Public Document Pack

Finance Sub-Committee

Tuesday 6 September 2022 at 2.00 pm

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

The Press and Public are Welcome to Attend

Membership

Councillor Bryan Lodge
Councillor Zahira Naz
Councillor Mike Levery
Councillor Maroof Raouf
Councillor Mike Chaplin
Councillor Marieanne Elliot
Councillor Mary Lea
Councillor Shaffaq Mohammed
Councillor Joe Otten

Sheffield City Council

PUBLIC ACCESS TO THE MEETING

The Finance Sub-Committee is established as a sub-committee of the Strategy and Resources Policy Committee.

It can take decisions in respect of the following Finance and Property matters which are otherwise reserved to the Strategy and Resources Policy Committee:

a. Strategic financial overview
b. Property decisions
c. Accountable Body decisions
d. Corporate Revenue and Capital monitoring and capital allocations

Meetings are chaired by the Sub-Committee's Co-Chairs - Councillors Lodge and Naz.

A copy of the agenda and reports is available on the Council's website at www.sheffield.gov.uk . 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 Policy Committee and Sub-Committee meetings and recording is allowed under the direction of the Chair. Please see the Finance Sub-Committee webpage 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.

Policy and Sub-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 on the agenda.

Meetings of the Sub-Committee have to be held as physical meetings. If you would like to attend the meeting, please report to an Attendant in the Foyer at the Town Hall where you will be directed to the meeting room. However, it would be appreciated if you could register to attend, in advance of the meeting, by emailing committee@sheffield.gov.uk, as this will assist with the management of attendance at the meeting. The meeting rooms in the Town Hall have a limited capacity. We are unable to guarantee entrance to the meeting room for observers, as priority will be given to registered speakers and those that have registered to attend.

Alternatively, you can observe the meeting remotely by clicking on the 'view the webcast' link provided on the meeting page of the website.

If you wish to attend a meeting and ask a question or present a petition, you must submit the question/petition in writing by 9.00 a.m. at least 2 clear working days in advance of the date of the meeting, by email to the following address: committee@sheffield.gov.uk.

In order to ensure safe access and to protect all attendees, you will be recommended to wear a face covering (unless you have an exemption) at all times within the venue. Please do not attend the meeting if you have COVID-19 symptoms. It is also recommended that you undertake a Covid-19 Rapid Lateral Flow Test within two days of the meeting.

If you require any further information please email committee@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.

FINANCE SUB-COMMITTEE AGENDA
6 SEPTEMBER 2022

Order of Business

1. Welcome and Housekeeping
The Chair to welcome attendees to the meeting and outline basic housekeeping and fire safety arrangements.

2. Apologies for Absence

3. Exclusion of Press and Public
To identify items where resolutions may be moved to exclude the press and public

4. Declarations of Interest (Pages 7 - 10)
Members to declare any interests they have in the business to be considered at the meeting

5. Minutes of Previous Meeting (Pages 11 - 14)
To approve the minutes of the last meeting of the Sub-Committee held on 27 July 2022

6. Public Questions and Petitions (Pages 15 - 16)
To receive any questions or petitions from members of the public

Formal Decisions

7. Budget Monitoring and Financial Position Month 4,2022/23 (Pages 17 - 40)
Report of the Executive Director, Resources

8. Capital Approvals for Month 03 04, 2022/23 (Pages 41 - 74)
Report of the Executive Director, Resources

9. Sheffield City Region Urban Development Fund (JESSICA Fund) (Pages 75 - 86)
Report of the Executive Director, City Futures

10. Project Feasibility Fund (Pages 87 - 94)
Report of Executive Director, City Futures

11. Leisure Investment Update (Pages 95 - 102)
Report of the Executive Director, Resources

12. Appropriation of the former Bole Hill View Older Persons Residential Home for Housing Purposes (Pages 103 - 112)
Report of Executive Director, Operational Services

13.	**Sheffield and Rotherham Clean Air Plan - Grant Funding** Report of the Executive Director City Futures	(Pages 113 - 120)
14.	**Disposals Framework - Policy on disposal of Council Property** Report of Head of Property Services	(To Follow)
15.	**Substance Misuse Services** Report of the Executive Director, People Services	(To Follow)
16.	**Additional Home Care to Support Hospital Discharge** Report of the Director of Adult Health and Social Care	(To Follow)

NOTE: The next meeting of Finance Sub-Committee will be held on Monday 7 November 2022 at 2.00 pm

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its Policy Committees, 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 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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SHEFFIELD CITY COUNCIL

Finance Sub-Committee

Meeting held 27 July 2022

PRESENT: Councillors Bryan Lodge (Co-Chair), Zahira Naz (Co-Chair), Mike Levery (Deputy Chair), Mike Chaplin, Marieanne Elliot, Shaffaq Mohammed, Joe Otten, Mary Lea and Douglas Johnson (Substitute Member)

1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors

2. EXCLUSION OF PRESS AND PUBLIC

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 made at the meeting.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 7th June 2022 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 No petitions or questions from members of the public had been received.

6. BUDGET MONITORING AND FINANCIAL POSITION MONTH 3, 2022/23

6.1 The report brings the Committee up to date with the Council's financial position as at Month 3 2022/23.

6.2 **RESOLVED UNANIMOUSLY:** That the Finance Sub-Committee:-

(i) notes the Council's challenging financial position as at the end of June 2022 (month 3); and

(ii) notes that each Policy Committee will receive detailed budget monitoring for their areas of responsibility at their meetings in September 2022 alongside the reports on their 2023/24 budget proposals requested by the Strategy and Resources Committee.

6.3 **Reasons for Decision**

6.3.1 Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:
• the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
• the adequacy of the proposed financial reserves.

6.3.2 There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

6.3.3 By the law the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

6.4 **Alternatives Considered and Rejected**

6.4.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

7. ROUGH SLEEPERS ACCOMMODATION PROGRAMME

7.1 The report sets out a proposal to accept funding from the Rough Sleeping Accommodation Programme to be transferred to Great Places Registered Provider who will be delivering 8 units for move on accommodation for rough sleepers.

A total of £482,219 has been awarded for the proposal. This includes £399,000 grant funding for Great Places to deliver the units and £83,219 grant revenue funding to employ a Tenancy Support Worker to work full time with the tenants of the units.

7.2 **RESOLVED UNANIMOUSLY:** That the Finance Sub-Committee agrees to accept grant funding of £83,219, by entering into a grant agreement with Department for Levelling Up, Housing & Communities (DLUHC), as detailed and set out within this report.

7.3 **Reasons for Decision**

7.3.1 There is a high need for move on accommodation for rough sleepers in the city. Great Places will provide the units for the accommodation and employ the Tenancy Support workers. The responsibility for delivery will be on Great Places rather than the Council which reduces the risk.

7.3.2 The Council has a large amount of pressure for 1 bed properties which comes from a wider group than just the need from rough sleeper. This will allow the Council to use our 1 bed stock for the wider group and not tie them up for 30 years for move

on.

7.3.3 By partnering with Great Places and them providing the move on accommodation for rough sleepers with lower levels of need (medium), we can diversify the offer in Sheffield whilst focusing our own efforts on to our other forms of Temporary Accommodation. This will provide a better mix of accommodation across the city and give customers more of a choice.

7.4 **Alternatives Considered and Rejected**

7.4.1 Not Accept and Transfer the funding. Without accepting and transferring the funding the support element of the programme would not be deliverable. This option was therefore discounted.

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Public Questions and Petitions – Referral from Council

Issue	Pension Divestment
Referred from	Petition referred from Council 20 July 2022
Details	A joint electronic and paper petition containing 197 signatures, requesting action on pension divestment was presented to Full Council on 20 July 2022. The petition has been referred for a response.
Commentary/ Action Proposed	It is proposed that the Finance Sub-Committee agree that a response be sent to the petitioner from the Chair as follows: The council does not administer or have any direct influence over how the pension funds are invested. The funds belong to the employees and ex-employees who are member of the pension scheme and the scheme is administered on their behalf by the South Yorkshire Pension Authority The SYPA has a published Investment Strategy, that is reviewed and updated from time to time by the Pensions Authority in conjunction with SYPA Officers from an investment consultant, the Fund's actuary and from two retained independent advisors. The Members of the Pensions Authority are all elected Members drawn from the 4 Council's in South Yorkshire together with 3 Trade Union observers. The Members of the Pensions Authority have to act in the best financial interests of its members and beneficiaries at all times when they are acting in their capacity as Pension Authority Members. Sheffield Council Members, along with any other stakeholder, can express a view on any investment issue and respond to any consultation issued by SYPA but the Council cannot determine a course of action.

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Sheffield City Council

Report to Policy Committee

Author/Lead Officer of Report: Ryan Keyworth, Director of Finance and Commercial Services

Tel: +44 114 474 1438

Report of: *Ryan Keyworth*
Report to: *Finance Sub-Committee*
Date of Decision: *6 September 2022*
Subject: *Month 4 Monitoring*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes		No	X	
Has appropriate consultation taken place?	Yes		No	X	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	X	
Does the report contain confidential or exempt information?	Yes		No	X	

Purpose of Report:
This report brings the Committee up to date with the Council's financial position as at Month 4 2022/23.

Recommendations:
The Committee is recommended to:

1. Note the Council's challenging financial position as at the end of July 2022 (month 4).

Background Papers:
2022/23 Revenue Budget

Lead Officer to complete: -		
1	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.	Finance: *Ryan Keyworth, Director of Finance and Commercial Services*
		Legal: *Sarah Bennett, Assistant Director, Legal and Governance*
		Equalities & Consultation: *James Henderson, Director of Policy, Performance and Communications*
		Climate: n/a
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**SLB member who approved submission:**	*Ryan Keyworth*
3	**Committee Chair consulted:**	*Cllr Bryan Lodge*
4	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.	
	Lead Officer Name: *Ryan Keyworth*	**Job Title:** *Director of Finance and Commercial Services*
	Date: *24th August 2022*	

1. PROPOSAL

1.1 This report brings the 22/23 M4 monitoring information for each committee. Executive directors and Directors will be required to develop plans to mitigate the in-year forecast overspends.

1.2 Council Portfolio Month 4 2022/23

1.2.1 The Council is forecasting a £21.7m overspend against the 2022/23 budget as at month 4.

Full Year £m	Outturn	Budget	Variance
Corporate	(462.0)	(461.2)	(0.8)
City Futures	47.1	46.6	0.5
Operational Services	115.0	114.9	0.1
People	313.2	293.7	19.5
Policy, Performance Comms	3.2	2.9	0.3
Resources	5.2	3.1	2.1
Total	**21.7**	**0**	**21.7**

1.2.2 This overspend is due to a combination of agreed Budget Implementation Plans ("BIPs") not being fully implemented and ongoing cost / demand pressures that are partially offset by one-off savings.

Full Year £m	One-off	BIPs	Trend	Total Variance
Corporate	0.0	0.0	(0.8)	(0.8)
City Futures	0.0	0.0	0.5	0.5
Operational Services	(5.0)	2.4	2.7	0.1
People	0.1	15.3	4.0	19.4
Policy, Performance Comms	(0.1)	0.3	0.1	0.3
Resources	(0.3)	1.7	0.7	2.1
Total	**(5.3)**	**19.7**	**7.2**	**21.7**

1.3 Committee Financial Position

1.3.1 Overall Position - £21.7m overspend at Month 4

There is a £12.4m overspend in the Adult Health and Social Care Committee and a £7.5m overspend in the Education, Children and Families Committee

Full Year Forecast £m Month	Outturn	Budget	Variance
Adult Health & Social Care	163.1	150.8	12.4
Education, Children & Families	136.1	128.6	7.5
Strategy & Resources	(440.1)	(442.3)	2.1
Economic Development & Skills	11.0	10.9	0.1
Housing	8.8	8.8	(0.0)
Waste & Street Scene	56.2	56.2	(0.0)
Transport, Regeneration & Climate	41.8	41.9	(0.1)
Communities Parks and Leisure	44.9	45.2	(0.3)
Total	**21.7**	**(0.0)**	**21.7**

The 22/23 pay award proposal affected the outturn in the General Fund by £3.3m

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. Within the outturn at M3, an increase of £4.2m had already been accounted at service level, £5.6m had been provisioned corporately meaning an additional pressure of £3.3m has now been forecast in the M4 outturn, broken down into committees as follows:

£000s Committee	Increase (inc on costs)	Pay Pressures covered	Corporate Funding	Remaining Pressure
Education, Children & Families	3,882	1,181	1,655	1,046
Strategy And Resources	2,817	1,209	1,201	407
Adult Health And Social Care	2,658	815	1,133	709
Communities, Parks, And Leisure	1,570	483	670	418
Waste And Street Scene	820	255	350	215
Transport, Regen & Climate	546	227	233	86
Economic Development & Skills	410	27	175	208
Housing	396	-	169	227
Grand Total	**13,100**	**4,197**	**5,586**	**3,317**

The overall position worsened by £1.4m from M3 to M4, improvements elsewhere have offset the full impact of the pay award.

