REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 31 DECEMBER 2012

PURPOSE OF THE REPORT

1. This report provides the Month 9 monitoring statement on the City Council's Revenue Budget and Capital Programme for 2012/13. The first section covers Revenue Budget Monitoring and the Capital Programmes are reported from paragraph 71.

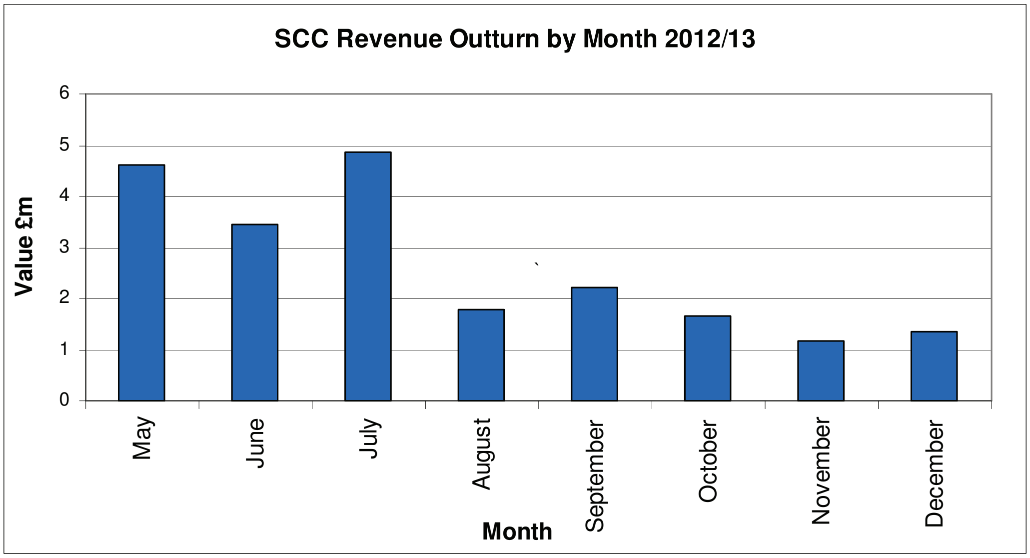
REVENUE BUDGET MONITORING

SUMMARY

2. The budget monitoring position at month 8 indicated a forecast overspend of £1.2m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 9 shows a forecast overspend of £1.3m to the year end: i.e. a forecast adverse movement of £190k since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
CYPF	81,709	82,306	(597)	⇔
PLACE	163,089	163,896	(807)	⇔
COMMUNITIES	171,989	168,750	3,239	⇧
DEPUTY CHIEF EXECUTIVE	12,062	12,018	44	⇔
RESOURCES	62,749	63,253	(504)	⇔
CORPORATE	(490,250)	(490,223)	(27)	⇔
GRAND TOTAL	**1,347**	**(0)**	**1,347**	⇧

3. The forecast outturn for SCC shows a reducing overspend from the £4.6m overspend reported in month 2 to £1.3m as at Month 9. The position month by month is shown in the following chart.



4. In terms of the month 9 overall forecast position of the £1.3m overspend, the key reasons are:

- Children Young People and Families (CYPF) are showing a forecast reduction in spending of £597k, due mainly to a £225k reduction in spending across a number of activities within Children and Families and the receipt of academic year funding within Lifelong Learning, Skills and Communities £461k.

- Place are showing a forecast reduction in spending of £807k, due primarily from staff vacancy savings across Development Services (£1.1m) and planned slippage of grant funded project spend within HERS of £780k. These savings are partly offset by a £227k overspend in Street Force for the costs of backdated pay and grading appeals, £300k within Culture and Environment mainly due to the funding stabilisation programme of Museums Sheffield (£500k) and forecast reductions in income within Development Services of £400k, predominantly within car parking.

- Communities are showing a forecast overspend of £3.2m, due to a £5.9m overspend in Care and Support relating to Learning Disability Services and the purchase of Older People's care. This is partly offset by the use of a £1.1m portfolio wide contingency and a £1.4m underspend created by the release of prior year funding in Social Care Commissioning.

- Resources are showing a forecast reduction in spending of £504k, due mainly to £497k savings on Central Costs and increased income within Commercial Services and Transport Services of £261k and £326k respectively. This reduction in spending is partly offset by a reduction in income of £321k within Legal Services and an overspend relating to delays in the employee reduction process within Business Information Solutions of £230k.

5. The reasons for the movement from month 8 are:

   - Communities are forecasting an adverse movement of £310k, due mainly to the increased cost of care purchasing of £417k, a £118k pressure as a result of increased demand for self directed support within Mental Housing Commissioning and £103k overspend due to reduction in eligible charges to capital from Private Sector Housing. These adverse movements are partly offset by staff savings totalling £390k within Contributions to Care and Provider Services.

Carry Forward Requests

6. Portfolios are requesting to carry forward a total of £1.5m into 2013/14. Details of the requests for approval are summarised in Appendix 1 of the report. The £1.5m is in addition to the £2.9m previously approved.

7. If all requests were approved the impact upon the 2012/13 outturn would be an adverse movement of £1.5m from £1.3m to £2.8m overspent. The recommendation to EMT and Members continues to be that no carry forward requests should be considered for approval until the overall SCC forecast outturn position reports a reduction in spending sufficient to cover any such requests.

INDIVIDUAL PORTFOLIO POSITIONS

CHILDREN YOUNG PEOPLE AND FAMILIES (CYPF)

Summary

8. As at month 9 the Portfolio is forecasting a full year outturn of a reduction in spending of £597k, an improvement of £96k from the month 8 position. The key reasons for the forecast outturn position are:

   - **Children and Families:** £225k reduction in spending, due to a reduction in spending on Early Years, Placements, Prevention and Early Intervention, Fostering Services and Placement strategy budgets.

   - **Lifelong Learning, Skills & Communities:** £461k reduction in spending, due to resources being received that will be used to fund future year activities. This relates to academic year grant funding of £322k. The service has requested that these resources be carried forward provided the Portfolio maintains a balanced budget position.

