related Services:** A favourable movement of £267k due to the movement of Housing Services to Assessment & Care Management of £115k, further reductions in forecast expenditure on the Local Assistance Scheme of £43k and a full review of all anticipated expenditure.
- **Joint Learning Disability Services:** An adverse movement of £54k arising from an adverse movement in purchasing forecast of £101k following a review of expected expenditure, offset by an improvement in Provider Services of £56k. There were also some minor increases in other areas totalling £9k.
- **Provider Services:** There has been an adverse movement of £57k, primarily due to additional staffing costs due to winter activity and very high sickness levels.

Commissioning

- **Housing Commissioning:** £90k favourable movement in month due to reduction in spend on Housing Related Support contracts.
- **Social Care Commissioning:** £50k favourable movement as a result of revision of pay forecasts.

Community Services

- **Libraries:** £170k favourable movement mainly due to review of pressures previously included in forecasts of £117k, £20k favourable move on utility costs and review of payroll and income resulting in £25k favourable move.

Year to Date

30. The Year to Date position as at Month 9 is as follows:

	December		
Service	YTD Actual	YTD Budget	YTD Variance
BUSINESS STRATEGY	2,854	2,816	38
CARE AND SUPPORT	89,391	88,731	660
COMMISSIONING	23,033	23,494	(461)
COMMUNITY SERVICES	7,308	7,742	(434)
Grand Total	122,586	122,783	(197)

Resources

Summary

31. As at month 9 the Portfolio is forecasting a full year outturn of an of £244k, an improvement of £178k from the month 8 position. The key reasons for the forecast outturn position are:

- £256k overspend due to reduced forecast income from cashable procurement savings;
- £449k overspend in Central costs due in the main to Council Tax and Business Rates court costs recovery.

Offset by:

- £123k reduction in spend in Human Resources due to increased income in the Moorfoot Learning centre.
- £436k under spend in Housing Benefit due to high value over payments as a result of a DWP data-matching initiative.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS CHANGE & INFORMATION SOLUTIONS	(8,184)	(8,184)	(0)	↔
COMMERCIAL SERVICES	1,090	1,069	21	↔
COMMERCIAL SERVICES (SAVINGS)	(1,195)	(1,451)	256	↔
CUSTOMER SERVICES	4,752	4,711	41	↔
FINANCE	2,614	2,611	3	↔
HUMAN RESOURCES	2,481	2,604	(123)	↔
LEGAL SERVICES	3,984	3,935	49	↔
RESOURCES MANAGEMENT & PLANNING	187	205	(18)	↔
TRANSPORT AND FACILITIES MGT	34,977	34,977	0	↔
TOTAL	40,706	40,477	229	↔
CENTRAL COSTS	22,186	21,736	450	↑
HOUSING BENEFIT	291	727	(436)	↓
GRAND TOTAL	63,184	62,940	244	↓

Commentary

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

Central Costs

33. A forecast £450k overspend. This is an adverse movement of £471k from the previous month. The adverse movement this month is due to variations in forecast Council Tax and Business Rate court costs recovery. It should be noted that 2013/14 saw an unprecedented level of Council Taxpayers being taken to court for non-payment of Council Tax almost entirely due to the introduction of Council Tax Support (CTS) but also due to the impact of other welfare reforms such as the bedroom tax. This has created a significant degree of uncertainty in predicting payment behaviour in 2014/15 which, to date, has seen fewer cases being taken to court compared to the same time last year (when budgets were set). The Council Tax service continues to come to terms with increased volumes of low level debt and is exploring the most effective ways of recovering it without adding to the financial burden of taxpayers through the imposition of additional court costs. This situation continues to be closely monitored and it is hoped that the decision to make no changes to our CTS scheme in 2015/16 will help to provide greater stability for taxpayers and therefore allow more certainty in predicting payment behaviour in the future. This, in turn, should allow for more accurate forecasting of court costs.

Housing Benefit

34. A forecast £436k reduction in spending. This is an improvement of £650k from the previous month. The improvement this month is largely due to a Department of Works and Pensions led data-matching initiative which is generating high value overpayments to be recovered. This trend is likely to continue to the end of the year but as this is a new initiative the forecast value is unknown so the position is being closely monitored.

Policy, Performance and Communications

Summary

35. As at month 9 the Portfolio is forecasting a full year outturn of an overspend of £81k, an improvement of £8k from the month 8 position. The key reasons for the forecast outturn position are:
- £99k overspend in Communications mainly due to insufficient income to cover employee costs;
 - £22k overspend in CEX office due to LGYH costs;
 - £52k overspend in Electoral registration due to the costs of canvas staff and IT support costs consistent with previous years.

Offset by savings in:

- Savings through vacancy management & reduced supplies & services spend across other business units.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	3,138	3,057	81	↔
PUBLIC HEALTH	(135)	(135)	0	↔
GRAND TOTAL	3,003	2,922	81	↔

Corporate items

Summary

36. 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> £'000	<u>FY Budget</u> £'000	<u>FY</u> <u>Variance</u> £'000
Corporate Budget Items & Savings Proposals	69,235	69,622	(387)
Income from Council Tax, RSG, NNDR, other grants and reserves	(548,900)	(545,751)	(3,149)
Total Corporate Budgets	(479,666)	(476,129)	(3,537)

Commentary

- The £3.5m reduction in spending reported in month 9 is an adverse movement of £1.0m, which is mainly due to a temporary contribution towards the early repayment of the pension deficit account required to deliver £2.6m of saving over the next two years.

PUBLIC HEALTH BUDGET MONITORING AS AT 31 DECEMBER 2014 (MONTH 9)

Purpose of the Report

1. To report on the 2014/15 Public Health grant spend across the Council for the month ending 31 December 2014.
2. The report provides details of the forecast full year spend of Public Health grant compared to budget. Key variances are explained and any financial risks are discussed in the risk section.
3. The net reported position for each portfolio/service area would normally be zero as public health spend is matched by a draw down of public health grant. For the purposes of this report and in order to identify where corrective action may be necessary, we have shown actual expenditure compared to budget.

Summary

4. At month 9 the overall position was a forecast under spend of £1.4m. The position shows a reduction in forecast spend of £106k on the previous month. This is summarised in the table below.

