

# CAPITAL PROGRAMME MONITORING AS AT NOVEMBER 2021

## 1 - Statement of Budget Movement

The table below summarises the movement in budget from month 6 to month 8 21/22 and Capital programme budget position as at November 21.

	2021/22	2022/23	Future	Total	Comments
Month 6 Approved Budget	279.9	215.8	335.7	831.4	The key changes to the programme from last month relate to: <b>KEY ADDITIONS</b> + £7.7m - Inclusion of Housing / Place IT systems replacement + £5.2m - Inclusion of Future High Streets Fund Front Door Scheme Budget + £1.6m - Inclusion of next Phase of Corporate Estate FRA works + £0.3m - Additional Council Housing Tower Block FRA work + £0.15m - Townhall CCTV relocation +£0.15m - Repairs to Millhouses Park Wall
Additions	1.6	10.1	3.5	15.2	<b>KEY VARIATIONS</b> + £2.3m - Increase to budget of Gleadless School site SEND provision - £0.3m - Draw down of block allocation to fund increase to Tower Block FRA works (see above) - £5m - Draw down of HRA Block Allocation to fund IT system replacement (see above) - £5m - Draw down of block allocation to fund increase to new build council housing budgets (see below)
Variations	-6.9	-5.2	10.4	-1.7	+ £4.5m - Increase to Gaunt Rd New Council Housing Budget + £0.5m - Increases to Newstead New Council Housing Budget
Reprofile	-5.2	-1.4	6.7	0.0	+ 0.5m - Move of Parkwood Springs Active Park Phase 1 to procurement & delivery stage +£0.3m - Increase in budget for Forge Dam Restoration +£0.2m - Increase in budget for Halfway School Office Block refurb +£0.2m - Additional funds for finalisation of historic FRA works
Slippage and Acceleration	-2.3	2.3	0.0	0.0	<b>REPROFILES</b> - Council Housing Roofing Programme commencement delayed <b>SLIPPAGE</b> Delays to purchase of replacement vehicles in transport fleet due to supply chain issues
Month 9 Approved Budget	267.0	221.6	356.2	844.9	

