SHEFFIELD CITY COUNCIL
Cabinet Report

Report of: Executive Director, Resources

Date: 8 May 2013

Subject: Revenue Budget & Capital Programme Monitoring 2012/13 – As at 28 February 2013

Author of Report: Allan Rainford; 35108

Summary: This report provides the month 11 monitoring statement on the City Council's Revenue and Capital Budget for 2012/13.

Reasons for Recommendations 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.

Recommendations:

Please refer to paragraph 86 of the main report for the recommendations.

Category of Report: OPEN/~~CLOSED~~

Statutory and Council Policy Checklist

Financial implications
YES/~~NO~~ Cleared by: Eugene Walker
Legal implications
~~YES~~/NO Cleared by:
Equality of Opportunity implications
~~YES~~/NO Cleared by:
Tackling Health Inequalities implications
~~YES~~/NO
Human rights implications
~~YES~~/NO :
Environmental and Sustainability implications
~~YES~~/NO
Economic impact
~~YES~~/NO
Community safety implications
~~YES~~/NO
Human resources implications
~~YES~~/NO
Property implications
~~YES~~/NO
Area(s) affected
Relevant Scrutiny Board if decision called in
Overview and Scrutiny Management Committee
Is the item a matter which is reserved for approval by the City Council? NO
Press release
~~YES~~/NO

REVENUE BUDGET & CAPITAL PROGRAMME MONITORING 2012/13 – AS AT 28 FEBRUARY 2013

PURPOSE OF THE REPORT

1. This report provides the Month 11 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 69.

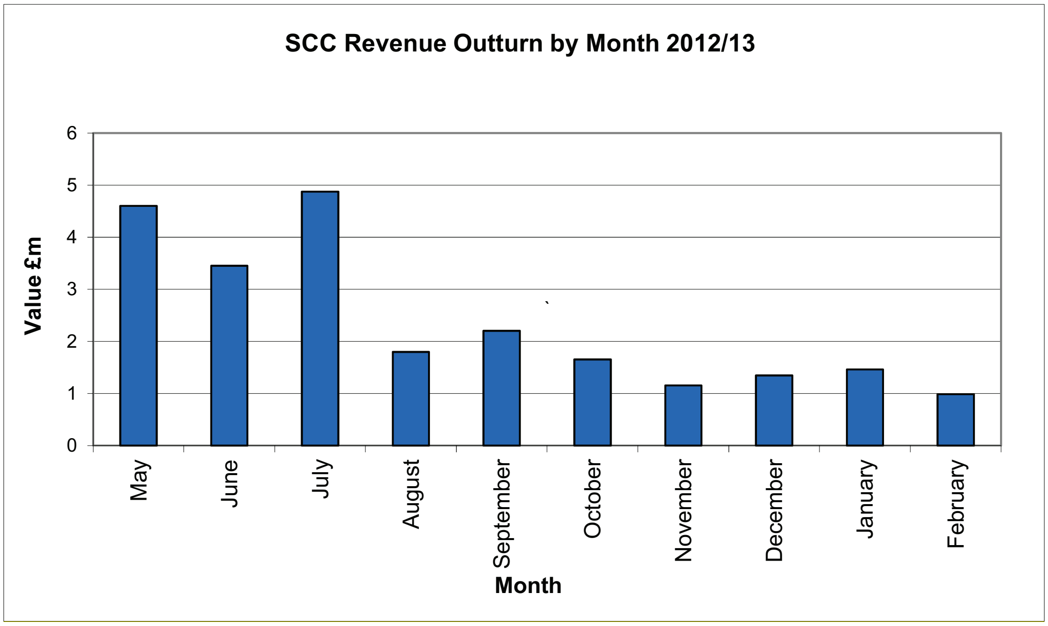
REVENUE BUDGET MONITORING

SUMMARY

2. The budget monitoring position at month 10 indicated a forecast overspend of £1.5m, based on expenditure incurred to date and forecasted trends to the year end. The latest monitoring position at month 11 shows a forecast overspend of £987k to the year end: i.e. a forecast improvement of £473k since last month. This is summarised in the table below:

Portfolio	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 10
CYPF	79,888	80,506	(618)	⇔
PLACE	163,072	163,810	(738)	⇩
COMMUNITIES	172,016	169,349	2,667	⇩
DEPUTY CHIEF EXECUTIVE	12,088	12,055	33	⇔
RESOURCES	62,062	62,369	(307)	⇧
CORPORATE	(488,139)	(488,089)	(50)	⇔
GRAND TOTAL	**987**	**(0)**	**987**	⇩

3. The forecast outturn for SCC had shown a trend of a reducing overspend from £4.6m reported in month 2 to £1.2m in month 8. Since month 8 the forecast out-turn positions has remained reasonably constant around £1m overspent. The position month by month is shown in the following chart.



4. In terms of the month 11 overall forecast position of £987k overspend, the key reasons are:

- Children Young People and Families (CYPF) are showing a forecast reduction in spending of £618k, due mainly to a £338k 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 £348k.
- Place are showing a forecast reduction in spending of 738k, due primarily from staff vacancy savings across Development Services (£1.3m) and planned slippage of grant funded project spend within HERS and Development Services of £467k. These savings are partly offset by a £217k overspend in Street Force for the costs of backdated pay and grading appeals and forecast reductions in income of £600k, predominantly within car parking and planning.
- Communities are showing a forecast overspend of £2.7m, due to a £5.8m 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 £1.3m portfolio wide contingency and a £1.9m underspend created mainly by the release of prior year funding in Social Care Commissioning.
- Resources are showing a forecast reduction in spending of £307k, due mainly to £311k savings on Central Costs and increased income within Human Resources, Commercial Services and Transport Services of £129k, £492k and £211k respectively. This reduction in spending is partly offset by a reduction in income of £211k within

Legal Services, an overspend relating to delays in the employee reduction process within Business Information Solutions of £229k and a £256k overspend in Property and Facilities Management due to additional costs for PFI Schools.