All figures £000s					
Portfolio	Forecast full year expenditure	Full year expenditure budget	Full year variance	FY variance at month 8	Movement from prior month
CYPF	11,167	11,281	(114)	(30)	(84)
COMMUNITIES	13,126	13,314	(188)	(171)	(17)
PLACE	2,945	3,728	(783)	(746)	(37)
DIRECTOR OF PUBLIC HEALTH (inc PH Intelligence)	2,187	2,519	(332)	(364)	32
TOTAL EXPENDITURE	29,425	30,842	(1,417)	(1,311)	(106)

5. Key reasons for the forecast under spend are:
 - Contract slippage in Director Public Health Office (£202k);
 - Lower than budgeted take up on GP Health checks (£87k);
 - Unallocated vacant post budget and vacancy management in DPH office (£99k);
 - Unbudgeted income from CCG (£52k);

- £649k under spend on Stop Smoking Service contracts;
- £120k staff savings in Place due to vacancy management; and
- £188k under spend in Communities due to staff savings in Private Sector Housing (£39k), PH Commissioning (£53k), DACT and savings on DACT contracts (£96k).

This is offset by:

- £135k savings target (under DPH Office) to be met from under spends across all public health spend.
6. The forecast is a reduction in forecast spend of £106k from month 8 and the key reasons for the movement are:
- Communities reduction in forecast spend of (£17k) due to net minor reductions in expenditure in various areas;
 - £81k reduction in forecast spend in CYP mainly due to vacancy management and new income stream for IUCDs; and
 - £37k reduction in forecast spend in Place due to the 50% contribution to interim consultant payment no longer required (£40k).

Offset by:

- £32k increase in forecast spend in Director of Public Health office, mainly in GP Health Check spend.

Carry Forward Requests

7. For 2015/16, CMT have approved £400k of the current year underspend is to be allocated to Food Banks (£300k) and Fuel Poverty (£100k).
8. In addition other carry forward proposals are being considered:
- £10k to Bridge Employment for funding for managerial capacity;
 - £30k to address environmental health and pest control problems;
 - £31k for interim senior public health staffing; and
 - £50k for refurbishment of Sidney Street Premises.

Housing Revenue Account

Summary

1. 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.
2. 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.
3. As at month 9 the full year forecast outturn is a predicted £6.2m overall improvement from budget. As such, the funding contribution to the capital investment programme will be revised from £6.9m to £13.1m (shown in the table). This has been factored into the HRA Business Plan which sets out the council's ambitious plans and priorities for council housing over the next five years. Capital investment is to be made on improving council housing with a focus on works such as replacement heating systems, insulation and energy efficiency, new roofs, improvements to communal areas as well as building or buying new/replacement council housing.
4. The areas contributing to the improvement are: higher than budgeted net dwelling income (£941k) mainly as a result of revised year end assumptions on the profiling of the of bad debt provision; a net forecast of (£218k) on other income; a saving of (£1.9m) on repairs and maintenance which is partly due to a reduced volume of responsive repairs. This is in accordance with HRA's Business plan of increasing capital investment in properties which would result in savings on responsive repairs any further savings will be reported in due course. A (£2.9m) forecasted saving on overall running costs is predicted primarily due to staff vacancies and turnover , delays in some projects and lower than expected recharges; and a forecast reduction of (£283k) for interest on borrowing due to continued favourable interest rates is also expected.

Financial Results

HOUSING REVENUE ACCOUNT (EXC COMMUNITY HEATING)	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 8
1.NET INCOME DWELLINGS	(146,834)	(145,893)	(941)	↔
2.OTHER INCOME	(6,539)	(6,321)	(218)	↔
3 REPAIRS & MAINTENANCE	35,060	36,998	(1,938)	↑
4.DEPRECIATION –CAP PROG FUNDING	37,967	37,967	0	↔
5.TENANT SERVICES	52,172	55,047	(2,875)	↑
6.INTEREST ON DEBT	14,994	15,277	(283)	↔
7.CONT TO CAPITAL PROG	13,180	6,925	6,255	↑

Community Heating

5. The budgeted position for Community Heating is a draw down from Community Heating reserves of £348k. As at month 8 the forecast position is a draw down from reserves of £136k resulting in a decrease in expenditure of (£211k). This is a movement of (£32k) from last month.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 7
INCOME	(3,299)	(3,440)	141	↔
EXPENDITURE	3,436	3,788	(352)	↑
Total	137	348	(211)	↑

CAPITAL PROGRAMME MONITORING AS AT 31st DECEMBER 2014

Summary

1. At the end of December 2014, the end of year position forecasts a variance of £35.6m (18%) below the approved Capital Programme. Project managers are forecasting to deliver a capital programme of £169.1m.
2. This has been reduced by £20.3m from the previous forecast of £189.4m. The main changes arise from a £1.2m reduction in the overspend on Bus Rapid Transit North project, £10m on the NRQ project where land purchases will slip into 2015/16, and a £5.7m re-profiling of spend on the new Through School and Remediation projects on the site of the former Don Valley Stadium reflecting the contractors construction plan following the award of the contracts.
3. The current forecast assumes key projects such as Grey-to-Green and Leisure and sport facilities deliver to budget. Discussions are taking place with the accountable body for one of the main funders of the leisure facilities and it is possible that a re-profiling of this spend will lead to a further reduction next period of around £7m – 8m.
4. The Year to Date position shows spending to be £21.1m below the approved programme profile. The programme has fallen a further £2.3m behind the budget in the month although the level of spend was above previous months.
5. The Finance report at month 6 predicted an Outturn of around £175m (+/- the NRQ) and the December results suggest this was optimistic.
6. In the CYPF programme, the main changes from last month's forecast (£5.6m) reflect £4.1m slippage on the Don Valley Through School, £0.6m slippage in the primary maintenance programme at Lydgate and £0.3m on capacity expansion at Hallam. The projects will catch up and deliver the necessary improvements for the relevant school year. The Foster Carers Homes expansion project has been reviewed after several delays, and the service has concluded that it can achieve the reduction in out- of- city placements by other means. It is therefore reducing the scope of the project by £0.9m to £0.3m
7. The Place forecast has decreased by £12.1m primarily as a result of the slippage on the NRQ and potential savings on the Don Valley Stadium

Appendix 4

remediation projects. The Highways programme has fallen by £1.4m mainly as a result of revised forecast cost for the Bus Rapid Transit North project where projected overspend has been reduced.