Financials (Non – DSG activity)

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS STRATEGY	13,903	13,869	34	⇔
CHILDREN & FAMILIES	54,191	54,416	(225)	⇔
INCLUSION & LEARNING SERVICES	5,591	5,536	54	⇔
LIFELONG LEARN, SKILL & COMMUN	8,024	8,485	(461)	⇔
GRAND TOTAL	**81,709**	**82,306**	**(597)**	⇔

Commentary

<u>DSG and Non DSG Budgets</u>

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

Non DSG Budgets

10. The forecast £597k reduction in spending on non DSG budgets is consistent with the Month 8 position.

DSG Budgets

11. The following is a summary of the forecast variance position on DSG budgets:

	Month 8 £000	Month 9 £000
Business Strategy	(165)	(166)
Children and Families	(186)	(194)
Inclusion and Learning Services	249	308
Lifelong Learning, Skills and Communities	0	0
	(102)	**(52)**

12. The key reason for the movement from the month 8 position is due to an adverse movement of £59k in Inclusion and Learning Services.

PLACE

Summary

13. As at month 9 the Portfolio is forecasting a full year outturn of a reduction in spending of £807k, prior to carry forward requests of £693k (i.e. £114k under budget). This is an improvement of £147k from the month 8 position. The key reasons for the forecast outturn position are:

- **Culture and Environment:** £300k overspend arising from additional grant payments made as part of a wider funding stabilisation programme for Museums Sheffield (£500k), offset to some extent by reductions in spend / additional income within parks and city centre management.

- **Development Services:** £694k reduction in spending due to staff vacancy savings across the whole service area (£1.1m), offset to some extent by reductions in income (£400k), largely within car parking and planning.
- **HERS:** £780k reduction in spending primarily from planned slippage of grant funded project spend (Local Growth Fund and Transitional Housing Market Renewal) into the following financial year.
- **Street Force:** £227k overspend due to costs of backdated pay and grading appeals and increased bad debt provisions.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS STRATEGY & REGULATION	31,982	31,964	18	⇔
CREATIVE SHEFFIELD	3,307	3,338	(31)	⇔
CULTURE & ENVIRONMENT	41,275	40,975	300	⇔
DEVELOPMENT SERVICES	84,660	85,354	(694)	⇔
HERS	1,166	1,946	(780)	⇔
MARKETING SHEFFIELD	1,146	1,037	109	⇔
STREET FORCE	(828)	(1,055)	227	⇔
SUSTAINABLE DEVELOPMENT	380	337	43	⇔
GRAND TOTAL	**163,089**	**163,896**	**(807)**	⇔

Commentary

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

Development Services

15. The current forecast for this activity is a £694k reduction in spending, an improvement of £23k this period.

16. The key risk is in securing £10m planned external fee income from planning, building regulation and car parking activities. Forecasts indicate a potential £907k shortfall, with an adverse movement this period of £169k. This is due to a reduction in the estimate of fees from potential large planning applications. The shortfall is however, being offset by £1.1m reductions in staff costs arising from vacancies across the whole service, an improvement of £108k this period.

17. Other key variances this period include Highway ‘patching’ work funded through LTP capital resources (£304k improvement) and a reduction in forecast slippage of spend in Local Growth Fund projects (£214k adverse).

HERS

18. The current forecast for this activity is a £780k reduction in spending, an improvement of £76k on the previous period.
19. The improvement is due to an increase in the planned slippage of Local Growth Fund project spend into the following financial year, which now totals £570k. The ultimate value of the slippage may still change depending upon progress made in the actual delivery of the projects.
20. Excluding carry forward requests, the service is forecast a £152k reduction in spending, largely due to staff savings arising from the completion of the capital delivery service restructure earlier than had been anticipated.
21. It should be noted that a key in-year risk is emerging around the potential for grant ‘clawback’ following a recent European audit. Officers are currently reviewing an initial report with a view to mitigating issues identified.

COMMUNITIES

Summary

22. As at month 9 the Portfolio is forecasting a full year outturn of an overspend of £3.2 million, an adverse movement of £310k from the month 8 position. The key reasons for the forecast outturn position are:
    - **Business Strategy:** a forecast £1.1m reduction in spending against budget, due to contingencies held in Portfolio-Wide Services to offset overspends on care purchasing budgets (especially in Learning Disabilities (LD) services). This is a slight improvement on last month’s forecast position.
    - **Care and Support:** a forecast £5.9m overspend, due to LD purchasing (£2.7m), LD Transport contract (£216k), Provider Services (£458k), Adult Social Care purchasing (£3.6m), with some reductions in Assessment & Care Management staffing costs against budget. These overspends are offset, to some degree, by a reduction in spending in Housing-Related Services of £220k. This forecast is an adverse movement of £225k from the previous month.

- **Commissioning:** a forecast reduction in spending against budget of (£1.4m) due to Mental Health Commissioning – £738k overspend on care purchasing. Social Care Commissioning – (£2.0m) reduction in spending against budget as a result of the release of funds unspent in previous years into 2012/13 revenue budgets and reduction in spending on LD ex-Health care and accommodation provision. Housing Commissioning – (£161k) net reduction in spending against budget across several areas, reported in detail in PLT/SMT reports. This forecast is an adverse movement of £171k compared to last month, detailed reasons for which are given below.
- **Community Services:** a forecast reduction in spending against budget of £106k – an improvement of £32k compared to last month's position.
- **General:** following an analysis of the trends in activity and spend, the Chief Executive has raised the issue of cost transfer from the NHS to adult social care and discussions are taking place on how this can be addressed to the satisfaction of both parties.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS STRATEGY	12,573	13,710	(1,137)	⇔
CARE AND SUPPORT	109,851	103,939	5,912	⇧
COMMISSIONING	38,769	40,198	(1,430)	⇧
COMMUNITY SERVICES	10,796	10,903	(107)	⇔
GRAND TOTAL	**171,989**	**168,750**	**3,239**	⇧

Commentary

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

Care and Support

24. A forecast £5.9m overspend against budget. This is an adverse movement of £225k from the previous month and is due to:

- **Assessment & Care Management (A&CM):** adverse movement of £417k, mainly due to an increase in care purchasing over spend, resulting from ongoing pressures from Continuing Health Care (CHC) and the impact of the Right First Time Project (including Home of Choice). These demands are exceeding savings from Community Access and Reablement Services and Self Directed Support efficiencies. This adverse movement in A&CM would have been

£1.3m but for £879k being made available now from PCT for "Winter Pressures".

- **Contributions to Care (income):** improvement of £115k, due to savings in salary costs in the teams associated with generating and collecting income.
- **Joint Learning and Disability Service:** The adverse movement of £222k is due to an increase in care purchasing over spend of £264k, due to ongoing pressures from CHC offset by savings in employee and agency costs.
- **Provider Services:** improvement of £275k due to better deployment of staff and reduction in use of overtime and bank staff.

