



Revenue Budget & Capital Programme Monitoring As at 31st December 2019

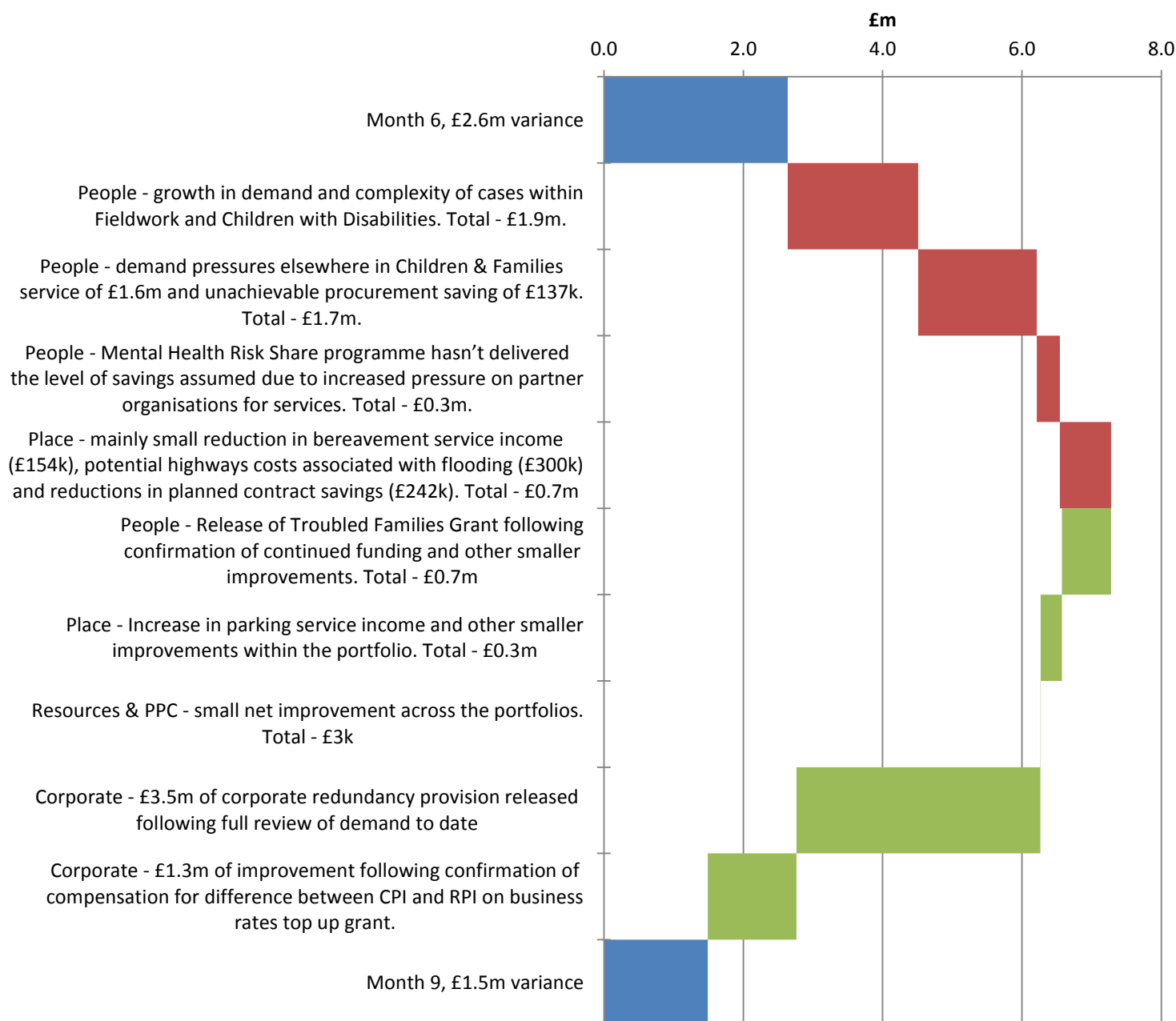
Report author: Dave Phillips, Head of Strategic Finance

Purpose of the Report

1. This report describes the budget monitoring position on the City Council's Revenue Budget and Capital Programme as at Month 9.

Summary

2. The Council's revenue budget is currently forecast to be overspent by £1.5m. The below graph summarises the movements toward this forecast outturn from the Month 6 position¹.



¹ [Item 11, Cabinet](#), 16th November 2019.