Financials 2014/15

Portfolio	Spend to Date	Budget to Date	Variance to Date	Full Year Forecast	Full Year Budget	Full Year Variance	Change on last Mth Budget	Change on last Forecast
	£000	£000	£000	£000	£000	£000	£000	£000
CYPF	17,103	20,794	(3,691)	24,534	35,493	(10,959)	(5,727)	(5,649)
Place	16,009	24,776	(8,767)	36,839	49,690	(12,852)	(11,815)	(12,098)
Housing	16,617	22,310	(5,693)	40,115	49,085	(8,970)	(231)	(248)
Highways	17,967	18,923	(956)	28,011	29,676	(1,665)	(1,461)	(1,427)
Communities	1,143	1,657	(513)	1,804	1,893	(89)	(36)	(36)
Resources	2,805	4,314	(1,509)	4,929	5,969	(1,040)	(610)	(828)
Corporate	26,304	26,304	-	32,883	32,883	-	-	-
Grand Total	97,948	119,077	(21,129)	169,115	204,689	(35,575)	(19,881)	(20,287)

Capital Programme

Capital Programme

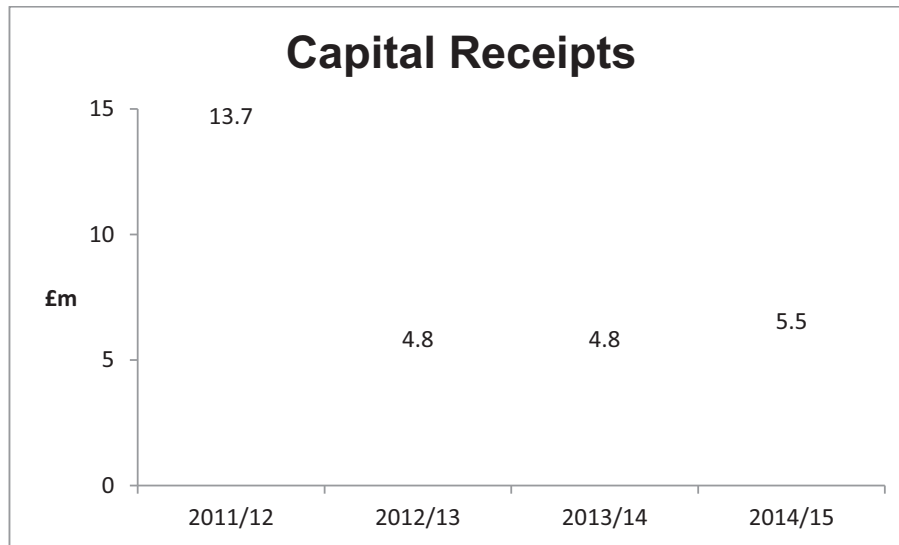
	2014-15	2015-16	Future	Total
	£m	£m	£m	£m
Month 8 Approved Budget	205.1	210.3	311.3	726.7
Additions	0.1	0.3	0.0	0.3
Variations	-0.5	0.0	-0.5	-1.0
Month 9 Approved Budget	204.7	210.6	310.8	726.0

8. There was no significant variation to the five year capital programme last month with a net decrease of £0.7m.

9. Of the significant projects in the Capital Programme the key variances are:
- The overspend on the BRT North due to the discovery of contaminated land and an unchartered sewer. Officers are working with South Yorkshire Passenger Transport Executive on a variety of alternative funding sources which will mitigate the overspend; the scale of the overspend has been reduced by £1.2m.
 - Despite being behind schedule at the end of November both Norfolk Park School rebuild and the Additional Secondary School Places will deliver the required capacity in time for the relevant academic years;
 - The acquisition of additional council housing stock is behind schedule due to delays in identifying suitable properties, conveyancing process delays and cheaper purchases but is expected to recover and spend the full amount through buying more properties out of the underspend.

Funding the Capital Programme

10. Projects are not entered into the capital programme unless they are fully funded. Where external funding is used, the funding will be secured by a contract. Those projects backed by the Council's own internal funding source of the Corporate Resource Pool rely on the Council generating sufficient capital receipts from the sale of assets.
11. The Capital Programme Group recommends to Cabinet the speed at which bids for support can be approved based on the rate at which capital receipts are realised. The target for 2014/15 was £10.1m. The actual achieved to date is just under £3m with a possibility of another £2.5m to come before the year end. This reflects a downward trend over the last three years.



12. The shortfall has been reflected in the financial planning for the 2015-16 programme where members have been recommended not to commit to projects beyond 2015/16 if funded by CRP.

Approvals

13. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process. The December (Month 8) report approvals included significant adjustments to the Capital Programme which will go to Special Budget Council in March and further detail is included in the 2015-16 Capital Programme Report.
14. Below is a summary of the number and total value of schemes in each approval category:
- 3 additions of specific projects to the capital programme with a gross value of £44.7m.
 - 10 variations to the capital programme creating a net increase of £223k
 - 22 slippage requests moving £15.2m into future years.
15. Further details of the schemes listed above can be found in Appendix 4.1.

Finance

January 2015

Scheme Description	Approval Type	Value £000	Procurement Route																		
GREAT PLACE TO LIVE																					
Homes																					
<p>Kitchen/ Bathroom/Windows /Doors Planned Replacement</p> <p>The Works comprise improvements and refurbishment to Council-owned dwellings (Houses, Flats, Bungalows, Maisonettes) across the City, generally where whole house works or elements of work were omitted, missed or refused under the Decent Homes Programme (2004-13), and includes new external doors & frames, windows, kitchen & bathroom fittings, flooring, plasterwork, redecoration, re-wiring, plumbing and sundry associated works.</p> <p>The refurbished and improved dwellings will provide a safer and more pleasant environment for tenants and visitors. The work will also improve the security and thermal properties of dwellings.</p> <p>These works will be funded from the HRA</p>	Addition	29,467	The project will be split into two Contracts, of similar size and value, one open via OJEU (Contract 1) and one utilising the new EN Procure Framework (Contract 2).																		
<table border="1"> <tr> <td></td> <td>2015/16</td> <td>2016/17</td> <td>2017/18</td> <td>2018/19</td> <td>2019/20</td> </tr> <tr> <td>Profile (£k)</td> <td>3,000</td> <td>6,900</td> <td>6,800</td> <td>6,800</td> <td>5,967</td> </tr> <tr> <td>No. of properties</td> <td>547</td> <td>1,255</td> <td>1,616</td> <td>1,653</td> <td>1,620</td> </tr> </table>		2015/16	2016/17	2017/18	2018/19	2019/20	Profile (£k)	3,000	6,900	6,800	6,800	5,967	No. of properties	547	1,255	1,616	1,653	1,620			
	2015/16	2016/17	2017/18	2018/19	2019/20																
Profile (£k)	3,000	6,900	6,800	6,800	5,967																
No. of properties	547	1,255	1,616	1,653	1,620																