Commissioning

25. A forecast £1.5m reduction in spending against budget. This is an adverse movement of £171k from the previous month. The movement this month is due to:

- **Housing Commissioning –** adverse movement of £103k due to reduction in eligible charges to capital from Private Sector Housing.
- **Mental Health Commissioning:** adverse movement of £118k due to increased demand for self directed support.
- **Social Care Commissioning:** (£50k) favourable movement as a result of a net reduction in pay costs and identification of extra income.

Community Services

26. A forecast £107k reduction in spending against budget. This is a favourable movement of £33k from the previous month.

General

27. Following an analysis of the trends in activity and spend, the Chief Executive has raised the issue of cost transfer from the NHS to adult social care and discussions are taking place on how this can be addressed to the satisfaction of both parties.

RESOURCES

Summary

28. As at month 9 the Portfolio is forecasting a full year outturn of a reduction in spending of £504k, consistent with the month 8 position. The key reasons for the forecast outturn position are:

- **Commercial Services (savings):** £261k additional income due to achieving increased savings.
- **Property and Facilities Management:** £218k reduction in spending mainly due to improved forecasting on Asset Management and Commercial Estate.
- **Transport:** £326k reduction in spending in Transport mainly due to additional income on Central Transport.
- **Central costs:** £497k reduction in spending in central costs.

29. Offset by:

- **Business Information Solutions:** £230k overspend due to anticipated delay in MER process required to make staff savings.
- **Customer Services:** £261k overspend due to transfer of operational costs from the Customer First Programme.
- **Legal Services:** £321k overspend, £151k due to reduction in non-core income and £88k forecast spend on corporate work, primarily Digital Region and leadership team time.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
BUSINESS INFORMATION SOLUTIONS	631	401	230	⇔
COMMERCIAL SERVICES	1,919	1,904	15	⇔
COMMERCIAL SERVICES (SAVINGS)	(1,074)	(820)	(254)	⇧
CUSTOMER FIRST	5,853	5,853	(0)	⇔
CUSTOMER SERVICES	3,152	2,891	261	⇧
FINANCE	2,432	2,443	(11)	⇔
HUMAN RESOURCES	849	814	35	⇔
LEGAL SERVICES	2,566	2,245	321	⇩
PROGRAMMES AND PROJECTS	1,687	1,749	(62)	⇔
PROPERTY AND FACILITIES MGT	31,192	31,410	(218)	⇩
TRANSPORT	122	448	(326)	⇩
TOTAL	49,330	49,338	(8)	⇩
CENTRAL COSTS	13,906	12,913	993	⇧
BENEFIT SUBSIDY	(487)	1,002	(1,489)	⇔
GRAND TOTAL	**62,749**	**63,253**	**(504)**	⇔

Commentary

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

Customer Services

31. An adverse movement of £165k from the previous month due to inclusion of additional staffing costs previously assumed to be charged to the Customer First programme.

Commercial Services (savings)

32. An adverse movement of £252k from the previous month due to inclusion of costs from the E-Business programme.

Legal Services

33. An improvement of £102k from the previous month due to a reduction in work load on corporate legal issues in 2012/13.

Property and Facilities Management

34. An improvement of £202k from the previous month due to the assumption that Kier and Legal fees charged to Commercial Estate can be funded through the top-slicing of disposal receipts. This assumption needs to be reviewed and confirmed in Month 10.

Transport

35. An improvement of £109k from the previous month is in the main due to an improved position within Transport Fleet Management.

Central Costs

36. Central costs (excluding Capita) are continuing to forecast a £2m reduction in spending. The Capita contract costs have worsened by £148k since Month 8, mainly on ICT. The overall position has worsened by £136k.

Central Costs	Forecast Variance Month 9 £ 000	Forecast Variance Month 8 £ 000
Capita – Control Account	599	599
Capita – ICT BIS	378	233
Capita – Finance	491	488
Capita - HR	132	132
Sub total Capita	**1,600**	**1,452**
Benefits subsidy	(1,489)	(1,489)
Other Central Costs	(608)	(596)
Total	**(497)**	**(633)**

DEPUTY CHIEF EXECUTIVE'S

Summary

37. As at month 9 the Portfolio is forecasting a full year outturn of an overspend of £44k, an improvement of £36k from the month 8 position. The key reasons for the forecast outturn position are:

- £161k overspend in Modern Governance mainly due to increasing election costs (£260k overspend), delay in spending the DEFRA grant for reservoir flood planning (£57k reduction in spending) and staff and IT savings in Democratic Services (£73k reduction in spending).
- Offset by £111k reduction in spending in Business Development due to salary sacrifice and vacant posts.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 8
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	⇔
BUSINESS DEVELOPMENT	2,593	2,704	(111)	⇔
HEALTH IMPROVEMENT	211	211	0	⇔
MODERN GOVERNANCE	3,891	3,730	161	⇔
PERFORMANCE AND CORP PLANNING	815	787	28	⇔
POLICY,PARTNERSHIP,AND RESEARCH	3,524	3,557	(33)	⇔
GRAND TOTAL	**11,033**	**10,989**	**44**	⇔

Commentary

There are no significant changes from the previous month.

CORPORATE ITEMS

Summary

38. As at month 9, the Corporate Budgets are forecasting a reduction in spending of £27k which is consistent with month 8. The table below shows the items which are classified as Corporate and which include:

- Corporate Budget Items: corporate wide budgets that are not allocated to individual services / portfolios, including capital financing costs and the provision for redundancy / severance costs.
- Corporate Savings: the budgeted saving on review of management costs and budgeted saving from improved sundry debt collection.
- Corporate income such as Formula Grant and Council tax income, some specific grant income and contributions from reserves.

Financials

	FY Outturn £'000	FY Budget £'000	FY Variance £'000
Corporate Budget Items	44,885	45,478	-593
Savings Proposals	-1,222	-1,794	572
Income from Council Tax, RSG, NNDR, other grants and reserves	-533,913	-533,907	-6
Total Corporate Budgets	**-490,250**	**-490,223**	**-27**

39. Corporate Budget items are showing a forecast reduction in spending of £593k, due mainly to the temporary reduced cost of borrowing and increased investment income within the capital financing budget of £500k, and the recovery of previous years' National Non-Domestic Rates (NNDR) overpayments of £93k. This forecast is consistent with month 8.

40. The forecast overspend on Savings Proposals of £572k relates to a reassessment of the sundry debt collection rates and subsequent revision, based upon month 9 actuals. This forecast is also consistent with the month 8 position.