## 2 - Top 20 Projects by value as at November 2021

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2021/22. This group accounts for 58% of the 2021/22 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT	Current Year									Remaining Life of Project					Comments
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %	Delivery RAG		
Heart Of The City Henrys Block	7,344	13,291	(5,948)	16,334	28,632	(12,297)	-43.0%	NR	54,691	54,691	-	0.0%	NR	See Item 4.1	
Msf Finance	10,380	10,380	-	15,650	15,570	80	0.5%	NR	49,817	49,737	80	0.2%	NR		
Heart of The City Block A	4,286	5,924	(1,638)	8,493	12,753	(4,259)	-33.4%	NR	43,671	43,671	(0)	0.0%	NR	See Item 4.4	
New Build Council Housing Phase 4 Adlington	7,684	8,994	(1,310)	11,903	12,399	(496)	-4.0%	G	12,399	12,399	0	0.0%	G		
Heart of The City Block C	3,993	7,874	(3,880)	8,563	9,804	(1,241)	-12.7%	A	10,151	10,151	-	0.0%	A	Delays on site due to COVID and supplier issues	
Heart of The City Block B	5,132	7,254	(2,121)	7,959	8,457	(498)	-5.9%	A	8,717	8,717	-	0.0%	A	Delays on site due to COVID and supplier issues	
Council Hsg Acquisitions Prog	3,593	5,164	(1,571)	7,483	7,904	(421)	-5.3%	G	20,300	43,107	(22,807)	-52.9%	G	Variations relate to changes to HRA business plan awaiting approval	
New Build Council Housing Phase 10	3,051	4,097	(1,046)	6,221	7,566	(1,345)	-17.8%	G	9,474	9,474	-	0.0%	G	Due to current resource shortages caused by Brexit/post covid issues, handover date has now been reported as 4 July 22	
New Build Council Housing Phase 24 Bamford Point	-	6,402	(6,402)	-	6,427	(6,427)	-100.0%	NR	-	6,427	(6,427)	-100.0%	NR	See Item 4.2	
Brownfield Site	109	1,093	(984)	3,356	5,836	(2,481)	-42.5%	NR	5,836	5,836	0	0.0%	NR	See Item 4.10	
Council Housing External Wall Insulation	210	3,278	(3,068)	410	5,787	(5,377)	-92.9%	G	10,029	8,679	1,350	15.6%	G	See Item 4.3	
Council Housing Roofing Replacements Prog	2,479	2,475	3	5,700	5,700	-	0.0%	G	38,245	38,245	-	0.0%	G		
Upper Don Valley Flood Scheme Phase 1	1,365	4,229	(2,864)	2,386	4,631	(2,246)	-48.5%	R	4,631	4,631	(0)	0.0%	R	Difference between current full year budget and current full year forecast reflects reduced output (actual and forecast). This is due to: ecological factors, difficulties with landowner agreements, design challenges caused by ground conditions and condition of existing structures and latterly, the contractor going into administration	
New Build Council Housing Phase 11 Hemsowth	197	1,042	(845)	1,376	4,315	(2,939)	-68.1%	G	19,953	19,953	0	0.0%	G	See Item 4.7	
Heart of The City Pocket Park	553	2,442	(1,889)	1,534	4,061	(2,527)	-62.2%	G	6,156	5,436	720	13.3%	G	See item 4.8	
Council Housing Interim Temporary Accommodation	-	-	-	3,250	(3,250)	-	-100.0%	R	3,250	3,250	-	0.0%	R	See Item 4.5	
Manor Cluster SHC Grant	-	3,219	(3,219)	3,219	3,219	0	0.0%	NR	3,219	3,219	0	0.0%	NR		
Council Housing Citywide Tower Blocks Fire Safety	156	1,398	(1,242)	903	3,186	(2,282)	-71.6%	G	9,920	9,920	(0)	0.0%	G	Delay as a result of design development and increased tender period	
West Bar CPO	1,299	1,054	245	1,299	3,162	(1,863)	-58.9%	NR	3,162	3,162	(0)	0.0%	NR	Reprofile of CPO payments as per latest information	
Heart of The City Block H1 Leahs Yard	1,793	2,161	(369)	2,302	3,075	(773)	-25.1%	NR	7,038	7,038	-	0.0%	NR	Delays in securing planning and obtaining tenders for Phase 2 works	
Top 20 Value	53,623	91,774	(38,150)	105,094	155,735	(50,641)	-32.5%		320,661	347,744	(27,084)	-7.8%			
Rest of Programme	38,380	61,233	(22,853)	79,446	111,315	(31,869)	-28.6%		686,119	497,156	188,963	38.2%			
Total Capital Programme Value	92,003	153,006	(61,003)	184,539	267,049	(82,510)	-30.9%		1,006,780	844,901	161,879	16.3%			
% of Programme within the Top 20	58%	60%	63%	57%	58%	61%			32%	41%	-17%				

## 3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £82.5m below budget. A movement of £38m from the £44.5m below budget reported at month 6. This was expected as a result of the request across all project managers to review forecasts in detail. Requests for slippage / reprofiling are to be brought forward to January Co-operative Executive to re-align budgets to this forecast. The key variances by board are explained below.