The £3.3m pressure for pay was offset in M4 by improvements totalling over £2m across the organisation:

- Transport, regen & climate committee budget position improved by £1.2m due to a release of a one-off provision to mitigate the loss of income from the delayed go live date for the clean air zone
- Education, children's & families improved by £700k due a combination of better-quality forecasting in services and slippage in recruitment
- Strategy & resources improved overall by £270k mainly due to higher investment returns in the market

Most of the full year forecast overspend is attributable to shortfalls in Budget Implementation Plans (BIPs) delivery

Variance Analysis £m Month 4	One-off	BIPs	Trend	Total Variance
Adult Health & Social Care	(0.3)	8.5	4.1	12.4
Education, Children & Families	0.7	6.8	0.0	7.5
Strategy & Resources	(0.3)	1.9	0.6	2.1
Economic Development & Skills	(0.0)	0.0	0.1	0.1
Housing	0.0	0.0	(0.0)	(0.0)
Waste & Street Scene	(3.0)	0.2	2.8	(0.0)
Transport, Regeneration & Climate	(2.1)	2.1	(0.1)	(0.1)

Communities Parks and Leisure	(0.3)	0.2	(0.1)	(0.3)
Total	**(5.3)**	**19.7**	**7.3**	**21.7**

£5.3m of one-off savings are mitigating part of the ongoing overspend	Contributions from provisions for energy and waste inflation mitigate the in-year impact of rising baseline costs. These are one-off contributions that will not help our position in 23/24 as the trend continues.

Balancing the 22/23 budget was only possible with £53m of BIPs, £33m are reported as deliverable in year

£m Portfolio	Total Savings 22/23	Deliverable in year	FY Variance
People	37.7	22.4	15.3
Operational Services	7.1	4.7	2.4
PPC	1.2	0.9	0.3
Resources	6.7	5.1	1.6
Total	**52.7**	**33.1**	**19.7**

Focus must be on delivering BIPs in 22/23 and preventing the budget gap from widening	Of the £33.1m BIPs forecast as being deliverable, £10.1m are rated red, which indicates considerable risk of increased overspending. Of the £19.6m savings that are forecast to be undelivered this year, some can be delivered next financial year. It is estimated that £10m of this year's undelivered savings will still be unachievable in 23/24 and form part of the baseline pressures captured in the draft medium term financial analysis presented to the Strategy and Resources Committee on 5th July 2022.
Adult Health and Social Care are forecast to overspend by £12.4m	The high cost of packages of care put in place during covid has increased our baseline costs into 22/23. Work is underway as part of an investment plan with additional resource to tackle the underlying issues although recruitment issues are impacting our ability to deliver.
Education, Children and Families are forecast to overspend by £7.5m	Forecast under-delivery of budget implementation plans in the service are the main cause of overspends; plans to reduce staffing and increase income from Health are looking unlikely and the residential children's home strategy looks unlikely to deliver financial benefits. The service needs to provide mitigations to bring overspends back in line with budgets.

The following sections (1.4.1 – 1.4.8) detailed budget monitoring reports for each Policy Committees. Committees will next receive their individual budget monitoring reports in September along with any specific recommendations.

1.4.1 Strategy and Resources - £2.1m overspend at Month 4

The Strategy and Resources Committee budget is forecast to overspend by £2.1m

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Business Change & Info Solns	18.2	16.9	1.3
Central Costs	(47.4)	(46.9)	(0.5)
Community Services (Local Area Committees)	1.9	1.9	0.0
Consolidated Loans Fund	28.1	28.9	(0.8)
Contract Rebates & Discounts	(1.1)	(0.7)	(0.3)
Corporate Transactions	(490.1)	(490.1)	(0.0)
Customer Services	5.4	5.4	0.0
Finance & Commercial Services	17.9	17.8	0.0
Housing Benefit	0.2	0.2	0.0
Human Resources	5.2	5.0	0.3
Legal & Governance	6.1	5.2	0.9
Other Central Costs	0.0	0.0	(0.0)
Policy, Performance & Comms	3.4	3.1	0.3
Public Health	(0.1)	(0.1)	0.0
Resources Management& Planning	0.7	0.3	0.4
One Year Plan	0.0	0.0	0.0
Direct Services (Facilities Mgmt.;)	15.8	15.8	(0.1)
Inclusive Growth & Development (Property and Regeneration)	(4.2)	(4.8)	0.6
Total	**(440.1)**	**(442.3)**	**2.1**

Shortfalls in BIPs are the majority of the overspend in the Committee

Savings in 22/23 associated with restructures in Business Change and ICT delivery have caused the greatest overspends (£1.3m) alongside underlying overspends in legal services (£0.9m). An approach to the restructures has now been agreed which should secure full run-rate savings going into 2023/24.

The impact of the proposed pay offer creates an additional £0.4m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. Within the outturn at M3, an increase of £1.2m had already been accounted at committee level, a further, £1.2m had been provisioned corporately to cover a predicted steeper increase in pay. The proposal leaves an additional pressure of £0.4m for the Strategy and Resources Committee (shown in the “Resources Management& Planning” line).

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

Property services overspend relating to Electric Works now falls under the S&R Committee

There is a £0.5m projected shortfall in rental income at Electric Works following loss / downsize of 2 key tenants. A proposal is being developed to relax the letting policy for the building that should allow it to be filled.

The committee position worsened from M3 to M4 by £0.1m	Despite the additional pay award pressure, the committee position worsened by £0.1m. This was due to higher investment returns realised based on favourable market rates

1.4.2 Adult Health & Social Care- £12.4m overspend at Month 4

The revenue outturn position for the AHSC Committee is to overspend by £12.4m

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Adult Health & Social Care	154.2	141.8	12.4
Integrated Commissioning (*Early Help and Prevention - Partnership Funding; Supporting Vulnerable People)*	9.0	9.0	(0.0)
Total	**163.1**	**150.8**	**12.4**

£8.5m of the overspend relates to BIP shortfalls. Staffing is £1.9m overspent and Purchasing activity £2.2m over budget

Variance Analysis £m @ Month 4	One-off	BIPs	Trend
Adult Health & Social Care	(0.3)	8.5	4.1
Integrated Commissioning	0.0	0.0	(0.0)
Total	**(0.3)**	**8.5**	**4.1**

Expenditure trends continue in learning disabilities and older people's purchasing budgets with an underlying pressure of £2.2m in this sector and a potential for the position to worsen.

The impact of the proposed pay offer creates an additional £0.7m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. The proposal leaves an additional pressure of £0.7m for the AHS&C Committee.

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

The committee position worsened from M3 to M4 by £0.5m

A contribution from the Fair Cost of Care grant of £0.4m to the committee offset increased costs of £0.2m for the Complex Needs team and contributed towards the overall increased pressure in the service:

	£m
M3 Overspend	**11.9**
Pay Award pressure	0.7
Fair cost of care grant contribution	-0.4
Complex needs staffing overspend	0.2
M4 Overspend	**12.4**

BIP delivery for 22/23 is looking challenging, focus needs to be on reviewing high-cost packages put in place during covid

Over £11m of the BIP savings required for 22/23 relate to reviewing high-cost packages of care put in place during the pandemic.

Work is underway as part of an investment plan with additional resource to tackle the underlying issue although recruitment issues is impacting on deliverability.

Reported delivery of savings in year amounts to £5.3m leaving a continued gap of £5.8m as part of the overall overspend. Further analysis of the reviews is on-going and will be fed into forecasts each month. Staffing issues pose a risk to case review work.

Recruitment and retention difficulties continue to impact

Vacancies which are part of the investment plan are not fully recruited to.

savings delivery in 22/23, but with the potential to increase staffing pressure in future years	If posts are filled, the £1.9m current employee overspend would increase but an improvement in BIP delivery would be expected. However, some elements of the investment plan funding employees are time limited with c.£2m due to be removed from staffing budgets over the next 2 financial years. A Target Operating Model is being worked on and it is anticipated to arrive at an optimum staffing establishment level but will need to consider the level of permanent funding available.
Home care continues to be a huge challenge	Increased cost and size of packages following the pandemic continues to be an underlying issue. The market is also suffering from staff recruitment and retention problems resulting in a lack of capacity.
Fair Cost of Care Exercise and Social Care Reform will increase Adult Social Care responsibilities and costs	Fair Cost of Care is to determine an appropriate fee level on over-65 Care Homes and Homecare delivery. SCC are currently an average to low payer when benchmarked against other Local Authorities which indicates the potential to have to increase rates above current forecast levels. Any grant allocated is unlikely to fully cover the cost of those increases. Social Care Reform will levy significant new responsibilities on Local Authorities and introduces a cap on care costs. The grant allocated is unlikely to fully cover the costs of those increases or the required increase staffing base needed to deliver our new responsibilities.

1.4.3 Education, Children & Families Committee - £7.5m overspend at Month 4

The Education, Children & Families General Fund is overspending by £7.5m, made up of a shortfall of savings delivery offset by staffing vacancies.

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Children & Families	116.1	109.1	7.0
Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, Family & Community Learning - EMTAS)	12.7	12.7	(0.0)
Integrated Commissioning *(Commissioning; Children's Public Health; Early Help and Prevention)*	7.3	6.8	0.5
Total	**136.1**	**128.6**	**7.5**

The main cause of the overspend is under delivery of Budget Implementation Plans (BIPs)

Variance Analysis £m @ Month 4	One-off	BIPs	Trend
Children & Families	0.6	6.1	0.3
Education & Skills (Employment and Skills; Family and Community Learning)	0.0	0.0	0.0
Integrated Commissioning	0.0	0.7	(0.2)
Total	**0.6**	**6.8**	**0.1**

The impact of the proposed pay offer creates an additional £1m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. The proposal leaves an additional pressure of £1m for the EC&F Committee.

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

The position in Children's & Families worsened from M3 to M4 by £0.4m

The forecast outturn at M4 is £0.4m worse in Children's & Families despite a pay award pressure accounted for £1m, there have been improvements to the outturn for:

1) Unaccompanied Asylum Seeker Children (UASC) by £0.2m due to refinement of forecasting methodology following discussions and agreements with the Home Office.
2) Children's Disability Services (CDT) support improved the forecast by £0.3m to reflect a transition of a high-cost placement into adult social care where costs are now accounted for and fully funded by Health
3) Multi Agency Support Team (MAST) have realised a £0.3m improvement due to recruitment slippages

	£m
M3 Overspend	**7.1**
Pay Award pressure	1.0
UASC	-0.2

CDT	-0.3
MAST Staffing	-0.3
NRTPF/S17	0.1
Children's Homes	0.1
M4 Overspend	**7.5**

The position worsened by £0.2m in addition to the pay award due to:

1) No recourse to public funds (NRTPF/S17) increased by £0.1m due to cost-of-living pressures
2) £0.1m due to continued high sickness causing overtime and agency costs to increase in Children's Homes

Dedicated Schools Grant (DSG) is overspending by £2.2m

DSG Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Children & Families	6.1	6.3	(0.2)
Education & Skills	211.4	209.0	2.4
Integrated Commissioning	9.5	9.4	0.0
Total	**226.9**	**224.7**	**2.2**

Rising cost of placements in Special Educational Needs (SEN) and associated costs are the cause of the overspend in this area.

Plans to reduce business support staffing have been delayed with costs offset by difficulties in recruiting social workers

£1.4m of the BIP shortfall relates to reduction in business support staffing linked to the investment in support workers in Fieldwork is not happening as planned.

Difficulties in recruiting Fieldwork staff is resulting in a £1.6m underspend which is currently helping to offset the BIP shortfalls.

There are £1.1m other staff related savings forecast not to be delivered where it is assumed that it will not be possible to replace agency with permanent staffing.

The residential strategy (c£2.7m savings) requires completion of a business case and is unlikely to be delivered this year

The £2m saving relating to a new secure unit is a longer term saving requiring capital and planning approvals to be in place before building/renovations would be able to commence.

The work done to date indicates that this is no longer a viable proposal due to the lack of available external funding and the high costs of developing a secure facility which is not supported by a sound business case.

The existing secure unit is now forecasting an income shortfall of £0.4m due to capacity restrictions caused by staffing shortages.

£1.4m savings from contributions from Health is not deliverable this year

Discussions have begun with Health partners, but no firm agreement is in place therefore this saving will not be delivered this year. This is reflected in the outturn position and is likely to continue as an underlying pressure in the budget until an agreement is formalised.