<p>Windows & Doors Replacement The Works comprise improvements and refurbishment to Council-owned dwellings (Houses, Flats, Bungalows, Maisonettes) across the City, generally where whole house works or elements of work were omitted, missed or refused under the Decent Homes Programme (2004-13). Specifically this Business Unit relates to properties where only new external doors & window frames are required. These works will be funded from the HRA.</p> <table border="1" data-bbox="570 976 732 1921"> <tr> <td></td> <td>2015/16</td> <td>2016/17</td> <td>2017/18</td> </tr> <tr> <td>Profile (£k)</td> <td>300</td> <td>4,100</td> <td>4,100</td> </tr> <tr> <td>No. of properties</td> <td>191</td> <td>2,466</td> <td>2,918</td> </tr> </table>		2015/16	2016/17	2017/18	Profile (£k)	300	4,100	4,100	No. of properties	191	2,466	2,918	<p>Addition</p>	<p>8,500</p>	<p>This will be procured under the Restricted Procedure via OJEU</p>
	2015/16	2016/17	2017/18												
Profile (£k)	300	4,100	4,100												
No. of properties	191	2,466	2,918												
<p>Kitchens Bathrooms Windows & Doors This adjustment to allocation of funding from the block provision in the programme to the two projects above .</p>	<p>Variation</p>	<p>-37,967</p>	<p>n/a</p>												
<p>Former Norton Aerodrome The demolition and site remediation works have been delayed until at least 2015/16 due to the Master-Planning being rescheduled to coincide with the public consultation on the Sheffield Local Plan. Options for consulting on the master plan and timescales for the marketing and sale are currently being presented to the Cabinet Member.</p>	<p>Slippage</p>	<p>-229</p>	<p>n/a</p>												

<p>Approval is being sought to slip £229k into 2015/16 and re-profile the budget as shown below.</p> <table border="1" data-bbox="402 1010 565 1925"> <thead> <tr> <th></th> <th>2014/15</th> <th>2015/16</th> <th>Future Years</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Approved Budget</td> <td>247</td> <td>110</td> <td></td> <td>357</td> </tr> <tr> <td>Revised Budget</td> <td>18</td> <td>259</td> <td>80</td> <td>357</td> </tr> <tr> <td>Variance</td> <td>-229</td> <td>149</td> <td>80</td> <td>0</td> </tr> </tbody> </table> <p>The project is funded from the New Homes Bonus incentive payments.</p>		2014/15	2015/16	Future Years	Total	Approved Budget	247	110		357	Revised Budget	18	259	80	357	Variance	-229	149	80	0			
	2014/15	2015/16	Future Years	Total																			
Approved Budget	247	110		357																			
Revised Budget	18	259	80	357																			
Variance	-229	149	80	0																			
<p>Highways</p>																							
<p>Little Don Link Cycle Route This project was initially approved by Cabinet in January 2014 for £450k to create a new cycle route along the Little Don River to link Stocksbridge and Deepcar to Barnsley, Northern Sheffield and the Peak District. It forms part of the larger £1.1m scheme for South Yorkshire, funded by a Department for Transport (DfT) grant awarded to Derbyshire County Council.</p> <p>The project was initially funded from £350k DfT grant and £100k Local Transport Plan.</p> <p>The overall scheme has experienced significant delays on a section in Barnsley which has resulted in approximately £350k of DfT funding being returned. It has been agreed the reduction in the allocation will be split between Sheffield and Barnsley authorities.</p> <p>As a result, the project funding from DfT has been reduced by £177k.</p> <p>The original scope included four interventions. As a result of the reduction in funding only one will be delivered - the Stocksbridge link. The remaining three will be delayed</p>	<p>Slippage / variation</p>	<p>Slippage Variation -222 -174</p>	<p>Covered by the original strategy. Competitive Tender (£170k) and waiver to use Steel Valley Project</p>																				

<p>until other funding options have been explored.</p> <p>The Service has bid for other external funding which would permit the scope to be extended in the future.</p> <p>Approval is also being sought to slip £222k (£100k LTP and £122k DfT grant) into 2015/16.</p>			
<p>Bridge Strengthening</p> <p>The overall project is to replace/strengthen bridge decks. The bridges belong to Network Rail, but as they carry public highways over railway tracks, the Highway Authority (Sheffield City Council) is responsible for funding the works.</p> <p>Network Rail are only able to carry out works to the value of £100k in 2014/15 therefore, approval is being sought to slip the remaining LTP budget allocation of £200k into 2015/16.</p>	Slippage	-200	n/a
<p>CCTV Parking Enforcement</p> <p>The capital programme includes a provision for the replacement of life expired parking meters. The development of a strategic business case by the service to demonstrate that the proposal delivers value for money and will adopt the most appropriate technology given the current state of the market is taking longer than anticipated and so the project has slipped behind schedule.</p> <p>Approval is being requested to slip this funding into 2015/16 to complete the Smart Parking element and seek approval further approval for the cameras via the Capital Approval Gateway process.</p>	Slippage	-106	n/a

<p>BN962 Bus Agreement This scheme has current approval for £2.2m for the development of Interventions to enable the improvement of bus journey time which is in conjunction with SYPTE and bus operating companies as part of the Sheffield Bus Partnership.</p> <p>Funding is currently from Local Sustainable Transport Funds (LSTF), Local Transport Plan (LTP) in 14/15 and from Better Buses Area Fund (BBA) through to 2017.</p> <p>Delays have occurred with the design contractor, Amey on Greenhill BBA scheme originally programmed for 14/15 and as a result, approval is being sought to slip £100k of Better Buses funding into 2015/16.</p>	Slippage	-100	n/a
<p>Accident Saving Scheme The Road Safety Accident Savings programme is a Citywide strategy to reduce personal injury accidents, particularly focused on reducing killed and seriously injured (KSIs) by implementing road safety engineering schemes at sites with the highest injury collision rates in the City.</p> <p>Schemes undertaken this year include Wordsworth Avenue Road safety Scheme and the design of Coisley Hill, Firth Park Rd and Barnsley Rd Road Safety schemes.</p> <p>Slippage has occurred on Coisley Hill, Firth Park Rd and Barnsley Rd Road Safety schemes due to delays in the detailed design of the schemes and a public objection.</p> <p>Approval is being requested to slip £89.4k Local Transport Plan (LTP) funding to enable the delivery of these schemes in 2015/16.</p>	Slippage	-89	n/a
<p>Streets Ahead Related Cycle The primary aim of this project is to deliver minor works to improve local cycling accessibility funded from Local Transport Plan (LTP) and Local Sustainable Transport</p>	Slippage	-36	n/a