BOARD	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
HEART OF THE CITY II	25,304	43,807	(18,503)	50,138	74,295	(24,157)	<b>Key Variances</b> - £12.3m - Slippage Block H. See Item 4.1 - £4.3m - Slippage Block A. See Item 4.5 - £2.5m - Slippage Pocket park works due to pre construction delays with contractor (Potential Funding Risk) - £1.7m - Blocks B & C forecast in line with latest contractor information - £0.8m - Slippage on Block D final fit out payments - £0.8m - Leahs Yard expenditure revised in line with latest contractor forecasts - £0.7m - Delay to work on Block G Development plots as knock on effect from delays to Pocket park - £0.5m - Reprofiling of scheme wide infrastructure and public realm allocation
QUALITY OF LIFE	11,881	12,187	(305)	19,264	20,156	(892)	<b>Key Variances</b> - £0.7m - Reprofiling of City Centre Safety Memorial Hall works into 2022/23 - £0.2m - Slight delay to City Road Crematorium replacement scheme
HOUSING GROWTH	17,369	36,004	(18,635)	41,479	65,955	(24,476)	<b>Key Variances</b> - £6.4m - Purchase of Bamford Point no longer progressing See Item 4.2 - £3.7m - Reprofile of allocation for purchase of temporary accommodation See item 4.5 - £2.9m - Slippage on Hemsowth OPIL site See Item 4.6 - £2.5m - Reprofile of allocation for Brownfield Land acquisition See Item 4.10 - £2.1m - Removal of Derbyshire Lane Scheme from Stock Increase Programme - £2m - Reprofile of Block Allocation for Stock Increase Programme - £1.3m - Delay to works at Daresbury due to anti social behaviour and dispute with contractor over piling works - £1.2m - Reprofile of Council Housing General Acquisitions. - £0.9m - Reprofile of allocation for enabling of Devonshire Quarter Site
HOUSING INVESTMENT	12,458	20,456	(7,998)	28,535	47,038	(18,504)	<b>Key Variance</b> - £5.9m - Reprofile of remaining block allocations - £5.8m - Reduced forecast on EWI 2 scheme. - See Item 4.3 - £2.3m - Delay to commencement of City Wide Tower Block works - £1.7m - Delay to EWI 3 due to high tender returns - £0.7m - 20-25 Adaptations Contract slower to mobilise than anticipated - £0.6m - Forecast slippage on Tower Block Flat Roofing scheme. Start on site anticipated April 22 - £0.6m - Forecast saving on historic roofing programme
ECONOMIC GROWTH	5,698	9,378	(3,680)	9,862	14,703	(4,841)	<b>Key Variances</b> - £2.2m - Slippage on Upper Don Valley Flood Defence due to land owner objections also compounded by main contractor going into administration. - £1.8m - Reprofile of anticipated CPO payments for West Bar scheme - £0.2m - Delays on Little Kibham Bridge as developer awaiting details from engineers - £0.2m - Future High Streets Fund Events Building refurbishment reprofile

TRANSPORT	4,464	8,876	(4,412)	8,277	13,134	(4,857)	Key variances - £2.8m - Forecast slippage on CAZ schemes - £1.5m - Forecast slippage on Broadfield Road Scheme - £0.5m - Kelham Neapend Parking Scheme now slipping to 22/23
PEOPLE CAPITAL & GROWTH	11,539	16,082	(4,543)	18,440	20,957	(2,517)	Key Variances - £1.3m - Slippage on Aldine House Extension Scheme - £1.1m - Delays to Astrea Sports Pitch due to planning issues
ESSENTIAL COMPLIANCE & MAINT	2,225	4,117	(1,892)	5,940	6,891	(951)	Key Variances - £0.45m - Delay to Town Hall Atrium. Fire Alarm and Fuel Tank works - £0.15m - Delayed start on latest batch of Corporate FRA sites - £0.1m - Slippage on Bolehills reinstatement project due to funding issues
GREEN & OPEN SPACES	1,065	2,100	(1,035)	2,604	3,921	(1,317)	Key Variances - £0.5m Reprofile of Section 106 Block Allocation in line with likely delivery - £0.4m - Delays to Matthews Lane Cricket Pavilion Scheme - £0.3m - Delay on Parkwood Springs Mountain Bike Track due to contractor availability - £0.1m - Slippage on Forge Dam restoration scheme
<b>Grand Total</b>	<b>92,003</b>	<b>153,006</b>	<b>(61,003)</b>	<b>184,539</b>	<b>267,049</b>	<b>(82,510)</b>	