3. It should be noted that this position represents the worst case scenario, and represents significant improvements in the overall budget outturn since the Month 6 (£2.6m) and Month 2 (£5.4m) forecasts. Most (£6.8m) of the overspend is in the Children and Families Service, reflecting nation-wide and much publicised demand and cost pressures in Children's social care. The Council has made a significant investment in social care services within its 2019/20 Budget, and this investment is reflected in a much reduced forecast overspend compared to this time last year (a £10.9m overspend was forecast at Month 9 18/19). We expect this position will improve further over the course of the rest of this year, as measures to control demand and spending have further effects

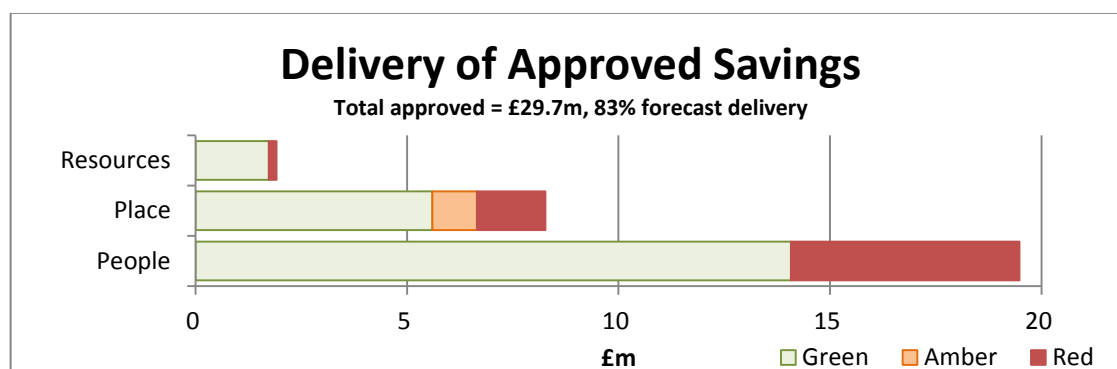
Portfolio Outturn Position

4. The below table summarises the Month 9 Outturn position split by individual portfolios. The movements to the Month 6 position are given in the above chart.

Portfolio	Forecast Outturn	Full Year Budget	Forecast Variance	Movement from Month 6
People	267,434	259,664	7,770	↑
Place	202,839	202,442	397	↑
Policy, Performance & Communications	2,747	2,828	(81)	↔
Resources	4,441	4,634	(193)	↔
Corporate	(475,970)	(469,569)	(6,401)	↓
Grand Total	1,491	-	1,491	↓

Savings Monitoring

5. The 2019/20 Budget approved £29.7m of savings within Portfolios. These savings are monitored by Business Partner Teams within Finance and Commercial Services to assess their prospects of delivery.
6. The below graph displays the amount of savings proposals categorised using the traffic light approach with the following parameters – Green (no more than 10% or £50k at risk of non-delivery), Amber (no more than 25% or £500k at risk) and Red (less than 75% deliverable, or more than £500k at risk).



7. The overall amount of savings considered at risk of non-delivery in the above is £5.0m, representing 17% of the original approved amount. This amount has worsened by 2% from 15% at Month 6, representing £699k of additional risk of non-delivery since Month 6. At Month 9, work is ongoing to secure the delivery of challenging savings and to identify other mitigations.

Dedicated Schools Grant (DSG)

8. At Month 9, the Council is forecasting a £1.9m overspend on DSG budgets. The key reasons for the £1.9m overspend are a forecast £1.4m overspend relating to SEND, mainly in placements, reflecting higher costs and demands for these placements, £229k overspend on Children with Disabilities placements in Children and Families, due to an increase in the number and costs for these placements and £215k overspend on Home to School Transport, due to an increase in demand and costs.
9. The movement from month 6 is an increase in the overspend of £400k, mainly due to an increase in demand for Special School places of £81k and in SEND Out of City Places of £49k and an increase in demand and cost of Home to School Transport of £161k.

Public Health

10. Public Health services are funded by Public Health Grant – any variances to budgeted expenditure will be managed by adjusting the drawdown of grant income to match, therefore Public Health variances will be nil in terms of net expenditure and therefore do not impact the above reported position. The Public Health reserve will be utilised in case of any overspend at year end – there is forecast to be no General Fund impact this year. This table demonstrates the variances to budget before the application of grant income.