Direct Payments, Family Time, Non-staffing Fieldwork (NRTPF/S17) and Unaccompanied Asylum Seeker Children budgets have a combined overspend of £1.7m.	The direct payments budget is forecast to overspend by £0.4m based on current client costs plus 10% growth allowed (consistent with growth observed in 21/22). The Family time budget is £0.3m overspent with the current staffing forecast being higher than planned. Non-staffing Fieldwork/NRTPF budget is £0.6m overspent. The forecast has continued to rise this year and is now broadly based on M1-4 trends. Unaccompanied Asylum Seeker Children budgets are £0.4m overspent due to additional clients and costs being higher than Home Office funding provides for. This is largely due to costs not falling in line with the reduction in income received once the child reaches 18 years of age. These areas need to be closely reviewed to confirm forecast accuracy, understand reasons behind the overspends and explore any mitigating action available.

1.4.4 Housing Committee - General Fund Balanced but Housing Revenue Account overspend of £13.4m at Month 4

The Housing General fund is forecast to be broadly in line with budget.

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Housing General Fund	8.7	8.7	(0.0)
Housing Growth	0.1	0.1	0.0
Total	8.8	8.8	(0.0)

The Housing Revenue Account is forecast to overspend by £13.4m.

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Net Income – Dwellings	(149.1)	(152.6)	3.5
Other income	(6.5)	(6.5)	(0.0)
Repairs & Maintenance	48.6	41.4	7.2
Depreciation	25.0	25.0	0.0
Tenant Services	52.8	54.0	(1.2)
-Disrepairs	2.2	0.9	1.3
-Council Tax	5.2	2.6	2.7
Interest on borrowing	13.6	13.6	(0.1)
Contribution to Capital Programme	8.2	21.6	(13.4)
Total	**(0.0)**	**0.0**	**(0.0)**

The impact of the proposed pay offer creates an additional £2.1m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4, resulting in an additional cost of £2.1m. This comprises £1.1m for HRA Tenant Services staff and £1.1m for the Housing Repairs Team. This is an additional underlying pressure that will requires mitigation.

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

Vacant properties are resulting in a forecast loss of £3m in rent.

The loss of rental income is forecast to be £3m for the year largely due to the speed of turnaround in the repairs and maintenance service resulting in vacant properties.

The Business Plan assumes a voids rate of 1.84%, but the current rate of voids is significantly higher. Although plans are in place to reduce this in 2022/23, the current void rate is more like 3.5%.

Vacant properties also result in £4m of additional forecast cost.

The current forecast includes a £1.3m of additional costs for council tax on empty properties and £2.7m extra costs for legal fees from increasing disrepair claims.

Tenant Services is underspending by £1.2m.

Forecast underspends across Tenant services of £2.1m, are offset to some extent by a £0.9m overspend on furnished accommodation.

High inflation poses a risk to the business plan.

The HRA Business Plan assumes rental income to increase by CPI +1%. CPI is currently running at 10.1% which is significantly

	higher than the 4.1% agreed in 22-23. This needs further consideration in the business plan going forward. Energy inflation at around 100% is forecast to add an additional cost pressure of around £1.8m in 22/23. This cost is forecast to be offset this year from specific earmarked reserves, but clearly this is not sustainable.
The Housing Repairs Service is forecast to overspend by £7.2m	There are significant overspends on employees, sub-contractors, and material costs in dealing with responsive repairs. Gas servicing and repair work to address voids has also caused excess costs.
Community heating account is forecast to overspend by £1m due to rising energy prices	

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Income	(3.3)	(3.3)	(0.0)
Expenditure	4.1	3.2	1.0
Total	**0.8**	**(0.1)**	**0.9**

Overspends in the HRA impact the capital programme	Without significant savings in revenue budgets, the long-term capital programme is not affordable. The month 4 outturn position results in a reduced contribution to the future programme

1.4.5 Transport, Regeneration & Climate Committee - underspend of £0.1m at Month 4

The Transport, Regeneration & Climate Committee is forecast to underspend by £0.1m at month 4

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Direct Services *(Carbon Reduction; Transport)*	0.0	0.0	0.0
Street scene & Regulation (Clean Air Zone)	0.1	0.0	0.1
Inclusive Growth & Development *(Capital Delivery; Director of Inclusive Growth; Property and Regeneration)*	0.5	0.4	0.1
Planning, Investment & Sustainability *(Planning Services; ITA Levy; Transport and Infrastructure)*	41.2	41.5	(0.3)
Total	**41.8**	**41.9**	**(0.1)**

The planned Clean Air Zone saving of £2.1m has been offset by use of a specific reserve in 22-23.

Variance Analysis £m @ Month 4	One-off	BIPs	Trend
Direct Services	0.0	0.0	0.0
Street scene & Regulation	(2.1)	2.1	0.1
Inclusive Growth & Dev	0.0	0.0	0.1
Planning, Investment & Sustain	0.0	0.0	(0.3)
Total	**(2.1)**	**2.1**	**(0.1)**

The planned Clean Air Zone saving of £2.1m has been offset by use of a one-off specific reserve. However, this pressure requires a sustainable mitigation be identified for future years.

Operating spend assumed to be met from income forecast from the introduction of the charging Clean Air Zone remains a risk given potential slippage in the programme following continued dialogue with central government.

The impact of the proposed pay offer creates an extra £0.1m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. The proposal leaves an additional pressure of £0.1m for the Committee.

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

1.4.6 Economic Development & Skills Committee – Overspend of £0.1m Month 4

The revenue outturn position for the Economic Development & Skills Committee remains broadly balanced	**Full Year Forecast £m @ Month 4**	**Outturn**	**Budget**	**Variance**
	Education & Skills *(Employment and Skills; Family and Community Learning)*	0.8	0.8	0.0
	Economy, Culture & Skills *(Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)*	9.5	9.4	0.1
	Total	**10.3**	**10.2**	**0.1**
The impact of the proposed pay offer created an additional £0.2m pressure to the committee	The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. The proposal leaves an additional pressure of £0.2m for the Committee. It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.			
The key Budget Implementation Plan (BIP) is on target to be delivered	The key BIP for 22/23 is to vacate the offices at Broad Street West. This is achieved and the saving will be delivered in year as part of the outturn position.			

1.4.7 Waste & Street Scene Committee is balanced at Month 4

The Waste & Street scene committee is forecasting to balance at M4

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Street scene & Regulation *City Centre Management; Director of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services; Covid Hub)*	56.2	56.2	(0.0)
Total	**56.2**	**56.2**	**(0.0)**

Underlying inflationary pressures on energy and waste management present a significant issue for the 23-24 business plans.

Variance Analysis £m @ Month 4	One-off	BIPs	Trend
Street scene & Regulation	(3.0)	0.2	2.8
Total	**(3.0)**	**0.2**	**2.8**

The Waste contract provides for an uplift in costs at RPIX which was re-based at 8% for 22/23. This was £1.2m higher than the budget level for the contract. Similarly, energy cost increases of 100% on street lighting are resulting in a £1.8m issue in 22/23.

Both these pressures are being mitigated in 2022/23 through one-off provisions / reserves, which will be exhausted for the 2023/24 budget.

So given It is highly likely inflation will remain high into 23/24 the Committee will need to identify ongoing mitigations for both the 22-23 and 23-24 inflationary pressures.

The impact of the proposed pay offer creates an additional £0.2m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored into forecasts in M4. The proposal leaves an additional pressure of £0.2m for the Committee.

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

1.4.8 Communities, Parks & Leisure Committee - underspend of £0.3m at Month 4

The Communities Parks & Leisure Committee is forecast to underspend by £0.3m

Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
Community Services (*Community Safety; Family Centres; Youth Services; Community Services Business Support)*	10.7	11.1	(0.4)
Parks, Leisure & Libraries *(Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health)*	33.6	33.4	0.1
Integrated Commissioning (Supporting Vulnerable People)	0.6	0.6	(0.0)
Total	**44.9**	**44.6**	**(0.3)**

There is forecast to be a shortfall of BIP delivery of £0.2m relating to libraries

Variance Analysis £m @ Month 4	One-off	BIPs	Trend
Community Services (*Community Safety; Family Centres; Youth Services; Community Services Business Support)*	(0.3)	0.0	(0.1)
Parks, Leisure & Libraries	0.0	0.2	(0.0)
Integrated Commissioning (Supporting Vulnerable People)	0.0	0.0	(0.0)
Total	**(0.3)**	**0.2**	**(0.1)**

£0.2m of the underspend relates to the Page Hall project which is being requested to be carried forward

Most of the underspend is one-off (£240k) funding relating to year 2 of the Page Hall project which is being requested to carry forward to 23/24, and recruitment slippage from Community Support Workers (£0.1m).

The impact of the proposed pay offer creates an additional £0.4m pressure to the committee

The proposed pay award of £1,925 flat rate per employee has been factored to forecasts in M4. The proposal leaves an additional pressure of £0.4m for the Committee.

It should be noted that the pay offer cost is an initial indicative estimate which will require further work to fully understand the actual impact on each service.

£1.3m is forecast to be spent to support the community response team

The forecast assumes £1.3m temporary funding will be drawn down to pay for staffing costs in community response for Clinically Extremely Vulnerable, Community Safety and Locality Teams.

This is one off funding and caution must be taken to ensure expenditure does not continue as a trend into 23/24 or an unfunded budget pressure will be created. Contracts to support the service are forecast to end by the end of the financial year.

1.5 **Capital Programme Monitoring M4 22/23**

The position on the capital programme at M4 is noted in Appendix 1.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The recommendations in this report are that each Policy Committee undertakes any work required to both balance their 2022/23 budget and prepare for the 2023/24 budget.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 There has been no consultation on this report, however, it is anticipated that the budget process itself will involve significant consultation as the Policy Committees develop their budget proposals

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 There are no direct equality implications arising from this report. It is expected that individual Committees will use equality impact analyses as a basis for the development of their budget proposals in due course.

4.2 Financial and Commercial Implications

4.2.1 There are no direct financial implications from this report.

4.3 Legal Implications

4.3.1 Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:

- the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- the adequacy of the proposed financial reserves.

4.3.2 There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

4.3.3 By the law, the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

4.4 Climate Implications

4.4.1 There are no direct equality implications arising from this report. It is expected that individual Committees will consider climate implications as they develop their budget proposals in due course.

4.4 Other Implications

4.4.1 No direct implication

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

CAPITAL PROGRAMME MONITORING AS AT JULY 2022

1 - Statement of Budget Movement

The table below summarises the movement in budget from month 3 to month 4 22/23 and Capital programme budget position as at July 2022.

	2022/23	2023/24	Future	Total
Month 3 Approved Budget	299.2	171.4	430.8	901.4
Additions	0.2	0.0	0.0	0.2
Variations	2.1	0.1	0.0	2.3
Reprofile	0.0	0.0	0.0	0.0
Slippage & Acceleration	0.0	0.0	0.0	0.0
Month 4 Approved Budget	301.5	171.6	430.8	903.9

Comments

The key changes to the programme from last month relate to:

ADDITIONS
+ £0.2m - Inclusion of feasibility budgets for next stage of schools Building Condition Works

VARIATIONS
+ £2.1m - Increase to Pounds Park Budget following agreed increase in funding from Combined Authority
+ £0.2m - variation to top up Primary Schools Emergency works pot

2 - Top 20 Projects by value as at July 2022

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2022/23. This group accounts for 60% of the 2022/23 capital programme. The major in-year and

