



Author/Lead Officer of Report:
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Finance Manager

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Report of: *Eugene Walker*
Report to: *Co-operative Executive*
Date of Decision: *19th January 2022*
Subject: *Capital Approvals for Month 08 2021/22*

Is this a Key Decision? If Yes, reason Key Decision:-
Yes No
- Expenditure and/or savings over £500,000
- Affects 2 or more Wards

Which Executive Member Portfolio does this relate to? ***Finance and Resources***

Which Scrutiny and Policy Development Committee does this relate to?
Overview and Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? (*Insert reference number*)

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

Purpose of Report:

This report provides details of proposed changes to the Capital Programme as brought forward in Month 8 2021/22.

Recommendations:

- Approve the proposed additions and variations to the Capital Programme listed in Appendix 1 (with the exception of Townhall Square Animation item in Section A) and Appendix 2, including the procurement strategies and delegate authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contracts.
- Delegates authority to the Executive Director of Resources in consultation with the Director of Legal and Governance to accept grant funding in respect of the Townhall Square Animation scheme and authorise inclusion of the related expenditure into the capital programme
- Approve the variations to the Housing Capital Programme as part of the annual programme refresh as detailed in Appendix 3
- Approve the acceptance of grants as detailed at Appendix 4
- Approve the making of grants to 3rd Parties as detailed at Appendix 5

Background Papers:

| Lead Officer to complete:- | | |
|---|--|----------------------------|
| 1 | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required. | Finance: <i>Tim Hardie</i> |
| | | Legal: <i>Nadine Sime</i> |
| | | Equalities: No |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> | | |
| 2 | EMT member who approved submission: | <i>Eugene Walker</i> |
| 3 | Executive Member consulted: | <i>Cate McDonald</i> |
| 4 | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. | |

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| Lead Officer Name: <i>Damian Watkinson</i> | Job Title: <i>Finance Manager Business Partner Capital</i> |
| Date: 21/12/21 | |

MONTH 08 2021/22 CAPITAL APPROVALS

1. SUMMARY

- 1.1 A number of new schemes and variations to existing schemes have been submitted for approval in line with the Council's capital approval process during the Month 08 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.
- 1.2 Below is a summary of the number and total value of schemes in each approval category:
- 8 additions of specific projects to the capital programme creating a net increase of £14.46m;
 - 12 variations creating a net reduction of £13.04m;
 - 1 variation to procurement route with no impact on budgets
 - 66 slippage and re-profiles of budgets with a value of £40.83m from 21/22 into future years with no impact on overall cost
 - Revisions to the Housing Capital Programme, to bring this in line with the annual HRA Business Plan review, including the addition of the 2026/27 indicative allocations creating a net increase of £167.2m
- 1.3 Further details of the schemes listed above can be found in Appendices 1, 2 and 3.
- 1.4 It has been well reported that there are significant issues over the availability and pricing volatility of labour and materials in the construction industry. This is set against activity in the construction industry being at some of the highest levels for several years. The following factors are all playing a role in creating the escalating challenge for industry:
- Rapidly rising freight costs, container availability and global transportation challenges
 - A shortage in global raw materials
 - A shortage of available haulier staff and capacity
 - Transitioning from CE to UKCA Health & Safety accreditation marking with insufficient product testing capacity
 - Establishment of new cross-border systems and processes
 - New EU related immigration rules
 - Ongoing impact of COVID on workforce

It is these factors that have been major contributors in level of slippage and budget reprofiling brought forward this month detailed at Appendix 2.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposed changes to the Capital programme will improve the recreational leisure facilities, schools, roads and homes used by the people of Sheffield, and improve the infrastructure of the city council to deliver those services.

3. BACKGROUND

This report is part of the monthly reporting procedure to Members on proposed changes to the Council's capital programme.

4. OUTCOME AND SUSTAINABILITY

- 4.1 By delivering these schemes the Council seeks to improve the quality of life for the people of Sheffield.

5. OTHER IMPLICATIONS

5.1 Finance Implications

The primary purpose of this report is to provide Members with information on the proposed changes to the City Council's Capital Programme further details on each scheme are included in Appendices 1, 2 and 3 in respect of schemes to be delivered and Appendix 4 in relation to grants to be accepted and Appendix 5 in relation to grants to be issued.

5.2 Procurement and Contract Award Implications

This report will commit the Council to a series of future contracts. The procurement strategy for each project is set out in Appendix 1. The award of the subsequent contracts will be delegated to the Director of Financial and Commercial Services.

5.3 Legal Implications

Any specific legal implications in this report are set out in Appendices 1,2 and 3 in respect of projects to be delivered, Appendix 4 in relation to grants to be accepted and Appendix 5 in relation to grants to be issued.

5.4 Human Resource Implications

There are no direct Human Resource implications for the Council.

5.5 Property Implications

Any specific property implications from the proposals in this report are set out in appendices 1,2 and 3.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 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.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield
- 7.2 To formally record changes to 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.
- 7.3 Obtain the relevant delegations to allow projects to proceed.

Finance & Commercial Services | Commercial Business Development

December 2021

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