LOCAL GROWTH FUND

41. The position on the Local Growth Fund is as follows:

	Total Allocated £000	2012/13 Spend to Date £000	Unspent Balance £000
Approved Schemes	4,889	612	4,277
Schemes Pending Approval	0		0
Unallocated Balance	444		444
Total Fund	**5,333**	**612**	**4,721**

42. Proposals are being prepared which is expected to lead to the unallocated amount being fully committed over the next few months.

HOUSING REVENUE ACCOUNT

43. The budgeted position for the HRA was a draw down from reserves of £1.3m (excluding Community Heating). As at month 9 the forecast outturn position is a projected in-year surplus of £7.6m. After making a contribution of £0.4m to the Capital Programme the projected net surplus will be £7.2m compared with a budgeted deficit of £1.3m. This is an improvement of £8.5m on the budgeted position.

44. The main reason for the variation in the overall budget position relates to an anticipated reduction in capital financing costs. The overall reduction is estimated to be around £6.2m. This is primarily as a result of access to more attractive interest rates.

45. Although some of this overall saving on interest rates is sustainable, some is a one off. Now that the HRA is self-financing, the Council will have to consider the longer term risks on interest rates and ensure that its 30 year business plan includes a sustainable level of debt, factoring in the cost of the additional capital investment required to fund the backlog

maintenance. This will be considered as part of the refresh of the HRA business plan later this year.

46. Other main areas that contribute to the improved year end forecast position include revised rental income £270k; a reduction in the level of vacant properties £387k and related council tax savings of £287k; revised service charge income £364k; a reduction in running costs £602k and a delay in a number of projects £475k.

47. **Community Heating:** The budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 9 the forecast position remains the same as previously reported with a draw down of £700k from reserves resulting in a reduction in spending of £300k. This is primarily due to an estimated reduction in energy costs and invoiced consumption.

CORPORATE FINANCIAL RISK REGISTER

48. The Council maintains a Corporate Financial Risk Register which details the key financial risks facing the Council at a given point in time. The most significant risks are summarised in this report for information together with a summary of the actions being undertaken to manage each of the risks.

Digital Region

49. The Council is providing £4m in loans to the Company and as a shareholder carries further rights and responsibilities. The Company's sales are proving slow to take off, leading to changes in the Business Plan and the procurement of a new private sector partner. The Council faces risks on its direct investment, as well as on guarantee clauses to key contractors. Provision has been made in the 2011/12 accounts for the potential capitalised costs of the losses on current operations and the procurement, but the final costs will only be clarified as the procurement is finalised from April 2013.

Capital Receipts & Capital Programme

50. Failure to meet significant year on year capital receipts targets due to depressed market and reduced Right-to-Buys, resulting in potential over-programming / delay / cancellation of capital schemes.

51. Building Schools for the Future Programme Affordability – Latest projections indicate that the affordability gap in the capital programme for the secondary schools estate, which must be underwritten by the

Council, is in the order of £9m to £12m. This requirement has been identified in the Council's Capital Programme.

Pension Fund

52. Bodies whose Pension liability is backed by the Council are likely to find the cost of the scheme a significant burden in the current economic context. If they become insolvent the resulting liability may involve significant cost to the Council.

Electric Works

53. The running costs of the business centre are not covered by rental and other income streams. The approved business plan set-aside contingency monies to cover potential deficits in its early years of operation. However, there remains a risk that the occupancy of units within Electric Works might be slower (lower) than that assumed within the business case, such that the call on the contingency is greater (earlier) than planned.

54. A refresh of the financial model was undertaken for 2011/12 budgeting purposes and again for 2012/13. The assumed level of occupancy for 2011/12 was 68% and the actual achieved was 64%. Most of the income shortfall was made up from conference lettings and virtual services. A target of 78% has been set for 2012/13. At December, the target was 79% but the actual is only 63%, mainly as the result of the termination of a tenant's licence due to trading conditions. A report on the future of Electric Works will be brought to Members in 2013.

Contract Spend

55. The high and increasing proportion of Council budgets that are committed to major contracts impairs the Council's flexibility to reduce costs or reshape services. This is exacerbated by the fact that in general these contracts carry year-on-year inflation clauses based on RPIx which will not be available to the Council's main funding streams, e.g. Council Tax, RSG and locally retained Business Rates.

Economic Climate

56. There is potential for current adverse economic conditions to result in increased costs (e.g. increased homelessness cases) or reduced revenues.

57. The Council seeks to maintain adequate financial reserves to mitigate the impact of unforeseen circumstances.

NHS Funding Issues

58. There are significant interfaces between NHS and Council services in both adults' and children's social care. The Council has prioritised these services in the budget process, but savings have nevertheless had to be found. Working in partnership with colleagues in the Health Service efforts have been made to mitigate the impact of these savings on both sides. However, ongoing work is required now to deliver these savings in a way that both minimises impacts on patients and customers and minimises financial risks to the NHS and the Council.

59. The Council is participating in the Right First Time (RFT) programme with the Clinical Commissioning Group (CCG) and Hospital Trust. This programme aims to shift pressures and resources from the hospital to community settings over the longer term, which should assist the Council in managing adult social care pressures. However, there are short-term pressures from the programme changes that are adding costs to the Council.

Housing Regeneration

60. There is a risk to delivering the full scope of major schemes such as **Parkhill** and **SWaN** because of the severe downturn in the housing market. This could result in schemes 'stalling', leading to increased costs of holding the sites involved, and in the case of SWaN, potential exposure to termination payments. In addition, the ending of the Housing Market Renewal programme has caused funding pressure on the Council's capital programme, e.g. on site clearance work and in enabling further phases of commenced demolition schemes.

Trading Standards

61. There is a low risk that it will not be possible to recover outstanding contributions from the other South Yorkshire Authorities. However, negotiations are in the final stages and there is an expectation that an agreement will be reached.

External Funding

62. The Council makes use of a number of grant regimes, central government and European. Delivering the projects that these grants fund involves an element of risk of grant claw back where agreed outputs are not delivered. Strong project management and financial controls are required.

Academies & Independent Schools

63. It is currently anticipated that 21 (12 primary / 9 secondary) of the Council's maintained schools will have become independent academies during 2012/13. To date 16 schools (7 primary / 9 secondary) have converted in 2012/13. In 2013/14 a further 20 academy conversions are currently anticipated (18 primary / 2 secondary).

