

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING AS AT 31st JANUARY 2015

Purpose of the Report

- This report provides the Month 10 monitoring statement on the City Council's Revenue Budget and Capital Programme for January. 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 9

- At month 9 the overall Council position was a forecast overspend of £113k. The position at month 10 shows an improvement of £262k on the previous month, with a forecast potential reduction in spending of £149k 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:

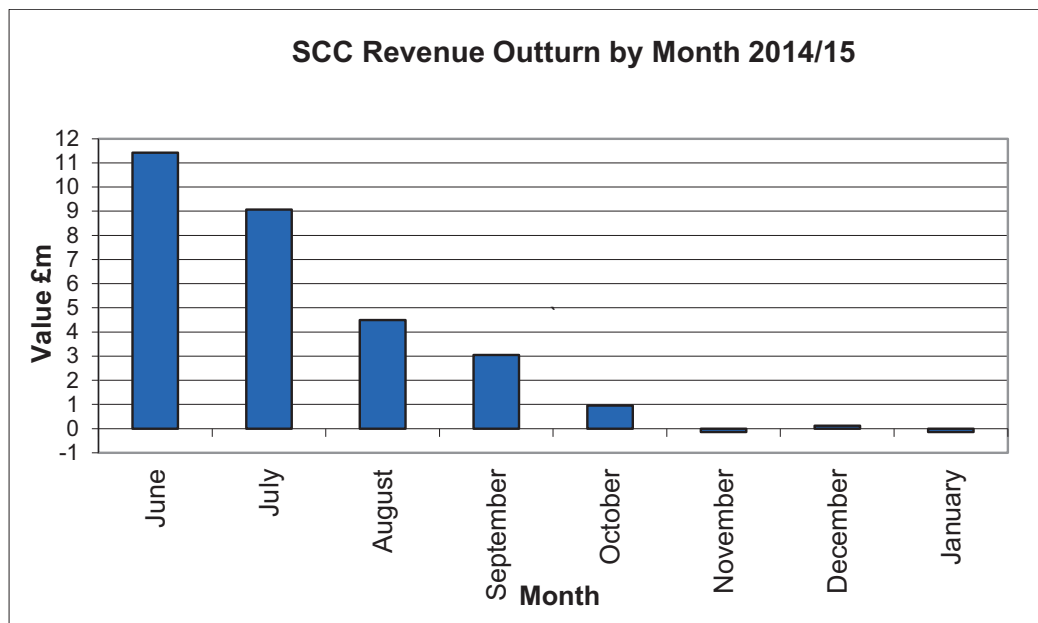
Portfolio	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
CYPF	77,122	77,619	(497)	↔
COMMUNITIES	165,703	163,724	1,979	↓
PLACE	167,511	166,268	1,243	↓
POLICY, PERFORMANCE & COMMUNICATION	3,056	2,922	134	↔
RESOURCES	62,612	62,508	104	↓
CORPORATE	(476,153)	(473,041)	(3,112)	↑
GRAND TOTAL	(149)	-	(149)	↓

- The main variations since month 9 are:
 - Communities are forecasting an improvement of £139k, which is mainly due to lower than anticipated take up of the Local Assistance Scheme over the Christmas period.
 - Place are forecasting an improvement of £425k, which is due to small reductions in spending across the whole service in an attempt to continually reduce the overspend position to year end.
 - Resources are forecasting an improvement of £140k, which is due to small reductions in spend across a number of services and has now delivered a broadly balanced position for the portfolio overall.

- Corporate budgets are forecasting an adverse movement of £425k, which is due to a temporary contribution towards the pension deficit early payment 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

- The forecast outturn shows an improving position from the £11.4m overspend reported in month 3 to the £149k reduction in spending reported in month 10. 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:



- In terms of the month 10 overall forecast position of a £149k reduction in spending, the key reasons are:
 - Children Young People and Families are forecasting a £497k reduction in spending mainly due to additional ESG income of £608k due to a delay in academy conversions, and £366k within the Inclusion and Learning Service predominantly due to additional traded income. These reductions in spending are partly offset by forecast overspends relating to demand increases on Bus Passes and SEN Transport of £150k and £342k respectively.

- Place are showing a forecast overspend of £1.2m, due predominantly 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 £2m, due predominately to a £4.5m 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 Adults Assessment & Care Management, which is forecasting a reduction in spend of £1m and a reduction in expenditure on Housing Related Support Contracts of £558k as a result of contract negotiation activities.
- Corporate budgets are reporting a forecast reduction in spending of £3.1m, 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 towards the pension deficit early payment required to deliver savings over the next two years. The corporate contribution currently stands at £1.4m.

Public Health

7. The Public Health ring-fenced grant is currently forecasting a potential £1.4m underspend. This report seeks approval to use £783k of this underspend to fund additional projects. Further details of these requests and the forecast outturn position can be found in **Appendix 2**.
8. It is worth noting that the month 6 monitoring report approved £400k of this underspend be made available to fund food bank and fuel poverty projects in 2015/16. In addition to this approval, four further projects totalling £121k are being proposed for approval via month 9 Budget monitoring. Further details of all these requests can be found in **Appendix 2**.
9. The approved £400k and £904k of proposed carry forward requests are not currently reflected within the forecast figures and will therefore reduce the Public Health in-year underspend to approximately £124k. 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

10. The 2014/15 budget is based on an assumed in year underspend position 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.
11. As at month 10 the full year forecast outturn is a predicted £6.6m overall improvement from budget. As such, the funding contribution to the capital investment programme will be revised from £6.9m to £13.5m. 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	-4.5
	Total Income	<u>-11.5</u>
Expenditure	2014/15 Spend to date at Month 10	2.7
	Forecast to Year End	1.4
	Future Years' Commitments	6.5
	Total Expenditure	<u>10.6</u>
	Funds Available for Investment	<u><u>-0.9</u></u>

12. Spending on NHB funded projects increased by £0.3m in the period primarily as a result of support to the Sheffield Housing Company to assist with the construction of new Affordable Homes.
13. The uncommitted funds available for investment have fallen by £1.1m following the approval of various projects which were reported in the Month 8 Finance report to Cabinet.

Capital Summary

14. At the end of January 2014, the end of year position forecasts a variance of £27.4m (15%) below the approved Capital Programme. Project managers are forecasting to deliver a capital programme of £151m.
15. This has been reduced by £18.1m from the previous forecast of £169.1m. The main changes arise from £8.2m reduction in anticipated spend on the two new leisure centres, £3.0m slippage on the Roofing projects in the Housing programme, £2.6m reduction in the Streets Ahead programme and £0.6m further slippage on the expansion of Greystones School.
16. Further details of the Capital Programme monitoring and projects for approval are reported in **Appendices 4 to 4.2**.