5. The reasons for the movement from month 10 are:

- Place are forecasting an improvement of £237k, due mainly to a reduction in spending and additional income within Parks, Activity Sheffield and City Centre Management of £203k.
- Communities are forecasting an improvement of £398k, due predominantly to salary savings within Assessment & Care Management of £101k and £256k within Social Care Commissioning relating to reduced forecasts on Carers expenditure and a reduction in spending against Health Transfer Contingency.
- Resources are forecasting an adverse movement of £198k, due mainly to additional costs of £256k for PFI Schools activity.

Carry Forward Requests

6. Portfolios are requesting to carry forward a total of £1.3m into 2013/14. Details of the requests for approval are summarised in Appendix 1 of the report. The £1.3m 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 £1.3m from £987k to £2.3m 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 11 the Portfolio is forecasting a full year outturn of a reduction in spending of £618k, which is consistent with the month 10 position. The key reasons for the forecast outturn position are:

- **Lifelong Learning, Skills & Communities:** £346k 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 £305k. The service has requested that these resources be carried forward provided the Portfolio maintains a balanced budget position.

- **Children and Families:** £338k reduction in spending, due to savings within Early Years, Placements, Prevention and Early Intervention, Fostering Services, Placement Strategy Budgets and Youth Justice Service.

Financials (Non – DSG activity)

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 10
BUSINESS STRATEGY	13,996	13,869	127	⇔
CHILDREN & FAMILIES	53,493	53,831	(338)	⇔
INCLUSION & LEARNING SERVICES	5,475	5,536	(61)	⇔
LIFELONG LEARN, SKILL & COMMUN	6,924	7,270	(346)	⇔
GRAND TOTAL	**79,888**	**80,506**	**(618)**	⇔

Commentary

DSG and Non DSG Budgets

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

Non DSG Budgets

10. The forecast £618k reduction in spending on Non DSG budgets is consistent with the Month 10 position.

DSG Budgets

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

	Month 10 £000	Month 11 £000
Business Strategy	(212)	(647)
Children and Families	(340)	(347)
Inclusion and Learning Services	184	(58)
Lifelong Learning, Skills and Communities	(67)	(60)
	(435)	**(1,112)**

The key reasons for the movement from the month 10 position are:

- **Business Strategy:** an improved movement of £435k, this is mainly due to an improvement of £380k on School Contingencies, the funding will be required in 2013/14 so will be earmarked as a contingency for next year.
- **Inclusion and Learning Services:** an improved movement of £242k, this is mainly due to an improvement of £147k in the forecast

income for hospital placements, this is as a result of receiving more accurate information from Becton.

PLACE

Summary

12. As at month 11 the Portfolio is forecasting a full year outturn reduction in spending of £738k, prior to carry forward requests of £701k (i.e. £37k under spent), an improvement of £212k on the previous period. The key reasons for the forecast position are:

- **Development Services:** £854k reduction in spend due to staff vacancy savings across the whole service area (£1.3m), slippage of Local Growth Fund project spend (£184k), offset to some extent by reductions in income (£600k), largely within car parking and planning.
- **HERS:** £283k reduction in spend largely due to planned slippage' of Local Growth Fund project spend into the following financial year.
- **Street Force:** £217k over spend 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 10
BUSINESS STRATEGY & REGULATION	31,917	31,964	(47)	⇔
CREATIVE SHEFFIELD	3,290	3,322	(32)	⇔
CULTURE & ENVIRONMENT	41,076	40,975	101	⇩
DEVELOPMENT SERVICES	84,500	85,354	(854)	⇩
HERS	1,593	1,876	(283)	⇧
MARKETING SHEFFIELD	1,147	1,037	110	⇔
STREET FORCE	(838)	(1,055)	217	⇔
SUSTAINABLE DEVELOPMENT	386	337	49	⇔
GRAND TOTAL	**163,072**	**163,810**	**(738)**	⇩

Commentary

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

Culture & Environment

14. The current forecast for this activity is a £101k overspend, an improvement of £203k this period. This improvement arises from further reductions in spend / additional income within parks, Activity Sheffield and city centre management, which are now forecast to largely offset the additional grant payments made as part of a wider funding stabilisation programme for Museums Sheffield (£500k).

Development Services

15. The current forecast for this activity is a £854k reduction in spending, an improvement of £151k this period. This improvement is largely attributable to estimated slippage in Local Growth Fund project spend (£184k).

16. The key risk for the service is in securing £10m planned external fee income from planning, building regulation and car parking activities, where manager forecasts indicate a £1m (10%) shortfall, broadly in line with the previous period. However, this pressure is being more than offset by reductions in staff costs due to vacancies across the whole service, that are now forecast at around £1.2m below budget.

Housing Enterprise and Regeneration

17. The current forecast for this activity is a reduction in spending of £283k , an adverse movement of £131k on the previous period.

18. The adverse movement largely arises from a reduction in the planned ‘slippage’ of grant funded spend. However, the key forecast variance remains the proposed slippage of spend on Local Growth Fund projects (£384k), which is subject to a request to carry-forward (see Appendix 1). The ultimate value of the ‘slippage’ may still change depending upon progress made in the actual delivery of projects.

19. The forecast outturn also includes an estimated £300k for potential grant ‘clawback’ following a recent European audit on Tudor Square. Officers have reviewed the initial report and are meeting with the Auditors again in March with a view to further mitigating issues identified.

Year To Date

20. When comparing the year to date position (£1.2m below budget) with forecast outturn (£0.7m under budget), there is an adverse movement of £0.5m. This may indicate some potential for further improvement in the final outturn position.