64. Academies are entitled to receive a proportion of the Council's central education support services budgets. Based on projected academy conversions it is estimated that:

- In 2012/13 up to £700k of DSG funding will be deducted from the Council and given to the Academies. For 2013/14, it is estimated that up to £1.75 million of DSG funding will be given to academies.
- In 2013/14 it is estimated that up to £3.25 million will be deducted from the Council's DCLG funding, under the new Education Services Grant (ESG), and given to academies.

65. If an academy is a sponsored conversion then the Council will have to bear the cost of any closing deficit balance that remains in the Council's accounts. It is estimated that this may be up to £750k based on current projected academy conversions.

66. Where new independent schools (free schools) or Academies are set up and attract pupils from current maintained PFI schools, then the funding base available to pay for a fixed long term PFI contract would reduce, leaving the Council with a larger affordability gap to fund. There are also further potential risks if a school becoming an academy is a PFI school, as it is still unclear how the assets and liabilities would be transferred to the new academy and whether the Council could be left with residual PFI liabilities.

Treasury Management

67. The ongoing sovereign-debt crisis is subjecting the Council to significant counterparty and interest-rate risk. Counterparty risk arises where we have cash exposure to banks and financial institutions who may default on their obligations to repay to us sums invested. There is also a real risk that the Eurozone crisis could impact upon the UK's recovery, which in turn could lead to higher borrowing costs for the nation.

68. The Council is mitigating counterparty risk through a prudent investment strategy, placing the majority of surplus cash in AAA highly liquid and diversified funds. Ongoing monitoring of borrowing rates and forecasts will be used to manage our interest-rate exposure.

Welfare Reforms

69. The government is making changes to the Welfare system, phased in over the next few years, which will have a profound effect on council taxpayers and council house tenants in particular. The cumulative impact of these changes will be significant. Changes include:

- Abolition of council tax benefit – due from April 2013 to be replaced by a local scheme. It will be cash limited and subject to a 10% reduction from current levels. The Council approved a replacement scheme, including a hardship fund in January 2013, but there are risks to council tax collection levels and pressures on the hardship fund.

- Housing Benefit changes – there are a number of proposals where the anticipated impacts are that a number of claimants will receive fewer benefits than they do now, thereby impacting on their ability to pay rent.

- Introduction of universal credit – from October 2013 administered by DWP. Along with the impact of reducing amounts to individuals and the financial issues that might cause, the biggest potential impact of this change is the impact on the HRA and the collection of rent. This benefit is currently paid direct to the HRA; in future this will be paid direct to individuals. This will potentially increase the cost of collection and rent arrears. There will also be an impact on the current contract with Capita and internal client teams.

Housing Revenue Account (HRA)

70. There are a number of future risks and uncertainties that could impact on the 30 year HRA business plan. As well as the introduction of Universal Credit, outlined in the risk above, the main identified risks to the HRA are:

- Interest rates – fluctuations in the future levels of interest rates have always been recognised as a risk to the HRA.

- Repairs and Maintenance – existing and emerging risks within the revenue repairs budget include unexpected increased demand (for example due to adverse weather conditions).

THE CAPITAL PROGRAMME FOR 2012/13

Summary

71. At the end of December 2012, capital expenditure so far to date is £35.3m (29%) below budget. The outturn forecast is £45.3m (24%) below the Approved Capital Programme. £29m of the shortfall is due to slippage and requests have been submitted to the February Cabinet meeting for approval to roll this underspend into 2013/14.

72. The variation in the year to date position arises mainly from either operational delays (£4.3m); project slippage (£6.1m) and incorrect budget profiling of (£21.9m). During the month of December, expenditure was £6.3m (52%) below the programme budget. The main cause for this variation is due to incorrect budget profiling which is affecting all portfolios.

73. The forecast for the year shows all portfolios below profile against the approved programme. The forecast, at £146.4m, is £5.5m lower than the Month 8 position (£151.9m) with the biggest movements being in Place (down £2.6m) and CYPF (down £1.9m). Further detail can be found in the specific sections below.

Financials 2012/13

Portfolio	Spend to Date £000	Budget to Date £000	Variance £000	Full Year Forecast £000	Full Year Budget £000	Full Year Variance £000
CYPF	35,225	45,997	(10,772)	58,581	72,563	(13,982)
Place	12,499	22,570	(10,072)	22,639	30,488	(7,849)
Housing	31,875	36,744	(4,869)	49,319	60,857	(11,538)
Communities	809	1,852	(1,043)	2,132	3,096	(964)
Resources	5,455	13,976	(8,521)	13,802	24,746	(10,943)
Grand Total	**85,863**	**121,140**	**(35,277)**	**146,474**	**191,750**	**(45,276)**

Commentary

Children, Young People and Families Programme

74. CYPF capital expenditure is £10.8m (23%) below the profiled budget for the year to date and forecast to be £14m (19%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	0	-7,060
Slippage on Devolved Budgets	0	-3,000
Operational delays in projects due to planning, design or changes in specification	-2,044	-20
Revised profile for Building Schools for the Future programme	-2,829	0
Incorrect budget profiles	-4,305	0
Under spending on project estimates	-187	-2,832
Other variances	-1,407	-1,071
	-10,772	-13,982
Spend rate per day	188.4	236.2
Required rate to achieve Outturn	583.9	
Rate of change to achieve forecast	210.0%	

75. The cause of the £14m forecast shortfall against the Budget is due to slippage with £3m on the Devolved Formula Capital; £5m on BSF, £700k on the Foster Carers Housing Extension project, £500k on Grace Owen Nursery and £300k within the Primary Prioritisation Programme. A further £2.8m of forecast under spend against approved amounts has been identified on various primary school programmes.

Place Programme

76. The Place portfolio programme (excluding Housing) is £10.1m (45%) below the profiled budget for the year to date and forecast to be £7.8m (26%) below the programme by the year end for the reasons set out in the table below. The main reason for forecast variance to date is due to delayed forecasting by project managers £3.2m. A further £3.1m variation is to reflect the reduction to the overall Highways Maintenance Grant as a result of the move to the Highways PFI contractor. With regard to the £10.1m year to date budget variance this is spread across all projects and programmes with no single project creating the majority of the variance.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-2,585	-1,122
Operational delays in projects due to planning, design or changes in specification	-1,422	-322
Delayed forecasts	0	-3,198
Projects submitted for Approval	106	-3,131
Overspending on project estimates	-216	403
Other variances	-2,161	-480
	-10,072	-7,849
Spend rate per day	66.8	91.3
Required rate to achieve Outturn	253.5	
Rate of change to achieve forecast	279.3%	

Housing Programme (Place Portfolio)

77. The Housing capital programme is £4.9m (13%) below the profiled budget for the year to date and forecast to be £11.5m (19%) below the programme by the year end for the reasons set out in the table below.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage to be carried forward	-1,889	-8,394
Operational delays in projects due to planning, design or changes in specification	-892	0
Incorrect budget profiles	-309	0
Projects submitted for Approval	-2,877	357
Home Improvement grants held on behalf of other local authorities	103	-972
Under spending on project estimates	-2,582	-1,646
Other variances	3,578	-883
	-4,869	-11,538
Spend rate per day	170.5	198.9
Required rate to achieve Outturn	436.1	
Rate of change to achieve forecast	155.9%	

78. The main reason for this month's variation is due to slippage (£8.4m) within the Delegated Capital Schemes managed by Sheffield Homes which equates to 14% of the under spend against this year's Housing budget.