<p>Funds (LSTF).</p> <p>Works currently undertaken this year include 16 small schemes in the following areas:- Broomfield, Manor, Meadowhead, Greystones, Manor and Darnall.</p> <p>Delays have occurred within the Avey construction programme for the schemes in Wybourn and Tinsley, hence approval is being sought to slip £36k of LTP funding into 2015/16.</p>			
<p>Peak Park Anniversary Crossing</p> <p>This route has been identified as part of the strategic Green Route cycling network. The project is to deliver designs which improve the comfort of users of the Sheffield Round Walk when crossing the following areas – Hangingwater Road, Ivy Cottage Lane and Quiet Lane.</p> <p>Delays have occurred due to staff resource issues which resulted in delays within the design element. The works are now scheduled to be delivered in August 2015.</p> <p>Approval is being sought to slip £25k Local Transport Plan (LTP) funding into 2015/16.</p>	Slippage	-25	n/a
<p>SE Accessibility</p> <p>Works on the planned Coisley Hill zebra crossing have been delayed due to prolonged public consultation.</p> <p>Approval is therefore required to slip £70k of LTP funding into 2015/16.</p>	Slippage	-70	n/a
<p>SW Accessibility</p> <p>Works planned at the junction of Harcourt Road and Crookes Valley Road will now be programmed to coincide with the carriageway works on Crookes Valley Road. These</p>	Slippage	-30	n/a

are now scheduled for completion in March 2016.				
Approval is being sought to slip £30k LTP funding into 2015/16.				
Zone A08 Accessibility Works on the planned Dyche Lane pedestrian crossing improvements have been delayed due to discussions regarding the price of construction of the scheme. It is possible this scheme may go out to tender.	Slippage	-25		n/a
Approval is therefore required to slip £25k of LTP funding into 2015/16.				
Parks				
Angram Bank Improvements This project is for the creation of a new play area aimed at toddlers with the installation of new playground equipment. Other works include improvements to access, provision of seating and bins, drainage improvements. Delays have occurred due to reduced project management capacity in Parks and extended consultation on the project. As a result, approval is being sought to slip £39k S106 funding into 2015/16. Project delivery is now due April to June 2015.	Slippage	-39		n/a
Urban Nature Parks The primary aim of this project is to create savings to the Revenue Budget in reaction to the public expenditure reductions. Anticipated savings are £100k p/a for three years.	Slippage	-123		n/a

<p>The project plans to change the management of 300 hectares over 55 sites from formal amenity management to naturalist planting / management. The project will also increase the number of trees, access improvements, path creation and upgrades, improved signage, improved security, new and enhanced habitats.</p> <p>Phase 1 and 2 of the project have taken longer to deliver than planned so the project timescales have slipped. In addition, Parks officer time has been channelled into delivering Forestry Commission contract. The service has still made its revenue budget saving by other economies.</p> <p>Approval is being sought to slip £123k Corporate Resource Pool (CRP) funding into 2015/16.</p>			
<p>Woodlands S106 The aim of this project is to improve eight woodlands across Sheffield, covering four Community Assembly areas. The scope of works includes:-</p> <ul style="list-style-type: none"> • Upgrade and enhance key footpaths • To improve access links for all in Roe Woods, Wincobank Common, Jervis Lumb, Rivelin Valley, Chancet Wood, Gleadless Valley and Brincliffe Edge. • To secure the boundary at Jervis Lumb, preventing illegal fly tipping. • To improve signage and interpretation to Brincliffe Edge Woods and Rivelin Valley, linking in with Sheffield Round Walk literature <p>Delays this year have occurred due to resource issues which resulted in a review of the delivery of Parks programmes, as a result approval is being sought to slip £50k into 2015/16.</p> <p>Further S106 monies of £20.6k will be added to 2015/16 to continue the works and enable the delivery of boundary improvement works to Jervis Lumb.</p>	Slippage / Variation	Slippage -50k Variation 20.6	n/a

<p>Crookes Valley Park The overall scope of the project is to :-</p> <ul style="list-style-type: none"> • Raise the Sheffield Standard score of both sites • Provide improved facilities in response to increased use as a result of local development (S106 funded) • Improve bio-diversity across the two parks • Improve accessibility within both parks <p>Delays have occurred due to resource issues which resulted in a review of the delivery of Parks programmes. As a result, approval is being sought to slip £20.2k funding into 2015/16</p> <p>The delayed works, including signage, interpretation and the table tennis implementation will now be delivered mid-2015.</p> <p>Wincobank Phase 1 No works have been carried out on this project this year due to a capacity and resource issue in Parks.</p> <p>There is also a requirement to plan the project around the bird nesting season (later this year), approval is therefore being sought to slip £9k S106 funding into 2015/16.</p>	Slippage	-20		n/a	
<p>COMPETITIVE CITY:- Brook Hill Area Highways and Public Realm Improvements - Phase 1 These works will create a world class pedestrian/cycle landscaped spine linking University of Sheffield (UoS) Campus from the Arts Tower to St Georges, extending the 'Gold Route' and increasing the competitiveness of the University in student</p>	Addition	6,776			It is proposed that a tender list be sourced from YORCivils. This will ensure that regional contractors