Implications of this Report

Financial implications

17. 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

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

Legal implications

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

Property implications

20. 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

21. 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 proposed use of £783k of Public Health forecast reduction in spend, as detailed in **Appendix 2** of this report.
- (c) Approve the proposed £1.4m of general fund activity to be funded via Public Health grant, as detailed in **Appendix 2.1** of this report.
- (d) 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
 - (iii) Delegate to the Director of Finance and the Director of Legal Services the authority to finalise, and if satisfactory, accept, the conditions of the grant listed on **Appendix 4.2**.

and note;

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

Reasons for Recommendations

22. 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

23. 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 10 Budget Monitoring Reports

Children Young People and Families (CYPF)

Summary

1. As at month 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £497k on cash limit, an improvement of £36k from the month 9 position and DSG is forecast to be overspent by £309k. The key reasons for the forecast outturn position are:
 - **Business Strategy:** Overall £48k forecast reduction in spending. The main underspent budget areas are additional Education Services Grant (ESG) income to that budgeted of £608k, and £89k on Insurance due to the timing of academy conversions. This reduction in budgeted spend is partly offset by a forecast £150k overspend on Bus Passes and £342k overspend on SEN Transport due to demand increase, redundancy costs against Music Service £75k and under recovery of traded income Advice and Conciliation Service £43k.
 - **Children and Families:** £2k forecast overspend. Overspending areas are Management and Business Support £195k due to delay in the Business Support MER; Legal Fees £36k; Fieldwork Service Areas and Permanence and Throughcare £887k net overspend mainly due to difficulties in achieving vacancy monitoring targets and recruitment of social workers; Placements £83k due to costs being significantly greater than the external funding available; Direct Payments £245k due to parents accessing their own care arrangements; and Short Breaks £203k due to increased applications for grant and higher number of holidays in 2014/15 in comparison to prior year. These overspends are being partially offset by a reduction in spending on Contact Contracts £501k due to more efficient management using contact centres; Placements £827k due to the positive trends in the numbers and costs of placements; and Prevention and Early Intervention £217k due to reduced forecast expenditure on Contracts and Hosting and Premises.
 - **Inclusion and Learning Services:** £366k forecast reduction in spending due to a £204k budget underspend as a result of additional traded income in Educational Psychologists; £105k in Advocacy and Challenge; and £147k in SEN Placement Team due to vacancies. These are partly offset by an overspend in In City SEN Provision £145k due to additional High Risk Learners identified.
 - **Lifelong Learning and Skills:** £85k forecast reduction in spending due to £226k underspend in Youth Teams which is partly offset by overspends in

the Training Units £166k. Training Units are under review, and as delivery reflects changes in provision an MER will be undertaken.

- DSG Budgets:** Overall a £309k overspend made up of a £542k reduction in spend in Business Strategy due mainly to a £998k reduction in spending on 2 Year Old FEL, however the level of spend on FEL is increasing as a demand and capacity for the service grows. Other areas of underspend are £165k against Routine Claims for Contingency offset by £411k overspend on SEN Transport and £276k in Significant Growth School budget. An reduction in spend of £119k in Children and Families mainly in MAST due to a saving identified on staffing. An anticipated overspend of £857k in Inclusion and Learning overall, made up of overspends of £590k in Banded Funding, £179k Independent Placements and £399k in In City SEN Provision due to demand pressures, partially offset by reduction in spending on Sensory Services £51k and £126k Inclusion and Learning Services due to vacancies and £67k in Pupil Admissions. An overspend in Lifelong Learning and Skills of £113k due mainly to increased numbers of Post 16 High Needs learner placements £134k partially offset by a small reduction in spend in Extended Learning £17k.

Financials (Non-DSG activity)

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY	768	816	(48)	↔
CHILDREN & FAMILIES	61,862	61,860	2	↔
INCLUSION & LEARNING SERVICES	5,160	5,526	(366)	↔
LIFELONG LEARN, SKILL & COMMUN	9,332	9,417	(85)	↔
GRAND TOTAL	77,122	77,619	(497)	↔

Commentary

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

Non-DSG Budgets

- As at month 10 the Portfolio is forecasting a full year outturn of a reduction in spending of £498k on cash limit. This compares with last month's position £461k, a movement of £37k.

Business Strategy

4. As at month 10, Business Strategy is currently forecasting a reduction in spend of £48k (shown in the table above) relating to cash limit. This is a reduction of £11k from the previous month.
5. The key reasons for the £11k worsened position on cash limit and £133k worsened position on DSG from month 9 are:
 - The reduction on cash limit is mainly due to movements against PFI business unit £24k due to spend on boilers, Public Health Out of City GUM £22k due to invoices received for prior year and removal of anticipated reserves £63k against Academy Fees offset by forecasting SEN Transport costs against the appropriate business units resulting in a change to the Cash / DSG forecast position.
 - The worsened DSG position is due to forecasting SEN Transport costs against the appropriate business units resulting in a change to the Cash / DSG forecast position.

Children and Families

6. As at month 10, 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 9 there has been an additional reported overspend of £225k against Fieldwork Services mainly in North Mast due to recruitment of Social Workers and forecast Agency spend, £203k against Short Breaks due to increased level of activity which is offset by improvements in Placements £266k due to reduced costs and numbers and Prevention and Early Intervention £145k due to reductions in forecast expenditure.
8. The improved position on DSG is due to reduced forecast expenditure in MAST £20k.

Inclusion and Learning

9. As at month 10, Inclusion and Learning Service is currently forecasting £366k reduction in spend (shown in the table above) relating to cash limit. This is an improved position £43k from previous month.

10. The key reasons for the £43k improved cash limit position and £22k improved DSG position are:
 - The improvement in cash limit is due to additional income on School Sports £25k, Pupil Admissions £11k and Advocacy and Challenge £13k.
 - The improved position on DSG is due to increased income Pupil Admissions £16k and forecasting spend against appropriate business units for SEN £63k reduction against Independent Placements. This is offset by £27k increase cost against Banded Funding and £30k increase cost on In City SEN Provision.

Lifelong Learning and Skills

11. As at month 10, Lifelong Learning Skills and Communities Service is currently a £86k reduction in spend (shown in the table above) relating to cash limit. This is an improved position of £6k.
12. The key reason for the improved cash limit position is due to reduced forecast expenditure against MOG £27k offset by an expected increase in spend against Sheaf Training £36k.
13. The worsened DSG position is against Post 16 High Needs funding on LDD placements.

DSG Budgets

14. The month 10 position is £309k overspend, which is a worsened position of £95k from the position reported at Month 9. This worsened position is predominantly due forecasting the overspend on SEN Transport against the appropriate business units, whilst reduction in spend has been forecast against MAST £22k and SEN overall £22k in ILS.

Place

Summary

15. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £1.2m, an improvement of £425k from the month 9 position. The key reasons for the forecast outturn position are:
 - **Business Strategy & Regulation:** £1.4m 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:** £540k over budget largely due to income and cost pressures within the markets activity.
- **Regeneration & Development Services:** £506k under largely due to vacancy management of £200k and forecast reductions in other spend across the whole service of £300k.

16. The key reason for an improvement of £425k this period is reductions in forecast spend across a number of service areas.

Financial Results

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS STRATEGY & REGULATION	30,652	29,235	1,417	↔
CAPITAL & MAJOR PROJECTS	1,090	550	540	↔
CREATIVE SHEFFIELD	2,940	3,037	(97)	↔
CULTURE & ENVIRONMENT	44,906	45,212	(306)	↓
MARKETING SHEFFIELD	1,001	806	195	↔
PLACE PUBLIC HEALTH	-	0	0	↔
REGENERATION & DEVELOPMENT SER	86,922	87,428	(506)	↔
GRAND TOTAL	167,511	166,268	1,243	↓

Commentary

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

Business Strategy & Regulation

18. The forecast for this activity is £1.4m over budget, an improvement of £41k this period due to forecast spend reductions across the service.
19. The forecast reflects an assumed £1.2m risk pending agreement with the Contractor on new terms to reflect the revised waste collection arrangements. Work is progressing on developing further the range of options for negotiation with the contractor with a view to implementation for the commencement in the new financial year.
20. 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.

Capital & Major Projects

21. The forecast for this activity is £540k over budget, an improvement of £82k this period due to forecast spend reductions across the service.
22. The forecast position largely reflects income pressures within the markets service of £0.7m. 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. An external agent has been engaged to promote the letting of vacant stalls.

Culture & Environment

23. The forecast for this activity is £306k under budget, an improvement of £239k this period, largely due to forecast spend reductions and higher income across the service.
24. 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.
25. The Director continues to work closely with SIV to ensure that these plans are progressed and risks are mitigated.