PROJECT	Current Year								Remaining Life of Project					Comments
Values in £000	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	10,185	10,937	(752)	32,937	38,744	(5,807)	-15.0%	A	38,826	40,927	(2,102)	-5.1%	A	See Item 4.3
Heart of The City Palatine Chambers Block	3,402	5,197	(1,795)	23,161	27,216	(4,055)	-14.9%	A	35,888	35,707	180	0.5%	A	See Item 4.4
Major Sporting Facilities Finance	5,520	5,520	0	16,559	16,559	0	0.0%	NR	34,167	34,167	(0)	0.0%	NR	
Council Housing Stock Increase Allocation	-	-	-	144	10,085	(9,941)	-98.6%	G	229,859	233,303	(3,443)	-1.5%	G	See Item 4.1
Council Housing Single Staircase Tower Blocks Works	2,686	2,227	458	8,086	8,042	44	0.5%	G	32,837	32,837	(0)	0.0%	G	
Single Staircase Tower Blocks	1,562	3,566	(2,004)	7,928	7,894	34	0.4%	G	9,716	9,678	38	0.4%	G	
Council Housing Acquisitions Prog	2,835	2,384	450	7,563	7,152	411	5.7%	G	12,817	12,817	0	0.0%	G	See Item 5.6
Heart of The City - Pounds Park	1,257	1,665	(408)	6,699	6,699	0	0.0%	G	6,699	6,699	0	0.0%	G	
Silverdale School Expansion	66	147	(81)	6,700	6,697	4	0.1%	G	7,466	7,466	0	0.0%	G	
Council Housing External Wall Insulation 2	17	41	(24)	250	6,342	(6,092)	-96.1%	G	9,810	9,810	(0)	0.0%	G	See Item 4.2
New Council Housing Acquisition - Corker Bottoms	4	3,827	(3,823)	4,130	5,989	(1,860)	-31.0%	NR	8,336	8,336	-	0.0%	NR	See Item 4.8
Brownfield Site Development Acquisitions	0	0	0	5,882	5,881	0	0.0%	NR	5,882	5,881	0	0.0%	NR	
Heart of The City Leahs Yard	88	717	(629)	2,420	4,920	(2,501)	-50.8%	A	4,920	4,920	(0)	0.0%	A	See Item 4.5
New Council Housing Acquisition - Handsworth	-	450	(450)	4,733	4,733	-	0.0%	NR	4,733	4,733	-	0.0%	NR	
New Build Council Housing Daresbury / Berners	1,740	2,372	(632)	4,651	4,651	-	0.0%	G	4,651	4,651	-	0.0%	G	
Council Housing Electrical Upgrades Ph 2	1,546	1,134	412	4,152	4,143	9	0.2%	G	19,436	19,436	0	0.0%	G	
'Heart of The City Block C Pepper Pot Building	1,731	2,989	(1,258)	4,335	3,983	351	8.8%	R	4,335	3,983	351	8.8%	R	See Item 5.10
King Ecgberts School Expansion	223	228	(4)	3,874	3,874	0	0.0%	G	5,596	5,596	0	0.0%	G	
Heart of The City - JLP Building works	70	580	(511)	3,485	3,485	0	0.0%	A	3,485	3,485	0	0.0%	A	
Future High Streets Fund Public Realm & Infrastructure	320	343	(23)	2,072	3,418	(1,346)	-39.4%	G	8,624	8,624	(0)	0.0%	G	Budgets for Contractor design, site works and contingency realigned with construction programme
Top 20 Value	33,251	44,324	(11,073)	149,759	180,508	(30,750)	-17.0%		488,081	493,056	(4,975)			
Rest of Programme	25,929	42,724	(16,796)	116,526	121,023	(4,498)	-3.7%		417,094	410,810	6,284			
Total Capital Programme Value	59,180	87,048	(27,869)	266,284	301,532	(35,247)	-11.7%		905,174	903,866	1,309			
% of Programme within the Top 20	56%	51%	40%	56%	60%	87%			54%	55%	-380%			

3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £35.2m below budget. The key variance by policy area are explained below. This is a movement of £13.2m from the £22m reported last month. This movement is the result of an overall reduction in forecast outturn of £10.6m plus the approval of increased budgets in line with forecasts of £2.6m.

Policy Committee	YEAR TO DATE			FULL YEAR			Comments
Values in £000	Actual	Budget	Variance	Forecast	Budget	Variance	
TRANSPORT, REGEN & CLIMATE	22,918	33,389	(10,471)	119,685	131,887	(12,202)	**Key Variances** - **£5.8m - HOCII - Henrys Block** Forecast underspend against budget however £2.1m anticipated saving overall on this scheme. - **£4.1m - HOCII - Block A** Forecast Slippage on scheme - **£2.5m - HOCII - Leah's Yard** - forecast Slippage on scheme - **£3.4m** - Slippage across Future High Streets Fund Programme **+ £0.9m** - Forecast overspend on **Upper Don Valley Flood Scheme** (additional Environment Agency Funding sought) **+ £0.7m** - Forecast Overspend on **HOCII Blocks B&C** (additional call on borrowing) **+ £1.5m** - Various budgets awaiting approval **+ £0.4m** - Increase to CAZ scheme costs **+ £0.2m** - Acceleration on **HOCII Strategic Development Fees**
COMMUNITIES, PARKS & LEISURE	7,688	9,027	(1,339)	23,956	23,486	470	**Key Variances** **+ £0.39m - General Cemetery Scheme** of which £165k is acceleration so forecast overspend is £225k. Forecast reflects current estimates of potential variations and contractor claims. These to be revisited with design team to minimise impact. Further funding from NLHF and S106 to be explored. **+ £0.06m - Woodbourn Road Football Hub** - Budget awaiting approval **+ £0.05m - General Cemetery Cremators** - Acceleration
HOUSING	20,375	32,051	(11,676)	78,928	104,409	(25,480)	**Key Variances** - **£9.9m** - Reprofiling of block allocation for **Stock Increase Programme** - **£6.1m** - Delays to **External Wall Insulation package 2** - **£2m** - Delays to **External Wall Insulation Package 3** - **£2m** - Reprofiling of **Carbon Reduction Allocation** - **£1.9m** - Delays to payments on **SHC acquisitions at Corker Bottoms** - **£1.5m - Reprofiling of Health & Safety Allocation** - **£0.8m** - Forecast slippage on **Council Housing General Acquisitions Refurbishment budget.** - **£0.8m** - Slippage on **Tower Block Flat Roofing scheme** - **£0.8m - Reprofiling of Gleadless Valley Masterplan Allocation** - **£0.6m** - Forecast underspend on **LAD2 Private Sector Works** - **£0.5m - Reprofiling of Waste Management Allocation** **+ £0.9m** - Increased costs on Newstead new council housing enabling works **+ £0.4m** - Acceleration of Council Housing General Acquisitions spend due to higher property costs **+ £0.4m** - Acceleration on **Elementals contract**
EDUCATION, CHILDREN & FAMILIES	3,036	6,358	(3,322)	25,300	25,052	248	**Key Variances** **+ £0.19m - Aldine House Extension** overspend to be funded by revenue contribution from Aldine House Budget (already received) **+ £0.15m - Nether Green Junior Roof** - Acceleration. **+ £0.05m - Broomhall Nursery Works** - Forecast is for potential costs of scheme, but may not progress **+ £0.05m - Pipworth Structural Works** - Further forecast cost increase - **£0.17m - Astrea Sports Pitch** - Forecast reduction in costs
STRATEGY & RESOURCES	1,988	3,407	(1,418)	8,348	8,366	(18)	
ADULT HEALTH & SOCIAL CARE	2,873	2,266	607	8,473	6,797	1,676	**Key Variances** **+ £2m - Accelerated Adaptations Grant** - Increased assessment capacity, backlog demand from COVID alongside increasing general demand and increasing prices are placing strain on budget for non means tested smaller adaptations. Targeted work ongoing to review longer term impact - **£0.26m - Disabled Facilities Grant and Top Up Grants** - Review undertaken of applications for major adaptations. Decision taken to restrict number to be delivered in year in order to manage overall Disabled Facilities Grant Budget pressures (see above) - **£0.13m - High Value Equipment** - forecast spend below budget **GENERAL** - Pressure building on overall DFG budget. Current predicted overspend is manageable within current year resources plus previous underspends brough forward. However, work required to review emerging pressures
WASTE & STREET SCENE	16	80	(64)	858	853	5	
ECONOMIC DEVELOPMENT & SKILLS	285	471	(186)	735	681	54	
Grand Total	59,180	87,048	(27,869)	266,284	301,532	(35,247)	

4 - Top 10 Forecast Slippage against Full Year Budget

Of the main £37.3m forecasts below budget, £18.4m relates to projects either in delivery or at tender stage. The remainder relates to budgets due to be either reprofiled or reallocated within the capital programme

	Business Unit	Policy Committee	FY Budget	FY variance on budget	Explanation
4.1	Council Housing Stock Increase Allocation	HOUSING	10,085	(9,941)	**Reprofile -** Following a review of the profile of the Stock Increase programme the majority of expenditure is now likely to be in future years. Amended budget now brought forward for approval
4.2	Council Housing External Wall Insulation 2	HOUSING	6,342	(6,092)	**SLIPPAGE** - Latest outturn forecast current year is behind current full year budget due to delays to the programme as a result of CDS investigating the implications of PAS 2035. Revised programme to be presented July 22
4.3	Heart of The City Henrys Block	TRANSPORT, REGEN & CLIMATE	38,744	(5,807)	**SAVING /SLIPPAGE** - contractor contingency reduced by £2m due to risks not being realised up to this point in construction. Forecast approx. £3.8m slippage of payments into 23/24
4.4	Heart of The City Palatine Chambers Block	TRANSPORT, REGEN & CLIMATE	27,216	(4,055)	**SLIPPAGE** - Delays to work on site as a result of the Yorkshireman Pub demolition. Work has been rescheduled and will not impact on completion date.
4.5	Heart of The City Leahs Yard	TRANSPORT, REGEN & CLIMATE	4,920	(2,501)	**SLIPPAGE -** There have been delays in the progress of the project due to budget pressures, a way forward has now been agreed and a revised budget is to be submitted for approval. Once we have a revised programme and as part of the budget approval a revised budget profile will be updated.
4.6	Council Housing Heating, Energy Efficiency & Carbon Reduction	HOUSING	2,103	(2,003)	**Reprofile -** Block allocation for works not now expected to be utilised against specific schemes in year
4.7	Council Housing External Wall Insulation 3	HOUSING	2,379	(1,980)	**Slippage -** New Tender required. Revised programme now indicates completion September 24
4.8	New Council Housing Acquisition - Corker Bottoms	HOUSING	5,989	(1,860)	**REPROFILE** - Delay to final payment for acquisition of properties forecast.
4.9	Council Housing H & S Essential Work Block Allocation	HOUSING	1,983	(1,533)	**Reprofile -** Block allocation for works not now expected to be utilised against specific schemes in year
4.10	Clean Air Zone Infrastructure	TRANSPORT, REGEN & CLIMATE	2,673	(1,520)	**AWAITING APPROVAL -** Confirmation of costs and final funding allocations now received from government. Budget to be adjusted to reflect this
	Total		102,435	(37,292)	

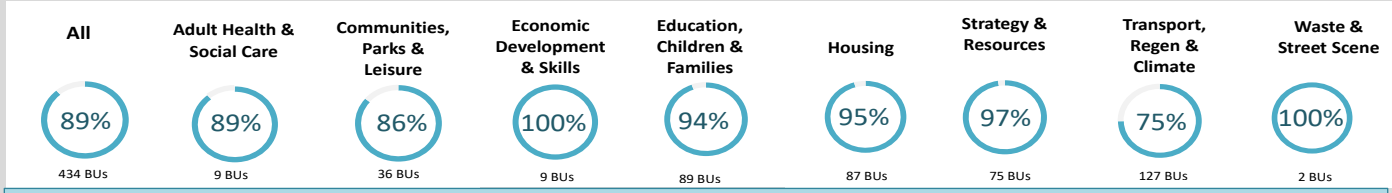
5 - Top 10 Forecast Overspends over Full Year Budget

Of the main £8.1m forecasts over budget approx. £5.4m represent genuine overspends. Housing schemes will form an additional call on the HRA which is coming under increasing pressure ;the Upper Don Valley Flood scheme is seeking to secure additional Environment Agency funds, and these discussions are well advance with approval likely in the next few months; the Pepper Pot and Laycock House schemes will form an additional call on the Prudential Borrowing funding Heart of The City 2 but remain within the overall planned expenditure envelope for the programme;
The forecast overspends relating to Disabled Facilities Grant activity are currently affordable within funds brought forward from previous years but the potential for ongoing pressures is being reviewed. In relation to the General Cemetery Scheme further value engineering will be undertaken and the potential of further Section 106 monies is being explored