COMMUNITIES

Summary

21. As at month 11 the Portfolio is forecasting a full year outturn of an overspend of £2.7 million, an improvement of £398k from the month 10 position. The key reasons for the forecast outturn position are:

    - **Business Strategy:** a forecast £1.3m reduction in spending against budget, due, mainly, to contingencies held in Portfolio-Wide Services to offset overspends on care purchasing budgets (especially in Learning Disabilities (LD) services). This is consistent with last month's position.

- **Care and Support:** a forecast £5.8m overspend, due to LD purchasing (£2.6m), LD Transport contract (£174k), Provider Services (£305k), Adult Social Care purchasing (£4.1m), with some reductions in Assessment & Care Management staffing costs against budget. These overspends are offset, to some degree, by reduction in spend against budget in Housing-Related Services of £125k. This forecast is an improvement of £185k from the previous month.

  Commissioning: a forecast reduction in spending against budget of £1.9m due to; Mental Health Commissioning - £946k overspend on care purchasing; Social Care Commissioning – £2.4m reduction in spend against budget as a result of the release of funds unspent in previous years into 12/13 revenue budgets and reduction in spend on LD ex-Health care and accommodation provision. Housing Commissioning - £385k net reduction in spending against budget across several areas, reported in detail in PLT / SMT reports. This forecast is an improvement of £105k compared to last month.
  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 10
BUSINESS STRATEGY	12,444	13,710	(1,266)	⇩
CARE AND SUPPORT	110,387	104,538	5,849	⇩
COMMISSIONING	38,321	40,198	(1,877)	⇩
COMMUNITY SERVICES	10,864	10,903	(38)	⇔
GRAND TOTAL	**172,016**	**169,349**	**2,667**	⇩

Commentary

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

Care and Support

23. A forecast £5.8m overspend against budget. This is an improvement of £185k from the previous month and is mainly due to:

- **Assessment & Care Management:** Assessment & Care Management (A&CM) – improvement of £101k, mainly due to reductions in spend against the various salary budgets across the service.

Commissioning

24. A forecast £1.9m reduction in spend against budget. This is an improvement of £105k from the previous month. The movement this month is due to:

- **Housing Commissioning:** improvement of £50k, due to a £31k reduction in spending forecast on Housing Related Support projects and a £24k reduction in repairs and maintenance costs on Gypsy and Traveller Sites offset by £5k minor increases in other areas.
- **Mental Health Commissioning:** an increase in forecast spend of £201k due to increases in forecast spend on Care Purchasing.
- **Social Care Commissioning:** improvement of £256k, following revised forecast of Carers expenditure (£137k), a reduction in spend on Health Transfer Contingency £79k, changes to LD Purchasing Transitional Arrangements £19k and a reduction in LD Strategy and Delivery £10k.

Year To Date

25. Some year to date variances are not consistent with forecast outturn variances, so work is on-going to investigate the reasons for this (including refining income / expenditure budget profiles and more vigorous challenges to year to date actuals and accruals). The significant elements causing this at the moment are a) the payment pattern of Housing Related Support in Housing Commissioning and b) "Right First Time" in Care and Support Assessment & Care Management.

RESOURCES

Summary

26. As at month 11 the Portfolio is forecasting a full year outturn of a reduction in spending of £307k, an adverse movement of £198k from the month 10 position. The key reasons for the forecast outturn position are:

- **Commercial Services (savings):** £492k additional income in Commercial Services Savings due to achieving savings in excess of target.

- **Human Resources:** £129k reduction in spending in Human Resources due to increased recharge income.
- **Transport:** £221k reduction in spending in Transport due to reduced expenditure in the workshops following the transfer to AMEY.
- **Central costs:** £311k reduction in spending in central costs.

Offset by:

- **Business Information Solutions:** £229k overspend in BIS, in part due to anticipated delay in MER process required to make staff savings.
- **Customer Services:** £167k overspend in Customer Services due to transfer of costs from Customer First for operational team.
- **Legal Services:** £211k overspend in Legal Services, £143k due to reduction in non-core income and £89k forecast spend on corporate work, primarily South Yorkshire Trading Standards (SYTS), Digital Region and leadership team time**.**
- **Property and Facilities Management:** £256k overspend in Property and Facilities Management, due to additional costs for PFI Schools that will be required to be recovered from CYP**.**

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 10
BUSINESS INFORMATION SOLUTIONS	630	401	229	⇔
COMMERCIAL SERVICES	1,816	1,788	28	⇔
COMMERCIAL SERVICES (SAVINGS)	(1,312)	(820)	(492)	⇔
CUSTOMER FIRST	5,853	5,853	(0)	⇔
CUSTOMER SERVICES	3,058	2,891	167	⇔
FINANCE	1,910	1,925	(15)	⇔
HUMAN RESOURCES	685	814	(129)	⇔
LEGAL SERVICES	2,456	2,245	211	⇔
PROGRAMMES AND PROJECTS	1,640	1,669	(29)	⇔
PROPERTY AND FACILITIES MGT	31,464	31,208	256	⇧
TRANSPORT	259	480	(221)	⇔
TOTAL	48,458	48,454	4	⇔
CENTRAL COSTS	14,488	12,913	1,575	⇧
HOUSING & COUNCIL TAX BENEFIT	(883)	1,002	(1,885)	⇩
GRAND TOTAL	**62,062**	**62,369**	**(307)**	⇧

Commentary

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

Property and Facilities Management

28. A forecast £256k overspend is an adverse movement of £338k from the previous month.

29. The adverse movement this month is due to:

- Commercial Estate – £57k adverse movement in the main this is the result of discussions around funding of Kier and Legal fees to be recovered from portfolios. This assumption, following review of income and recharges, was amended downwards again this month.
- Asset Management - £256k adverse movement due to additional costs relating to PFI Schools. An agreement to recharge CYP needs to be reached.

Central Costs

30. A forecast £311k reduction in spending, an adverse movement of £170k from the previous month.

31. Central costs (excluding Capita) are now forecasting a £2.5m reduction in spending, the result of Government Grant exceeding the Transfer Payments on the Benefits Subsidy. The Capita contract costs have worsened by £413k since Month 10, mainly on ICT BIS and Finance.