Marketing Sheffield

26. 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

27. 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

28. The forecast for this activity is £505k under budget, an improvement of £59k this period due to net forecast spend reductions across the service.

29. The key variances include vacancy management of £0.2m and additional forecast income of £0.6m, offset to some extent by shortfalls in planned contract savings of £0.3m. 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

30. As at month 10, Communities is forecasting a full year outturn of an overspend of £1.979 million, an improvement of £139k from the month 9 position. The main reason for this outturn position is due predominately to a £4.5m overspend within Care and Support relating to Learning Disability Services. A fuller explanation is set out below:
- **Business Strategy:** Currently reporting a forecast underspend of £244k against the full year budget. This is mainly due to a reduction in spend on the mail / insurance and legal SLAs of £192k, forecast reduction in spends in salary and related expenditure across the Directorate of £281k, increased income from CCG of £71k, offset by one off expenditure of £300k used for business improvement activity.
 - **Care & Support:** An overspend of £2.9m is currently forecast due to ongoing pressures and issues in Adult Social Care primarily relating to increased demand on care purchasing budgets. Recovery action has helped improve the position by £1.8m 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 £1.0m by the end of March 2015, due to savings in staffing and purchasing. Contributions to Care is showing a small surplus against budget, with the main offsetting factors being: a shortfall in income of £1.4m due to numbers of contributing service users being less than had been forecast because of business demand management and appliance of eligibility criteria, a one-off provision of £0.4m for repayments where there has been an overcharge and a surplus in income from CHC of £1.8m due to more joint funded cases where services are commissioned by the Council.
 - There remains a significant overspend of £4.6m within the Learning Disabilities Service relating to increased demand on care purchasing budgets of £3.6m and in-house care provision £0.9m.

- **Commissioning:** Currently reporting a forecast reduction in of £581k against the full year budget. The reduction in spend can be attributed to the following main changes: 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 £75k and underspends on staffing costs of £112k.
- This reduction is offset by forecast overspend of £152k relating to the agreed sharing of SHSCT unachieved savings dating back to 2013/14. Other changes account for an adverse movement against budget of £12k across Commissioning.
- **Community Services:** Reporting a forecast reduction in spend for the year of £108k. There is a forecast reduction in spend in Library Services of £25k. There is a forecast reduction in spend of £83k 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 9
BUSINESS STRATEGY	4,292	4,535	(244)	↔
CARE AND SUPPORT	119,529	116,618	2,911	↔
COMMISSIONING	32,162	32,743	(581)	↔
COMMUNITY SERVICES	9,720	9,828	(108)	↔
GRAND TOTAL	165,703	163,724	1,979	↓

Commentary

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

Care & Support

- **Contributions to Care (income):** Following more up to date information received from Health, the forecast for CHC income is now forecast to be £870k higher than previously anticipated. A review of service users' contributions and the potential to repay clients who have paid more than they should have has decreased the expected income from clients by £824k.
- **Housing Related Services:** A favourable movement of £114k has arisen due to lower than anticipated take up of the Local Assistance Scheme over the Christmas period.

- **Joint Learning Disability Services:** An adverse movement of £166k in LD Purchasing has arisen following a review of social care recharges by CCG.
- **Provider Services:** £58k has been saved as a result of slippage in the APSL programme.

Year to Date

32. The Year to Date position as at Month 10 is as follows:

Service	January		
	YTD Actual	YTD Budget	YTD Variance
BUSINESS STRATEGY	3,446	3,358	108
CARE AND SUPPORT	98,935	97,602	1,332
COMMISSIONING	25,799	25,684	115
COMMUNITY SERVICES	8,103	8,866	(763)
Grand Total	136,303	135,510	793

Resources

Summary

33. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £104k, an improvement of £140k from the month 9 position. The key reasons for the forecast outturn position are:

- £150k reduction in spend in Human Resources due to increased income in the Moorfoot Learning centre.
- £436k reduction in spend in Housing Benefit due to high value over payments as a result of a DWP data-matching initiative.

Offset by:

- £256k overspend in Commercial Services (Savings) due to reduced forecast income from cashable procurement savings. The service is however, still actively involved in many initiatives which will generate savings in portfolios.
- £364k overspend in Central costs due to Council Tax and Business Rates court costs recovery.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
BUSINESS CHANGE & INFORMATION SOLUTIONS	(8,184)	(8,184)	0	↔
COMMERCIAL SERVICES	1,087	1,069	18	↔
COMMERCIAL SERVICES (SAVINGS)	(1,195)	(1,451)	256	↔
CUSTOMER SERVICES	4,743	4,730	13	↔
FINANCE	2,169	2,179	(10)	↔
HUMAN RESOURCES	2,443	2,593	(150)	↔
LEGAL SERVICES	4,000	3,935	65	↔
RESOURCES MANAGEMENT & PLANNING	185	205	(20)	↔
TRANSPORT AND FACILITIES MGT	34,969	34,969	(0)	↔
TOTAL	40,219	40,045	174	↔
CENTRAL COSTS	22,102	21,736	366	↔
HOUSING BENEFIT	291	727	(436)	↔
GRAND TOTAL	62,612	62,508	104	↓

Commentary

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

Central Costs

35. A forecast £364k overspend, this is an improvement of £85k from the previous month. The improvement this month is £85k improvement is due in the main to improved Council Tax and Business Rate Collection recovery of court costs.

Policy, Performance and Communications

Summary

36. As at month 10 the Portfolio is forecasting a full year outturn of an overspend of £134k, an adverse movement of £53k from the month 9 position. The key reasons for the forecast outturn position are:

- £173k overspend in Communications mainly due to reduced demand from portfolios for Communications services, leading to lower income. There is still a high degree of risk in the forecast and it is possible that the final overspend could be £100-200k higher than its current level.
- £22k overspend in CEX office due to unbudgeted LGYH costs.

- £52k over spend in Electoral registration due to the costs of canvas staff and IT support costs consistent with previous years.

Offset by:

- £113k of savings through vacancy management, recovery of salary costs from the LEP & reduced supplies & services spend across other business units.

Financials

Service	Forecast Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 9
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	↔
POLICY, PERFORMANCE & COMMUNICATION	3,191	3,057	134	↔
PUBLIC HEALTH	(135)	(135)	0	↔
GRAND TOTAL	3,056	2,922	134	↔

Corporate items

Summary

37. 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	84,209	61,245	22,964
Income from Council Tax, RSG, NNDR, other grants and reserves	(560,362)	(534,286)	(26,076)
Total Corporate Budgets	(476,153)	(473,041)	(3,112)

Commentary

- The £3.1m reduction in spending reported in month 10 is an adverse movement of £425k, which is mainly due to a temporary contribution towards the early payment of the pension deficit account required to deliver £2.6m of saving over the next two years.

PUBLIC HEALTH BUDGET MONITORING AS AT

31 JANUARY 2015 (MONTH 10)

Purpose of the Report

1. To report on the 2014/15 Public Health grant spend across the Council for the month ending 31 January 2015.
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 10 the overall position was a forecast under spend of £1.4m. The position shows a reduction in forecast spend of £11k 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 9	Movement from prior month
CYPF	11,233	11,281	(48)	(114)	66
COMMUNITIES	13,099	13,314	(215)	(188)	(27)
PLACE	2,935	3,728	(793)	(783)	(10)
DIRECTOR OF PUBLIC HEALTH (inc PH Intelligence)	2,147	2,519	(372)	(332)	(40)
TOTAL EXPENDITURE	29,414	30,842	(1,428)	(1,417)	(11)

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 (£124k);
 - Unallocated vacant post budget and vacancy management in DPH office (£83k);
 - Unbudgeted income from CCG (£52k)

- £577k under spend on Stop Smoking Service contracts
- £111k staff savings in Place due to vacancy management.
- (£215k) underspend in Communities mainly due to staff savings in Private Sector Housing (£45k), PH Communities Staffing (£88k), Communities third party payments (£56k), DACT Team and DACT infrastructure reduction in costs (£19k) and Alcohol Treatment contract payments (£5k).

