

Overview and Scrutiny Management Committee

Meeting held 3 September 2020

(NOTE: This meeting was held as a remote meeting in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.)

PRESENT: Councillors Mick Rooney (Chair), Ian Auckland, Steve Ayris, Ben Curran, Denise Fox, Julie Grocutt, Tim Huggan, Douglas Johnson, Mike Levery, Cate McDonald and Jim Steinke

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1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from Councillor Sioned-Mair Richards.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 4th June 2020, were approved as a correct record, subject to the amendment of Item 6 – Call-in of the Leader’s Decision on Month 11 Capital Approvals 2019/20 – Heart of the City II – Block A (Palatine Chambers), by the deletion of the words ‘unless dealing with a major city or tourist hotspot’ in the seventh bullet point of paragraph 6.13.

4.2 Arising from the consideration of the minutes, and in relation to the issue regarding the establishment of a Citizens’ Assembly to look at climate change, the Chair reported that he had discussed the issue with Councillor Mark Jones (Cabinet Member for Environment, Streetscene and Climate Change), and arrangements had been made for Councillor Jones to attend the next meeting of this Committee to report on progress.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 The Chair reported that two questions had been received from members of the public, both after the designated time limit, but which he agreed should be considered.

5.2 The first question was from James Biggin (Managing Director, Steel City), and related to the closure of Ponds Forge Sports Centre.

5.2.1 The Policy and Improvement Officer (Alice Nicholson) reported that this issue was to be considered by the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee, at its meeting to be held on 8th September 2020, and it was suggested that Mr Biggins attend that meeting to raise his question, and receive a detailed response.

5.3 Alice Nicholson read out the following question submitted on behalf of the GMB Union:-

5.3.1 Paragraph 3 of the report of the Head of Strategic Finance on the Council's Revenue Budget, which is to be considered later at the meeting, notes that there has been slippage in the budget which is partly as a result of further millions being handed over to Sheffield City Trust on top of substantial subsidies being paid out in consecutive, previous years.

(1) Does this Committee feel the most recent handing over of public money in the sum of £15 million to Sheffield City Trust, who are now in the process of cutting hundreds of low paid jobs, as well as keeping venues such as Ponds Forge closed, with no date for re-opening, is fair when the SCT Senior Management Team suffer no detriment, even when the organisation's business model has clearly failed?

(2) Does this Committee believe the time has now come to bring the sport, leisure and cultural services Sheffield City Trust is responsible for, back in-house?

(3) Will this Committee recommend to the Leader and relevant Cabinet Members the urgent need to consider bringing these services in-house to ensure the security of hundreds of jobs and the long-term stability of the services that mean so much to the people of Sheffield?

(4) Would the Council be eligible to secure a grant from the Government's £1.5 billion rescue pack for arts and leisure services if the facilities currently outsourced to Sheffield City Trust were to be brought back in-house?

5.3.2 It was suggested that the questions be forwarded to Councillor Terry Fox (Cabinet Member for Finance, Resources and Governance), Dave Phillips (Head of Strategic Finance) and Ryan Keyworth (Director of Finance and Commercial Services), and arrangements be made for (a) a detailed response to be provided to the GMB and (b) the questions to be read out at the meeting of the Economic and Environmental Wellbeing and Scrutiny and Policy Development Committee on 8th September, 2020.

6. UPDATE ON THE COUNCIL'S 2020-21 REVENUE BUDGET

6.1 The Committee received a report of the Head of Strategic Finance containing an update on the Council's 2020/21 Revenue Budget. Appended to the report, as supplementary documents, were reports on the Revenue and Capital Budget Monitoring 2020/21, as at 31st May 2020, and a report on the

Capital Approvals for Month 02 2020/21.