Central Costs	**Forecast Variance** Month 11 £ 000	**Forecast Variance** Month 10 £ 000
Capita – Control Account	692	691
Capita – ICT BIS	767	425
Capita – Finance	561	488
Capita - HR	167	170
Sub total Capita	**2187**	**1774**
Benefits subsidy	(1885)	(1639)
Other Central Costs	(613)	(616)
Total	**(311)**	**(481)**

DEPUTY CHIEF EXECUTIVE'S

Summary

32. As at month 11 the Portfolio is forecasting a full year outturn of an overspend of £33k, an improvement of £51k from the month 10 position. The key reasons for the forecast outturn position are:

- £166k overspend in Modern Governance mainly due to increasing election costs (£268k overspend), delay in spending the DEFRA grant for reservoir flood planning (£57k underspend) and staff and IT savings in Democratic Services (£84k underspend).
- Off set by £130k underspend in Business Development due to salary sacrifice and vacant posts.

Financials

Service	FY Outturn £000s	FY Budget £000s	FY Variance £000s	Movement from Month 10
ACCOUNTABLE BODY ORGANISATIONS	0	0	0	⇔
BUSINESS DEVELOPMENT	2,595	2,725	(130)	⇔
E-CAMPUS	1,045	1,045	-	⇔
HEALTH IMPROVEMENT	211	211	0	⇔
MODERN GOVERNANCE	3,896	3,730	166	⇔
PERFORMANCE AND CORP PLANNING	805	787	18	⇔
POLICY,PARTNERSHIP,AND RESEARCH	3,535	3,557	(22)	⇔
GRAND TOTAL	**12,088**	**12,055**	**33**	⇔

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CORPORATE ITEMS

Summary

34. The month 11 forecast position for Corporate budgets is a £50k reduction in spending which is consistent with month 10. 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:** 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	43,564	44,179	-615
Savings Proposals	-1,223	-1,794	571
Income from Council Tax, RSG, NNDR, other grants and reserves	-530,480	-530,474	-6
Total Corporate Budgets	**-488,139**	**-488,089**	**-50**

35. Corporate Budget items are showing a forecast reduction in spending of £615k, 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 £115k. This forecast is consistent with month 10.

36. The forecast overspend on Savings Proposals of £571k relates to a reassessment of the sundry debt collection rates and subsequent revision, based upon month 11 actuals. This forecast is also consistent with the month 10 position.

37. There is a £3.8m budget for the potential impact of Digital Region in the 2012/13 budget. Part of this budget is required to cover the interest and debt costs of the capitalised £12m dealt with in the 2011/12 accounts. There is also a re-procurement process currently in place to appoint a new contractor, which is likely to lead to further costs, currently estimated at £2.6m. However, the process is not complete and there is still uncertainty over the final costs, although they are not expected to exceed the budget at this stage.

HOUSING REVENUE ACCOUNT

38. The revised budgeted position for the HRA is a draw down from reserves of £1.3m (excluding Community Heating). As at month 11 the forecast outturn position is a projected in-year surplus of £8.2m. After making a contribution of £400k to the Capital Programme the projected net surplus will be £7.8m compared with a budgeted deficit of £1.3m. This is an improvement of £9.1m on the budgeted position.

39. 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 £6.4m. This is primarily as a result of access to more attractive interest rates.

40. Although some of this overall saving on interest rates is sustainable, some is a one off. Now that that 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.

41. Other main areas that contribute to the improved year end forecast position include revised rental income £200k; a reduction in the level of vacant properties £400k and related council tax savings of £300k; revised service charge income £500k; a reduction in running costs £900k and a delay in a number of projects £400k.

42. **Community Heating:** The budgeted position for Community Heating is a draw down from Community Heating reserves of £1m. As at month 11 the forecast position is a draw-down of £630k from reserves resulting in a reduction in spending of £429k. This is primarily due to an estimated reduction in energy costs and invoiced consumption.

Sheffield Homes Ltd Reserves 2013/14

43. The housing service undertaken by Sheffield Homes Ltd is transferring back into the City Council from April 2013. As part of the transfer, the reserves held by the Arm's Length Management Organisation (ALMO) will also transfer.

44. In the HRA Business Plan, it was assumed that the Sheffield Homes year-end reserves figure would be £7.5m this is now expected to be in the region of £8.5m. The projected increase is mainly as a result of slippage in expenditure on major ICT projects (particularly the upgrade of the Choice Based Lettings (CBL) website and a major upgrade to the Online Housing Management System (OHMS)).

45. It is requested that the element that has arisen due to the slippage of the CBL website and OHMS upgrade (approx. £800k) is carried forward into 2013/14 to be spent on these schemes. However, the final amount is still subject to revision as there are substantial costs arising, from the CBL project in particular, that are expected to be incurred in the current financial year (2012/13) which may still fail to materialise until the 2013/14 financial year. If this occurs, the extra slippage will result in a higher reserves figure being transferred to the Council but also additional slippage costs to be incurred during 2013/14.

CORPORATE FINANCIAL RISK REGISTER

46. 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

47. Although the network infrastructure for high speed broadband across South Yorkshire has been successfully installed, the contractor failed to achieve revenue targets, leading to significant losses. The company is owned by central government (the biggest shareholder) and the 4 South Yorkshire councils. Sheffield has a 17 per cent share. The Council capitalized its £12m share of the loss in its 2011/12 accounts. The contract is out to procurement at the moment and a decision will be taken to award this or migrate away from the network and close DRL as a company, depending on which is cheaper. There are further costs, currently estimated at £2.6m for the Council, arising from this re-tender. These costs are covered in the 2012/13 budget.

Capital Receipts & Capital Programme

48. 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.

49. 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

50. 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

51. 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.

52. 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

53. 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

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

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

NHS Funding Issues

56. 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, on-going 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.