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 £11k from month 10 and the key reasons for the movement are:
- Communities net decrease in forecast spend of (£27k) as a result of several small variances across both services.
 - £86k increase in forecast spend in CYP mainly due to increased spend in Out of City GUM.

Offset by:

- £40k decrease in forecast spend in Director of Public Health office, mainly in GP Health Check spend.

Carry Forward Requests

7. Cabinet have approved £400k of the current year underspend is to be allocated to Food Banks (£300k) and Fuel Poverty (£100k).
8. Additional carry forward requests detailed below have been approved by CMT as part of month 9 monitoring and will put to Cabinet on the 18th March:
- £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.
9. The following carry forward requests are now being considered:
- £200k for mental health champions and provision of employment advice;
 - £125k to extend a children's emotional wellbeing pilot across further secondary schools;

- £125k to increase investment in community development action to address the use of tobacco;
- £120k for tackling physical inactivity;
- £50k to increase investment in the Children & Young People Smoke Free service;
- £40k for an integrated school and specialist nursing pilot;
- £30k to provide health information to the Roma community;
- £20k to invest in a health eating forum;
- £20k to Bridge Employment for further funding for managerial capacity;
- £10k for a pilot to promote smoke-free playgrounds in three city parks;
- £5k to provide transitional match funding to Zest: and
- £38k to Practice Champions – in GP surgeries.

**PUBLIC HEALTH BUDGET MONITORING AS AT
31 JANUARY 2015 (MONTH 10):
SUPPLEMENTARY REPORT**

Background

1. At its meeting of the 23/12/2014 EMT received a report of the proposals to identify £2m of potential substitution from savings arising from the review of the Public Health Grant.
2. There were specific savings of £2.046m identified and approved as part of the 2015/16 budget proposal.
3. In addition to this a further saving of £454k was yet to be identified making the total ask from PH grant for substitution £2.5m. The revenue budget is currently predicated on finding £2.5m areas for substitute funding.

Proposals

4. As part of the 2015/16 budget process it was agreed that £500k of substitute funding was allocated to CYP for Best Start/ Strengthening Families programme.
5. The sub group of the BHW Outcome Board consisting of ED Resources, ED CYP, the Director PH and Cllrs Iqbal, Curran and Johnstone has continued to meet to identify further options to allow substitution of the remaining £2m and are now making the following recommendations:
 - Sheffield CAB and Legal Advice services £1m
 - Heeley Baths £110k
 - Upperthorpe HLC pool and fitness £100k
 - Social Café for Adults with Anxiety and Depression £43k
 - Adult Mental Health Information Service £67K
 - Ben's Centre £53k
6. If agreed, this now allows for £1.873m of general fund activity to be funded via the public health grant (including Best Start).
7. Further work is still required to:
 - Identify the remaining £454k saving
 - Identify further substitution areas

Use of 2014/15 underspend

8. In addition to the substitute funding the sub group has also been considering the use of the remaining 2013/14 & 2014/15 underspend, and **Appendix 2.2** shows the current proposals for use.
9. In summary the underspend at month 10 is forecast to be £1.428m and the balance on the 2013/14 underspend is £355k, a total pot to allocate of £1.783m.
10. If the recommended investments and the held back contingency for contract negotiation are agreed, this gives a balance of around £229k still to be allocated.

<u>Recommended investments</u>	£'000	£'000
Approved by Cabinet in Month 6	400	
Pending approval in Month 9	121	
Pending approval in Month 10	783	
Sub-total		1,304
Contingency	250	
Total recommended investments		1,554
Forecast underspend at Month 10	1,428	
2013/14 underspend b/fwd	355	
Sub-total		1,783
Balance to be allocated		229

Priorities for Use of the Public Health Underspend

Topic	Detail	Cost £K	Cumulative £
Agreed by Cabinet			
Fuel Poverty	continuation of scheme funded 14/15	300	300
Food Poverty	continuation of scheme funded 14/15	100	400
Page Hall	Environmental health and pest control	30	430
Senior Staffing	Capacity to give resilience during recruitment process	31	461
Sidney Street	Refurbishment of DACT premises	50	511
Bridge Employment	Support for managerial costs	10	521
Recommended investment			
Contingency 15/16	Held pending contract negotiations for SH contract	250	771
Children's emotional wellbeing	Extend pilot from Park Academy across further secondary schools @ £25K per school	125	896
Tobacco control	Increase investment in community development action to address use of tobacco (detail and amount tbc)	125	1,021
Tobacco control	Increase investment in the Children and Young People Smoke free Service to reduce uptake of smoking	50	1,071
Tobacco control	Pilot Smoke free Playgrounds in 3 City Parks	10	1,081
Mental health and wellbeing	Mental health champions, employment advice etc.	200	1,281
Tackling physical inactivity	detail to be confirmed	120	1,401
Community Wellbeing	Roma community – health information	30	1,431
Community Wellbeing	Investment into Foxhill Forum - Healthy Eating	20	1,451
School nursing	Integrated school & specialist nursing pilot at Talbot school	40	1,491
Bridge Employment	Support for managerial costs	20	1,511
ZEST	transitional funding (matched)	5	1,516
Community Wellbeing	Practice Champions – in GP surgeries	38	1,554
More Information required			
Tobacco control	Further options to mitigate reduced stop smoking service activity	215	
Public Health Research	Research Budget	50	
Still to be considered			
Young people's substance misuse services	Training schools etc. on novel psychoactive substances. Refresh and update substance misuse screening tool.	25	
Community Wellbeing	Development fund – to build up infrastructure	50	
Planning	Planning Officer to work across PH and Planning team	44	
Community Wellbeing	Communities of interest small grants	50	
Food and diet	Establish community food fund	15	
Community Wellbeing	One Darnall – MESH worker	10	
Active travel	Green network plan signage (could be delivered 14/15)	20	
DPH Office	Northern Refugee Centre	30	
Green Commission	Support for running costs	20	
Community Wellbeing	Darnall wellbeing (Darnall Health Centre) add. health trainer time	20	
Community Wellbeing	Darnall family development project	20	
Food and diet	Food systems mapping	10	
Food and diet	Food demonstration sessions at Moor Market	10	
Food and diet	Additional communications / campaigns work	5	
Not Supported			
Tobacco control	Enforcement on illicit tobacco	300	
Tobacco control	Contribution to regional campaigning and publicity work - "Don't be the One"	100	
Primary care sexual health services	Pilot a new model in one area of the City	30	
20 mph zones	Roll out of zones across City – £45K per zone	200	
Tackling physical inactivity	Activity Sheffield - 'Physical activity description'	200	

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 underspend position 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 10 the full year forecast outturn is a predicted £6.6m overall improvement from budget. As such, the funding contribution to the capital investment programme will be revised from £6.9m to £13.5m (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 (£961k) mainly as a result of revised year end assumptions on the profiling of the bad debt provision; a net forecast of (£323k) on other income; a saving of (£1.6m) 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 (£3.3m) 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 (£318k) 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 9
1.NET INCOME DWELLINGS	(146,854)	(145,894)	(961)	↑
2.OTHER INCOME	(6,644)	(6,321)	(323)	↑
3.HOMES-REPAIRS & MAINTENANCE	35,352	36,998	(1,647)	↑
4.HOMES-FUNDING CAPITAL PROG	37,967	37,967	0	↔
5.TENANT SERVICES INCL MANAGEMENT	51,743	55,047	(3,305)	↓
6.INTEREST ON BORROWING	14,960	15,278	(318)	↓
7.CONT TO CAPITAL PROG	13,477	6,925	6,552	↑

Community Heating

5. The budgeted position for Community Heating is a draw down from Community Heating reserves of £348k. As at month 10 the forecast position is a draw down from reserves of £136k resulting in a decrease in expenditure of (£212k). This is a movement of (£1k) from last month.