Communities

79. The year to date spend on the Communities portfolio capital programme is £1m (56%) below the profiled budget and the forecast (£1m, or 31% below budget) suggests this will not be recovered. £596k relates to slippage on the implementation of the ICT infrastructure project (£275k) and (£322k) Community Building Maintenance which is on hold pending the outcome of the review of Community Investment Plan.

Resources

80. The year to date spend is £8.5m (61%) below the programme and forecast to be £10.9m (44%) below the approved budget for the whole year.

81. The key reasons for the variance are below.

Cause of Change on Budget	**Year to Date £000**	**Full Year Forecast £000**
Slippage to be carried forward	-529	-8,822
Incorrect budget profiles	-4,626	0
Delayed Forecasts	0	-1,481
Overspending on project estimates	-212	0
Other variances	-3,154	-640
	-8,521	-10,943
Spend rate per day	29.2	55.7
Required rate to achieve Outturn	208.7	
Rate of change to achieve forecast	615.4%	

82. The year end forecast position is £10.9m under budget and comprises of the following:

- £2.6m slippage on the Accommodation strategy;
- £5.2m slippage on the Moor Indoor market;

- £505k slippage on the Asset Enhancement project which is designed to make vacant sites more attractive to potential developers; and

- £421k slippage on roof and lift replacement at the Town Hall.

83. Recognising the position on the above projects, slippage requests totalling £9.7m have been submitted to Cabinet and will be considered on 13th February which will substantially reduce the current reported variance.

Approvals

84. A number of schemes have been submitted for approval in line with the Council's agreed capital approval process.

85. Below is a summary of the number and total value of schemes in each approval category:

- 4 additions to the capital programme with a total value of £2.6m;
- 5 variations to the capital programme creating a net decrease of £150k;
- 1 accelerated spend request totalling £425k;
- 1 procurement strategy;
- 1 instance where Executive Directors in consultation with Cabinet Members have exercised their delegated powers to make emergency approvals; and
- 2 instances where directors have exercised their delegated powers to vary approved expenditure levels.

86. Further details of the schemes listed above can be found in Appendix 2.

FINANCIAL IMPLICATIONS

87. The primary purpose of this report is to provide Members with information on the City Council's Budget Monitoring position for 2012/13 and, as such it does not make any recommendations which have additional financial implications for the City Council.

EQUAL OPPORTUNITIES IMPLICATIONS

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

PROPERTY IMPLICATIONS

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

RECOMMENDATIONS

90. Members are asked to:

    (a) Note the updated information and management actions provided by this report on the 2012/13 budget position.

    (b) In relation to the Capital Programme:

        (i) the proposed additions to the capital programme listed in Appendix 2, including the procurement strategies and delegations of authority to the Director of Commercial Services or Delegated Officer, as appropriate, to award the necessary contracts following stage approval by Capital Programme Group;

        (ii) the proposed variations and slippage in Appendix 2; and note the EMT approved variations;

        (iii) approve the variations at Appendix 2 which are within its delegated authority, and note;

        (iv) the latest position on the Capital Programme; and

        (v) the variations approved by Directors under their delegated authority and the use of the Emergency Approval process as recorded in Appendix 2.

REASONS FOR RECOMMENDATIONS

91. 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

92. 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.

Eugene Walker
Director of Finance

Appendix 1

Portfolio - Carry Forward Requests

CYPF

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
Lifelong Learning, Skills and Communities	Skills Funding Agency	322	The grant received is to cover an academic year and therefore spans two financial years. This is an ongoing issue in the Council's accounts due to the changes in accounting procedures whereby the grant has to be drawn down to revenue when it is received not used.	To ensure schools / college programmes are funded from April 2013 to August 2013.
Lifelong Learning, Skills and Communities	City Skills Fund	39	SCC holds City Skills Funding on behalf of City Region Local Enterprise Partnership and is accountable for its distribution. Funding for the expenditure is not received in line with the budgeted spend.	Cabinet, in month 3, approved £350k to be carried forward. The additional request reflects further projected underspend within the year against the fund.
Lifelong Learning, Skills and Communities	Youth	50	The original spending plan included a specific budget for Youth Justice Support Workers which has not been utilised due to a delay in the recruitment process.	This underspend is 40% funded by Partnership Organisations that will clawback the funding if unspent.
	Total	411		

PLACE

Service	Funding	Request Amount £'000	Why not spent this year	Reason for carry forward
HERS	Local growth fund (LGF)	570	This is the first year of the LGF programme, where design and 'bedding-in' of governance arrangements meant both approval of and subsequent spend on a number of projects occurred part way through the current financial year.	To 'match' approved funding with the revised profile of planned spend on the LGF Programme.
HERS	Transitional housing market renewal fund grant	58	Grant received for the Sheffield City Region Partnership. It is being drawn-down by the Board on approval of specific business cases.	To 'match' grant received with the profile of spend as business cases get approved by the Board.
BSR	Drugs & alcohol intervention grant	39	Recent award of grant means planned work/spend will largely run into the following financial year.	To 'match' grant received with proposed work programme on increased interventions.
Culture & Env	High street innovation grant	26	Recent award of grant, means some planned work/ spend will run into the following financial year.	To 'match' grant received with proposed work programme.
	Total	693		