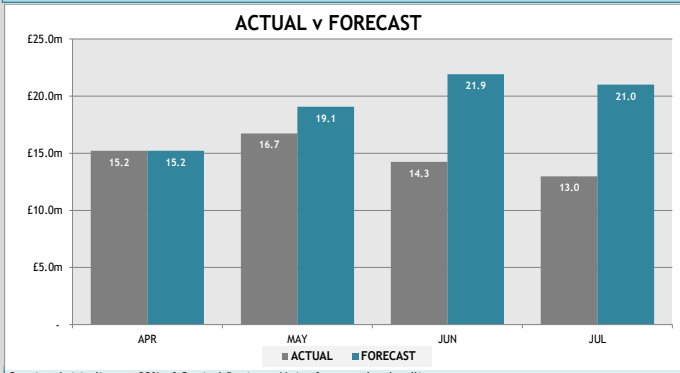
	Business Unit	Policy Committee	FY Budget	FY variance on budget	Explanation
5.1	Disabled Facilities Accelerated Adaptations Grant	ADULT HEALTH & SOCIAL CARE	2,230	2,052	**Overspend**- Increased assessment capacity, backlog demand from COVID alongside increasing general demand and increasing prices are placing strain on budget for non means tested smaller adaptations. Targeted work is ongoing to review longer term impact. Impact partly mitigated by rationing of expenditure on major extensions
5.2	Clean Air Zone Back Office	TRANSPORT, REGEN & CLIMATE	40	1,907	**Awaiting Approval** - Confirmation of final funding allocations now received from government. Budget to be uplifted to reflect this
5.3	New Build Council Housing -Newstead- enabling works	HOUSING	1,948	936	**Overspend -** Works forecast to exceed the approved budget. Ongoing negotiation with contractors re affect of delays, changes in earthworks modelling and phasing of works; to be better understand cost impact.
5.4	Upper Don Valley Flood Scheme Phase 1	TRANSPORT, REGEN & CLIMATE	3,209	883	**OVERSPEND** - Differences between budgets and expenditure forecasts are due to the rising cost of the project (due to a combination of ecological factors, difficulties with landowner agreements, worse than expected ground conditions and condition of existing structures and the general "overheating" of the construction sector). Additional external funding can be secured from the EA to address this (agreed in principle with EA) and, once secured, this will be confirmed via a CAF variation.
5.5	Mandatory Disabled Facilities Grants	ADULT HEALTH & SOCIAL CARE	922	418	**Reprofile** - This budget linked to Disabled Facilities Grant Top Up - Net £0.25m saving across these used to mitigate overspend on Accelerated Adaptations Grant (see above 5.1)
5.6	Council Housing Acquisitions Prog	HOUSING	7,152	411	**Acceleration** - The purchase of strategically important 4 bedroom homes means there are 15 properties with agreed sales which are being purchased for £170k+ nearly double the average budgeted amount per property. Average purchase continue to be over budgeted limits but the projected overspend has been further reduced to £410k due a reduction in the cost of the 5 agreed sales in period 4. There is currently no proposal to increase the overall budget for this element of the Stock Increase Programme
5.7	General Cemetery Improvements Ph2	COMMUNITIES, PARKS & LEISURE	2,443	391	**OVERSPEND** - contractors estimate of potential variations and claims has been included in the current f/cast. Value Engineering options are being explored to reduce the forecast overspend and it is assumed that NLHF will approve the use of contingency. £165k of the in year overspend is acceleration of the scheme with the potential overspend standing at £225k
5.8	Heart of The City - Block B Laycock House	TRANSPORT, REGEN & CLIMATE	2,043	390	**OVERSPEND** - Works delayed on site as a result of Covid and delays with Utility supply. There have also been contractor delays. Final account negotiations are ongoing and it is anticipated that the agreement will reduce the level of current forecast overspend.
5.9	Council Housing Elemental Refurbs 2021-26	HOUSING	2,864	383	**Overspend**- The cost of materials and labour has risen by 16% forcing the prices to increase on the programme. The current kitchen supplier deliver from Scotland each week, the fuel cost is added to the kitchen price. Each kitchen is on average £200 more that it was tendered for. This could result in reduced volumes delivered
5.10	'Heart of The City Block C Pepper Pot Building	TRANSPORT, REGEN & CLIMATE	3,983	351	**Overspend**- Works delayed on site as a result of Covid and delays with Utility supply. There have also been contractor delays. Final account negotiations are ongoing and it is anticipated that the agreement will reduce the level of current forecast overspend.
	Total		26,834	8,124	

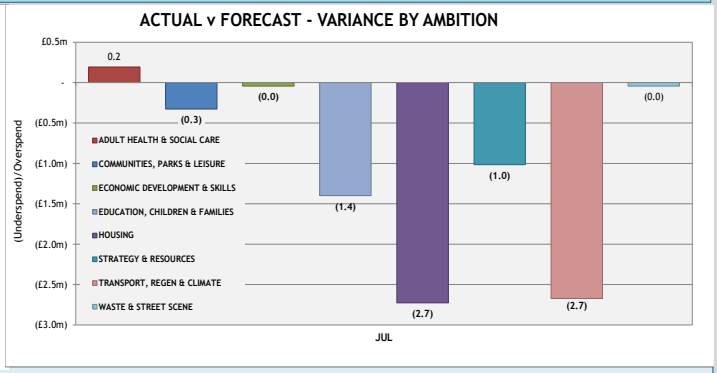
6 - Forecast 2021/22

6.1 - Capital Projects with Forecasts Committed



6.2 - Forecasting Summary





Section 6.1 indicates 89% of Capital Business Units forecast by deadline.
Graphs at 6.2 compare the actual expenditure incurred each month against that which was forecast in the prior month. As can be seen overall actual expenditure in June was £7m less than had been forecast.
Key projects making this up are as follows:

Transport Regeneration & Climate Change (-£2m) - Slippage across Heart of The City II programme - (- £0.25m) - Slippage CAZ Programme (-£0.15m) slippage on TCF schemes, (-£0.1m) Slippage on Upper Don Valley Flood payments, (-£0.1m) - Delay on final Grey To Green 2 payments

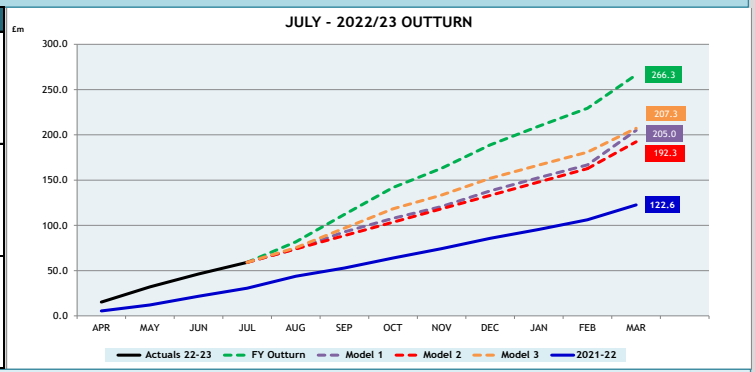
Housing (-£1.1m) - Slippage across Stock Increase Programme Schemes, (-£0.7m) delay/forecast underspend on LAD2 schemes, (-£0.25m) - Slippage on Elementals contract, (-£0.2m) slippage on Single Staircase Tower Block works, (-£0.1m) slippage on Roofing Replacement payments

Education Children & Families (-£0.45m) Slippage on Aldine House Extension contract, (-£0.2m) Astrea Sports Pitch scheme delayed, (-£0.15m) delay on payments re: Greenhill & Acres Hill Integrated Resource Provision, (-£0.1m) delays on payment re: Silverdale School Expansion, (-£0.1m) slippage on Nether Green roof payments, (-£0.1m) slippage on Pipworth Structural works payments

Strategy & Resources (-£0.3m) - Slippage on transport fleet replacement, (-£0.2m) Slippage on Town Hall CCTV relocation, (-£0.2m) - Slippage on Corporate FRA programme, (-£0.1m) Slippage on Abbeydale and Carr Dam repairs, (-£0.1m) Delay on final payments of Public Sector Decarbonisation Scheme

6.3 - Forecasting Models 1

MODEL	HOW CALCULATED
Model 1	• Extrapolating the percentage of spend against budget as at Month 4 (68%)
Model 2	• Extrapolating the average rates of cash spend (£14.9m per month) (rather than % of spend against budget) for April - Jul. • Adjusting for increased spending in month 12.
Model 3	• Based on accuracy of forecasting on average actual expenditure per month is 28.5% below that forecast •Therefore expenditure figures extrapolated at 71.5% of Jun rest of year forecast figures



The graph at 6.3 shows a potential spread of outturn positions compared to the current forecast based on the extrapolation models described. Also included is the profile of expenditure for 2021/22 as a comparator.

As in previous years the forecast at this stage of the year far outstrips the predictions of the models which indicates continued over optimism in forecasting. The overall forecast outturn has fallen by £10.6m from July but would still seem to be significantly overstated unless there is a doubling in the monthly spend rate for the remainder of the year. With Heart of The City Schemes

The review pf projects forecasting to spend over £1m this year (making up 80% of the total forecast outturn), has resulted in an overall reduction of £14m in the outturn for these schemes.
This month we will prompt a more detailed review of projects on a per Committee basis to attempt to correct the forecast further and undertake a general realignment of budgets.

7 - Key Issues and Risks

Key Issues

- **Disabled Facilities Grant** - A pressure is emerging on Disabled Facilities Grant Expenditure due to dealing with a backlog of assessments post COVID, rising demand and increasing inflation in the construction sector. A situation is developing where the £5.1m p.a. received from Government in respect of this activity will no longer be sufficient to meet expenditure. Balances carried forward from previous years should provide mitigation this year but there is the potential that previous decisions to use the funding to support wider activity such as Telecare and High Value Equipment may need to be revisited with potential revenue pressures. Working groups have been established to address the issue.

- **Upper Don Valley Flood Alleviation Scheme** - Newly identified forecast overspend position of £1.1m - Update - In principle decision from Environment Agency for additional funding received

- **Schools Condition Allocation** - All School Condition Allocations received (up to 22/23) potentially fully committed may require reprioritisation if further urgent works identified.

Key Risks

Key risk areas -
Schemes funded via time limited grants:

- **Active Travel Fund - Sheaf Valley Cycle Route (£2.3m)** - Deadline 31/03/22 - Update Funding deadline extended to September 22. However, offer of funding to deliver Phase 1 not yet received from MCA - agreed to progress at risk. Update discussions underway with SYMCA to further extend funding deadline

- **LAD II Green Homes Grant** - Approx. £4m 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 UPDATE - Deadline now extended to end of September, this should provide sufficient time to deliver schemes.

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.
Several schemes are already identifying increases pre tender estimates and higher than anticipated tender returns i.e. Nethergreen School roof replacement, King Ecgberts school expansion scheme, Hemsworth New Build Council Housing Scheme

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Sheffield City Council

Report to Policy Committee

Author/Lead Officer of Report:
Damian Watkinson,
Finance Manager

Tel: 0114 273 6831

Report of:	*Ryan Keyworth*
Report to:	*Finance Sub Committee*
Date of Decision:	*6th September 2022*
Subject:	*Capital Approvals for Month 03 & 4 2022/23*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes		No	✓
If YES, what EIA reference number has it been given? *(Insert reference number)*				
Has appropriate consultation taken place?	Yes	✓	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	✓
Does the report contain confidential or exempt information?	Yes		No	✓

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended)."*

Purpose of Report:

This report provides details of proposed changes to the existing Capital Programme as brought forward in Months 03&4 2020/21.

Recommendations:
(i) Approve the proposed additions and variations to the Capital Programme listed in Appendix 1 & Appendix 2

Background Papers:
(Insert details of any background papers used in the compilation of the report.)

Appendix 1, Appendix 2,

Lead Officer to complete:-		
1	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.	Finance: *Liz Gough*
		Legal: *Nadine Sime / Sarah Bennett*
		Equalities & Consultation: *N/A*
		Climate: N/A
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**EMT member who approved submission:**	*Ryan Keyworth*
3	**Committee Chair consulted:**	
4	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 EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: *Damian Watkinson*	**Job Title:** *Finance Manager*
	Date: *18/08/22*	

1. PROPOSAL

1.1 The proposed changes to the Capital programme will improve the recreational leisure facilities, schools, roads and homes used by the people of Sheffield, and improve the infrastructure of the city council to deliver those services.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 By delivering these schemes the Council seeks to improve the quality of life for the people of Sheffield.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 Any appropriate consultation was carried out at the original approval of the schemes included

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 Any Equality implications are the responsibility of the service area under which the approval falls.

4.2 Financial and Commercial Implications

4.2.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during months 3 and 4 reporting cycles. This report requests the relevant approvals and delegations to allow these schemes to progress.

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

- 9 additions of specific project to the capital programme creating a net increase of £4.632m
- 16 variations to specific projects and allocations in the capital programme creating a net decrease of £1.640m
- 1 change in scope with no variation to budget
- 10 reprofiles of schemes with no overall change to budgets

4.2.3 Further details of the schemes listed above can be found in Appendix 1 and 2.

4.3 Legal Implications

4.3.1 Any specific legal implications are identified on a per scheme basis in appendix 1 and 2

4.4 Climate Implications

4.4.1 Any specific Climate implications are identified on a per scheme basis in appendix 1 and 2

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 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.