COMMUNITY HEATING	FY Outturn £000's *	FY Budget £000's *	FY Variance £000's *	Movement from Month 9
INCOME	(3,332)	(3,440)	108	↑
EXPENDITURE	3,468	3,788	(320)	↑
Total	136	348	(212)	↔

*subject to roundings

CAPITAL PROGRAMME MONITORING AS AT 31st JANUARY 2015

Summary

1. At the end of January 2014, the end of year position forecasts a variance of £27.4m (15%) below the approved Capital Programme. Project managers are forecasting to deliver a capital programme of £151m.
2. This has been reduced by £18.1m from the previous forecast of £169.1m. The main changes arise from £8.2m reduction in anticipated spend on the two new leisure centres, £3.0m slippage on the Roofing projects in the Housing programme, £2.6m reduction in the Streets Ahead programme and £0.6m further slippage on the expansion of Greystones School.
3. The Year to Date position shows spending to be £20.8m (16%) below the approved programme profile. The programme has recovered £0.3m of slippage in the current month.
4. The Place forecast has decreased by £9.2m following agreement with the one of the grant bodies to re-profile £8.2m of spend on the two new Leisure centres at Thorncliffe and Graves.
5. The Housing programme has slipped by £3.9m because the Pitch and Flat roof projects are £3m behind the approved plan following the recent adverse weather and poor contractor performance related to engaging sub-contractors.
6. The reduction in the Corporate portfolio forecasts reflects the lower level of performance payments to the contractor following the contractor failing to achieve the necessary contract milestones. The contract provides for these to be recovered and **Appendix 4.1** includes a request to slip this spend into 2015/16.

Financials 2014/15

<u>Portfolio</u>	<u>Spend to date</u>	<u>Budget to Date</u>	<u>Variance to date</u>	<u>Full Year forecast</u>	<u>Full Year Budget</u>	<u>Full Year Variance</u>	<u>Change on last Mth Bud</u>	<u>Change on last Forecast</u>
	£000	£000	£000	£000	£000	£000	£000	£000
CYPF	17,416	21,291	(3,875)	23,648	29,901	(6,253)	4,706	(886)
Place	16,754	26,346	(9,592)	27,602	37,512	(9,909)	2,943	(9,236)
Housing	20,740	21,889	(1,149)	36,234	41,215	(4,981)	3,989	(3,881)
Highways	19,031	20,137	(1,107)	27,196	28,994	(1,798)	(133)	(815)
Communities	1,278	1,886	(608)	1,542	1,893	(351)	(262)	(262)
Resources	2,990	4,826	(1,836)	4,506	5,990	(1,484)	(444)	(423)
Corporate	30,255	32,883	(2,628)	30,255	32,883	(2,628)	(2,628)	(2,628)
Grand Total	108,463	129,258	(20,795)	150,983	178,388	(27,405)	8,170	(18,132)

7. Capital Programme

Capital Programme

	2014-15	2015-16	Future	Total
	£m	£m	£m	£m
Month 9 Approved Budget	204.7	210.6	310.8	726.0
Variations	-0.2	4.6	88.3	92.7
Slippage	-26.1	16.1	10.0	0.0
Month 10 Approved Budget	178.4	231.3	409.0	818.7

8. The programme has grown by £92.7m following the approval of additional spending on the Housing projects including £32m on increasing the number of houses in the Council's estate plus further investment in the roofs (£18m), £9m on heating and insulation improvements, £9m on electrical renewals and £6.5m on replacement kitchens and bathrooms.

Approvals

9. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.
10. Below is a summary of the number and total value of schemes in each approval category:
 - 16 additions of specific projects to the capital programme with a value of £2.2m.
 - 7 variations to the capital programme creating a net increase of £1.5m
 - 3 slippage requests moving £9.3m into future years.
11. Further details of the schemes listed above can be found in **Appendix 4.1**.

Finance

February 2015

Scheme Description	Approval Type	Value £000	Procurement Route
GREAT PLACE TO LIVE			
Highways			
<p>Capital PFI Contributions</p> <p>The budgeted payment to Amey under the Streets Ahead contract for 14-15 was £32,883k based on the contractor achieving physical works milestones.</p> <p>The milestones for each year are set out in a schedule to the contract as is the maximum Capital Contribution payable if these are met. If the milestones are not fully achieved at the end of the relevant year (ending December, paid the following January) then the Capital Contribution payment is reduced proportionately to the shortfall). The Milestones are a cumulative measure of improvement and so if they are not fully met in one year, and the contractor recovers to programme in the following year the unpaid element will roll forward and be paid at that point.</p> <p>The works programme is behind the target delivery leading to a reduced annual payment for 14-15 of £30,255k. It is expected that an additional payment of £2,628k will be made in 15-16 as these milestones are met and approval is sought to slip £2,628k into 15/16.</p>	Slippage	-2,628	Existing contract
<p>All the proposed Highways schemes below were approved as funding priorities for the outline 2015/16 Local Transport Plan programme which was endorsed at the September 2014 Highways Cabinet Decision Meeting.</p>			

<p>Blackburn Valley Cycle Route</p> <p>Different sections of the Blackburn Valley Cycle route have been implemented over the last three years using Local Transport Plan and Local Sustainable Transport Fund monies. The route is part of Sheffield's Cycle action plan. The project runs along a disused railway line between Meadowhall shopping centre and Chapeltown (approximately 4 miles). The aim is to provide a corridor suitable for non-motorised modes to/ from outlying residential areas to job and shopping opportunities in the lower Don Valley, avoiding heavily trafficked roads. It has also become part of National Cycle Network route 67. The small allocation in 2015/16 (to be funded from the 2015-16 Local Transport Plan Allocation) will be used to fund the scheme completion cost. A committed sum payment of £62,500 has already been paid for the Blackburn valley scheme.</p>	<p>Variation</p>	<p>20</p>	<p>Waiver Schedule 7 Streets Ahead Contract</p>
<p>Streets Ahead Opportunities SE Streets Ahead Opportunities NW Streets Ahead Opportunities SW Streets Ahead Opportunities NE</p> <p>Schemes typically improve the accessibility of the highway network, including reducing street clutter, minor signing works, implementing dropped kerbs on routes to and from local shopping areas, and other common causes of trips. All schemes that link to the Streets Ahead programme include an element of funding for their future maintenance over the next 25 years. Investment in 2015/16 includes Fulwood, Meadowhall, Norton, Beighton and Whirlow. These works are planned to coincide with the planned Streets Ahead programme works in the area to minimise costs agreed with local Councillors.</p> <p>The allocation in 2015/16 (to be funded from the Local Transport Plan Allocation) will be used to fund the revisions to the highway network as well as their ongoing maintenance. A £100k has been made to fund committed sums associated with these</p>	<p>Variation</p>	<p>75 75 75 <u>75</u> <u>300</u></p>	<p>Waiver - Schedule 7 Streets Ahead contract</p>