#### 4 - Top 10 Forecast Slippage against Full Year Budget

Of the main £44.6m forecast below budget, £29.9m relates to slippage in schemes delivery and the remainder relating to allocations of funding largely related to the acquisition of land and buildings as part of the Housing Growth Programme. It should be noted that the slippage on the Pound Park Scheme represents a significant financial risk to the council if an extension to Get Building Funds beyond March 22 is not agreed with SYMCA

Business Unit	Board	FY Budget	FY variance on budget	Explanation
4.1 Heart Of The City Henrys Block	HEART OF THE CITY II	28,632	(12,297)	SLIPPAGE - Significant profile amendments and slippage to construction forecast following review of contractor progress / delays to date, and resequencing as a result The contract completion date for the works is Feb-23 and whilst there have been delays to date, but these should only defer completion into Mar-23 as things stand, so expenditure expected to catch up next financial year. Further issues may be encountered, given the nature & complexity of the works, but contractor is providing confidence that they'll manage and mitigate such issues as they arise. Formal slippage requested at December CPG / Jan Co-op Exec
4.2 New build council housing-p24-bamford Point-temporary accommodation	HOUSING GROWTH	6,427	(6,427)	REPROFILE - Purchase of units from developer no longer progressing. Budget to be returned to Stock Increase Programme block allocation to fund alternative schemes. Budget variation to be processed as part of HRA business plan review
4.3 Council Housing External wall insulation Non-traditional 2	HOUSING INVESTMENT	5,787	(5,377)	SLIPPAGE - YTD actuals are behind YTD budget due to a delay in the OBC submission as a result of a Cabinet Member briefing being postponed. Invoices for the detailed designs have been submitted more slowly than first anticipated. A revised CAF and slippage will be submitted to correct the spend profile. Budget variation was approved by Leader's Decision in December
4.4 Heart of The City Block A Palatine Chambers Block	HEART OF THE CITY II	12,753	(4,259)	SLIPPAGE - The budget was based on the appraisal profile based on the expected programme of works but there has now been significant profile amendments and slippage following receipt & review of updated contractor cash-flow now that they are actually on site Formal slippage requested at December CPG / Jan Co-op Exec
4.5 Council Housing Interim Temporary Accommodation	HOUSING GROWTH	3,250	(3,250)	REPROFILE - Unlikely to achieve £400k appropriation cost for Knowle Hill by Mar 2022. Therefore, full budget has been reprofiled to 2022/23.
4.6 New build council housing-p11-hemsworth-opil	HOUSING GROWTH	4,315	(2,939)	SLIPPAGE - The programme has slipped due to; initial spec and design process took longer than anticipated due to additions and information requirements, delays with pre-application planning return, issues with cost requiring a value engineering exercise, issues with tender type and market appetite delaying tender
4.7 Clean air zone Number Plate Recognition Infrastructure	TRANSPORT	2,816	(2,540)	SLIPPAGE - Variations between YTD budget and YTD expenditure exist as a consequence of the delayed JAQU confirmation of approval of OBC and the release of allocation of funding, as a consequence of both the restrictions to appoint the preferred supplier due to the legal challenge and the Covid-19 pandemic national/local 'lockdown' measures. Formal slippage requested at December CPG / Jan Co-op Exec
4.8 HOC II Block G Pound Park	HEART OF THE CITY II	4,061	(2,527)	SLIPPAGE - Variation between YTD budget and YTD expenditure due to significant delay in establishing Pre-Construction Services Agreement with Henry Boot and also to the start on site of construction works - therefore costs have not yet been incurred. Variation between full year budget and outturn forecast for the current year is due to contractor's estimated start on site and completion dates having slipped significantly from earlier estimates. This means significant expenditure has slipped from 21/22 to 22/23.
4.9 Council Housing Communal Areas Investment	HOUSING INVESTMENT	2,500	(2,500)	REPROFILE - Block Allocation for Investment in Council Housing Communal areas Budget variation to be processed as part of HRA business plan review
4.10 Brownfield Site Acquisitions	HOUSING GROWTH	5,836	(2,481)	REPROFILE - Allocation for strategic acquisition of land - now reprofiled to reflect likely timing of expenditure based on land availability. Formal slippage requested at December CPG / Jan Co-op Exec
<b>Total</b>		<b>76,377</b>	<b>(44,596)</b>	