Deputy Chief Executive

Service	Funding	Request Amount £'000	Why not spent this year	Reason for carry forward
Accountable Bodies	Grant	32	Sheffield First is anticipating an underspend against the budget available.	To enable Sheffield First to continue its work with partners to tackle issues in the Sheffield City Strategy. The funding which is requested to carry forward has been contributed by third party organisations in Sheffield. Note: approval to carry this funding forward will not affect the outturn position for DCEX as the forecast at month 8 does not reflect the anticipated underspend.
Modern Governance	DEFRA Funding – Reservoir Flood Planning	57	In 2010/11, SCC was allocated £97,880 via an Area Based Grant. This was to meet expenditure incurred for the production of the plans, the training and exercising program that would follow and to carry out a 'warning and informing' campaign to those at greatest risk of reservoir flooding. This was carried over into the 2011/12 financial year to allow for the planning work to continue. Funding was also set aside in 2012/13 to continue with the work. Spend to date has been £42,500 with a carry forward request of £55,400. Service manager has indicated that it was envisaged it would be a	The Emergency Planning Shared Services Team has identified the need to appoint a temporary member of staff to take forward the work but unlikely that this appointment will take effect immediately. The remainder of the expenditure can only occur once the appointed member of staff has settled into the role. **How carry forward will be spent** Temporary Member of Staff - £27,500 Plan production: printing of plans, maps etc - £3,000 Production of 10k accompanying letters for the leaflets - £1,400 Postage and packaging of 10k leaflets/letters - £7,000 Media campaign - £1,000 Multi-agency training - £900 Multi-agency tabletop exercise -

			three year project.	£1,400 *Gold Standard* exercise plan and delivery - £12,000 **Total: £54,200**
	Total	89		

Resources

Service	Funding	Request Amount £'000	Why not spent this year	Reason for carry forward
Transport	External Income – Vehicle Transfer	217	Additional Income resulting from the transfers of vehicles to AMEY as part of the Highways PFI Project.	The Service is requesting that the reduction in spending of £217k be used as part of a Capital Approval Form (CAF) application for new vehicle purchase and to reduce the risk and liability around prudential borrowing in future years.
	Total	217		

Community Assemblies - Carry Forward Requests

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
North East	Consultation Vehicle	2,5	Maintenance costs did not materialise in 12/13	Need to meet future running costs (or disposal)
East	Richmond Development Worker	7,5	A delay in funding a suitable VCF in the Ward.	Political support for this project hosted by the local VCF and not SCC. Making sure the post exists for a reasonable period of time to enable the outcomes to be met.
East & South East	Green Estate – Horticulture	45	Delays in starting the project. Apprentice scheme follows	Project will need to run it's course, irrespective of start date

	Apprentice Scheme		academic, rather than Financial year	
Northern	Development Worker	29	Options for allocating the available budget by the end of March 12 have been developed for different projects. However the Northern Community Assembly have taken the view that Community Development continuation is key to delivering priorities within the Community plan and as such using part of the available funding in 2013/2014 would have a greater impact than the alternative options considered.	The request is to carry forward **£29,000** which would be used as leverage to develop a package of funding with participating partners that would allow the continuation and extension of the project. Over the past years the project has attracted the following match funding: Development Worker Project: *£22,000 NHS, £21,000 Ecclesfield Parish Council, £3000 Adult learning.* Village Officer: £5000 Peak Park Authority, the Peak Park also acts as host for this post, *£17,892 East Peak Innovation Partnership Grant.* The funding package for the community development project is as follows: • Salary costs (including on costs) 43k per year (1 and ½ post). • Ecclesfield Parish Council contribution : £7,000 (possible similar contribution for next year) • NHS contribution: £8,000 (possible similar contribution for next year) • Expenses to support the projects (e.g. room hire, training for groups, events) will be met through using other Assembly's Discretionary budget other funding pots including the 7k Community engagement pot and the 5k Supporting local

				communities pot.
	Total	84		

Overall Carry Forward Requests = £1,494

Scheme Description	Approval Type	Value £000	Procurement Strategy
A GREAT PLACE TO LIVE:-			
Homes:-			
Norton Aerodrome This Project is to acquire the former Norton Aerodrome site from the Homes and Communities Agency as a key part of the Council's strategy for ensuring that the city is able to meet its planning requirements. It is proposed to use the Local Growth Fund to acquire the land, demolish the derelict buildings including fees and management costs and pay for holding costs pending future disposal, estimated at 2015/16, when the capital receipt will be used to repay the Local Growth Fund.	Addition	750	The Procurement Strategy to be completed once operational plan finalised
Roads:			
Boston Street Bus Gate This variation is being made to enable funding of the design changes on Abbeydale Road in 2012/13. The intention is now to continue to undertake outline design of the Boston Street scheme, but to start detailed design and construction in 2013/14, using an allocation from the 2013/14 Better Buses programme.	EMT Variation	-38	N/A (see Abbeydale Rd Clearance Changes below)
Abbeydale Road Clearway Changes This new allocation is being funded by the reduction in the allocation to Boston Street (above) to enable the bus lane and loading and waiting restrictions on Abbeydale Rd/London Rd to be designed and implemented to an enforceable standard. This project is funded by the Sheffield enforcement package within the successful 'Better Buses' bid approved by the Integrated Transport Authority on 1st March 2012.	EMT Variation	38	Single source tender and in accordance with Schedule 7 of the Highways PFI contract
Parks & Environment:-			
Allotments Investment Programme 2013-14	Addition	50	Sheffield City Council

This project aims to improve the City's allotment provision, to increase their usage and promote health and wellbeing. The allotment investment programme is small-scale investment in Sheffield's 70+ individual allotment sites to improve the site infrastructure through improved boundary security, access, internal paths and lanes and improved access to mains water, with priority given to improved safety and security. Provision of allotments is a statutory duty: in meeting this statutory duty Sheffield City Council is obliged to provide and maintain facilities of a suitable standard to ensure the safety of tenants and visitors. The regeneration of existing allotments will increase usage, thus supporting the Great Place to Live strategic outcome, whilst also increasing rental income through improved satisfaction with allotment sites, sustained higher occupancy rates and longer tenancy duration. Desired outcomes include an increased number of sites meeting the Sheffield Standard - targeting at least one site per Community Assembly area by March 2014. The project will improve the existing stock of allotments and will not add to the size of the estate. This investment will help the Council discharge its statutory duties and maintain the allotment estate in good condition avoiding costly remedial work. The project is due to start in June 2013 and finish by March 2014.project and is funded from the Corporate Resource Pool.			Standing Orders: Internal suppliers to be approached first; second option to businesses within SCC boundary only; final option to use organisations within Local Enterprise Partnership boundaries.
Bradway Open Space Refurbishment and upgrade of existing play area at Bradway. The South West Community Assembly has highlighted this as a priority project for 2012/13 and 2013/14 financial years. The site is in need of improvement and the Friends Group, Bradway Action Group, has raised the majority of the funding required to make the project feasible. Investment now will reduce further revenue spending in future. The project supports the Great Place to Live strategic outcome through the proposed	Addition	15	In house delivery: Work to be delivered by the Parks and Countryside team