<p>developments.</p>				
<p>Public Rights Of Way</p> <p>The Rights of Way Improvement Plan (RoWIP) is a statutory document that includes an action plan for investment in the network. Typically around 15 schemes are delivered each year, with works including improving surfacing, signing and removal of obstacles on the Rights of Way network (thus improving access to and within the Countryside or on the Urban Rights of Way network to facilitate safer routes to school and employment areas).</p> <p>The allocation in 2015/16 (to be funded from the Local Transport Plan allocation (£120k) and a revenue contribution to capital (£40k) will be used to fund the improvements to the Rights of Way network. The £40k contribution from camera enforcement income is restricted, so is specifically for 'metalling (or surfacing improvements) of the highway.</p> <p>Unless accrued within the PFI contact, schemes on the Rights of Way network are maintained within the existing Rights of Way revenue budget.</p>	<p>Variation</p>	<p>160</p>	<p>Council's standing orders, including three written quotes where required</p>	<p>Waiver - Schedule 7 Streets Ahead contract</p>
<p>Double Yellow Lines</p> <p>As part of the 'Network Management' block, staff analyse and assess known requests for the implementation of double yellow lines (of which there are around 650 on record), single yellow lines and other time limited parking requests (of which there are around 50 on record) . A shortlist of prioritised improvements is then taken forward for development which represent about 8-10% of requests. Schemes are typically introduced to improve safety, but can also better manage parking, particularly where this improves traffic flow. All schemes include an element of funding for their future</p>	<p>Variation</p>	<p>25</p>		

<p>maintenance over the next 25 years.</p> <p>The allocation in 2015/16 (to be funded from the Local Transport Plan Allocation) will be used to fund the revisions to the highway network as well as their ongoing maintenance. £15k has been made to fund commuted sums associated with these developments.</p>			
<p>HGV Routing Strategy</p> <p>As part of the 'Network Management' block, staff are progressing a lorry routing strategy to try to ensure that larger vehicles use the most appropriate routes through and to areas of the City. In 2014/15 an area wide environmental weight restriction has been introduced to deal with HGV issues in the Mayfield Valley; this should stop HGVs driving through the area and force them onto the approved HGV road network. It is intended to tackle similar problems in the Hagg Hill area with this allocation in 2015/16. These schemes are part of an ongoing programme of works which includes the Strines area. Once these have been completed then other HGV hot spots can be looked at with a view to designing up appropriate measures to tackle the problems. All schemes include an element of funding for their future maintenance over the next 25 years.</p> <p>The allocation in 2015/16 (to be funded from the Local Transport Plan Allocation) will be used to fund the revisions to the highway network as well as their ongoing maintenance. £10k has been made to fund commuted sums associated with these developments.</p>	<p>Variation</p>	<p>30</p>	<p>Waiver - Schedule 7 Streets Ahead contract</p>
<p>Streets Ahead Cycling</p> <p>Schemes typically involve adding in lengths of marked cycle lane, minor kerb line changes or new contra flow cycle routes as well as new signing. All schemes that link to</p>	<p>Variation</p>	<p>200</p>	<p>Waiver - Schedule 7 Streets Ahead contract</p>

<p>the Streets Ahead programme include an element of funding for their future maintenance over the next 25 years. Investment in 2015/16 includes Fulwood, Meadowhall, Beighton Brightside and Sharrow. These works are planned to coincide with the planned Streets Ahead programme works in the area to minimise costs agreed with local Councillors. A shortlist of prioritised improvements is then taken forward for development.</p> <p>The allocation in 2015/16 (to be funded from the Local Transport Plan Allocation) will be used to fund the revisions to the highway network as well as their ongoing maintenance. £50k has been made to fund commuted sums associated with these developments.</p>	<p>Variation</p>	<p>200</p>	<p>Waiver - Schedule 7 Streets Ahead contract</p>
<p>Better Buses 2 Chesterfield Road Key Bus Route</p> <p>Better Buses 2 is a funding stream that replaces the Bus Services Operators Grant, and is made up of both capital grant (for investment in infrastructure – managed by the Passenger Transport Executive) and revenue (for investment in service improvements and marketing – managed by the Bus operators).</p> <p>2015/16 is the second of a three year investment programme, with the main output in year one being improvements at Meadowhead roundabout itself. This new investment in 2015/16 is for the widening of Chesterfield Road at Heeley to create a new bus lane. The overall aim of the project is to improve bus journey times and bus journey time reliability.</p> <p>These works will be funded by the Better Buses 2 funding held by the Passenger Transport Executive.</p> <p>The commuted sum estimated for these works is £50k. Approval is subject to the Sponsor confirming, before CMT, how the cost is to be funded, one option may be</p>			

<p>camera enforcement.</p>				
<p>Better Buses 2 North Sheffield 2 Key Bus Route</p> <p>Better Buses 2 is a funding stream that replaces the Bus Services Operators Grant, and is made up of both capital grant (for investment in infrastructure – managed by the Passenger Transport Executive) and revenue (for investment in service improvements and marketing – managed by the Bus operators). 2015/16 is the first of a two year investment programme, with the main output in year one being improvements at several locations along routes between the City centre and Ecclesfield. The first investment in 2015/16 is for carriageway widening at Hucklow Road to facilitate the passage of buses and other traffic without reducing parking. The overall aim of the project is to improve bus journey times and bus journey time reliability. These works will be funded by the Better Buses 2 funding held by the Passenger Transport Executive.</p> <p>The commuted sum estimated for these works is £20k. Approval is subject to the Sponsor confirming, before CMT, how the cost is to be funded, one option may be camera enforcement.</p>	Variation	130	Waiver - Schedule 7 Streets Ahead contract	
<p>Better Buses 2 Penistone Road Key Bus Route</p> <p>Better Buses 2 is a funding stream that replaces the Bus Services Operators Grant, and is made up of both capital grant (for investment in infrastructure – managed by the Passenger Transport Executive) and revenue (for investment in service improvements and marketing – managed by the Bus operators). 2015/16 is the final year of a three year investment programme, with the main output being in year two, namely a new 1km bus lane and associated widening, signals, bus</p>	Variation	50	Waiver - Schedule 7 Streets Ahead contract	

<p>stop enhancements and landscaping. This final investment in 2015/16 is towards the final payment of the scheme.</p> <p>These works will be funded by the Better Buses 2 funding held by the Passenger Transport Executive.</p> <p>There is no commuted sum identified as associated with this element of the overall project.</p>				
<p>Homes</p>				
<p>Community Heating – Pipework Renewal</p> <p>This project planned to replace District Heating underground pipe work at 4 sites, Stovin, Carwood, Blackberry and Eleanor was originally approved by a Leader’s Decision in May 2014. Each of the sites has distribution pipework which has burst over the last 2 years resulting in disruption and loss of heating and hot water for residents. The original approved budget for the 4 schemes was £1,617k. When the original procurement exercise was undertaken the design for the Carwood and Stovin sites were not complete so these were included as provisional sums. The cheapest tender was £1,763k.</p> <p>As a result of the price difference between the submitted tenders and the approved budget, a Lessons Learned Report was produced and a Review Meeting held between CDS and Housing Services. Several weaknesses were noted, mainly around increased pipeline lengths and sizes (subsequent to the completion and approval of the Feasibility Cost Reports) which were not identified by Design Team members. The adverse cost effect of these variations was therefore not considered nor mitigated in any way. Even though there was the benefit of a specialist contractor to assist with the feasibility</p>	<p>Variation Change of Scope</p>	<p>0</p>		<p>N/A</p>