#### 5 - Top 10 Forecast Overspends over Full Year Budget

Of the main £5.7m forecasts over budget approx. £0.7m represent genuine overspends. Additional external funding is being sought to deliver LAD II works. Expenditure on Accelerated Adaptations Grant and High Value Equipment represents catch up spend from COVID backlog and will be funded from Disabled Facilities Grant allocation. The TCF SW Bus Corridor schemes expenditure is expected to be funded from next tranche of grant funding.

Business Unit	Board	FY Budget	FY variance on budget	Explanation
5.1 Accelerated Adaptations Grant (Disabled Facilities Grant)	PEOPLE CAPITAL & GROWTH	1,600	1,135	REPROFILE - Re-categorisation of works from statutory grants to discretionary under new Housing Assistance policy.
5.2 Council Housing Adaptations	HOUSING INVESTMENT	74	915	AWAITING APPROVAL - The currently forecasted outturn is circa £891k against the available budget of £74k. This forecasted outturn is based on the following breakdown. 1. Wates Core Adaptations Contract (ended in March 2021) - this includes retentions and the TUPE'd staff pension deficit which is due to Wates under the terms of the contract. Reflected in PPR for payment. 2. Thyssen Krupp Stair lifts contract originally anticipated to complete in August 2021 - now extended until the end of January 2022 with an anticipated outturn of circa £328k. No budget was carried forward for this work in 2021/22. 3. Specialist equipment, this was due to the slow start that the new Wates contract where the specialist supply chain was not in place within the new contract and therefore direct orders needed to be raised for fast track and urgent referrals. No budget was carried forward for this work in 2021/22 under this business unit. 4. Costs relating to 4 extensions originally planned to start in 2020/21, delays in the start on site has meant that the costs will now be incurred in 2021/22. No budget was carried forward for this work in 2021/22 under this business unit. The Cost manager has sought to settle the final account with Wates contract. Revised final account at £4,798,512. Formal revision to the budget requested as part of HRA Business Plan Review
5.3 Council Housing Kitchen/bathroom Planned Replmt	HOUSING INVESTMENT	506	569	AWAITING APPROVAL - Current predicted outturn for 2021-22 is £1,068m, this results in an total overspend of £588k which includes retention payments in 2022-23. Early indications are showing estimated costs of £510,000 for the 9 sundry properties. This figure has increased from the latest revised figure of £450,000 due to further structural works required to bring these properties to a lettable standard, particularly at Mayfield Cottage. This figure also includes an additional £9000 to cover prelim costs for extensions in the contract. The majority of the remaining sundry properties are nearing completion, however two may run into December. This is due to supply issues for doors and the time required for the lime based plaster to dry out. As a result, the forecast spend in December will be approximately £240,000. Currently, no extension of time has been awarded on the contract since September. There will be additional prelim costs of approximately £9000 to pay as a result of the contract extension, taking the estimated overall costs up to £510,000 for the sundry properties. Formal revision to the budget requested as part of HRA Business Plan Review
5.4 High Value Equipment (Disabled Facilities Grant)	PEOPLE CAPITAL & GROWTH	325	474	OVERSPEND - Exceedingly high levels of demand across the service resulting in spend at over double initial estimates.
5.5 Council Housing Heating Breakdowns	HOUSING INVESTMENT	249	459	AWAITING APPROVAL - This budget has been renegotiated from £248,851 to £708,313 as indicated in section. Details of this can be found in the document 'review of the obsolete heating and breakdowns delivery programme 21/22 & 22/23' as agreed by the sponsor. Budget revision approved in December by Leader's Decision
5.6 Council Housing Electrical Upgrades Ph 2	HOUSING INVESTMENT	2,210	443	NO FORECAST COMPLETED - No overspend expected
5.7 Local Authority Decarbonisation Fund Council Housing Works	HOUSING INVESTMENT	1,067	417	AWAITING APPROVAL - it is currently anticipated that the contract value will be awarded at £1,417m which is circa £400k over approved budget available. It is proposed to hold discussions with BEIS in relation to increasing the potential increase in grant funding to support the project. Budget increase underwritten from HRA approved in December by Leaders Decision
5.8 Talbot-seven Hills School (Special Educational Needs Places)	PEOPLE CAPITAL & GROWTH	96	261	ACCELERATION - Spend ahead of budgeted profile
5.9 Transforming Cities Fund South West Bus Corridors	TRANSPORT	135	242	OVERSPEND - Currently forecasting overspend against approved budget. However, stage 2 funding award approved by SCR - awaiting formal offer to increase budget.
5.10 Transforming Cities Fund Magna - Meadowhall Cycling	TRANSPORT	2	224	AWAITING APPROVAL - Fees required to achieve design phase have been higher than expected with more consultation and details than initially estimated. Additional surveys costs required. Stage 2 funding award now received from SYMCA - budget uplift to be brought forward
<b>Total</b>		<b>6,264</b>	<b>5,140</b>	