<p>recruitment and research income which will create an economic benefit for Sheffield as a whole.</p> <p>The project comprises a linked programme of interventions in the highway and public realm including:</p> <ul style="list-style-type: none"> • construction of an over 1km 'core' of high quality landscaped pedestrian/cycling core connecting the four quarters of the campus and creating an attractive setting. • two new and two re-designed controlled pedestrian/cycle crossings of the major radial and ring roads which run through the campus • diversion of three bus routes around the central campus to facilitate pedestrianisation with necessary off-site junction works and TROs • un-locking of sites for three new Science Buildings and an extension to the Information Commons, amounting up to 48,000m² of building development in the Hounsfield Triangle / area by the University to support its continued growth. • creation of a high quality public realm setting for the new Engineering Schools now under construction • creation of a new public square in the Hounsfield Triangle and major improvements to the Arts Tower Forecourt, and the North Campus providing an attractive arrival experience and many spaces for creative cross disciplinary interaction. <p>To facilitate the above improvements several significant changes to the current highway arrangements are required,</p> <p>The proposed works ('the Works') consist of enhancements to the following areas , most but not all of which are currently adopted Public Highway:</p> <p>a) <u>Highway Works</u></p>		<p>are selected and that outcomes for Employment and Skills are achieved.</p> <p>Design work to be sourced via waiver/direct appointment of the existing design consultant</p>
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<p>Leavygreave Rd East/Portobello St/Victoria St/Gell/ St Regent Terrace pedestrianisation, repaving, landscape and public art enhancements (remain adopted public highway subject to restriction on vehicles)</p> <p>Hounsfield Rd/Favell Rd/Leavygreave Rd West (proposed pedestrianisation, repaving, landscape and public art enhancements and eventual road closure in connection with new development but retaining a public right of way for walking/cycling and servicing)</p> <p>Mappin St/Portobello St/Congress St improved surfacing, new bus stops and shelter, removal of two-way running at southern end, raised platform crossing and point closure of Portobello St at Mappin St junction, relocation of UoS surface car park access (remains as adopted public highway with Traffic Regulation Orders to restrict vehicular access)</p> <p>Two improved crossings of Upper Hanover St and the tramway including cycle facilities (remain as public adopted highway/tramway)</p> <p>Two new Crossings of Western Bank (remain as adopted public highway)</p> <p>The Whitham Rd/Clarkson St and Clarkson St/Durham Rd junctions reformed to allow bus only use including a small strip of University land within the curtilage of the Octagon (remains or becomes adopted highway)</p> <p>St George's Square/Brook Hill footways (remains public adopted highway)</p>			
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	<p>b) <u>Off Highway Works</u></p> <p>The Arts Tower precincts, pedestrianisation, repaving, landscape and public art enhancements (remains as University property with existing public rights of way for walking and cycling)</p> <p>The former Red Hill street in the North Campus pedestrianisation, repaving, lighting, landscape and public art enhancements (UoS property to be reopened as public right of way with improvements for walking and cycling linked to improvements to the Broad Lane cobbled area and the Montgomery Fountain)</p> <p>St George’s Green additional planting, landscaping and seating (remains University property with informal permissive public access)</p> <p>These proposed works will be delivered under a Section 278 agreement and Traffic Regulation Orders. A highways scheme and TRO consultation will be undertaken in march with a view to seeking approval at Highways Cabinet in May 2015. Officers have presented the scheme to both the bus operators and Supertram for their consideration, as the scheme requires the rerouting of buses and improvements to an existing tram crossing at Upper Hannover Street. It is proposed that the City Council take the lead on delivery of the highways works and procure a contractor by competitive tender. The University will undertake the public realm works on their land at the Arts Tower Forecourt and North Campus (reopening of Red Hill)</p> <p>The outcome of these Highways consultations will be subject to a separate Highways Cabinet Report in May 2015.</p> <p>Sheffield City Council will enter into an additional legal agreement with the University of Sheffield to ensure that liability for any potential cost overruns is passed to the</p>	
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<p>UoS.along with other costs such as officer time associated with development and delivery of the project. The university will also pay for the commuted sums due under the Streets Ahead programme. The scheme will result in the removal of some on-street parking which will lead to a loss of revenue of approximately £102k per annum which, due to the fixed nature of parking services will create a pressure in the annual Revenue Budget which the service has not yet mitigated.</p> <p>The University of Sheffield has appointed Faithful and Gould to design and deliver the project and to ensure continuity it is proposed that they will work for both the University and Sheffield City Council. They will produce the entire Tender Document which will then be checked and formatted to fit into Sheffield City Council standards. Sheffield City Council & Sheffield University will then oversee the project until its completion.</p> <p>This project is funded from: Sheffield City Region Investment Fund (SCRIF) - £2,892k University Of Sheffield Contribution - £3,884 Sheffield City Council will enter directly into an agreement with Sheffield City Region for the SCRIF funding and the University of Sheffield will make a contribution to the scheme for their element of the funding. This will be supported by a legal agreement ensuring any cost overruns are to be covered by additional funds from the University of Sheffield.</p> <p>A further £1.6m investment from the University is going into works on its own campus.</p>			
<p>New Retail Quarter 2</p> <p>The Council's aim is to deliver a New Retail Quarter that will fundamentally improve the retail offer in the city centre, thus making a step change and lifting Sheffield back up</p>	Slippage	-10,000	n/a

<p>the national retail ranking index.</p> <p>The New Retail Quarter will provide a high class regional shopping and leisure facility which would compete with other city centres such as Manchester, Leeds and Nottingham. The scheme will drive private sector investment in the City Centre and create a high quality retail and leisure led, mixed use scheme and consolidate the prime retail offer.</p> <p>The development of a New Retail Quarter also enhances the status of the City Centre in itself and should in turn stimulate office, commercial and leisure opportunities/activity/development in the City Centre. This stage of the project involves feasibility, outline design, business case development and selection of a development partner as well as purchase of land.</p> <p>Due to contractual issues arising within the negotiation of the purchase of Telephone House, Charter Square approval is being sought to slip £10m into 2015/16.</p> <p>The project is fully funded from Prudential Borrowing.</p>			
<p>DVS Remediation</p> <p>The Council resolved to close the Don Valley Stadium (DVS) as part of the 2012-13 Budget saving £700k per year and has already funded the demolition of the stadium and site feasibility works. The cleared site is contaminated from the time it was used for heavy manufacturing which has left a toxic legacy along with mine workings, historic watercourses and sewers.</p> <p>This project will reclaim 7.6 hectares of land including approximately 4 to 4.8 hectares (10-12 acres) available for immediate development. This will improve the attractiveness of a key access route into the City of Sheffield and create a high quality and safe environment. It will increase the value of the land and is seen as a key component in the strategy to create the appropriate environment for Attercliffe to be redeveloped.</p>	Slippage	-1,648	n/a

<p>The main project works include:-</p> <ul style="list-style-type: none"> • Remove of ground contamination • Removal of ground obstructions • Land re-profiling • Installation of stone capping layer, topsoil and seeding • Purchase of an adjacent property to create a contiguous site <p>Due to the decision taken to issue tenders for the contamination aspects, delays have been experience which has lead to changes in project timescales.</p> <p>Approval is being sought to slip £1,648k into 2015/16</p>			
<p>Culture & Environment</p>			
<p>M1 Gateway In recognition of the significance of the Tinsley Cooling Towers to the City of Sheffield, EON UK Ltd pledged £0.5m to Sheffield City Council for a public art project on the former site. The project is to create a major work of public art that will be part of the regeneration of the Blackburn Meadows / Tinsley Locks area.</p> <p>Due to delays in finalising the funding agreement with EON PLC, approval is being sought to slip £110k into 2015/16.</p>	Slippage	-110	n/a
<p>Women of Steel This project will deliver a memorial to recognise and celebrate the contribution of thousands of local women to the war effort in the form of a bronze sculpture in Barkers Pool.</p>	Slippage / Variation	Slippage -44 Variation 62	n/a