<p>designs and costings, it now appears that their assessment of the work required was well under-stated.</p> <p>On the basis of the revised design and cost information it was decided to retender for the Eleanor and Blackberry sites only.</p> <p>The current budget for this project is £1,508k (reduced from £1,617k due to the exercise to remove 8% flat management fee from the Housing Programme). This variation, therefore seeks approval to vary the scope of the project to deliver reduced outputs i.e. improvements to Blackberry and Eleanor only but with no reduction in budget due to issues re: increased costs identified above.</p> <p>As regards Carwood and Stovin, a re-assessment of the estimated cost of these works has been made taking into accounts the lessons learned and a further approval will need to be submitted to a future Cabinet to undertake the work at the other two sites.</p> <p>Improvement actions have been noted and will be vital in the future when it is likely that more projects of this type will be required to be tendered.</p>			
<p>Council Housing Acquisitions Programme</p> <p>Approval is sought to increase the overall approval for this scheme to £13,156k to deliver the acquisition of a further 127 properties as part of the Council Housing Acquisitions Project which has a target to increase the number of council houses in Sheffield by 1,000 by 2020.</p> <p>The existing budget for this project for 2014-15 of £2,123k will deliver 24 acquisitions and 15 new builds at Foxhill and 9 general acquisitions.</p> <p>The existing budget includes an allocation of £1,796k for 15-16 which when combined</p>	Variation	9,241	N/A

<p>with the requested addition of £9,241k will give an allocation for 15-16 of £11,000k.</p> <p>The breakdown of acquisitions and costs for this increased budget are as follows: to draw down a further £9,241k from Q number 00087 (Stock Increase (CHS) Block Allocation)</p> <p>In total this project is expected to deliver and overall increase in Council House properties of 151.</p> <p>The scheme is funded 70% from Housing Revenue Account and 30% from Right To Buy receipts.</p>									
<p>Long Term Empties Purchase & Repair</p> <p>This project is approved to acquire Long Term Empty properties to bring them back into habitable use as part of the council housing stock.</p> <p>Approval is sought to draw down an additional £1,275k from the Stock Increase (CHS) Block Allocation into 2015-16 to increase the overall approval for this scheme to £3,299k to deliver the acquisition of a further 15 properties at an estimated £85k per property as part of the Council Housing Acquisitions Project which has a target to increase the number of council houses in Sheffield by 1000 by 2020.</p> <p>The existing budget for this project up to 2014-15 of £2,024k will deliver 27 acquisitions and this will increase the total number of acquisitions to 42.</p> <p>The existing budget included an allocation of £354k for 2015-16 which was based on an expectation that 4 acquisitions, to be part funded from the Homes and Communities Agency (HCA) could be slipped from 14-15 into 15-16. This was not possible therefore the HCA funded element of this has been removed from the budget and the remainder (HRA funded) returned to Q00087. This explains why the overall variation in budget is £921k.</p>			Variation	921				N/A	

<p>The overall £1,275k increase is funded by HCA £300k (£20k per property) and £975k HRA.</p>			
<p>General/RTB Acquisitions – Refurbishments</p> <p>Approval is sought to draw down £642k from Q number 00087 (Stock Increase (CHS) Block Allocation) to deliver the repair and refurbishment of acquired properties under the Council Housing Acquisitions project which has a target to increase the number of council houses in Sheffield by 1,000 by 2020. Properties will be repaired and renovated to the Sheffield Standard and made available to letting for Council Housing customers.</p> <p>The expected acquisitions are identified as follows: General Acquisitions – 75 4 Bed General Acquisitions – 16 Page Hall Acquisitions 16 TOTAL – 107</p> <p>This total proposed budget is based on an estimated average cost of £6k per refurbishment. This cost may be subject to revision when the actual properties are obtained and their state is known</p> <p>It is aligned with the Long Term Empties project which acquires properties.</p> <p>The scheme is funded 70% from Housing Revenue Account and 30% from Right To Buy receipts.</p>	<p>Addition</p>	<p>642</p>	<p>Small Scale works to be delivered via various existing service contracts.</p>
<p>Stock Increase (CHS) Block Allocation</p> <p>Adjustments from the block allocation in the Housing programme for to fund the projects above:</p>		<p>-</p>	

<ul style="list-style-type: none"> • Council Housing Acquisitions Programme • Long Term Empties Purchase & Repair • General/RTB Acquisitions – Refurbishments <p>And adjust for the loss of time limited HCA funding for the acquisition of properties</p>	<p>Variation</p>	<p>-9,241 -921 -642 -63</p>	
<p>Property Conversions</p> <p>This project is to undertake remodelling work to bring 6 existing long term empty council properties back into a usable state by effecting the following works: 1-35 Earldom Drive; The scope of work is to carry out a full refurbishment and some minor re-modelling work to 5 hard-to-let long term vacant bed-sits, creating 5 lettable one bedroom flats. 123 St Phillips Road is situated in a densely populated residential area forming part of a maisonette block on the Netherthorpe estate and provides a ground floor commercial unit formerly used as a hairdressing salon. The agreed scope of work is to remodel this property into a 1 bedroomed studio apartment.</p> <p>Estimated Costs Earldom £113k Estimated contract cost St Phillips - £21k. Fees for above - £6k Additional design work to identify potential further sites - £10k All properties will be brought up to the Sheffield Decent Homes Standard, including new kitchens, bathrooms, electrical rewires, doors and partitions, redecoration and sundry associated works.</p> <p>Works are funded from the HRA the block allocation for Essential Investments.</p>	<p>Addition</p>	<p>150</p>	<p>Competitive procurement via Constructionline.</p>

<p>Essential Investments (CHS) Block Allocation</p> <p>To be used to fund Property Conversions as described above.</p>	Variation	-150	N/A
<p>Parks</p>			
<p>Graves NCSEM Project – Tennis Centre</p> <p>The project supports the contribution to the Graves Tennis and Leisure Centre extension project as part of the National Centre for Sports and Exercise Medicine (NCSEM) programme. It will include a hub for the NCSEM. The NCSEM is an Olympic Legacy project that aims to promote health and wellbeing through sport and physical activity. The delivery of the works was novated to Sheffield City Council from Sheffield International Venues in April 2014.</p> <p>The works are to be procured using a waiver to allow the original project management practice to continue to deliver the project.</p> <p>Detailed design work plus inflation in the construction sector has identified an increase in cost above the original approved target sum of £14m. The project is running 12 months behind schedule and the request to slip £6.6m slippage from 2014-15 into future years reflects the revised project delivery plan and funding arrangements agreed with the Department of Health,.</p> <p>The additional funding of £2.3m is to be met by Prudential Borrowing.</p>	Variation & Slippage	2,339 -6,600	N/A
<p>Hillsborough Park Tennis Courts & High Hazels Park Tennis Courts</p>	Additions	23.6 78.2	Competitive Tender - mini competition via the LTA Framework

<p>These projects will regenerate tennis facilities in the Hillsborough and High Hazels area as part of the aim to provide appealing and playable tennis courts within the city and are supported by the Lawn Tennis Association's strategy for these areas. The works are to be procured using a mini competition via the LTA Framework – led by Labosport as the LTA Framework Consultant. Tenders will be sought from the approved list of contractors and Capital Delivery Service will oversee from a Project Management and QS perspective the execution of the contract.</p> <p>Hillsborough Park - funding of £6.8k through the Lawn Tennis Association will be matched with £16.8k S106 funding;</p> <p>High Hazels Park - funding of £30.0k through the Lawn Tennis Association will be matched with £48.2k S106 funding.</p>			
<p>COMPETITIVE CITY:-</p>			
<p>Porter Brook Pocket Park</p> <p>The project is required to fulfil a planning obligation created by the Council and placed on the development of an adjacent site on the corner of Matilda Street and Sidney Street. It is expected that once the works are complete the site will be more attractive to developers and so will be marketed as mixed development site with the future maintenance of the park a condition of the long leasehold. The subsequent third party investment will be used as matched funding for the city's £3m+ bid to the Sheffield City Region Investment Fund to improve the public realm between Fitzallan Square and Paternoster Row.</p> <p>The scheme has since been delayed while the project management team have sought</p>	<p>Addition</p>	<p>240</p>	<p>- YORCivils Framework -mini competition</p>