Public Health	Forecast Outturn	Full Year Budget	Forecast Variance	Movement from Month 6	Variance Mth 6	Diff Mth 9 to Mth 6
People	27,955	27,390	565	↔	471	94
Place	2,816	2,872	(56)	↔	(42)	(14)
Director of Public Health	1,756	1,916	(160)	↔	(145)	(15)
Total	32,527	32,178	349	↔	284	65

11. The key reason for this position is additional costs relating to the sexual health services in Children's Public Health, relating to late commencement of the new contract (and services commissioned on the old basis in the interim), later implementation of improved delivery methods and the costs of the eventual contract. This results in a £565k overspend. This is partly offset by improvements in Place and Director of Public Health of a combined £216k. This is mainly due to reductions in spend on employees of £200k.
12. This position has worsened by £65k across the Council since the Month 6 Report. The Children's Public Health contract within People is now concluded, and extra costs have been identified in the implementation which explains this movement in forecast.

Housing Revenue Account

13. The HRA income and expenditure account provides a budgeted contribution towards funding the HRA capital investment programme of £3.3m. As at Month 9 there is a positive variance of £1.4m from this budgeted position.

Housing Revenue Account (<i>excluding Community Heating</i>)	Forecast Outturn	Full Year Budget	Forecast Variance	Movement from Month 6	Variance Mth 6	Diff Mth 9 to Mth 6
1. Net Income - Dwellings	(139,149)	(138,761)	(388)	↔	(327)	(61)
2. Other Income	(6,364)	(6,311)	(53)	↔	(42)	(11)
3. Tenant Services incl. Repairs & Maintenance	88,389	89,241	(852)	↓	456	(1,308)
4. Depreciation	39,284	39,284	0	↔	(0)	0
5. Interest on borrowing	13,186	13,265	(79)	↔	(15)	(64)
6. Contribution to Capital Programme	4,654	3,282	1,372	↑	(72)	1,444
Total	-	-	-	↔	0	(0)

14. The main factors influencing the outturn position are higher than budgeted rental income and an overall net decrease in repairs and running costs. The position on the account will be monitored throughout the year.

15. There is also an improvement within Community Heating of £47k, reflecting lower than expected usage due to milder weather.

Collection Fund

16. As at Month 9, the local share of the Collection Fund income stream is forecast to have an overall in-year surplus of £0.5m, made up of a £0.2m surplus on Council Tax and a £0.3m surplus on Business Rates. This position is discussed in more detail within **Appendix 1**.

Capital Summary

17. The approved capital programme budget for 2019/20 at 31 December 2019 was £165.1m. The overall outturn of expenditure against this approved budget is forecast to be £141.4m, representing a variance of £23.7m. Further monitoring of the Capital Programme is reported in **Appendix 2**.

Corporate Risk Register

18. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. There has been one significant addition to this Register since the Month 6 Report² to reflect the impact of the flooding in November 2019. This is reproduced in **Appendix 3**.

Implications of this Report

Financial implications

19. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2019/20, and it does not make any further recommendations that have additional financial implications for the City Council.

² Available at Note 1, above.

Equal opportunities implications

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

Legal implications

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

Property implications

22. There are no other property implications arising from the recommendations in this report this report.

Recommendations

23. EMT are asked to:

- (a) Note the updated information and management actions provided by this report and the attached appendix on the 2019/20 Revenue Budget Outturn.
- (b) In relation to the Capital Programme, note the forecast Outturn position described in **Appendix 2**.

Reasons for Recommendations

24. To record formally changes to the Revenue Budget and the Capital Programme.

Alternative options considered

25. 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.

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Collection Fund Monitoring

As at 31st December 2019

Summary

1. In 2019/20 approximately £315.6m of SCC net expenditure is forecast to be financed directly through locally collected taxation. This taxation is initially collected by the Council and credited to the Collection Fund.
2. As at the end of December, the local share of the Collection Fund Income Stream is forecasting an overall in-year surplus of £0.5m made up of a £0.2m surplus on Council Tax and a £0.3m surplus on Business Rates. Due to Collection Fund accounting regulations, this surplus is not available for in-year use and will be fed into the budget process for 2020/21.

Income Stream (all figures £m)	Budget 19/20	Forecast Year End Position	Variance
Council Tax	(216.3)	(216.5)	(0.2)
Business Rates Locally Retained	(99.3)	(99.6)	(0.3)
Total	(315.6)	(316.1)	(0.5)

Council Tax

3. The forecast year end position for Council Tax is a surplus of £0.2m. This is primarily because of an additional £2.0m of Council Tax income resulting from an increase in the number of dwellings and a reduction in Council Tax Support of £0.6m. This improvement is offset by a £2.4m increase in exemptions mainly due to increased student exemptions. This forecast surplus maintains the position as at Month 6.