6. REASONS FOR RECOMMENDATIONS

6.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield

6.2 To formally record changes to 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.

	Scheme name / summary description	Value £'000
A	**Transport Regeneration & Climate Change**	
	New additions	
	West Street Car Park **Why do we need the project?** This project is for the completion of public carpark on the area adjacent to Carver Lane Carpark. This area was previously a small build with some derelict land attached. The building has now been demolished, and the area has recently been resurfaced to make it more presentable. If this land is continued to be left unmanaged the likelihood is it will fall into disrepair which in turn may have increase anti-social behaviour, flying tipping and unattended parking. **How are we going to achieve it?** The completed carpark will consist of nine pay and display parking bays and three cycle racks. The installation of the cycle racks will help encourage people to cycle into the city centre by providing a secure cycle parking. The cost of the works is £30.6k and will be funded by revenue contribution to capital **What are the benefits?** • Additional parking pays • Increased parking revenue • Additional secure cycle parking **When will the project be completed?** 2022-23	+30.6
	Funding Source: Revenue contribution to capital; **Amount**: £30.6k; **Status**: ; **Approved**:	
	Policy Approval Route: Part of revenue savings	
	Variations and reasons for change	
	92947 Abbeydale Road Junction	

Scheme description

The Council have a citywide strategy with a number of accident savings schemes to reduce actual (and the fear of) road traffic collisions, particularly focused on reducing killed and seriously injured (KSIs) casualties by implementing road safety engineering schemes at sites with the highest injury collision rates in the city. The focus of all projects within the accident saving programme is to achieve a reduction in the number and severity of road injury collisions.

This project is to develop and deliver a collision savings scheme at the junction of Abbeydale Road and Wolseley Road by introducing a speed reducing plateau at the junction which will consist of the narrowing of the carriageway beyond the existing pedestrian island on Abbeydale Road, the aim of which, is to prevent cyclists progressing down the inside of queuing traffic. A change will be implemented to a number of the parking restrictions to ensure the approaches to the junction are clear of parked vehicles which will improve visibility for crossing pedestrians.

What has changed?

The initial feasibility works have been completed and the full detail design of the scheme is to be carried out. The estimated cost of the scheme is £218.7k and will be fully funded from Local Transport Plan. The project budget is to be increased by £204k.

Variation type: -

- Budget increase

Funding	Local Transport Plan
Approval Route	Finance sub-committee 06.09.22

+204

93174 Burton Street Accessibility

Scheme description

Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. Pedestrian Improvement Schemes are designed to provide crossings and safer walking facilities. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport.

This scheme is a pedestrian accessibility scheme on Burton Street near the Burton Street Foundation. The Burton Street Foundation has two sites on opposite sides of the road and there are mobility issues across these sites on either side of Burton Street, specifically in relation to the vulnerable adults who use the centre.

The introduction of a pedestrian accessibility scheme at this location will aim to improve road safety at this location and reduce the sometimes intimidatory impact of traffic on our neighbourhoods.

What has changed?

The initial feasibility works have been completed and the full detail design of the scheme is to be carried out. The aim of the project is to deliver the following works: - Pedestrian crossing facilities, waiting restrictions, designated loading bay and road narrowing

+53.2

	The estimated cost of the scheme is £63.2k and will be fully funded from Road Safety Funds. The project budget is to be increased by £53.2k. **Variation type: -** • Budget increase **Funding** Road Safety Funds **Approval Route** Finance sub-committee 06.09.22	
	92936 Cycle Support Infrastructure **Scheme description** This project is a rolling program of works to improve the existing cycle network by providing supporting infrastructure that will have significant benefit to existing users and encourage/enable new users. It also provides the additional benefits of improving air quality and congestion. **What has changed?** A budget of £75k funded from Local Transport Plan will be added to the project to complete a program of works in 2022-23 consisting of the following: • Penistone Road: Improved visibility at entrance to industrial site • Hurlfield Road: Dropping kerbs between no through roads • Chapeltown/Blackburn Valley Trail: Barrier alterations • Carbrook St/Attercliffe Road: Improved signage • Prince of Wales Road: Improved cycle lanes • Various locations: Sheffield stands at key destinations **Variation type: -** • Budget increase **Funding** Local Transport Plan **Approval Route** Finance sub-committee 06.09.22	+75
	93172 Abbey Lane Accessibility **Scheme description** Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. Pedestrian Improvement Schemes are designed to provide crossings and safer walking facilities. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport.	+196

This scheme is the introduction of pedestrian crossing facilities on Abbey Lane near Ecclesall Woods in conjunction with a review of the speed limit and junction priority at Abbey Lane / Whirlowdale Road. The aim is to improve access to Ecclesall Woods by improving road safety at this location.

What has changed?

The project has previously been approved to conduct desktop feasibility works which have now been completed. Works will now be undertaken to fully design and develop the scheme.

The project proposal is to implement three pedestrian refuge islands. The proposed refuge islands will align with the current footpaths and bridleways across Abbey Lane and each refuge will be complemented with appropriate signing, highway lining and lighting fittings necessary. Tactile paving will be installed to allow safer access for all including those with impaired mobility and those with small children and pushchairs and the proposal also includes speed cushions into the junction approach to help control vehicle speeds.

The estimated full cost of the project is £221k and will be fully funded from Road Safety Funds. The project budget is to be increased by £196k

Variation type: -

- Budget increase

Approval Route	Finance sub-committee 06.09.22

93246 Burncross 20mph

Scheme description

+123.7

Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. 20mph area schemes contribute to the creation of a safer residential environment, which will allow easier access to local facilities for all. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport. The Corporate Plan states that the aim is for all residential areas to have a 20mph speed limit by 2025.

Through recent consultations such as the 'big city conversation' and the 'transport vision', it is clear that local communities value the impact of transport improvements from both a movement and safety perspective. Slower speeds will contribute to the creation of a safer residential environment and may also bring about a reduction in the number and severity of traffic collisions.

This project is for a 20mph sign only area in Burncross

What has changed?

The project has previously been approved to conduct feasibility works which have now been completed. Works will now be undertaken to fully design and develop the scheme.

The estimated full cost of the project is £134k and will be fully funded from Road Safety Funds. The project budget is to be increased by £123.7k

Variation type: -

	• Budget increase **Funding** Road Safety Fund **Approval Route** Finance sub-committee 06.09.22	
	93242 Deerlands 20mph **Scheme description** Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. 20mph area schemes contribute to the creation of a safer residential environment, which will allow easier access to local facilities for all. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport. The Corporate Plan states that the aim is for all residential areas to have a 20mph speed limit by 2025. Through recent consultations such as the 'big city conversation' and the 'transport vision', it is clear that local communities value the impact of transport improvements from both a movement and safety perspective. Slower speeds will contribute to the creation of a safer residential environment and may also bring about a reduction in the number and severity of traffic collisions. This project is for a 20mph sign only area in Deerlands, Sheffield 5. **What has changed?** The project has previously been approved to conduct feasibility works which have now been completed. Works will now be undertaken to fully design and develop the scheme. The estimated full cost of the project is £135k and will be fully funded from Road Safety Funds. The project budget is to be increased by £124.8k **Variation type: -** • Budget increase **Funding** Road Safety Fund **Approval Route** Finance sub-committee 06.09.22	+124.8
	93350 Streets Ahead Opportunities **Scheme description** The Streets Ahead project has now completed the "Core Investment Period". Public satisfaction with the condition of the Highway Infrastructure has increased and there is an expectation the City Council will continue to support and augment the basic maintenance tasks with small scale accessibility improvements.	+65

There are in excess of 2000 small scheme requests in the system, these increase daily with requests to carry out works such as handrail installation, dropped kerbs, community 'H' markings, bollard installation, bus stop markings, new signs and markings. Requests are individually assessed and installation is instructed on a priority basis.

What has changed?

This project is a rolling programme of works and £65k of Local Transport Funding is to be added to this year's budget to enable the complete of works in 2022-23.

Variation type: -

- Budget increase

Funding	Local Transport Plan
Approval Route	Finance sub-committee 06.09.22

94077 Levelling Up Fund – Castle Site

Scheme description

+224

Sheffield City Council has successfully bid for 'Levelling Up Funding' to invest in three projects that focus on the heritage, culture, natural environment and public realm of the Castlegate area.

This was a 'package bid' that brings together three projects that respond directly to the Levelling Up Fund's call to 'prioritise investment that not only brings economic benefits, but also helps bind communities together'. It welcomes visitors, residents and investors into a previously neglected part of Sheffield's heritage, using public realm interventions to create new sense of place. It links historic sites with revitalised cultural institutions that will nurture the city's talent for generations to come.

This project is for works to reveal the ruins of Sheffield's Castle and the river Sheaf, create enhanced public realm and green space, and creation of development plots to allow for future businesses to locate in the area.

What has changed?

The project has previously received approval for the procurement only of archaeological services.

The budget is to be increased by £224k to £561k for the delivery of archaeological and site investigation works across the site, as well as the design development of the wider site masterplan. The budget increase also covers activities associated with the proposed de-culverting of a section of the River Sheaf, which will entail completing a range of surveys and undertaking design feasibility, as well as seeking advice from appropriate consultants.

The increase is to be funded from Levelling up funds.

	Variation type: - • Budget increase							
	Funding	Levelling up fund						
	Approval Route	Finance sub-committee 06.09.22						
B	**Communities Parks & Leisure**							
	New additions							
	Funding Source		**Amount**		**Status**		**Approved**	
	Approval Route							
	Variations and reasons for change							
	None							
C	**Waste and Street Scene**							
	New additions							
	None							
	Variations and reasons for change							
	None							
D	**Adult Health & Social Care**							
	New additions							
	None							

	Variations and reasons for change	
	None	
E	**Housing**	
	New additions	
	97486 Council Housing CCTV Refurb & Upgrade **Why do we need the project?** To upgrade existing CCTV systems and install new CCTV systems to housing sites across the city. The programme will ensure that the systems are compliant with current regulations and modern technological standards. It will also enable SCC to comply with current industry standards in relation to CCTV equipment and image control as outlined in GDPR guidance. The Housing Service will then be adhering to recommendations of the CCTV industry guidance in relation to managing, monitoring, and sharing of images captured by the CCTV systems. The number of responsive repairs and system failures should also reduce as the refurbishment programme rolls out across the city. **How are we going to achieve it?** A commitment to the refurbishment and installation of new CCTV systems across the city has been acknowledged in the HRA Business Plan, for the existing CCTV systems to always remain fully serviceable and help keep maintenance costs to a minimum. This includes: • 34 Systems refurbished located at: Upperthorpe, Netherthorpe, Leverton, Hanvover, Stannington, and some Older Persons Accommodation sites. • 6 New systems at Callow Mount, Gleadless Valley **What are the benefits?** *Objectives* • To have modern reliable CCTV systems for the security of our tenants and residents. • To adhere to recommendations of the CCTV industry guidance in relation to managing, monitoring, and sharing of images captured by the CCTV systems *Outputs* • 34 systems refurbished and 6 new systems installed *Benefits* • Tenants and residents will have the knowledge and confidence that the CCTV systems of a modern-day standard with increased reliability • The number of responsive repairs and system failures should reduce as the refurbishment programme rolls out across the city	+373

- Within 2 years, 34 CCTV Systems would be replaced, and 6 New Systems installed
- Customer Safety will be improved as the refurbished and newly installed CCTV Systems will be reliable, and less likely to fail
- All the new equipment will come with a warranty period for parts and labour which should see some savings generated in the early years on repairs

When will the project be completed?
October 2022 to November 2023

Costs

Mailout to Residents	£4.5K
Signage for Residents	£7.0K
Supply & Fit	£312.0K
Contingency	£50.0K
Total	£373.5K

Budget

22/23 Budget	£135.5K
23/24 Budget	£238.0K
Total Budget	£373.5K

Funding Source	HRA via Q0084	**Amount**	£373.5K	**Status**	Allocation available in the approved Programme (Q0084)	**Approved**	Housing PG 20.07.22
Approval Route		Finance sub-committee 06.09.22					

Variations and reasons for change

Q0084 Council Housing Health & Safety Essential Works -373

Scheme description
Block allocation of HRA funding for Health and Safety works on the Council Housing Stock

What has changed?
An Outline Business Case for CCTV Refurb and Upgrade has been brought forward for approval and therefore requires funding to be drawn down from this Q number. See separate entry for 97486 CCTV Refurb & Upgrade above.