<p>additional funds to create a pocket park on the site in line with the City Centre Breathing spaces strategy which will deliver the following benefits:</p> <ul style="list-style-type: none"> • Positive impact on the local community and visitors to the CIQ, who will have access to a new park and the Porter Brook in the Cultural Industries Quarter • Enhancement of the area through provision of the park will create a positive impact for local businesses and Sheffield Hallam University. • Provision of a new park will open up this area, which will improve safety for everyone. • De-risking of the site through completion of the park (and the earlier flood mitigation works) will make the park more attractive to purchasers and an exemplar for other development sites along the Porter. • Positive impact on bio-diversity and the Council's environmental reputation through the provision of a new area of riverside green space in the CIQ. <p>Approval is sought for an additional £240k of expenditure to deliver the creation of the park. The project will be funded from city centre Section 106 agreements.</p>				
<p>SUCCESSFUL CHILDREN & YOUNG PEOPLE :-</p>				
<p>FEL (Free Early Learning) Capital – Manor Lodge Nursery element</p> <p>The FEL project delivery model was to distribute Department for Education (DfE) Early years Capital funding to various Early Years providers through small grants , to support the expansion of free 2-year-old places in early years settings. The majority of the grant funding is allocated and distributed by the Council, through a panel consisting of officers and Members with approval routes through the CYPF Capital Commissioning Group (CCG). All bids must meet the published criteria for funding and provide appropriate evidence of completion etc.</p>	<p>Variation of Procurement route. Slippage</p>	<p>-38.7</p>	<p>Single stage selective tender process via open advert</p>	

<p>In this instance, the panel recommends up to £200k to support the provision of an additional 26 FTE nursery places at Manor Lodge Primary School. The works comprise the remodelling of classrooms and toilets within the existing school to allow the creation of a new Nursery Classroom as well as additional "group rooms". Fencing around the newly created separate Nursery Classroom will also be installed.</p> <p>The original approval did not envisage the Council undertaking construction works so this variation seeks approval for an appropriate procurement strategy of competitive tender.</p> <p>No overall change to the approved value is proposed and there is no change of scope to the planned work, which complies with the original offer terms within the DfE grant offer letter, which seeks :</p> <ul style="list-style-type: none"> • "Bids [will need] to demonstrate excellent value for money, and a limit will be applied, e.g. £20,000. <u>Exceptional bids may be considered</u>"; and • <u>adaptations to buildings</u>, or pay for room dividers, additional long term resources and equipment for specific use of 2 year olds". <p>However, there is a coterminous request to slip £38.7k into 2015/16 due to Beck Primary School works not now being able to be completed by March 2015.</p>		
<p>EMERGENCY APPROVALS:- (Note only)</p>		
		<p>No Emergency Approvals to report this period.</p>

DIRECTOR VARIATIONS:- (Note only)			
Great Place to Live - Planning			
Spital Hill Public Art	Director Variation	-2.5	N/A
<p>This project is to create public art works in the Spital Hill area including sculptures, hoardings and seating. It is now in the final stages of completion.</p> <p>The initial budget incorrectly included £2.5k S106 monies for payment of the commuted sum.</p> <p>Director approval has been given to remove this element from the capital budget and transfer to revenue.</p>			
Competitive City			
Millennium Gallery Life Cycle	Director Variation	20	N/A
<p>This project was originally set up to fund the long term maintenance of the gallery. An agreement for a five year term came to an end in March 2014 and expenditure is now to be reviewed and, going forward, agreed upon on an annual basis (recognising the Council's difficult financial circumstances) based on a five year plan. Meetings have been held to look at future requirements and to validate current year expenditure claims on the basis of it being necessary for and relevant to supporting the maintenance costs. This review has concluded that it is necessary to add a further £20k to the 2014/15 budget to meet the Council's obligations</p>			

Grant Awarding Body	Name of the Grant	Project to be funded by the Grant	Conditions and Obligations	Value £000
Sheffield City Region	Sheffield City Region Investment Fund	Brookhill Area Improvements	<p>Subject to receiving the finalised SCRIF funding agreement from the Sheffield City Region</p> <p><u>Main Conditions to fulfil :</u></p> <ul style="list-style-type: none"> - If any of the project outputs are not achieved then a proportionate level of grant clawback will arise (to be repaid within one month). - Any clawback is subject to an interest penalty of 3% above base rate <p><u>Risks</u></p> <p>In any of the events below, the Council will become liable to increase its own contribution to the project.</p> <ul style="list-style-type: none"> • All or any of the project outputs are not completed by the deadlines <ul style="list-style-type: none"> • If the Council incurs ineligible expenditure, acts in a non-compliant way, overspends on the construction budget (beyond the allowed contingency), the resulting claw back and penalties will be payable by the Council • The Council has no reserves to mitigate this event and would need to prioritise this project over projects in order to cover the loss. 	2,892

<p>Lawn Tennis Association</p>	<p>TBC</p>	<p>Hillsborough Park Tennis Courts</p>	<p><u>Clawback</u></p> <ul style="list-style-type: none"> - There is a significant risk to up to £2.892 Million of SCRIF grant being clawed back if all of the project outputs are not achieved as per the terms and conditions of the grant <p><u>Mitigation</u></p> <p>SCC are entering into an agreement with Sheffield University to ensure that all possible financial risks arising from the agreement are passed onto the University.</p>	
<p><u>Main Conditions to fulfil :</u></p> <ul style="list-style-type: none"> - SCC must operate a tennis development programme and coaching programme. - £4,800 per annum Sinking fund to be established for future maintenance from Parks budget - LTA procurement guidance to be followed - There can be no change of use of facilities without prior agreement of LTA. This could still trigger claw back - 3 monthly monitoring to be provided to LTA for 10 years - If the project underspends the LTA have right to demand repayment of an amount of their grant. <p><u>Risks</u></p> <p>There are numerous clauses which can trigger claw back which will require careful ongoing monitoring for 10 years.</p>			<p>14</p>	

<p>Lawn Tennis Association</p>	<p>TBC</p>	<p><i>High Hazels Park Tennis Court</i></p>	<p>Clawback</p> <ul style="list-style-type: none"> - The claw back period of the grant is 10 years. Non-compliance with any of the grant conditions during the claw back period can trigger claw back of the full grant. <p>Mitigation</p> <p>Director of Culture and Environment has confirmed the sinking fund will be provided for from the service budget.</p> <p>Main Conditions to fulfil :</p> <ul style="list-style-type: none"> - SCC must operate a tennis development programme and coaching programme. - £3,600 per annum Sinking fund to be established for future maintenance from Parks budget - LTA procurement guidance to be followed - There can be no change of use of facilities without prior agreement of LTA. This could still trigger claw back - 3 monthly monitoring to be provided to LTA for 10 years - If the project underspends the LTA have right to demand repayment of an amount of their grant. <p>Risks</p> <p>There are numerous clauses which can trigger claw back which will require careful ongoing monitoring for 10 years.</p> <p>Clawback</p>	<p>30</p>
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				<ul style="list-style-type: none">- The claw back period of the grant is 10 years. Non-compliance with any of the grant conditions during the claw back period can trigger claw back of the full grant. <p>Mitigation Paul Billington has confirmed the sinking fund will be provided for from the service budget.</p>	
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