Business Rates

4. The forecast year end position for Business Rates is a £0.6m surplus of which Sheffield's share is £0.3m. The £0.6m surplus is primarily made up of an increase on the Gross Rates Income Yield of £4.2m offset by an increase in reliefs of 0.9m, losses on collection of £1.0m and Transitional protection payments of £1.7m. Further analysis of the business rates position can be found on the following pages.

Collection Fund - Business Rates (all figures £m)	Budget 19/20	Forecast Year End Position	Variance
Gross Business Rates income yield	(262.7)	(266.9)	(4.2)
Estimated Reliefs	46.7	47.6	0.9
Losses on collection, appeals and increase/(decrease) to bad debt provision	11.0	12.0	1.0
Net Collectable Business Rates	(205.0)	(207.3)	(2.3)
Transitional Protection Payments due from Authority	2.7	4.4	1.7
Cost of Collection allowance	0.8	0.8	0.0
Non Domestic Rating Income	(201.5)	(202.1)	(0.6)
Appropriation of net business rates:			
Sheffield City Council (49.2%)	(99.3)	(99.6)	(0.3)
SY Fire Authority (1%)	(2.0)	(2.0)	-
Central Government (49.4%)	(99.5)	(99.8)	(0.3)
Designated Areas (0.4%)	(0.7)	(0.7)	-
Total Appropriations	(201.5)	(202.1)	(0.6)

Gross Rates Income Yield

5. The Gross Business Rates Income Yield has increased primarily due to delays in a major retail development. As part of the 2019/20 budget setting process, we built in an expected decline in gross business rates due to a large scale retail redevelopment. For the period of the redevelopment, it was expected that business rates income will drop due to affected hereditaments appealing and thus reducing their rateable value. This development has subsequently been delayed, and we are now forecasting no reduction in income relating to this development for 2019/20.

Reliefs and Discounts

Reliefs (all figures £m)	Budget 2019/20	Forecast Year End Position	Variance
Small Business Rates Relief	13.3	13.8	0.5
Transitional Relief	(2.7)	(4.4)	(1.7)
Mandatory Charity Relief	23.6	24.4	0.8
Discretionary Relief	1.5	0.7	(0.8)
Empty Property / Statutory Exemption	7.2	9.0	1.8
Partly Occupied Premises Relief	0.6	0.9	0.3
New discretionary reliefs	3.2	3.2	(0.0)
Total Reliefs	46.7	47.6	0.9

6. Most reliefs and discounts are generally awarded in full at the point of billing in March. The total level of reliefs awarded to the end of December amounts to £44.1m which is £2.6m below the £46.7m in the budget. These reliefs are expected to rise to £47.6m by year end.

Appeals

7. The 2019/20 Council budget anticipated £7.5m of in year refunds resulting from appeals. To date, the number of Check, Challenges and Appeals being processed by the VOA are significantly reduced on previous years. Data released by MHCLG in September 2019 show that there were over 130 Challenges and approximately 100 Checks outstanding for Sheffield.
8. There have been discussions with MHCLG and the VOA about the data that we receive with the hope of extracting more user friendly management information. These discussions are ongoing, and we anticipate seeing improved results in 2020/21.
9. The VOA have committed to resolving all outstanding 2010 list appeals bar for any in litigation by September 2019; this deadline has been met on the whole. There are currently 330 appeals outstanding relating to the 2010 list, however the majority of these relate to one major case currently under litigation.
10. The major case relates to Supermarkets and ATM's and whether the ATM's should have their own rateable value. The case is currently decided in favour of the parties bringing this suit and will see a significant reduction in rateable value if the ATM's are removed from the rating list .We have a prudent provision to meet all obligations should this be the eventual outcome. The VOA have been granted leave to appeal the latest decision by the Supreme Court, however this appeal is not expected to be heard for approximately 18 months.

Conclusion

11. The forecast in year position of a £0.5m surplus for Sheffield on the Collection Fund is healthy, and it is anticipated this has the potential to increase as new hereditaments come on line. Due to the size of the Collection Fund, a small percentage variation in income or expenditure over the coming months will have a significant impact on the forecast outturn. Monthly monitoring of the Collection Fund position is conducted to ensure that we are fully aware of any changes and the potential budget impacts.
12. The delay in the major retail development has had a positive impact on the current surplus. It should be noted however that the significant delay or cancellation of this major redevelopment will negatively impact on the long-term Business Rates growth forecast for the city.

