

Overview and Scrutiny Management Committee (Special)

Tuesday 23 January 2018 at 10.00 am

**To be held at the Town Hall, Pinstone
Street, Sheffield, S1 2HH**

The Press and Public are Welcome to Attend

Membership

Councillors Chris Peace (Chair), Ian Auckland, Penny Baker, John Booker, Denise Fox, Douglas Johnson, George Lindars-Hammond, Pat Midgley, Josie Paszek, Mick Rooney, Ian Saunders, Steve Wilson and Cliff Woodcraft

Substitute Members

In accordance with the Constitution, Substitute Members may be provided for the above Committee Members as and when required.

PUBLIC ACCESS TO THE MEETING

The Overview and Scrutiny Management Committee comprises the Chairs and Deputy Chairs of the four Scrutiny Committees. Councillor Cate McDonald Chairs this Committee.

Remit of the Committee

- Effective use of internal and external resources
- Performance against Corporate Plan Priorities
- Risk management
- Budget monitoring
- Strategic management and development of the scrutiny programme and process
- Identifying and co-ordinating cross scrutiny issues

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday. You may not be allowed to see some reports because they contain confidential information. These items are usually marked * on the agenda.

Members of the public have the right to ask questions or submit petitions to Scrutiny Committee meetings and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Scrutiny Committee meetings are normally open to the public but sometimes the Committee may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

If you require any further information about this Scrutiny Committee, please contact Emily Standbrook-Shaw, Policy and Improvement Officer, on 0114 27 35065 or email Emily.standbrook-shaw@sheffield.gov.uk

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE AGENDA
23 JANUARY 2018**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest**
Members to declare any interests they have in the business to be considered at the meeting
- 5. Public Questions and Petitions**
To receive any questions or petitions from members of the public
- 6. Revenue Budget 2018/19**
To receive a presentation from the Executive Director, Resources
- 7. Work Programme 2017/18**
Report of the Policy and Improvement Officer
- 8. Date of Next Meeting**
The next meeting of the Committee will be held on Wednesday, 14th February, 2018, at 10.00 am, in the Town Hall

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest (DPI)** relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Audit and Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email gillian.duckworth@sheffield.gov.uk.

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2018-19 Revenue Budget - Scrutiny

Report for Overview and Scrutiny Management Committee

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David Phillips
23 January 2018



Agenda Item 6

Agenda

- Purpose of meeting
- Key messages
- Budgetary context
- Consultation
- Approach
- Key assumptions and areas
- Equality Impact Assessments
- Key dates
- Questions

Purpose of meeting

- This meeting is intended to outline the approach we have taken to the 18/19 budget. We will use OSMCs comments to inform the remaining 18/19, and the 19/20, budget processes
- There is another OSMC in February, in accordance with the usual timetable, to discuss the detail of the 18/19 budget.



Key messages

- Compiling a balance 18/19 budget has been challenging, due to continuing constraints on Central Government funding at a time when demand for Social Care in particular is rising strongly.
- To inform our approach, we are re-affirming and/or re-shaping the Council's priorities and reviewing finance options (such as for capital).
- We are proposing a balanced budget for 2018/19. However our service pressures remain very high – this means we still need to deliver savings in the medium term.

Budget Context – position Sept 2017

Further Savings Required in 18/19, after current mitigations as at Sept 2017

Notes

£29.7m further savings required in 18/19

Demand and cost pressures from previous years total £22.2m, plus forecast new 18/19 pressures of £6.4m (net of £16.1m of already identified mitigations that each carry their own risk in being deliverable). There are also corporate pressures of £1.1m.
 $£22.2m + £6.4m + £1.1m = £29.7m$

Consultation

- Budget conversation between December and January including activity with local people and partner organisations
- Helps ensure that proposals have been shaped by the people who may be affected by decisions taken as part of the budget. It also enables people to put forward other ideas for consideration
- Helps inform people about the budget challenge and our overall approach, provides opportunity to give feedback, and let people know the influence their feedback has had
- Two main strands this year: a survey supported by social media activity, supplemented by three Cabinet Member hosted public events in the north, south and city centre. We are also consulting on particular topics, including meetings with the VCF and Businesses. This will inform longer term thinking and Equality Impact Assessments.
- Results are discussed with Members as part of developing proposals and in advance of any decision being taken at Cabinet or Full Council
- Full results of our consultation will be made available on the website

Consultation (preliminary results)

- The survey closes on 19/1/18 and events are taking place mid to end of January
- Preliminary survey results suggest:
 - Top 3 areas for more spend: adult social care, children's social care , education and skills
 - Most important council services to people: social care (adults/children), education/schools, waste/recycling
 - Majority support for raising council tax and agreement with proposals to social care precept
 - More even results between raising fees and charges and keeping them the same, and low level of support for cutting more services as an alternative
 - Highest scoring areas where people felt it was important for the council to invest were health and well-being (e.g. adaptations to help people live independently), and affordable housing.