57. 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

58. 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

59. 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

60. 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

61. 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).

62. 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.

63. 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.

64. 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

65. The on-going 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.

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

Welfare Reforms

67. 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)

68. 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

69. At the end of February 2013, capital expenditure so far to date is £26.5m (21%) below budget. The outturn forecast is £32.5m (21%) below the Approved Capital Programme.

70. The variation in the year to date position arises mainly from either operational delays (£14.5m) or project slippage (£4.2m). During the month of February, expenditure was £7.1m; (4% above the previous month programme budget).

71. The forecast for the year shows all portfolios are below profile against the approved programme. The forecast, at £125.6m, is £15.5m lower than the Month 10 position (£141.1m) with the biggest movements being in CYPF (down £12.6m) and Resources (down £1.5m). 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	38,299	47,482	(9,183)	46,230	62,067	(15,837)
Place	14,910	23,183	(8,274)	17,580	27,041	(9,461)
Housing	39,602	42,792	(3,190)	47,562	51,291	(3,728)
Communities	1,163	1,402	(239)	1,353	1,935	(581)
Resources	5,798	11,429	(5,631)	12,850	15,737	(2,887)
Grand Total	99,773	126,289	(26,516)	125,575	158,070	(32,495)

Commentary

Children, Young People and Families Programme

72. CYPF capital expenditure is £9.2m (19%) below the profiled budget for the year to date and forecast to be £15.8m (26%) 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	-1,142	-10,542
Slippage on Devolved Budgets	6	-1,995
Operational delays in projects due to planning, design or changes in specification	-7,382	-557
Incorrect budget profiles	-6	0
Underspending on project estimates	157	-1,235
Other variances	-816	-1,548
	-9,183	-15,837
Spend rate per day	168.0	186.4
Required rate to achieve Outturn	396.5	
Rate of change to achieve forecast	136.1%	

73. £12.5m of the £15.8m forecast shortfall against the budget is due to slippage with £2m on the Devolved Formula Capital; £2.5m on BSF; £4.7m on the Basic Need Block Allocation; £700k on two new primary schools in the NE Sheffield area and £2m within the Primary Prioritisation Programme. A further £1.2m of potential under spend against approved amounts has been identified on various Primary school programmes.

Place Programme

74. The Place portfolio programme (excluding Housing) is £8.3m (36%) below the profiled budget for the year to date and forecast to be £9.4m (35%) 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 £900k of project slippage and a further £2.6m of operational delays of which £1.7m relates to the BRT North project and £3.1m with no forecast. Land acquisitions are progressing but not to the anticipated timescales.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-1,166	-948
Operational delays in projects due to planning, design or changes in specification	-1,319	-2,619
Delayed forecasts	0	-3,183
Projects submitted for Approval	106	-262
Overspending on project estimates	-116	-116
Other variances	-5,778	-2,333
	-8,274	-9,461
Spend rate per day	65.4	70.9
Required rate to achieve Outturn	133.5	
Rate of change to achieve forecast	104.2%	

Housing Programme (Place Portfolio)

75. The Housing capital programme is £3.2m (7%) below the profiled budget for the year to date and forecast to be £3.7m (7%) 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	-1,070	-2,066
Operational delays in projects due to planning, design or changes in specification	-2,098	0
Incorrect budget profiles	-215	0
Projects submitted for Approval	-2,877	-298
Home Improvement grants held on behalf of other local authorities	-304	-80
Items under investigation		
Underspending on project estimates	0	54
Other variances	3,374	-1,339
	-3,190	-3,728
Spend rate per day	173.7	191.8
Required rate to achieve Outturn	398.0	
Rate of change to achieve forecast	129.2%	

76. The main reason for this month's variation is due to slippage (£2.1m) of which £800k is within the Delegated Capital Schemes managed by Sheffield Homes.

Communities

77. The year to date spend on the Communities portfolio capital programme is £200k (17%) below the profiled budget and the forecast (£600k (30%) below budget) suggests this will not be recovered. £100k relates to slippage on the implementation of the ICT infrastructure and £500k with no forecast.

Resources

78. The year to date spend is £5.6m (49%) below the programme and forecast to be £2.9m (18%) below the approved budget for the whole year.

Cause of Change on Budget	Year to Date £000	Full Year Forecast £000
Slippage b/fwd from 2011/12		
Slippage to be carried forward	-705	-1,023
Operational delays in projects due to planning, design or changes in specification	-3,699	-945
Delayed forecasts	0	-333
Other variances	-1,227	-586
	-5,631	-2,887
Spend rate per day	25.4	51.8
Required rate to achieve Outturn	352.6	
Rate of change to achieve forecast	1286.4%	

79. The year-end forecast position is £2.9m under budget and comprises of the following:

- £300k slippage on the Castle Market Demolition; and
- £700k slippage on the Health & Safety Compliance block allocation.

Approvals

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

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

- 10 additions (including 1 new block allocation of £1m) to the capital programme with a total value of £14m;
- 9 variations to the capital programme creating a net increase of £8m;
- 2 slippage requests totalling £2.4m;
- 1 procurement strategy;
- 3 instances where directors have exercised their delegated powers to vary approved expenditure levels;
- 2 projects worth £455k approved under the Emergency approval provisions.

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

FINANCIAL IMPLICATIONS

83. 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

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

PROPERTY IMPLICATIONS

85. 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

86. 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, Cabinet is recommended to:

        (i) approve 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) approve the proposed variations and slippage in Appendix 2 within its delegated authority; and note

        (iii) the variations to project authorities exercised by EMT and service directors under their delegated authority, the emergency approvals and the latest position on the Capital Programme.