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CAPITAL PROGRAMME MONITORING AS AT DECEMBER 2019

1 - Statement of Budget Movement

The table below summarises the movement in budget from month 6 to month 9 and Capital programme budget position as at December 2019.

	2019/20	2020/21	Future	Total	Comments
Month 6 Approved Budget	175.2	168.5	369.0	712.7	The key changes to the programme from month 6 relate to: ADDITIONS + £138m - Approval of Council Housing Stock Increase Block Allocation + £2.5m - General Cemetery Cremators VARIATIONS - £3.5m Reduction in block allocations for Communal Areas & Misc Essential Works for Housing Investment + £1.8m increase in usage of Disabled Facilities Grant REPROFILE + £6.1m - relates to partial approval of re-profiling of Block Allocation for Stock Increase Programme SLIPPAGE 19/20 - £1.8m Clean Bus Technology 19/20 - £0.3m Upper Don Valley Flood Scheme
Additions	1.9	9.2	132.0	143.1	
Variations	-0.4	-4.4	3.6	-1.2	
Reprofile	-9.5	6.0	9.6	6.1	
Slippage and Acceleration	-2.1	2.1	0.0	0.0	
Month 9 Approved Budget	165.1	181.4	514.2	860.7	

2 - Top 20 Projects by value as at December 2019

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2019/20. This group accounts for 56% of the 2019/20 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT	Current Year								Remaining Life of Project					Comments
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %	Delivery RAG	
Msf Finance	10,361	10,361	-	13,767	13,767	-	0.0%	NR	78,145	78,145	(0)	0.0%	NR	
Electrical Strategy	8,258	6,101	2,157	9,447	7,958	1,488	18.7%	G	13,958	13,958	0	0.0%	G	See item 5.2
Council Hsg Acquisitions Prog	4,988	5,582	(594)	7,061	7,318	(257)	-3.5%	G	42,200	41,922	278	0.7%	G	Slight revision to number of completions expected
Programme Management Costs Gf	2,710	2,710	(0)	5,419	5,420	(1)	0.0%	G	8,129	8,130	(1)	0.0%	G	
New Build Council Hsg Phase 2	2,262	4,448	(2,186)	4,130	5,377	(1,247)	-23.2%	G	5,389	5,389	0	0.0%	G	See item 4.5
Devonshire Quarter	3,832	3,790	42	4,245	5,100	(855)	-16.6%	NR	5,100	5,100	(0)	0.0%	NR	See item 4.9
Brownfield Site	1	-	1	401	4,990	(4,589)	-92.0%	NR	5,981	5,981	0	0.0%	NR	See item 4.1
Transport Efficiency	675	4,490	(3,815)	4,888	4,888	0	0.0%	NR	4,888	4,888	0	0.0%	NR	
Grey 2 Green Ph2	1,873	2,930	(1,258)	3,844	4,824	(980)	-20.3%	A	4,824	4,824	0	0.0%	A	See item 4.6
Astrea Academy	3,477	3,296	182	4,115	4,119	(4)	-0.1%	A	4,115	4,119	(4)	-0.1%	A	
B Laycock House New Build	1,664	1,579	85	2,837	3,615	(778)	-21.5%	A	16,116	16,116	(0)	0.0%	A	Second stage negotiations are have been extended but now largely complete
C Pepper Pot Building	1,791	1,811	(19)	3,006	3,186	(180)	-5.6%	A	17,240	17,240	(0)	0.0%	A	See Laycock House (above) same contract.
Pitched Roofing & Roofline	1,701	2,692	(991)	2,025	3,000	(975)	-32.5%	G	3,000	3,000	(0)	0.0%	G	See item 4.7
Disabled Grants	2,041	1,978	63	2,975	2,791	184	6.6%	G	8,975	8,791	184	2.1%	G	See item 5.5
Broadfield Road Junction	69	2,231	(2,163)	1,871	2,714	(843)	-31.1%	R	3,499	3,182	317	10.0%	R	See item 4.10
Adaptations	1,716	2,144	(428)	2,406	2,704	(298)	-11.0%	G	15,404	12,704	2,700	21.3%	G	Forecast includes figure for budget increase as part of Housing Programme refresh. Will be reflected in January monitoring
Clean Bus Technology	1,177	1,772	(595)	1,872	2,672	(800)	-29.9%	NR	4,472	4,472	(0)	0.0%	NR	Further issues awaiting invoices from bus companies
Garage Strategy-improvement	1,437	1,891	(454)	2,121	2,521	(400)	-15.9%	G	2,521	2,521	0	0.0%	G	Late start to contract resulting in slippage
S H Mgmt Fees Commissioned	1,879	1,879	-	2,505	2,505	-	0.0%	NR	15,309	12,676	2,633	20.8%	NR	Forecast includes figure for budget increase as part of Housing Programme refresh. Will be reflected in January monitoring
Srq Offices	1,291	1,533	(242)	6,640	2,501	4,139	165.5%	A	9,512	2,501	7,011	280.3%	A	See item 5.1
Top 20 Value	53,002	63,218	(10,216)	85,574	91,970	(6,396)	-7.0%		268,777	255,659	13,118			
Rest of Programme	29,834	43,055	(13,221)	55,832	73,160	(17,328)	-23.7%		612,224	605,026	7,198			
Total Capital Programme Value	82,836	106,273	(23,437)	141,406	165,129	(23,723)	-14.4%		881,001	860,686	20,315			
% of Programme within the Top 20	6.4%	59%	4.4%	61%	56%	27%			31%	30%	65%			