Progress since autumn 2017

	£'m
Gap at Sept 2017	£29.7m
Further savings agreed Sept 2017 to Jan 2018	(£14.4m)
Corporate savings agreed (mainly reduced capital charges)	(£10.0m)
Residual gap	£5.3m
Savings schemes agreed Jan 2018	(£5.3m)
Final gap	£0.0m
Pay strategy	
Additional costs caused by uplifts in national pay scales	£3.7m
To be met by a combination of additional income announced as part of the 2018/19 LG Settlement announced 19 th Dec 2017 and Portfolio savings	(£3.7m)
Final gap	£0.0m

The overall budgetary approach

- Members and officers have worked together to examine the Council's priorities, to seek to protect priority areas whilst delivering savings and/or constraining costs in non-priority areas
- In addition we have looked to improve our ways of working (e.g. more personalised services, locality working, combining visits) to provide savings
- We have continued to look to obtain savings from our large contracts and block payments (e.g. Veolia, Transport levy)
- Finally we have again examined our central and corporate costs, to reduce them where possible

The detailed budgetary process

- Portfolio officers have worked up potential ideas for generating savings
- These ideas are then discussed with the relevant Cabinet member, and advisers.
- If agreed they are then discussed and agreed by full Group, in budget seminars and then formal Group meetings
- Agreed schemes are then entered into the formal budget process

Key assumptions in the Revenue Budget

The budget makes assumptions in various areas, e.g.

- **Council tax.** The actual rise will be approved by Budget Council in March 2018. Each 1% increase in CT generates c£1.9m p.a. of income.
- **Business Rates.** We have factored in increases in business rates from changes in the base and increases in the multiplier.
- **Pay strategy.** We have allowed for the impact of the pay rises provisionally agreed with TUs.
- **Non-pay inflation.** We have allowed for general increases in prices, and for changes in costs of the Council's large contracts.

Key areas (1)

- **Social Care.** Social Care Recovery Plans have been developed to mitigate 18/19 pressures, and those pressures into the medium term. These plans are highly likely to required funding from reserves in the short term to cash-flow the investment in the transformation of services and the achievement of future savings.
- **Reserves.** Un-earmarked reserves are at the minimum assessed level of £12.6m. They are intended to fund immediate unexpected events (e.g. 2007 floods), and are required to be replenished as soon as possible.

Key areas (2)

- **Income Generation.** We have forecast improved income in various areas, supported by our developing income strategies, namely the Growth Plan, Housing (Local) Plan & Income Maximisation Strategy.



Key areas (3)

- **Capital.** The Capital Programme and allocation of capital funds is currently under review (to support priority led budgets). The intent is to include Capital in planning considerations for post 2019.
- Slippage in Capital spend has occurred in 17/18 (approx. £30m / 10%) – this does not release ‘cash’ but means reduced borrowing charges in year and potentially an adverse pressure on revenue budgets where revenue savings have been assumed as part of the investment.

Equality Impact Assessments (1)

- We have a statutory Public Sector Equality Duty to pay due regard to: eliminating discrimination, harassment and victimisation, advancing equality of opportunity, and fostering good relations.
- This is with regard to people who share Protected Characteristics under the Act. The Duty means we need to understand the effect of our policies and practices have on inequality. To do this we will examine the available evidence and work with the public, staff, and service users to consider the impact of Council activity and actions on people who share protected characteristics.
- We undertake both a corporate Equality Impact Assessment (EIA) on the budget as a whole, and individual EIAs on the various proposals that are being recommended as part of the budget.
- The Council-wide EIA and the individual service EIAs on budget proposals that underpin it are focussed on the impact on the protected characteristics in the Equality Act 2010. We also assess the impact on the Voluntary and Community Sector (VCS), poverty and financial exclusion, carers, armed forces and cohesion.