Variation type: Budget decrease

Budget

	Current 22/23 Budget £1,983.1K - £170.0K = £1,813.1K Current 23/24 Budget £2,250.0K - £150.0K = £2,100.0K Current 24/25 Budget £13,056.7K - £53.5K = £13,003.2K Total 22-26 Budget £50,156.7K - £373.5K = £49,783.2K		
	Funding	HRA	
	Approval Route	Finance sub-committee 06.09.22	
	Council Housing Investment Programme Reprofile **Scheme description** Programme of project budgets and future works allocations approved. **What has changed?** Concerns were raised at Homes Board in April regarding the total 2022-23 Housing Capital Programme budget and forecast. A review has therefore been undertaken on the Council Housing Investment Programme and it is proposed to reprofile some allocations, which results in a decrease in the 2022-23 Council Housing Investment Programme. This includes 2 live schemes for the reasons below: 1. 97472 External Wall Insulation 2 Latest outturn forecast current year is behind current full year budget due to delays to the programme as a result of investigations into the implications of certain industry standard compliance issues. Therefore, the budget will be reprofiled pending a revised Outline Business Case, which is due to be presented to Housing Programme Group. 2. 97483 Tower Block Flat Roofing The final tender documents have been submitted and prices yet to be received from the shortlisted contractors. Submissions will then need to be evaluated. Therefore, the budget will be reprofiled pending the Final Business Case being submitted in the Autumn for a contract start date of November/December. The original timeline for the contract start date was September. And a reprofile of some Q number allocations: 1. Q0079; Heating, Energy and Carbon Reduction 2. Q0083; Waste Management & Estate Environmentals 3. Q0084; Health & Safety Essential Work 4. Q0085; Communal Areas Investment 5. Q0086; Internal Works 6. Q0089; Other Essential Work 7. Q0094; Gleadless Valley Masterplan		See Table

Variation type: Reprofile

Budget

£m	2022-23	2023-24	2024-25	2025-26	2026-27	TOTALS
Current Programme	52.2	54.4	63.7	73.3	63.1	306.6
Revised Programme	40.4	46.2	67.5	76.6	76.0	306.6
Reprofile	-11.8	-8.2	3.8	3.3	12.9	-0.0

Funding	HRA
Approval Route	Finance sub-committee 06.09.22

97585 New Build Council Housing Phase 25 - Corker Bottoms

22/23 -2,189
23/24 +2,189

Scheme description
Acquire 47 x 2, 3 and 4 new houses from Sheffield Housing Company on the Corker Bottoms site.

What has changed?
Delays to due to Sheffield Housing Company / Keepmoat not clarifying fully when the stage payments based on the construction milestones will be made and providing the final programme.

Variation type: Reprofile

Budget
Current 22/23 Budget £5,989.4K - £2,189.4K = £3,800.0K
Current 23/24 Budget £2,346.8K + £2,189.4K = £4,536.2K
Total 22-24 Budget £8,336.2K + £0.0K = £8,336.2K

Funding	Mixture of HRA Borrowing, Grants, Land Sales, 1-4-1, Shared Ownership
Approval Route	Finance sub-committee 06.09.22

97578 NB Phase 18 – Bole Hill View

Scheme description
The aim of the project is to deliver new council housing, as part of the Stock Increase Programme, on the Bole Hill View Site:

36 new units comprising of:

- 3 x Building Regulations Part M: Category 1 units (visitable)
- 30 x Building Regulations Part M: Category 2 units (adaptable and accessible)
- 3 x Building Regulations Part M: Category 3 units (wheelchair users)

What has changed?

Updated Objectives

- It is now proposed to demolish the existing vacant building to create a cleared, safe site. The demolition of the building will be procured via a separate contract award but will enable intrusive site surveys to be completed across the whole site, thereby managing some of the risks associated with clearing existing buildings and unknown ground conditions under the part of the site where ground surveys have not been possible to date (due to existing structures)
- Information gained from these further surveys will inform revised costings for the scheme which will be the subject of further approvals

Updated Benefits

- Appropriation of the site for housing purposes (via a separate decision) to enable demolition of an existing unused vacant building to create a clear site

Variation type: Scope Change only

Funding	70% HRA borrowing and 30% other funding currently 1-4-1
Approval Route	Finance sub-committee 06.09.22

Q0087 Council Housing Stock Increase Programme -3,656

Scheme description
Block allocation of funding for the Stock Increase Programme.

What has changed?
The programme of works has been reviewed and the budget reprofiled, including pushing £3.6m into future years beyond 2026/27.

Variation type: Reprofile

Budget

Current 22/23 Budget	£10,085.0K	-	£9,941.5K	=	£143.5K
Current 23/24 Budget	£35,038.7K	-	£22,357.1K	=	£12,681.6K
Current 24/25 Budget	£84,224.7K	-	£6,669.2K	=	£77,555.5K

	Current 25/26 Budget £49,561.3K + £17,222.6K = £66,783.9K Current 26/27 Budget £54,393.1K + £18,089.2K = £72,482.3K Total 22-27 Budget £233,302.8K - £3,656.0K = £229,646.8K							
	Funding	Mixture of HRA Borrowing, Grants, Land Sales, 1-4-1, Shared Ownership						
	Approval Route	Finance sub-committee 06.09.22						
F	**Education Children & Families**							
	New additions							
	Funding Source		**Amount**		**Status**		**Approved**	
	Approval Route							
	Funding Source		**Amount**		**Status**		**Approved**	
	Approval Route							
	Funding Source		**Amount**		**Status**		**Approved**	
	Approval Route							
	Funding Source		**Amount**		**Status**		**Approved**	
	Approval Route							

	Variations and reasons for change	
	None	
G	**Strategy & Resources**	
	New additions	
	None	
	Variations and reasons for change	
	None	
H	**Economic Development & Skills**	
	New additions	
	None	
	Variations and reasons for change	
	None	

	Scheme name / summary description	Value £'000
A	**Transport Regeneration & Climate Change**	
	New additions	
	Hangingwater Road Pedestrian Crossing (Feasibility) **Why do we need the project?** Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. Pedestrian Improvement Schemes are designed to provide crossings and safer walking facilities. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport. A request for a crossing on Hangingwater Road near Whitley Wood Road was added to the prioritisation request list where it was assessed and scored against the approved criteria. The aim of this scheme is to implement a safe crossing point for school children to access the nearby schools and to provide an easier and safer crossing point for pedestrians to cross the busy junction of Hangingwater Road and Whiteley Wood Road. **How are we going to achieve it?** A feasibility on the proposed scheme will be undertaken which will be an initial desktop study of the scheme requirements and an assessment of the scheme location to identify any constraints and the best location for the pedestrian crossing facilities. If any further surveys are required, these will be carried out. This phase will cost £20k and funded from Road Safety Funds **What are the benefits?** • To contribute to the creation of a safer residential environment, which will allow easier access to local facilities for all including Whiteley Woods, the Porter Brook Trail, and nearby allotments. • Increase the number of children travelling to school in a safe and active way. • Provide a reduction/break in driver speed when approaching the crossing point • To support the Clean Air Zone initiative by creating safe crossing points to encourage active travel and promote safer walking routes in a clean air environment. • Encourage walking as preferable mode of travel. **When will the project be completed?** April 2023	+20

	Funding Source	Road Safety Fund	**Amount**	20k	**Status**	Ringfenced for Transport Projects	**Approved**		
	Variations and reasons for change								
	Beighton 20mph **Scheme description** Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. 20mph area schemes contribute to the creation of a safer residential environment, which will allow easier access to local facilities for all. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport. The Corporate Plan states that the aim is for all residential areas to have a 20mph speed limit by 2025. Through recent consultations such as the 'big city conversation' and the 'transport vision', it is clear that local communities value the impact of transport improvements from both a movement and safety perspective. Slower speeds will contribute to the creation of a safer residential environment and may also bring about a reduction in the number and severity of traffic collisions. This project is for a 20mph sign only area in Beighton **What has changed?** The project has previously been approved to conduct feasibility works which have now been completed. Works will now be undertaken to fully design and develop the scheme. The estimated full cost of the project is £145k and will be fully funded from Local Transport Plan. The project budget is to be increased by £133.6k **Variation type: -** • Budget increase								+133.6
	Funding	Local Transport Plan							
	Woodseats 20mph **Scheme description** Through the City's Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. 20mph area schemes contribute to the creation of a safer residential environment, which will allow easier access to local facilities for all. This in turn promotes healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport. The Corporate Plan states that the aim is for all residential areas to have a 20mph speed limit by 2025. Through recent consultations such as the 'big city conversation' and the 'transport vision', it is clear that local communities value the impact of transport improvements from both a movement and safety perspective. Slower speeds will contribute to the creation of a safer residential environment and may also bring about a reduction in the number and severity of traffic collisions.								+37

	This project is for a 20mph sign only area in Woodseats area, Sheffield 8. **What has changed?** Works have recently been undertaken to design the scheme and the full cost of the implementation has been calculated at £133k, fully funded from Local Transport Plan. The budget will be increased by £37k and works will commence to implement the scheme. The estimated completion date is January 2023. **Variation type: -** • Budget increase **Funding** Local Transport Plan	
	Parkhill Parking **Scheme description** The Parkhill Parking project is part of the city's overall strategy to manage traffic congestion. Managing the supply of parking spaces by restriction or price is a proven method of demand management which is employed by most local authorities of any size. The project has previously been approved to undertake feasibility studies to look into introducing a parking scheme in the Parkhill area of the city which has previously suffered from the effects of high levels of unrestricted commuter parking. **What has changed?** The Traffic Regulation Order [TRO] and public consultations have been carried out and the results have been collated. Parking surveys had previously been conducted [pre-covid] however additional parking surveys are now required to enable the recommendations of the scheme to reflect the current trend. The project budget will be increased by £57k and will initially be under-written by Local Transport Plan funding. **Variation type: -** • Budget increase **Funding** Local Transport Plan	+57
	Clean Air Zone [CAZ] Projects-: Back Office, Signage & Automatic Number Plate Recognition (ANPR) **Scheme description** Sheffield City Council [SCC] and Rotherham Metropolitan Borough Council [RMBC] were jointly issued with a Ministerial Directive (Air Quality Direction) to implement a Clean Air Zone [CAZ] to ensure compliance with legal limits of Nitrogen Dioxide (NO2) levels, in the 'shortest possible time'.	+371

This approval relates to three CAZ projects explained in brief below:-

CAZ Back Office:-

For the set-up and integration of the enforcement back-office system and processes to support the ANPR network, charging and enforcement processes.

CAZ Signage:-

For the design, supply and installation of the zone signage.

CAZ ANPR:-

The design, supply, and installation of the ANPR camera network covering controllers, processors, poles, mounting infrastructure, housing, power and network connections, testing, integrations with CGCAZ systems, traffic management and documentation.

What has changed?

Following the submission of the final business case to the funding body [JAQU – Joint Air Quality Unit], the final costs have been established for each strand of the programme and final budget allocations made.

This approval seeks to align the Councils internal approvals with the final costing for the projects listed above.

The table below shows the 2022-23 budget adjustments along with the full project totals.

		22-23 budget adjustment [000]	Full project budget all years] [000]
93079	CAZ Back Office	+1,907	2,207
93081	CAZ Signage	-16	876
93082	CAZ ANPR	-1,520	1,572
		371	4,655

Variation type: -

- Budget increase & decrease

Funding	Clean Air Zone - JAQU – Joint Air Quality Unit

Transforming Cities Fund [TCF] – City Centre

Scheme description

	Sheffield City Council has previously been awarded funding through the Transforming Cites Fund (TCF) to invest in schemes that promote active travel (cycling and walking) to enable people to access jobs, education etc. through greener and healthier forms of travel. Similarly, to the TCF Housing Zone North programme (below) this is also being delivered as one scheme. This project is to deliver changes in bus routes which reduce bus journey time, by prioritising buses over general vehicles. It will also provide segregated cycle paths through the city centre and enhance the public realm to encourage walking. Enhancing the public realm will create an attractive, welcoming and safe environment to attract more visitors to the city. This in turn will facilitate sustainable economic growth, support the clean air zone and provide the enabling infrastructure to densify land uses in accordance with aspirations of the Local Plan and the Central Area Strategy. **What has changed?** Recently, Sheffield City Council have received and accepted the stage 2 TCF funding agreement for £1.391k from the South Yorkshire Mayoral Combined Authority [SYMCA], bringing the total funding approved to £1,577.3k. This approval seeks to uplift the budget to the value of the agreement funding and to appoint the contractor in a 2 stage design and build contract. The overall expected project outputs are as follows: - • 4 bus gates • 500m of new bus lanes • 5 improved bus stops • 9 new bus stops • 1km of fully accessible cycle route • 13000m2 - Public realm improvements • 4 improved pedestrian crossing facilities • 4 new pedestrian crossings **Variation type: -** • Budget increase **Funding** Local Transport Plan	+316.4
	Residential Cycle Parking **Scheme description** As part of Connecting Sheffield, Sheffield City Council are developing a step change in the cycle network which will transform the perception and take up of active travel. Improved infrastructure is just one, albeit significant, step to enabling active travel and providing secure cycle parking complements any infrastructure development by mitigating concerns about bicycle theft and can be integral to the success by boosting confidence of new and existing cyclists. As many residential properties do not have suitable (secure and accessible) storage for bikes, options have been investigated to develop an offer of secure cycle parking in residential areas.	+45

What has changed?

