



## Report to Policy Committee

**Author/Lead Officer of Report:**

**Tel:** 0114 293 0253

**Report of:** Ajman Ali – Executive Director Neighbourhoods

**Report to:** Waste & Street Scene Committee

**Date of Decision:** 15th November 2023

**Subject:** Waste & Street Scene Budget 2024/2025

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
<i>Appendices 1 and 2 are not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).</i>				

### Purpose of Report:

The purpose of this report is to set out new financial pressures facing the Waste & Street Scene Committee in 2024/25, including fees, grant and other income available to the council to offset these pressures and proposals for how pressures may be addressed.

**Recommendations:**

It is recommended that the Waste & Street Scene Committee:

1. Notes the new financial pressures facing Waste & Street Scene for 24/25 and the new income available to help mitigate them
2. Notes that the proposals/mitigations will be presented to the Strategy and Resources Committee as part of the Council's budget for 2024/25.

**Background Papers:**

1. *Appendix 1: Waste & Street Scene Savings Proposals 24/25 (Closed)*

<b>Lead Officer to complete: -</b>	
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: <i>Adrian Hart</i></p> <p>Legal: <i>Sarah Bennett</i></p> <p>Equalities &amp; Consultation: <i>Ed Sexton</i></p> <p>Climate: <i>Lead Officer</i></p>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<p><b>SLB member who approved submission:</b> <i>Ajman Ali</i></p>
3	<p><b>Committee Chair consulted:</b> <i>Cllr Joe Otten</i></p>
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>
<p><b>Lead Officer Name:</b> Richard Eyre</p> <p><b>Job Title:</b> Director, Street Scene &amp; Regulations</p>	
<b>Date: 18<sup>th</sup> October 2023</b>	

## 1.0 PROPOSAL

- 1.1 This report describes the new financial pressures facing the Waste & Street Scene Committee in 2024/25, the new income available to offset these pressures and the savings being proposed to bridge the gap between cost of service delivery and available resources to deliver a balanced budget.

## 2.0 BUDGET PRESSURES 2024/25

- 2.1 An updated medium term financial analysis was presented to Strategy & Resources committee in September to give members an early view of the forecast financial position for the Council for the next 4 years and to set the financial constraints within which the budgeting and business planning process will need to work to achieve a balanced budget position over the medium term. [MTFA & Committee Budget Savings Targets](#)

Over the 4 year period the forecast budget gap for the Council is estimated to be £61m. For 2024/25 the forecast budget gap is £18m that will need to be bridged by services in order to set a balanced budget for 2024/25.

For this committee the following assumptions have been made for 2024/25 within the MTFA.

### Waste & Street Scene

- Pressures of £7.7m the most significant of which include the RPIx uplifts for Waste and Streets Ahead Contracts
- Offset by
  - Funding allocated, as per the MTFA, to fund the 2024/5 pay award, £0.5m
  - Funding of RPIx contract uplifts, £6.4m
  - Assumed uplift by inflation of fees and charges £0.22m
  - Mix of Historically unused budgets
- This leaves a gap to find of £0.15m

The longer term look for the Committee is as follows:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Savings Target		2.5	0.1	0	0
Net Revenue Budget	64.4	71.8	76.4	79.4	82.6

## 3.0 SAVINGS PROPOSALS

- 3.1 The savings set out in the table below are proposals which have been updated and developed in line with SCC's agreed process.

### 3.2

Saving/ Pr Service		Description	Values
			Sum of Total 2425
Pressure	Street Scene & Regulation		-
		Pay Award	567,053
		Streets Ahead contract inflation	3,572,537
		Waste contract inflation	2,822,000
		Public realm - Pounds Park	258,658
		Other Pressures	510,000
<b>Street Scene &amp; Regulation Total</b>			<b>7,730,248</b>
<b>Pressure Total</b>			<b>7,730,248</b>
<b>Corporate Funding</b>			
		Major contracts corporately funded	-6,394,537
		Pay award corporately funded	-567,053
		Other corporate funding allocation	0
<b>Total corporate funding for WSS</b>			<b>-6,961,590</b>
<b>Net total</b>			<b>768,658</b>
		Services Mitigations	-603,727
<b>Total</b>			<b>-603,727</b>
<b>Target to find</b>			<b>164,931</b>

## 4.0 HOW DOES THIS DECISION CONTRIBUTE?

4.1 The proposals in this report are aimed at maximising financial resources to deliver Waste & Street Scene services outcomes to residents in Sheffield considering developments in national policy especially with the impending Environmental Act, the current economic climate, and that rightly, public expectations are still high for services that fall under WSS Policy Committee.

## 5.0 HAS THERE BEEN ANY CONSULTATION?

5.1 Briefings have been held with all WSS Cllrs including Cllr Otten, Cllr Dimond & Cllr Jones. Further consultation will be undertaken as detailed proposals develop.

## 6.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 6.1 Equality Implications

6.1.1 Some of the options may have an equalities impact if accepted. Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee considers and agrees the proposals.

6.1.2 EIAs (Equality Impact Assessment) are live documents and will be kept up to date as proposals are further developed and, as appropriate, consulted upon. Further proposals will be required to balance the budget gap and EIAs will be undertaken for those as they are identified and brought forward.

### 6.2 Financial and Commercial Implications

6.2.1 Each Committee is required to deliver a cash standstill budget for 2024/25, which requires them to find mitigations for any Service pressures over and

above 2023/24 budget. The purpose of this is to allow the Council to achieve a balanced position for 2024/25 by the time the Strategy and Resources meets in December 2023.

**6.2.2** The pressures and savings proposals to address this are set out in this paper. Currently this Committee has met its financial target.

**6.2.3** All Committees savings proposals will be considered by the Strategy & Resources Committee before final sign off to ensure a balance 2024/25 budget for the Council as a whole.

### **6.3** Legal Implications

**6.3.1** By law, SCC (Sheffield City Council) must set and deliver a balanced budget, which is a financial plan based on sound assumptions. This can consider cost savings and/or local income growth strategies, as well as use of reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

**6.3.2** The recommendations in this Report contribute to the process of setting a budget but do not otherwise have any immediate legal implications.

**6.3.3** Implementation of the specific proposals outlined in this report may require further decisions in due course, which will need to be made in accordance with the council Constitution. It is important to note that in making these decisions, full consideration of the Council's legal duties and contractual obligations will be needed.

### **6.4** Climate Implications

Some of the options may have a climate impact if accepted. Climate Impact Assessments are being considered and detailed Impact Assessments will be completed once this Committee considers and agrees the proposals.

### **6.5** Other Implications

None

## **7.0 ALTERNATIVE OPTIONS CONSIDERED**

The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. The options presented in this paper, if accepted, will negate the need to make any staff or resource cuts to the respective services and therefore, should allow the continuation of good quality customer services.

## **8.0 REASONS FOR RECOMMENDATIONS**

Members are asked to note the unsustainable financial position highlighted by the medium-term financial analysis presented to Strategy and Resources Committee in September 2023. This report and its recommendations, sets out

the scale of the challenge ahead, the limited resources available and some of the difficult decisions that will need to be taken.