3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £23.7m below budget. This represents a reduction of £1.7m from the £25.4m below budget reported at Mth 6. The key variances by board are explained in the tables below.

The key underlying reasons for the movement are due to a reduction in budgets of £11m relating to slippage on Housing Growth and Housing Investment schemes which have been matched with revised forecasts. Net increased forecast expenditure on tenant payments under the Heart of The City II scheme account for the reduction in the forecast underspend against budget

BOARD	YEAR TO DATE			FULL YEAR			Comments
Values in £000	Actual	Budget	Variance	Forecast	Budget	Variance	
QUALITY OF LIFE	10,625	10,795	(170)	15,413	16,063	(649)	Slippage on City Centre Safety Scheme
HOUSING INVESTMENT	26,277	29,308	(3,032)	38,375	45,050	(6,675)	£4.5m Block allocations not expected to be utilised plus £1m slippage on previous roofing contract final payments, £0.4m slippage on Garage Improvements Strategy, £0.6m reprofiling of Regional Loans.
HOUSING GROWTH	13,256	16,840	(3,585)	21,226	28,816	(7,590)	See Items 4.1, 4.5, 4.9. Also £0.65m Stock acquisition spend now re-categorised as appropriation and £0.25m slippage on council housing acquisition programme.
ESSENTIAL COMPLIANCE & MAINT	2,637	7,256	(4,618)	8,686	9,609	(923)	Forecast saving on Sorby House FRA (£262k), slippage on Woodhouse Hub (£317k), Condition Surveys (£174k) remainder slippage on various Essential Replacement schemes
ECONOMIC GROWTH	6,215	8,848	(2,633)	10,603	12,478	(1,875)	See item 4.6 plus slippage on Culvert Renewal Scheme (£190k), Upper Don Valley Flood (£194k) and expected saving on BRT North due to refund (£277k) and IRR Junctions scheme (£169k)
PEOPLE CAPITAL & GROWTH	10,473	12,032	(1,558)	13,663	15,110	(1,447)	Slippage on Astrea Sports Pitch (£709k), failure to forecast DFG High Value Equipment (£431k - incorrect), potential saving on DFG funded Minor Works grants (£226k), Slippage on Aldine House Extension (£121k), Saving on Don Valley Academy Sports Hall (£121k) offset by Disabled Facilities Grant o/spend (See item 5.5)
HEART OF THE CITY II	8,137	11,057	(2,919)	20,387	20,180	207	See items 4.3, 5.1 and 5.4. In addition various slippage across remainder of programme due to development of phased approach.
TRANSPORT	3,250	8,065	(4,815)	10,619	15,155	(4,535)	See items 4.8 and 4.10 plus slippage on Kelham Parking (£570k), Portobello Crossing (£382k), Clean Bus Technology (£800k), slippage on Transforming Cities Projects (£738k) and various slippage on smaller schemes
CORPORATE	1,250	1,250	-	1,250	1,250	-	
GREEN & OPEN SPACES	716	823	(107)	1,182	1,420	(238)	Slippage on Ponderosa Park Improvements (£115k) and low level slippage on other schemes.
Grand Total	82,835.915	106,273	(23,437)	141,406	165,129	(23,723)	

4 - Top 10 Forecast Slippage against Full Year Budget

The table below illustrates that of the £15.8m main forecast underspends against budget, £3.1m relates to delays in schemes in delivery or where contract has been awarded. £11.9m relates to re-profiling of allocations not yet committed and £0.8m relates to the reprofile and increase of the budget for the Broadfield Road Junctions scheme now a programme of work has been agreed.