- 6.2 David Phillips (Head of Strategic Finance) introduced the report, indicating that, since the 2020/21 Revenue Budget had been agreed at full Council on 4th March 2020, the City and the Council had been hit by the Covid-19 pandemic, which had had a very significant effect on the Council's finances and the delivery of its budget, and that the report provided an update on these effects.
- 6.3 Also in attendance for this item were Councillor Terry Fox (Cabinet Member for Finance, Resources and Governance) and Ryan Keyworth (Director of Finance and Commercial Services).
- 6.4 Members of the Committee raised questions, and the following responses were provided:-
- There was a considerable amount of planning work being undertaken, including working with the Sheffield City Region and other core cities, in terms of looking at future budget planning. The Council was also working with the Outbreak Control Board, the Clinical Commissioning Group and other partners in this regard. Specific work was being undertaken to look at how statutory services could be underpinned and, in the light of an expected second wave of Coronavirus, the Council was taking things very seriously. The Council was able to use some of its reserves, and currently had sufficient stocks of Personal Protective Equipment (PPE).
 - The Outbreak Control Board was currently looking at the external risks caused by the Covid-19 pandemic, and the challenge for the Board was to try and predict the impact of a second wave of the pandemic. The City had no experience of anything like this to work from, and it was very difficult to try and estimate and/or predict the consequences of a second wave, both on the Council and the City as a whole. The Council was looking initially at controlling the things it was able to and, as part of this work, was monitoring the data on a regular basis. There was now a significant stock of Personal Protective Equipment (PPE) in the City, and across South Yorkshire, with enough supply to keep all the Council services, including the care service, supplied for around three months. This would mean that the Council would not be subject to the challenges faced early on in the pandemic. In terms of internal risks caused by the pandemic, the Council had undertaken considerable work over the last five months, which had included allowing meetings such as this to take place remotely. In March 2020, there had only been capacity for around 100 members of staff to work from home but now, everyone who wanted to work remotely from home was able to. The aim was about making the Council as resilient as possible, and to allow staff to continue working from home, whilst planning for a second wave at the same time.
 - When decisions were taken by the Incident Management Group, all financial implications had been considered, albeit at some speed. The

figures in the report included estimates regarding the implications of such decisions. The financial position at the end of July 2020 was not, in fact, materially different to the current position. At the height of the pandemic, the Council had been forced to take significant action to support the organisations that provided care to the most vulnerable in the City, both with regard to care homes and homecare, and it had been agreed to increase the funding to such organisations to ensure they remained financially solvent. Care home occupancy had actually dropped by around 10%. The Council had now got to work closely with the various services and partner organisations to understand how it would move back to a more 'business as usual' footing, and understand the extent to which this was possible, including the understanding of timescales. The Council had built in estimates to this year's financial figures, and was now working with the various services and providers in connection with the 2021/22 budget process, in order to understand the implications of this. There were concerns with regard to the medium term going forward, and managers had been asked to look at all potential risks, including capital costs. There was an acceptance that the Council could not continue working on the budget process as it had done in the past.

- The Council was looking at every possible way of making savings, and all managers had been requested to look into this. Regular meetings were held with the Directors in the Place and People Portfolios, together with the respective Cabinet Members, with the Directors being constantly challenged in terms of savings. Communications had been sent to Government Ministers regarding the Council's concerns relating to its finances, and was awaiting a reply. The Council was looking at a co-ordinated approach in terms of lobbying the Government with other core cities, who were in a similar position.
- The Council was monitoring the effects of lost revenue in terms of business rates and Council tax very closely, and updating estimates moving forward. The Council had also been in contact with the Government regarding this issue, who had allowed the Council to spread the impact of the lost income over a period of a few years. Work was also being undertaken to assist businesses in connection with their recovery after the pandemic. Some sectors had been granted exemptions in respect of business rates, such as the retail sector, and the Council always worked with companies regarding the payment of business rates, with enforcement action regarding non-payment always a last resort.
- Overspends for 2020/21 not relating to the Covid-19 pandemic were currently forecast to be £5.9 million mainly due to non-Covid additional pressures in physical and learning disabilities (£2 million), unfunded Air Quality scheme costs (£1 million) and staffing pressures within Customer Services and Human Resources (£1 million). There was more detail regarding this breakdown of the figures in the Month 2 report submitted to the Cabinet in July 2020. The Council's agreement with

Sheffield City Trust (formerly Sheffield International Venues) was due to end in 2024, and discussions had commenced with regard to where the Council wanted its leisure facilities to be going forward. The Covid pandemic had brought this timeline forward.