<p>The contract with the artist has now been agreed however due their workload, the project will not complete before September 2016 and approval is sought to slip £44k of funding into 2015/16. The commencement of the installation is now scheduled for June 2016.</p> <p>The South Yorkshire Community Foundation has raised £62k to complete the project. The remainder of the funding has come from s.106 Development Agreements, donations and some from the city council.</p>			
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE :-</p>			
<p>Additional Pupil Places- Secondary This project is a £3m scheme to cover the costs incurred in the provision of additional secondary school places across the Sheffield estate and was set up as part of the Building Schools for the Future (BSF) programme.</p> <p>A variation is now requested to reflect:</p> <ul style="list-style-type: none"> • £1.8m slippage from 14/15 into 15/16, to reflect the delay on the remaining Tapton School works following extended discussions on the associated pupil led revenue funding between the school and CYPF. 	Slippage	-1,844	n/a
<p>Foster Care Housing Enhance This project was originally set up as a £1.2m invest to save scheme to provide enhancements to various private or council owned Foster Carers homes, in order to facilitate an increase in numbers of children fostered within the city.</p>	Variation & Slippage	-900 & -100	n/a

<p>A variation is now requested to reflect the fact that since project inception the recruitment of new, and retention of existing foster carers, has improved substantially, thus increasing capacity in the sector. This has greatly reduced the requirement to invest in order to generate the required increase in places. The impacts of this are as follows</p> <ul style="list-style-type: none"> • A reduction in the scope of the project from an estimated 40 home alterations to 10 leading to a £900k reduction in the programme to £300k. • £100k slippage from 14/15 into 15/16, recognising that the final batch of homes to be improved has not yet been decided upon due to the large change in scope of the project. <p>The project was to be funded entirely through prudential borrowing as an invest to save scheme and so the reduction in scope will reduce the demand on Prudential Borrowing by £900k.</p> <p>The Revenue Impact working has been re-based on an approximate basis for now to reflect 75% reduction in scope, and split over the two years 14/15 and 15/16 in proportion to the cost incurred.</p>			
<p>Expansion – Free School Meals This project was set up to purchase capital equipment and to adapt school premises in order to widen the Free School Meal (FSM) uptake so that it includes all Infant School pupils. This followed a Department for Education (DfE) announcement on 18 December 2013 which allocated Sheffield £1,119k in Capital Grant.</p> <p>This variation is to request an additional £186k, as additional revenue contribution to capital, to cover the final total cost of works from Kier; thus the total revenue contribution is to be increased from £196k to £382k, bringing the total revised cost to</p>	Variation	186	n/a

<p>£1.5m.</p>			
<p>PROCUREMENT STRATEGY</p>			
<p>Homes</p>			
<p>Disconnection of gas services prior to demolition The Works comprise excavating for; cutting, capping and purging of gas supply services; backfilling and reinstatement of surfaces/pavings disturbed, prior to demolition, to mainly domestic properties; houses, and flats on schemes within the Housing Demolition Programme (Sweeney House, SWaN and Arbourthorne 5M's estates). Orders may be issued for non-domestic properties, work in/on the Public Highway and meter removal. From the date an Order is placed to the date of confirmation that the Order has been carried out the period shall be no longer than 6 weeks.</p> <p>The contract has a number of safeguards to limit the payment from the Council including no guaranteed workload and no continuity of work. Some properties identified in the Tender Document may not be handed to the Contractor due to them having been previously disconnected prior to the commencement of the Contract, or withdrawn from the Contract.</p> <p>A full competitive tender process for this Project will achieve the best current market price and quality. Contractors will be invited via YORtender to complete a simple Pre-qualification Questionnaire (PQQ). An evaluation panel will consider the responses and score the responses against agreed criteria. The scores will be weighted and aggregated to determine a single overall mark for each prospective Tenderer's responses. The six highest aggregate scoring prospective Tenderers will be selected and invited to Tender.</p>	<p>Proc Strategy</p>	<p>Circa 200</p>	<p>Competitive Tender</p>

INFRASTRUCTURE :-				
Workplace Programme: Workplace has operated for 3 years with continuing expansion of scope following earlier successes. There are greater savings to be achieved by vacating Derwent House and Cathedral Court in 15/16 with the appropriate support provided and further refurbishment in Moorfoot. The variations listed below seek authority to revise the scope of the project and reflect this by varying the approved sum across the different Workplace headings workstreams of Moorfoot, Howden, Project Delivery Costs and IT Workstreams. A net total of £1.028m extra expenditure in 2014/15 to 2016/17 will be funded from Capital Borrowing. Revenue savings will be incorporated into the revised Business Plan and associated Invest to Save scheme will be submitted. The following projects are to be varied to reflect the overall changes proposed across the Workplace Programme. <ul style="list-style-type: none"> • Moorfoot • Howden House Accommodation Strategy • Project Delivery Costs • IT Workstreams 				
			Variation Variation Variation Variation <u>1,028</u>	n/a n/a n/a n/a
Business Unit	Approved Budget £000	Proposed Budget £000	Variation £000	
Moorfoot	7,975	8,590	615	

Howden	1,050	409	-641			
Project Costs	1,500	2,318	818			
IT Workstream	480	716	236			
TOTAL	11,005	12,033	1,028			

Collection Fund - 2014/15 - Quarter 3

Introduction

1. Following the implementation of the Government’s Business Rates Retention Scheme on 1 April 2013, steps have been taken to monitor the Collection Fund more closely however the overall position is subject to change due to the impact of national austerity measures on Business Rates income and the impact of the introduction of the local Council Tax Support (CTS) Scheme on Council Tax collection rates.
2. There have also been a variety of challenges accurately forecasting the collection fund in 2014/15 to date; some of these are new issues, some longer term. These include, in brief, difficulty in capturing information around changes to appeals and CTS, challenges in reconciling Capita reports to each other and therefore OEO and difficulties over the formatting of reports. Officers are working with Capita to resolve these issues. The figures that follow therefore need to be caveated by the above.