	Business Unit	Board	FY Budget	FY variance on budget	Explanation
4.1	Brownfield Site	HOUSING GROWTH	4,990	(4,589)	REPROFILE - This relates to block allocation for opportunistic acquisition of Brownfield sites to facilitate Housing Growth. No further purchases now expected in current financial year.
4.2	Waste Mgt & Estate Environmentals	HOUSING INVESTMENT	1,900	(1,900)	REPROFILE - This relates to block allocation for works on council Housing Stock. Now not anticipated to be utilised in current year.
4.3	Hoc li Infrastructure & Pr	HEART OF THE CITY II	2,082	(1,801)	REPROFILE - The budget represents a proportion of the pre-construction costs for each of the block appraisals relating to public realm and infrastructure. This is based on the cost plan split between building and infrastructure costs. However, as all blocks have slipped against budget profile and no material actual spend on Infrastructure & public realm, forecasting based on more realistic estimate of likely costs with balance of budget on contingency in 20/21 & 21/22.
4.4	H & S Essential Work	HOUSING INVESTMENT	1,737	(1,737)	REPROFILE - This relates to block allocation for works on council Housing Stock. Now not anticipated to be utilised in current year.
4.5	New Build Council Hsg Phase 2	HOUSING GROWTH	5,377	(1,247)	SLIPPAGE - Current year variation due to delay in progress on site. This delay does not impact on the current approved programme. Slippage approval presented to be presented as part of Housing Programme refresh
4.6	Grey 2 Green Ph2	ECONOMIC GROWTH	4,824	(980)	SLIPPAGE - Variation between Current Full Year budget and Latest Outturn Forecast Current Year due to slippage associated with programme delays. Also, the contractor's original cashflow has proven to be inaccurate and contract payments to date have been less than anticipated. Slippage approved January Cabinet will be reflected in Jan monitoring.
4.7	Pitched Roofing & Roofline	HOUSING INVESTMENT	3,000	(975)	REPROFILE - SRS - The final account has now been provisionally agreed in the sum of £6,071,574.41, this figure will not be altered unless further instructions are issued during the defect period for the final orders. A final payment will be made to release the remaining retention, which is forecast for April 2020. Kier - QS now forecasting a much reduced payment to Kier in 2019/20 following another month in which no payment was made. No payment expected in January and only forecasting payment totalling £250,00 for February and March. Estimate a total outstanding balance of £1,115,000 therefore a carry over of £865,000 would be required in 2020/21.
4.8	Ulev Rapid Chargers	TRANSPORT	1,117	(862)	SLIPPAGE - Due to tendering delays forecast completion is now Q1 20/21
4.9	Devonshire Quarter	HOUSING GROWTH	5,100	(855)	REPROFILE - This relates to block allocation for acquisition of sites at in the Devonshire Quarter to facilitate Housing Growth. No further purchases now expected in current financial year.
4.10	Broadfield Road Junction	TRANSPORT	2,714	(862)	OVERSPEND - SLIPPAGE - Delays in the scheme due to CPO issues and tender returns higher than initial estimate. Forecast overall overspend of £317,361. Shortfall to be funded from Local Transport Plan. Budget variation approved at cabinet. Will be reflected in January monitoring.
	Total		32,841	(15,789)	

5 - Top 10 Forecast Overspends over Full Year Budget

The table below indicates that of the current major in year forecast spends above budget 3 items represent genuine overspends, however funding is available the Disabled facilities Grant and Transforming Cities Fund and HRA respectively to cover these.