- The overspend for 2020/21 was slightly higher, but not markedly out of line with past overspends, therefore the Council was not proposing anything significantly different in terms of dealing with this. The Council normally expected a somewhat lower overspend than £17 million at this stage of the year, and whilst the non-Covid-related overspend of £5.9 million was not considered too high, the Covid-related overspend pushed the figure up to a higher level. There was a need to sort things out in the medium term and as part of this work, the Council would continue to lobby the Government in terms of its funding allocation.
- Approximately £15 million of savings had been approved in this year's budget, and the ability to deliver them had been severely affected by the Covid-19 pandemic. The challenge now for the Council was to enable 'business as usual' activities to restart again. The Council was challenging the delivery of savings, hence the regular monthly meetings arranged to monitor the position. The capacity and resources issues faced by the Council had been major, and thanks should be conveyed to those members of staff who had been deployed or who had, and were currently, working very long hours. It had been a major achievement to go from a few hundred members of staff being able to work from home to around 6,000 staff.
- The Business Recovery Group, which was separate to the Incident Management Group, was currently looking at the longer-term recovery of the City.
- There had been a huge drop in income from car parking charges, although this figure was slowly increasing. The Director of City Growth was monitoring this issue.
- The Council was looking at areas where there were underspends, although such underspends were relatively minor. Work was being undertaken to look at the detail of the budget and identify those areas having underspends. Work would then take place to ensure that managers were very clear that they did not see this as an opportunity to take advantage of such underspends when the pandemic was over, and work was taking place with Members on this.
- It was accepted that the Council needed to take the opportunity to change the organisation for the better, following the pandemic, and the Business Recovery Group was already looking at this. It had been accepted that there would be a big culture change within the organisation following the pandemic, particularly with regard to staff working from home. It was not likely that, in some areas of the Council, staff would return to working in the office five days a week. There was

also a need to look at the Council's buildings, and what they could be used for, with any resultant savings needing to be reprioritised.

- The Cabinet Member for Finance, Resources and Governance was meeting monthly with the Directors in the People and Place Portfolios and relevant Cabinet colleagues in connection with monitoring the budget position. The issues highlighted within the People Portfolio included the increase in staff workloads, children's services and SEN transport costs, and those in the Place Portfolio included issues regarding Council housing, track and trace facilities and the Change Programme. All Cabinet Members and Directors were being challenged in terms of the budget position. The Council was looking at a long-term vision, accepting that there would be major changes to working practices after the pandemic.

6.5 RESOLVED: That the Committee:-

- (a) notes the contents of the report, together with the supporting documentation - Revenue Budget and Capital Programme Monitoring 2020/21 and Capital Approvals for Month 2 2020/21 - now submitted, together with the responses to the questions raised, in particular (i) the additional pressures caused by the Covid-19 pandemic and (ii) that the Council's current level of reserves provides time for action to be taken strategically in response to the Covid-19 pandemic, and the more general financial position, but that actions will be needed, on current projections, to maintain financial stability in the medium-term, with such actions including further co-operation with other key stakeholders, in particular, the NHS; and
- (b) requests:-
 - (i) that the Council continues lobbying the Government in connection with making a case for further funding towards the costs created as a result of the Covid-19 pandemic, with particular emphasis on pressures regarding Adult Social Care; and
 - (ii) arrangements be made for a standard item on Budget Monitoring on all agendas for future meetings of this and the four Scrutiny and Policy Development Committees, with the individual Committees deciding on how they wished to deal with this issue.

7. WORK PROGRAMME 2020/21

7.1 The Committee considered a report submitted by the Policy and Improvement Officer (Alice Nicholson) setting out a draft Work Programme for 2020/21 for this Committee and the four Scrutiny and Policy Development Committees.

7.2 Ms Nicholson stated that she was aware that some Committees had not met

during the Covid-19 period, and that it was proposed that all the Committees would meet by early October 2020.

7.3 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the comments now made;
- (b) approves, in principle, the schedule as set out in the report; and
- (c) requests that arrangements be made for the Chairs and Deputy Chairs of all the Committees to meet, via Zoom, to discuss the number of meetings to be held, with the items considered to be determined by the respective Chairs and Deputy Chairs, and the Chairs of the Scrutiny and Policy Development Committees be requested to forward suggested items for consideration by this Committee to the Scrutiny Team.

(NOTE: in accordance with Council Procedure Rule 26 of the Council's Constitution, and the provisions of Section 100B(4)(b) of the Local Government (Access to Information) Act 1985, the Chair decided that Item 7 above be considered as a matter of urgency in order for the item to be considered at the earliest opportunity, although it had not been possible to give five clear days' notice that the item was to be considered.)

8. DATE OF NEXT MEETING

- 8.1 It was noted that the next meeting of the Committee would be held on a date to be arranged.

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