REASONS FOR RECOMMENDATIONS

87. 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

88. 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	305	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	**394**		

PLACE

Service	Funding / Activity	Request Amount £'000	Why not spent this year	Reason for carry forward
HERS	Local growth fund (LGF)	384	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.
Dev Services	Local growth fund (LGF)	184	As above	As above
HERS	TDLC	24	Grant awarded with planned work/ spend that runs into the following financial year.	To 'match' grant received with proposed work programme.
HERS	Transitional housing market renewal fund	0		
Dev Services	Land Drainage	40	Flood work initially to be completed by Amey in 12/13 but now expect to slip part into 13/14.	To fund the remainder of the committed work not completed.
Dev Services	'Bike-It'	27	School Travel Incentives Grant funding for 2 external "Bike-It" staff until July 2013.	To 'match' grant received with proposed work programme.
Culture & Env	High street innovation grant	26	Grant awarded with planned work/ spend that runs into the following financial year.	To 'match' grant received with proposed work programme.
Culture & Env	Sport Inclusion	16	Grant received for a 3 year programme.	To 'match' grant received with proposed work programme.
	Total	**701**		

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	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

			was envisaged it would be a three year project.	Multi-agency tabletop exercise - £1,400 *Gold Standard* exercise plan and delivery - £12,000 **Total: £54,200**
	Total	**89**		

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 Apprentice Scheme	45	Delays in starting the project. Apprentice scheme follows academic, rather than Financial year	Project will need to run it's course, irrespective of start date
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	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:

			plan and as such using part of the available funding in 2013/2014 would have a greater impact than the alternative options considered.	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 = £1,268

Capital Schemes

Scheme Description	Approval Type	Value £000	Procurement Route
GREAT PLACE TO LIVE			
Homes			
Arbourthorne Phase 2 and 3 At the start of the Decent Homes programme it was agreed that the a type of house known as the “5M” on the Arbourthorne estate needed significant investment and they were taken out of that programme due to financial constraints. In 2006 residents were advised that a detailed master plan would take place so that all options could be considered. After extensive consultation it was agreed that these properties were not sustainable without significant investment and the best approach would be to rehouse the occupants, demolish the properties and enable new homes to be built. Since 2006 no improvements have taken place to these properties in phases 2 and 3 other than routine repairs and servicing. These properties are in an extremely poor condition both internally and externally. Tenants and residents are anxious for a decision, and the Council continues to receive calls regarding the future options and the timing of the decision regarding the future of these properties. There are presently 246 properties at Arbourthorne in these phases of which 193 are council owned and 53 are privately owned. **Options Considered** 1. Do nothing. This is not an option as the council as a minimum must bring the homes up to a decent homes standard. 2. Retain the stock and bring the council homes up to a decent homes standard. As set out above these properties are not sustainable without significant investment. This option would not deliver the whole estate solution needed to address the privately owned homes or the problems arising from the estate layout. 3. Rehouse the residents, demolish the properties and enable new homes to be	Addition	11,187	Existing Demolition Contract

Capital Schemes

built. This proposal will enable the creation of a better designed neighbourhood, with a wider range of properties, safer layout and improved linkages to open space.

Financial Implications
The cost of the preferred option, option 3 is £11.187m; this is split between Council owned properties, (£4.137m), and Owner occupiers, (£7.050m), to be spent between 2013 and 2018.

Resources £m	2013/14	2014/15	2015/16	2016/17	2017/18
Available Resources	6.283	2.552	1.617	0.698	0.043

Expenditure £m	2013/14	2014/15	2015/16	2016/17	2017/18
Public	1.332	1.753	0.816	0.193	0.043
Private	1.251	2.888	2.409	0.335	0.167
Total	**2.583**	**4.641**	**3.225**	**0.528**	**0.210**

Council Priorities
The continuation of the scheme will contribute to the delivery of the Council's corporate strategic outcome 'A Great Place to Live' by demolishing low quality, unsustainable housing and redeveloping the area with desirable homes that reflect the needs and aspirations of the local community and the future needs of residents.

The scheme will be funded from contributions from the Housing Revenue Account, Local Growth Fund and capital receipts.

Highways			
PFI Enhancements 'block'			Outline design done

Capital Schemes

The South Yorkshire the Integrated Transport Authority (ITA) approved £599k capital grant from its capital grant to fund additional works during the renewal of highways under the Streets Ahead project in order to minimise disruption and costs. The projects have been selected as priorities using a scoring mechanism from an internal review, The money will be applied as follows:	Addition		internally – detailed design procured through Amey as part of a single source tender and in accordance with Schedule 7 of the Highways PFI contract
Manor Lane/Manor Park area: a new pedestrian crossing on Manor Lane		77	
Fir Vale and Wincobank area: road safety schemes on Page Hall Road and Burngreave Road and two new pedestrian crossings on Tyler Street.		225	
Greenhill area: to enable pedestrians to cross Greenhill Parkway (near Reney Road) more easily		28	
Halfway area: two new footway and two crossings schemes at Owlthorpe Greenway, Station Rd/Moss Way, Rotherham Rd, and Holdbrook Ave.		95	
Wadsley Bridge area: crossing points at the junctions of Southey Green Road and Halifax Road		139	
Woodseats area: to make it easier for pedestrians to cross The Dale at its junction with Chesterfield Road		35	
Note: Under the PFI contract, future maintenance obligations are payable at the time of construction. For the above projects these total £188k, The ITA has agreed to fund these costs and this is part of the LTP settlement of £3.2m.			
BRT North Route and the Tinsley Link The Council is bidding for funding from the Department for Transport (DfT) and European Regional Development Fund (ERDF) for funding to construct a Bus Rapid Transit facility between Rotherham and Sheffield. This scheme will help regenerate the	Variation and Slippage	836 2,300	Competitive Tender