	Business Unit	Board	FY Budget	FY variance on budget	Explanation
5.1	Srq Offices	HEART OF THE CITY II	2,501	4,139	AWAITING APPROVAL - Forecast now included for payments to be made to retail/food and beverage tenants for fit out costs under lease agreements. Budget to accommodate this presented for approval this month.
5.2	Electrical Strategy	HOUSING INVESTMENT	7,958	1,488	ACCELERATION - Contractor works ahead of schedule. Variation to accommodate this presented for approval this month.
5.3	New Build Coun Hsg Ph 4a	HOUSING GROWTH	358	729	ACCELERATION - Updated profile based on contractors forecast now received. Variation to accommodate this approved as part of Housing Capital Review. Will be reflected in January monitoring.
5.4	Srq - Strategic Dev Partner	HEART OF THE CITY II	708	208	ACCELERATION - Acceleration in delivery partner works. Variation to accommodate this presented for approval this month.
5.5	Disabled Grants	PEOPLE CAPITAL & GROWTH	2,791	184	OVERSPEND - Slight overspend on most recent anticipated budget. However sufficient Disabled Facilities Grant Funds are held to fund this.
5.6	York - Ny Sub Region Hal	HOUSING INVESTMENT	119	124	AWAITING APPROVAL - Loan redemption income received to cover expected costs of new loans. Budget to reflect this approved as part of Housing Capital Programme Refresh. Will be reflected in January monitoring.
5.7	City Centre West Cycle Route	TRANSPORT	802	116	OVERSPEND - At final business case stage total costs have increased by £75k. However sufficient Transforming Cities Fund monies are held to meet this increased cost and budget increase will be reflected in January monitoring. No forecast committed this month. Therefore investigations on going as to whether £115k is revised overspend figure
5.8	Communal Areas-low Rise Flats	HOUSING INVESTMENT	450	110	OVERSPEND - Approval is being sought to meet the cost of the Gleadless Valley structural surveys and Going Local projects from this budget, and approval for the remaining retention payments to be made from this budget as it is currently insufficient at £450,000 for the current financial year to cover the total forecast spend. The additional funding of £110,000 required to meet these costs to be identified
5.9	Calderdale Rf Funds Hal	HOUSING INVESTMENT	-	79	AWAITING APPROVAL - A variation to be presented as part of the Housing programme refresh to increase the approved budget from £0 to £78,891 as loan redemption income of £78,891 has been received which will cover the cost of increased loan values
5.10	Don Valley School	PEOPLE CAPITAL & GROWTH	12	77	ACCELERATION - Remaining budget for IT equipment only. Expenditure on this occurring earlier than originally forecast.
Total			15,699	7,255	

6 - Key Issues and Risks

Key Issues

- **Housing Right To Buy 1-4-1 Receipts** - Buffer before repayment of 1-4-1 receipts is required is narrowing. Current estimates indicate between £4.3m and £4.9m eligible expenditure per quarter on new council housing must be incurred in 2020/21. Plans are in place to achieve this but will require careful monitoring.

Key Risks

- **Upper Don Valley Flood Defence Scheme**- Tender returns on this scheme have come in approx. £3.75m over the £4m budget allocation at Outline Business Case stage. value engineering works are ongoing, alongside negotiations with Environment Agency for additional funding. Key risk is that SCR have stated that no further grant funding will be made available to SCC until funding issues are resolved. **UPDATE** - In principle approval received from Leader to underwrite gap from CIF allowing contract to be awarded.

Changes to the Corporate Risk Register As at 30th September 2019

1. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. This was published alongside the 2019/20 Revenue Budget¹.
2. The following paragraphs contain significant amendments to that version.
3. The following has been added as a new risk, within the ‘Corporate Risks’ section. This should be read alongside the additions detailed within the Month 2² and Month 6³ Reports.

Flooding

- i. The Council has made significant investment into the flood defences within the city since the flooding in 2007. Despite this, and as the weather in November 2019 demonstrated, the risk of flood water overwhelming current flood defences remains. This would present a risk to thousands of homes and business and disruption to major road networks and other vital infrastructure (schools, health centres etc).
- ii. To mitigate this, the Council engages in regular flood risk assessment and flood defence maintenance and works in partnership with DEFRA and other government agencies. As the Lead Local Flood Authority, the Council has worked closely with the Environment Agency to develop the ‘Sheffield Flood Risk Management Strategy.’ The aim of the plan is to reduce the likelihood of flooding, provide more support to local communities to help individuals and groups take action to protect themselves, and improve the city’s environment.

¹ Available at [Sheffield.gov.uk](https://www.sheffield.gov.uk) for the Revenue Budget Book, Appendix 5 of Item 8 of March Council 2019.

² Available at [Sheffield.gov.uk](https://www.sheffield.gov.uk) – Item 12, July Cabinet.

³ Available at [Sheffield.gov.uk](https://www.sheffield.gov.uk) – Item 11, November Cabinet.

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