Summary

3. In 2014/15 approximately £266m of our expenditure is forecast to be financed directly through locally collected taxation, out of a total of £452m. This taxation is initially collected by the Council and credited to the Collection Fund. The Government receives 50% of the business rates collected (the “Central Share”) and uses this to finance grant allocations to local authorities. The Fire Authority receives 1% of Business Rates collected and the Council retain the remaining 49% as below:

Income Stream	2014/15 Budget	Year to Date	Forecast Year End Position	Forecast Year End Surplus
	£m	£m	£m	£m
Council Tax	-164.38	-137.90	-164.83	-0.45
Business Rates Locally Retained	-100.84	-89.10	-100.87	-0.02
RSG/Business Rates Top Up Grant	-265.22	-227.00	-265.70	-0.48
	-185.80	-139.35	-185.80	0.00
TOTAL	-451.02	-366.35	-451.50	-0.48

4. As at the end of quarter 3 the collection fund is forecasting a £0.4m year-end surplus on Council Tax primarily due to a combination of student exemptions decreasing against budget and an increase in properties since the tax base was set.

5. As at the end of quarter 3 the collection fund is forecasting a very marginal surplus on locally retained Business Rates. There has been growth in the potential Business Rates yield in 2014/15 but this has been largely offset by expected increases in reliefs.

Business Rates

6. The following table shows in more detail the elements involved in the determination of the business rate position. This examines the current position and then compares the resultant year end forecast with the 2014/15 budget for business rates income.

Collection Fund - Business Rates	Budget 2014/15 £m	Year to Date £m	Forecast Year End Position £m	Variance £m
Gross Business Rates income yield	-249.96	-250.82	-250.84	-0.88
- Additional yield from small business supplement	-5.12	-5.17	-5.17	-0.05
	-255.08	-255.99	-256.01	-0.93
LESS Estimated Reliefs	36.89	33.63	36.83	-0.06
Small Business Rate Supplement	5.12	5.17	5.17	0.05
Transitional Relief	0.00	1.46	1.46	1.46
Losses and Cost of Collection	2.24	1.55	2.05	-0.19
Losses on Appeals re Current Year Bills	5.03	3.17	4.65	-0.38
Net Collectable Business rates	-205.80	-211.01	-205.85	-0.05
Appropriation of net business rates:				
1% SY Fire Authority	-2.06	-2.11	-2.06	0.00
50% Government	-102.90	-105.50	-102.92	-0.02
49% Sheffield City Council	-100.84	-103.39	-100.87	-0.02
Additional SCC Income from Government:				
Section 31 Grant Income	-4.20	-4.25	-4.30	-0.10
Enterprise Zone retained income	-0.06	0.00	-0.06	0.00
Cost of collection allowance	-0.78	-0.78	-0.78	0.00
Total SCC Appropriations	-105.87	-108.42	-106.00	-0.13

Gross Rate Yield

7. The Gross Rate Yield (GRY) represents the Rateable Value of the City multiplied by the Business Rates Multiplier. This is a measure of the total business rates billed in the city before taking account of reliefs, discounts and other adjustments.

8. The gross income of the city has increased by around £0.9m compared with the estimated gross income forecast at the start of the year. There have been some substantial new entries into the ratings list but there has also been decline in other areas of the city.

Reliefs and Discounts

	Budget 2014/15	Year to Date	Forecast Year-End Outturn	Variance
	£m	£m	£m	£m
Small Business Rates Relief	5.06	5.61	5.83	0.77
Mandatory Charity Relief	18.98	18.06	18.52	-0.46
Discretionary Relief	0.51	0.19	0.24	-0.27
Empty Property / Statutory Exemption	9.79	7.98	9.55	-0.24
Partly Occupied Premises Relief	1.34	0.55	1.35	0.01
New discretionary reliefs	1.20	1.24	1.34	0.14
	36.89	33.63	36.83	-0.06

9. Most reliefs and discounts are awarded in full at the point of billing at the start of the year. The total level of reliefs awarded in the first three quarters of the year amounts to £33.6m which is below the £36.9m assumed in the budget. These are expected to rise to £36.8m by year end, just under the original budget.
10. The level of reliefs and discounts awarded can be affected by economic conditions, court rulings and businesses' behaviour and will be closely monitored throughout the remainder of the year.

Appeals

11. Appeals are notoriously difficult to forecast due to the lack of available information. The way that appeals are applied and then recognised in the system is significantly undermining the collection fund monitoring framework. If refunds due to appeals were always paid in cash to tax payers at the point of award, then the system would be straight forward. However, the system of refunds is more complicated and refunds due to appeal are awarded through a variety of means.
12. The 2014/15 Council budget anticipates £5m of refunds in year resulting from appeals. This is based on historical trend analysis. So far in year the Council have paid out £3.2m refunds as a result of appeals. This has now been forecast to reach £4.7m by year end.
13. There is also a prudent provision of £13.6m carried forward into 2014/15. This should cover the back dated element of any appeals refunds in 2014/15 or later

years which relate to 2013/14 income or earlier. The Business Rates Retention Scheme brought with it a requirement to account for these back dated appeals.

Collection Rates

14. The Net Collectable Debit (NCD) is the Gross Rate Yield less any discounts and reliefs applied. The amount of Business Rates collected at the end of quarter three stands at £181.8m, of which £89.1m is the Council's share. This represents a collection rate of 83.8% of the Net Collectable Debt. This is comparable to previous year's figures so we are well placed to achieve budgeted levels of collection.

Losses in Collection

15. Write offs to date amount to £0.8m. This is forecast to increase to £1.3m. This is in addition to the £0.8m cost of collection calculated by the government. This will bring us close to the budgeted figure for Losses in Collection. Avoidance remains a significant risk to business rates income and some significant historic write offs have occurred this year that have previously been provided for.

Overall Forecast Outturn for Business Rates

16. Bringing together the elements identified above results in a marginal surplus compared to budget. If this position materialises it would be in addition to the £1.3m SCC surplus already carried forward from 2013/14 on the Collection Fund. However due to the variable nature of the Collection Fund and to apply prudence, no additional surplus has been forecast in government returns.

Council Tax

17. Council Tax is being monitored closely by the Revenues and Benefits team. This monitoring involves analysis of the discounts and exemptions, movements on the tax base and collection rates. Deductions for elements such as student exemptions can swing the year end forecast significantly from month to month.

Collection Rates

18. Council Tax collected to quarter three of this financial year stands at £160.1m of which £137.9m is the Council's share. This represents a collection rate of 78.4%. This is comparable to the same point last year.

Overall Forecast Outturn for Council Tax

19. The forecast shows that outturn will be a £0.4m surplus compared to budget. If this position materialises it would result in an additional surplus to the £2m SCC surplus already carried forward from 2013/14 on the Collection Fund. However due to the variable nature of the Collection Fund and to apply prudence, no additional surplus has been forecast to preceptors.