Capital Schemes

Lower Don Valley and support economic regeneration. £4.4m has been approved to date. Funding is conditional on a programme of works which has the scheme operational by September 2015. In order to achieve this milestone, some advance works need to be done prior to receiving DfT final approval in late 2013. These include the diversion of statutory undertaker's equipment such as electricity cables and works to the Highways Agency compound. A crossing needs to be built across the existing Supertram formation at Meadowhall. Supertram's operational requirements necessitate this work to be carried out in August. August 2014 would be too late for the agreed project programme so it is proposed to do the works this year, in advance of the main start on site. The total cost of works is estimated at £836k. The land acquisition and the making of the Compulsory Purchase Order were approved by Cabinet in July 2012. Having had all objections withdrawn and the Public Inquiry cancelled, the CPO is expected to be confirmed in April. With these powers in place the timing of land acquisition is no longer time critical and will progress in parallel with the remainder of the works. The latest submission seeks authority to slip £2.3m of the previously authorised sum into 2013-14. This is the first work to be funded at risk in advance of receiving funding approval for the whole scheme. Previous work has been funded by third parties or used to acquire land which could be re-sold in the event that the scheme did not progress. If the scheme was aborted, this cost would be have to be written off against the Revenue Budget for which there is no provision and would have to be mitigated by prioritising expenditure.			

Capital Schemes

Parks			
Beighton Landfill Emergency Mitigation The original works comprised fencing; installation of a new perimeter transmission ring main linked to the main gas field; the installation of a replacement gas flare to replace obsolete equipment and upgrading works to relevant gas well heads. Originally standing at £120k , funded by £70k Revenue Contributions to Capital and £50k from the Landfill Leaching project funded by Corporate Resource Pool, the proposed variation will be funded by an additional £30k Revenue Contribution to Capital from the Minor Works budget to cover cost increases.	Variation (EMT)	30	N/A: Variation
Public Rights of Way Part of the third South Yorkshire Local Transport Plan (2011 - 2026): 2012/13 outline LTP Integrated Transport programme approved by ITA on 5th April 2012. This £24k increase will be used to fund improved surfacing on a bridleway link between Rother Valley Country Park and the Connect 2 scheme at Halfway and is funded from costs savings in the Driving Me Crazy programme, itself funded from the Local Transport Plan central fund held by SYITS (South Yorkshire Intelligent Transport System).	Variation (EMT as £96k in aggregate)	24	N/A: Variation
DMC (Driving Me Crazy) - Parkway The original remit of this scheme was 'small measures to try to improve general traffic flow at various locations around the city'. The main scheme has now been delivered and was an extension of a right turn lane from Penistone road into Bradfield Road at Hillsborough. There is now a £24k reduction in the allocation required for this scheme due to lower than expected cost recharges: this money will be used instead to fund an increase in the work done on the Public Rights of Way scheme above.	Variation (EMT as relates to above)	(24)	N/A: Variation
INFRASTRUCTURE :-			
Kelham Island Museum Roof	Addition	136	Competitive Tender

Capital Schemes

This project provides for the installation of a new roof on the Engine House building at Kelham Island Museum. An inspection/structural survey revealed that the existing roof was unsafe and a new roof would be the most economical option in the long run – not least of which is the £24k cost of scaffolding to access the roof for any repair. This is in line with the Buildings Maintenance strategy of renewal rather than “patch and mend”. Investment now will be cheaper than potential repairs and installation of a subsequent new roof, should the roof then leak further. The new roof will offer a wider area for public to view the Museum exhibits and will protect them from water damage. The future viability of Museum is dependent on the roof work being done, as the affected section is currently closed to visitors. The Museum does have long term funding for the next three years. The project is to be 100% funded from the Minor Works Revenue Budget as a Revenue Contribution to Capital.			
SUCCESSFUL CHILDREN & YOUNG PEOPLE :-			
Primary Capital Maintenance: Block Allocation The budget is to be adjusted to note Sheffield City Council’s confirmed Department for Education (DfE) Capital Maintenance Grant of £5.3m, for 2013/14, as recently announced by the Secretary of State for Education. This is a reduction of £1.3m on the amount included in the budget not all of which has recently been approved. An unapproved balance of £3.6m. The service has identified projects which total more than this and progression of these projects will depend on the level of the 2014/15 grant.	Variation	-1,300	N/A: Variation

Capital Schemes

Basic Need: Block Allocation The budget is to be adjusted to recognise Sheffield City Council's additional DFE Capital Basic Need Grant of £13.2m as a 2-year allocation covering both 2013/14 and 2014/15, as recently announced by the Secretary of State for Education, of which £10.9m has recently been applied to projects within the programme. The unapplied balance of £2.3m, together with a currently unallocated balance from prior years of £6.4m gives a total balance available of £8.7m towards future Basic Need projects.	Variation	8,700	N/A: Variation
2-Year Old EFA Entitlement: Block Allocation This represents new funding for 2 year-old free early learning capital support for projects at various sites across Sheffield. Commissioning of works is to be via the CYP Capital Programme Group. Funded from DfE Capital Grant. 2012/13 allocation confirmed as £1,034k..	Addition	1,035	N/A
Primary Maintenance Heating -Dobcroft Junior. This boiler and heating system was identified under the condition and gas servicing programme of 2010/11 for replacement. A repair could not be carried out to this system due to the age of the boiler and unavailability of replacement parts. The budget needs to increase by £88k to reflect an increase in tendered cost variations. This variation, due to cost changes, will be managed as part of a change in the overall allocation of capital maintenance monies within the wider programme, resulting in other priorities within the programme being addressed.	Variation (EMT)	88	N/A: Variation
Primary Maintenance Electrical - Hallam Primary This project covers the installation of a replacement hard wired electrical system including fire alarm, emergency lighting etc. Replacement of the system was necessary due to its age and condition highlighted under the hard wired testing regime 2010/11. The revised budget can now be reduced by £255k due to tender cost variations. This variation, due to cost changes, will be managed as part of a change in the overall allocation of capital maintenance monies within the wider programme, resulting in other priorities within the programme being addressed.	Variation (Cabinet)	(255)	N/A: Variation