## 7 - Key Issues and Risks

### Key Issues

- **Schools Expansion Funding** - while funding now received for this latest position indicates that this will still leave an SCC contribution required overall estimated now estimated at approx. £1.5m. However, new issue regarding increased costs of delivering pitch facilities at Astrea Academy could place a further £0.4m pressure on this.
- **SEND Places - Immediate** shortfall of places (Sept 21) addressed by £2m funding allocation and a revenue provision. However, medium to long term review indicates increasing pressure on places but no identified funding strategy. Estimate is for £30m required for next 5 years. With approx. £6m required to develop places for September 22. Funding now agreed for 50% of Sept 22 shortfall with remainder still to be identified. Alternative is higher costs of independent provision, already in short supply.
- **Broadfield Road Junction Scheme** - Latest information suggests scheme is not deliverable within current budget which will create pressure either through increased costs or potential repayment of funding if not progressed.
- **Transforming Cities Fund - City Centre Scheme** - Decision on future of scheme re: Pinstone Street could put additional pressure on corporate resources due to changes required to dependent schemes such as Future High Streets Fund and City Centre Safety Measures

### Key Risks

Key risk areas -

#### Schemes funded via time limited grants

- **Get Britain Building Funded Projects** - Pocket Park HOCII (£4m) - Deadline 31/03/22 - slippage already forecast - **Urgent confirmation now required on status of discussions with SCR on potential to extend deadline as scheme showing increasing slippage.**
- **Grey To Green 2** - Delays to delivery of materials resulting in increased costs can only be partly mitigated by increased external funding. Potential SCC exposure of £174k - £330k
- **Active Travel Fund** - Sheaf Valley Cycle Route (£2.3m) - Deadline 31/03/22 - **SCR to speak to DfT about potential of extension of funding. LTP to underwrite any commitments**
- **LAD II Green Homes Grant** - Approx. £3m of work to be delivered before 30 June 2022 (Deadline extended)- already supply chain and contractor availability issues identified. Tender returns on SCC/SYHA element of contract higher than available grant. **Private sector contract now signed - regular monitoring meetings in place**
- **Public Sector Decarbonisation Grant Schemes** - £1m of work to be complete now to be completed before 31st March 2022 following agreement of extension by funder. However contractor must be appointed by Jan 22 and outputs may need to be revised.
- **Transforming Cities Fund** - Up to £67m programme currently not deliverable by March 2023 deadline - Indications are now that this deadline will be extended as a result of City Region Sustainable Transport Settlement Fund

**High levels of inflation and supply issues re: construction materials** - could have a significant impact on cost and delivery timescales of capital schemes. Could also lead to increased contractor disputes.

This page is intentionally left blank