replacement of the current safety surfacing, as it is wearing out in places. Repairs would need to be carried out on an ad-hoc basis when required, which would prove costly, so capital investment now will save money in the long term. The project is due to start in March 2013 and finish by May 2013. The project is funded as follows: £12k from the Bradway Action Group as a gift to SCC and £3k from a S106 agreement.			
Chaucer Public Realm This project comprises highway and public realm works along Buchanan Road from the junction with Wordsworth Avenue to the junction with Buchanan Drive. The aim of the project is to raise the standard of public realm to integrate with those of the other new developments in the Parson Cross Area to create a co-ordinated District Centre, whilst at the same time introducing traffic calming measures along Buchanan Road. The tender cost is below that anticipated in the initial approval and Capital Programme Group recommends reducing the authority to reflect this. The project is funded by section 106 and the Corporate Resource Pool.	EMT Variation	-54	Competitive Tender
INFRASTRUCTURE:-			
Vehicle and Plant Efficiency Programme This project aims to deliver efficiencies in the vehicle and plant fleet so that it can expand and contract to meet future operational needs whilst giving portfolios the flexibility to exploit new business opportunities. The replacement programme is demand driven therefore assumptions have been made as to the level of replacement required but the aim is that the project will create a balance of fleet sustainability whilst supporting portfolio pressures. All vehicle replacement requirements are discussed at service level and a specification agreed based on :-	Addition	1,790	Procurement through a vehicle purchase framework agreed in the procurement strategy.

• User requirements • Cost • Sustainability (both operational and financial) • Environmental impact Once the specification is agreed, sign off is required by Head of Service/Director. This is a provisional approval which will be subject to challenge by the Capital Programme Group which will review the business cases. This Project is funded by Prudential Borrowing with the interest and repayment paid for out of the savings from increased fleet efficiency.			
COMPETITIVE CITY:-			
Castlegate SYPTE Acquisition This £500k project deals with the acquisition of former SYPTE offices at Castlegate and their subsequent demolition, as part of a future regeneration scheme, once Castle Market has been relocated to the Moor. The budget variation is to reflect the acceleration of the £425k purchase element from 2014 to 2013. The subsequent demolition is still phased to occur in January 2014. Part of the property will be demolished and incorporated into the adjoining Castle Market site and the building to be retained will be resold once the Markets have relocated and the archaeology of castle has been completed. There is a risk that the property market has not recovered sufficiently by 2017 to allow the sale of retained building as intended. The project is funded through the Local Growth Fund.	Acceleration	425	N/A (No change: acceleration only)

SCHOOLS			
Primary Prioritisation Programme (Capital Maintenance – Building Condition)			
Following negotiations with Kier Sheffield LLP the contract award, the contract tender is £132k below the approved sum and Capital Programme Group recommend returning the saving on maintenance to the corporate capital resources pool to meet education priorities.	Variation	-132	Jobs Compact with Kier Sheffield LLP
SAFE & SECURE COMMUNITIES:-			
CBT Wincobank (Newman Court) Community Building Centre Remodelling and Refurbishment. The original project approval is for £240k for a partial refurbishment of the centre. Following further consultation and design work it is proposed to refurbish the first floor prior to the ground floor, which would be undertaken when funds have been raised by the community group whom will be using the Community Centre. The refurbishment of the first floor is the preferred option because it provides a more secure space and also offers DDA access via a level ramp from the upper car parking area. Although the upper floor is smaller and therefore has reduced some of the costs, improvements to the quality of the refurb is planned these include new solar hot water heating, new roof insulation and triple glazed windows, increasing the cost of the project to £276k. The procurement strategy has been revised in line with this. The additional funds of £36k will come from the bulk allocation for buildings maintenance/backlog from the budget of £322k for 2013/14. A request to slip £322k has already been made against the overall maintenance/ backlog budget and is currently in the process for approval, however in view of this variation this slippage request will need to be reduced by the £36k	EMT Variation	36	Yor Build (Original strategy amended)

The approval for the ground floor refurbishment will be brought at a later stage. The submission of a funding bid to Veolia for between £40k and £70K is being considered, this will be used as a contribution to the lower floor refurbishment. Appropriate approval will be sought before acceptance of any funding offer from Veolia.			
EMERGENCY APPROVALS:-			
Forum House This project covers building improvement works at Forum House, to enable commercial letting to secure a 10 year lease. Any initial outlay of up to £103k for refurbishment works was required to enable the building to be let to a prospective client that required access as early as possible to mitigate the risk of losing the rental opportunity. The project was 100% funded from a Revenue Contribution to Capital - from the 2012-13 P&FM Revenue Budget.	Emergency Approval	103	Kier Sheffield LLP Via the Jobs Compact Initiative
DIRECTOR VARIATIONS:-			
Angram Bank Park Improvements The project provides new play equipment. A master plan for the park was completed in 2009. Suitable play equipment, identified in consultation with the Playground Officer, with specific items being chosen through community consultation, was purchased. Permission to acquire additional play equipment to the value of £20k as a result of increased funding is now being sought. The project supports the Great Place to Live strategic outcome through addition of new playground equipment installed within the park and other improvements made.	Director Variation	20	In-house providers

The project is now due to start in February 2013 and be completed by March 2013, having been signed off by the Service Director. The project is fully funded from a Section 106 funding agreement No.832, with the variation adding a further £19,765 capital element from a total of £22,460 additional S106 funding: the remaining £2,695 being added to revenue budget 25050.			
Arbourthorne Playground The project aims to deliver a brand new play facility on Arbourthorne Field, replacing a derelict and decommissioned playground which used to be on this site. £10k variation to be spent on additional playground structural work (£8k) with associated fees (£2k). The project supports the Great Place to Live strategic outcome through the addition of a new play facility in Arbourthorne, specifically - improved open space; increased number of public visits; Increased customer satisfaction. The project started in June 2012 and is due to be completed by May 2013. The project is funded from S106 funding (£50k), rental income from a compound on the site (£23k), Viridor landfill tax funding (£18k) with the £10k variation being funded from additional Capital Income General (Community) funding.	Director Variation	10	In house providers
RETROSPECTIVE APPROVALS: -			
None			

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