Equality Impact Assessments (2)

- EIAs are an ongoing process as the budget saving proposal develops and evolves over time e.g. an EIA may identify the need to consult with a particular section of the community and the outcome of this may mean the EIA needs to be updated and change the way the proposal is to be implemented. Through our 'live' EIA process we will be monitoring any adverse equality impacts as reductions and changes in provision occur during the next year.
- Some decisions may have a disproportionate impact on some groups in comparison to others. EIA's help us identify, and avoid or mitigate, these impacts. EIAs also help us identify and make positive changes where possible.
- Impact analysis is started when considering service changes to ensure we involve all relevant individuals and groups, such as those who use the services. This also gives us time to understand and consider any evidence we have about the potential impact of any proposal. Action plans for individual EIAs ensure that the services concerned implement changes with as little negative impact as possible.
- Cabinet Members are briefed on impact assessments related to proposals in their area of responsibility.
- A list of EIAs will be available and can be individually requested.

Key dates January 2018 onwards

Key dates	
EMT Full Budget discussion	16 th January 2018
OSMC scrutiny of process	23 rd January 2018
Exec Full Budget	23 rd January 2018
Group Full Budget	30 th January 2018
Cabinet papers issued	5 th February 2018
OSMC scrutiny of Full Budget	14 th February 2018
Cabinet Full Budget	14 th February 2018
Budget Council papers issued	26 th February 2018
Budget Council	7 th March 2018

Questions

- ANY QUESTIONS ??





Report to Overview & Scrutiny Management Committee (OSMC) Tuesday 23rd January 2018

Report of: Policy & Improvement Officer

Subject: OSMC Work Programme 2017/18

Author of Report: Emily Standbrook-Shaw, Policy and Improvement Officer
emily.standbrook-shaw@sheffield.gov.uk
0114 273 5065

The Committee's draft Work Programme is attached for consideration, Appendix 1. The Work Programme focusses on performance management, finance and a small number of corporate and city-wide issues; as well as having an overview of the work of the four Scrutiny Committees. This gives each meeting a specific focus, with 1-2 main agenda items and brief standing items on 'Issues to raise from other Scrutiny Committees' and the Work Programme.

The work programme will remain a live document and is brought to each committee meeting for consideration and discussion.

The Scrutiny Committee is being asked to:

- Consider and discuss the committee's Draft Work Programme for 2017/18
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Overview & Scrutiny Management Committee (OSMC) Work Programme 2017-18

Chair: Cllr Chris Peace

[Meeting Papers on SCC Website](#)

Please note: the Work Programme is a live document and so is subject to change.

Topic	Reasons for selecting topic	Lead Officer/s	Agenda Item/ Briefing paper
14th February 2018 (10am-1pm)			
Page 24 Revenue Budget 2018/19 and Capital Programme 2018/19	To consider the Council's budget proposal in advance of Cabinet.	Cllr Olivia Blake, Deputy Leader and Cabinet Member for Finance Eugene Walker, Executive Director of Resources Directors of Business Strategy	Agenda Item
Draft Work Programme 2017-18	To consider and discuss the committee's Work Programme for 2017-18	Emily Standbrook-Shaw, Policy & Improvement Officer	Agenda Item
Issues to raise from other Scrutiny Committees	To receive any updates from scrutiny chairs.	Scrutiny Chairs	Agenda Item

22nd February 2018 (11am-1pm)			
Sheffield City Region - Devolution Update	To provide an update on Sheffield City Region Devolution, looking at what has happened to date, what the next steps are and implications of the options available.	SCC Leader & Chief Executive Sheffield City Region Managing Director LEP Board Member	Single Item agenda
19th April 2018			
How Sheffield City Council Would like to do Business - Ethical Procurement	Details tbc	Marianne Betts, Director of Finance & Commercial Services (Interim) Other attendees tbc.	Agenda Item
Customer Experience Strategy, including an update on the new Council website, a report of the Director of Policy, Performance and Communications	To provide an update on the Customer Experience Strategy and the Council's new Website, which launched in April 2017. To include performance and customer feedback. Following discussion at the February 2017 OSMC meeting, it will also cover accessibility of EIA's (Equality Impact Assessments).	James Henderson, Director of Policy, Performance and Communications - tbc Other attendees - tbd	Agenda Item
Scrutiny Annual Report 2017-18 Draft Content & Work Programme 2018-19	This report provides the Committee with a summary of its activities over the municipal year for inclusion in the Scrutiny Annual Report 2017-18. It also includes a list of topics which it is recommended be put forward for consideration as part of the 2018-19 Work Programme for this committee.	Emily Standbrook-Shaw, Policy & Improvement Officer	Agenda Item

Issues to raise from other Scrutiny Committees	To receive any updates from scrutiny chairs.	Scrutiny Chairs	Agenda Item
Other Possible Topics			
Public engagement	To discuss public engagement in scrutiny.		

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