Capital Schemes

HEALTH & WELL BEING:-			
Off Line Mobile Project A range of technology has been rolled out in Assessment and Care Management in Adult Care and Support. This along with service improvement activity has helped maintain service levels following a significant reduction in staffing. One of the key elements of the technology roll out has been the introduction of tablet devices to Assessment and care Management staff enabling them to work much more flexibly and collect information electronically in a person's home. The aim of the project is to provide an offline mobile working solution that will enable social workers and care managers to record information whilst working out of the office directly to the client's electronic social care record. The key objectives are to:- • Work with the Council's IT partner to define detailed requirements for the mobile offline working solution • Work with the Council's IT partner to develop the mobile offline working solution • Work with the Council's IT partner to deliver the mobile offline working solution • Roll out the mobile offline working solution within A&CM • Train and support staff in the new way of working and in the use of the solution once it has been rolled out • Develop, review and improve business processes associated with delivering the business in a mobile way The outputs the project will deliver are:- • A working offline mobile solution • Improved business processes	Addition	1,039	Via CAPITA

Capital Schemes

• Staff able to operate in the new way The project will reduce the time it takes for Assessment and Care Management staff to complete elements of the work they carry out. This will provide the opportunity to reduce the number of staff in the service and provide the associated financial savings. The net savings are estimated at £3.7 million over 5 years. The project cost of £1.039m is to be funded for a grant from the Department of Health. This scheme will build an ICT platform on which other initiatives can be developed across the Council.			
SLIPPAGE / ACCELERATED SPEND:-			
Spital Hill Public Art The project has been developed with the NE Community Assembly who will continue to be involved with the selection of artists and development of the project. This variation represents slippage of £60,875 into 13/14. The scheme is part of the wider Spital Hill Regeneration Project (with coordinated delivery) which has slipped due to changes elsewhere in the programme funded by S106 monies.	Variation (slippage) (EMT)	(61)	N/A: Variation
STAGE APPROVALS:-			
Hunters Bar NI & I Mobile Replace This project covers the construction of a new single storey classroom block at the Hunters Bar Nursery Infant/ Hunters Bar Junior School site, to replace two existing mobiles which are to be removed as part of the project. This latest Procurement Strategy supersedes the Procurement Strategy approved by	Procurement strategy	540	Kier Sheffield LLP – Jobs Compact (previously YORBUILD)

Capital Schemes

Cabinet on 10 April 2013 at which the use of the Yorbuild framework was approved for the procurement of this scheme. It is now proposed to utilise the local jobs compact initiative with Kier Sheffield LLP for the procurement of the works. The proposed route will allow the project to start on site earlier, making use of the school summer holiday period for the majority of the contract and enabling completion early in the autumn term rather than January 2014 as the previous route.			
EMERGENCY APPROVALS:- (Note only)			
Fuel Poverty This project will use the Fuel Poverty Fund to target 100-150 fuel poor households in the private sector to address fuel poverty related heating and supplementary insulation needs. The outputs will be: • up to 150 measures installed costing up to £2,700K per household plus £20k fees, • 50 additional measures, draft proofing and household and glass fibre cellar insulation,£350 per household • 40 wrap around advice packages, £250 per household. The submission is an emergency request as the funding has to be spent by 31st March 2013. The project will be funded by Department of Energy and Climate Change with £301k for direct Capital works and £16,055 for project support from the sustainable Development team with £20k for associated professional fees to a total of £337k. The insulation work is to be carried out using the existing contract with Carillion. A key risk to the project is that there is not sufficient time to deliver the outputs planned;	Emergency	337	Existing contract with Carillion

Capital Schemes

the grant is claimed following the completion of work so it will not result in any claw back.			
Norfolk Park Land Acquisition The project is the acquisition of 0.21 hectares of land in Norfolk Park by Sheffield City Council. The land is being acquired for the purpose of transferring the land to the Sheffield Housing Company (SHC) for the development of 34 new homes. The acquisition of the land is dependent on agreeing a price with the Primary Care Trust before this organisation ceases to exist at the end of March 2013, the cost of the land purchase is £100k with £18k for associated fees making the total project cost £118k. The business case has been approved by the Local Growth Fund (LGF) board, and will be funded by LGF. Commercial Services have confirmed a procurement strategy is not required as the sites can only be purchased from the specific owner of those sites.	Emergency	118	Not required
DIRECTOR VARIATIONS:- (Note only)			
Secure Homes - Aldine House Refurbishments: This project was set up to provide general refurbishment across several areas within the establishment: 8 bedrooms; a staff sleep-in room; storage rooms; a kitchen modernisation. The original project budget was approved at £530k and was funded from a DfE Secure Children's Homes Programme grant as follows: £171k Bedrooms/En-Suites; £46k Bathrooms/Toilets; £84k multimedia system; £59k Kitchen works; £170k sleep-in roof space conversion.	Variation (Director)	13	N/A - variation

Capital Schemes

The £13k, budget increase is required to match the small cost overrun caused by the need to upgrade the plumbing system to meet the increased water demand and minor scope changes.			
Oughtibridge Primary: This project was set up to deal with the fact that the school has a greater number of children in catchment for September 2013 than it currently has places for. The school has an admission number of 42 and needs to accommodate up to 60 children in September 2013. Conversion of the existing undercroft area into an ICT suite will allow the current ICT suite in school to be converted to extra class space to accommodate the additional children expected in September 2013. The variation reflects a £22k budget increase due to higher tender costs for construction and will be funded from the Basic Need grant allocation.	Variation (Director)	22	N/A: Variation
Rivelin Valley Playbuilder The original project was to deal with paddling pool infrastructure at Rivelin Valley. The CAF variation is to increase the budget by a further £13k, which is to cover additional costs associated with two access ramps to enable aqua wheelchairs to use the pool. The £13k is being funded from a revenue budget contribution.	Variation (Director)	13	N/A: Variation
RETROSPECTIVE APPROVALS;-	None		