The feasibility stage of the project is now complete and the proposed solution is the purchase of up to 9 secure units, each holding up to 6 bikes with a proposal to install in the following areas :-

- Freedom Road
- Parsonage Crescent
- Bole Hill Road/Tinker Lane
- Woodstock Road
- Morley Street
- Fentonville Street (will be picked up with Transforming Cities project)
- Empire Road
- Pisgah House Road
- 2 locations to be confirmed

The scheme is to be run by a third party who will be responsible for the installation and maintenance of the units and will be subject to a legal agreement.

Users will pay annual fee for use of the storage facility and Sheffield City Council will pay an annual charge circa £60 to £160 per unit to the provider for maintenance.

The cost of the scheme is £50k and budget is to be increased by £45k and is fully funded from Local Transport Plan.

Variation type: -

- Budget increase

Funding	Local Transport Plan

B	**Communities Parks & Leisure**
	New additions
	None
	Variations and reasons for change
	None
C	**Waste and Street Scene**

	New additions	
	None	
	Variations and reasons for change	
	None	
D	**Adult Health & Social Care**	
	New additions	
	None	
	Variations and reasons for change	
	None	
	Housing	
	New additions	
	Bin Store Ceilings Fire Safety (Feasibility) **Why do we need the project?** For several years there has been a focus on high-rise high-risk building for fire safety measures, however, several areas of improvement and non-compliances have been identified as a result of the FRA programme for low-rise blocks. Following a review of the last two rounds of FRAs across the whole low-rise stock, there has been a growing trend of bin store ceilings that have been identified to be below acceptable, from a fire safety/fire rating perspective. These stores may pose a fire safety risk, especially for the stores that are directly attached to the main part of the dwelling. Across the entire stock there has been 299 identified that need remedial fire safety works on the bin store ceiling, which needs to be achieved before the next round of fire risk assessments. **How are we going to achieve it?** Undertake an assessment of bins store types to establish what works are required based on the physical position, risks posed, and general condition of each of the bin stores.	+13

What are the benefits?

Objectives

- All bin stores be brought up to an acceptable standard including some future proofing
- Confine any fire incidents to the of the given bin store

Benefits

- All tenants, leaseholders and visitors will be safe when using these low-rise buildings
- Adequate documentation will be kept providing an audit trail for the installation of critical passive fire safety systems
- All documentation will be maintained to ensure an audit trail is kept in line with future fire safety and building safety legislation e.g. Fire Safety Order (2021) and the Building Safety Act, and will be current, adequate, and relevant for the specific address, within the HNS housing stock

When will the project be completed?

Delivery estimated for June-December 2023

Costs 22/23

CDS Fees	£2K
Surveys	£1K
Consultants	£10K
Total	£13K

Funding Source	HRA via Block Allocation	**Amount**	£13.0K	**Status**	Allocation available in the approved Programme	**Approved**	Housing Programme Group 17.08.22

Variations and reasons for change

Council Housing Health & Safety Essential Work Block Allocation -13

Scheme description

Block allocation of funding for Health and Safety essential work to the Housing Stock.

What has changed?

An Initial Business Case has been brought forward to tackle fire safety issues in Bin Stores of low-rise blocks. Therefore, the funding of £13K required for the feasibility needs drawing down from this block allocation. See separate entry above for Bin Store Ceilings Fire Safety.

Variation type: Budget decrease

	Budget Current 22/23 Budget £450K - £13K = £437K **Funding** HRA	
F	**Education Children & Families**	
	New additions	
	Waterthorpe Nursery & Infant Pitched Roof **Why do we need the project?** • What is the problem we are trying to address? ○ A programme of condition surveys was undertaken across the CYP estate by Rider Levett Bucknall (RLB) between 2017 to 2020. The purpose of the surveys was to identify building elements (e.g., roof, windows, floor) and then report on the elements that require attention using a rating system where each element was ranked based up on a condition, priority, and severity scoring system. ○ Using the above ranking system, pitched roofs to three schools were prioritised for repair/renewal works due to the severity of defects recorded: ○ Brunswick Primary School – **this school has been omitted from the works due to a successful bid (DfE rebuild programme)** ○ Waterthorpe Nursery & Infant School ○ Carfield Primary School – **See Entry Below** ○ **Waterthorpe Nursery & Infant School** There is extensive leaking internally from the roof structure with 250 square meters of concrete roofing tiles to be replaced on Block 02 and a further 1,100 square meters of concrete roofing tiles to be replaced on Block 01. The roof to Block 01 has been identified as about to fail or having reached the end of its useful life. • Why do we need to address it now? ○ Leaking roofs will continue to contribute to heat loss and potential damage to the fabric of the building from water ingress, thereby creating health & safety risks to the occupants **How are we going to achieve it?** ○ Identify any works which have deteriorated significantly since the last survey and are now a critical priority item	+891.8

- Specify and design recommendations to understand estimated costs of works
- Delivery of site works to successful completion

What are the benefits?

- Outputs
  - Upgrade to roofing and insulation
- Benefits
  - Addresses identified maintenance issues
  - Improves internal environment
  - Improves energy performance

When will the project be completed?

22/12/2023
(NB . This school is also currently the subject of a bid to the Primary School Re-build Programme – should this bid be successful this scheme will not progress)

Funding Source	DfE Condition Funding Allocation	**Amount**	£16.8k Feasibility **+£891.8k to OBC** £908.6k Total	**Status**		**Approved**	

90998 Carfield Primary Pitched Roof - (inc. Windows work) +1,820.1

Why do we need the project?

- What is the problem we are trying to address?
  - A programme of condition surveys was undertaken across the CYP estate by Rider Levett Bucknall (RLB) between 2017 to 2020. The purpose of the surveys was to identify building elements (e.g., roof, windows, floor) and then report on the elements that require attention using a rating system where each element was ranked based up on a condition, priority, and severity scoring system.
  - Using the above ranking system, pitched roofs to three schools have been prioritised for repair/renewal works due to the severity of defects recorded:
    - Brunswick Primary School **– this school has been omitted from the works due to a successful bid (DfE rebuild programme)**
    - Waterthorpe Nursery & Infant School **(See entry above)**
    - Carfield Primary School
  - **Carfield Primary School** - a Grade II listed building

The roof is leaking in several areas on Block 01 with 1,000 square meters of natural slate roofing to be renewed. The roof has been identified as being non-operational or about to fail or having reached the end of its useful life. In addition, the single glazed windows to Blocks 01, 02 and 05 have also been identified as being at the end of their product life and provide only poor sound and thermal efficiency.

- Why do we need to address it now?
  - Leaking roofs will continue to contribute to heat loss and potential damage to the fabric of the building from water ingress, thereby creating health & safety risks to the occupants. Windows are at end of useful life.

How are we going to achieve it?

- Identify any works which have deteriorated significantly since the last survey and are now a critical priority item
- Specify and design recommendations to understand estimated costs of works
- Delivery of site works to successful completion

What are the benefits?

- Outputs
  - Upgrade to roofing and insulation
  - Replace windows
- Benefits
  - Addresses identified maintenance issues
  - Improves internal environment
  - Improves energy performance

When will the project be completed?

22/12/2023
(NB . This school is also currently the subject of a bid to the Primary School Re-build Programme – should this bid be successful this scheme will not progress)

Funding Source	DfE Condition Funding Allocation	**Amount**	£16.8k Feasibility **+£1,820.1k to OBC** £1,836.9k Total	**Status**		**Approved**	

90999 Limpsfield Junior School - Windows & External Walls	+539.0

Why do we need the project?

- What is the problem we are trying to address?
  - A programme of condition surveys was undertaken across the CYP estate by Rider Levett Bucknall (RLB) between 2017 and 2020. The purpose of the surveys was to identify building elements (e.g., roof, windows, floor) and then report on the elements that require attention using a rating system where each element was ranked based up on a condition, priority, and severity scoring system.
  - Using the above ranking system, emergency exit doors and external windows to two schools have been prioritised for repair/renewal works due to the severity of defects recorded: these being Limpsfield Junior and Mossbrook Special schools.
  - **Limpsfield Junior School**

    320 square meters of steel windows in Block 01 are damaged and out of date. The surveyor has given the steel windows a weighting score of 80 out of 100 (with 100 being the worst score that an element can obtain) and has identified them as being non-operational or about to fail or having reached the end of their useful life. Lifecycle replacement is recommended.
  - Why do we need to address it now? Leaking windows will continue to contribute to heat loss and potential damage to the fabric of the building from water ingress, thereby creating health & safety risks to the occupants

How are we going to achieve it?

- Identify any works which have deteriorated significantly since the last survey and are now a critical priority item
- Specify and design recommendations to understand estimated costs of works
- Delivery of site works to successful completion

What are the benefits?

- Outputs
  - New windows and doors installed
- Benefits
  - Addresses identified maintenance issues
  - Improves internal environment
  - Improves energy performance

When will the project be completed?

28/10/2023
(NB . This school is also currently the subject of a bid to the Primary School Re-build Programme – should this bid be successful this scheme will not progress)

	Funding Source	DfE Condition Funding Allocation	Amount	£18.7k Feasibility **+£539.0k to OBC** £557.7k Total	Status		Approved		
	91000 Mossbrook Special School Windows & External Walls **Why do we need the project?** • What is the problem we are trying to address? ○ A programme of condition surveys was undertaken across the CYP estate by Rider Levett Bucknall (RLB) between 2017 and 2020. The purpose of the surveys was to identify building elements (e.g., roof, windows, floor) and then report on the elements that require attention using a rating system where each element was ranked based up on a condition, priority, and severity scoring system. ○ Using the above ranking system, emergency exit doors and external windows to two schools have been prioritised for repair/renewal works due to the severity of defects recorded: these being Limpsfield Junior and Mossbrook Special schools. ○ **Mossbrook Special School** There are Health and Safety issues with 70 square meters of steel windows located in Block 01. Several the windows will not close, making the block unsecure, and lifecycle replacement is recommended. The report has also identified 10 emergency exit doors on Block 01 that do not comply with legislation and require replacing. The surveyor has given the steel windows and emergency exit doors a weighting score of 100 out of 100 (with 100 being the worst score that an element can obtain) and has identified them as being a health and safety issue, non-operational, about to fail or having reached the end of their useful life. • Why do we need to address it now? ○ Leaking windows will continue to contribute to heat loss and potential damage to the fabric of the building from water ingress, thereby creating health & safety risks to the occupants. Non-closing windows lower site security. Existing Emergency Doors are non-compliant with legislation. **How are we going to achieve it?** ○ Identify any works which have deteriorated significantly since the last survey and are now a critical priority item ○ Specify and design recommendations to understand estimated costs of works ○ Delivery of site works to successful completion **What are the benefits?** • Outputs									+243.7

- New windows and doors installed

- Benefits
  - Addresses identified maintenance issues
  - Improves internal environment
  - Improves energy performance

When will the project be completed?

28/10/2023
(NB . This school is also currently the subject of a bid to the Primary School Re-build Programme – should this bid be successful this scheme will not progress)

Funding Source	DfE Condition Funding Allocation	**Amount**	£18.7k Feasibility **+£243.7k to OBC** £262.4k Total	**Status**		**Approved**	

Variations and reasons for change

90983 King Ecgberts School Expansion +700

Scheme description

- The city-wide picture for secondary school places is of a tight system until 2023/24, after which a reduction in pupil population will start to create a citywide surplus.
- However, within the southwest of the city, the deficit that currently exists is forecast to continue until the end of the decade.
- LA officers have been working with the Secondary Heads Partnership group to identify appropriate interventions both in the short and longer term to address the increasing demand in school places.
- The demand for places in the southwest is forecast to peak in 2023/24 and 2027/28.
- King Ecgberts School was identified, along with Silverdale School, as being one of the sites requiring additional expansion investment in this area of Sheffield. Sheffield City Council is to procure the construction works for King Ecgberts, whilst Silverdale School will be responsible for their own procurement.
- Additional places are to be offered from September 2023.

What has changed?

- Following a competitive tender exercise a significant increase in construction costs is anticipated due to adverse ground conditions requiring more substantial substructure works and high level of inflation in the steel market.

Variation type: -

	• Budget increase: +£700k to a total of £6.296m		
	Funding	DfE Basic Need Allocation	
G	**Strategy & Resources**		
	New additions		
	None		
	Variations and reasons for change		
	None		
H	**Economic Development & Skills**		
	New additions		
	None		
	Variations and reasons for change		
	None		

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Report to Finance Sub-Committee

Author/Lead Officer of Report: Ben Morley, Head of Programmes and Accountable Body, City Futures

Tel: 07909898754

Report of:	Kate Martin, Executive Director City Futures
Report to:	Finance Sub Committee
Date of Decision:	6th September 2022
Subject:	Sheffield City Region Urban Development Fund (JESSICA Fund)

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	X	No	
If YES, what EIA reference number has it been given? 1184				
Has appropriate consultation taken place?	Yes	X	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	X	No	
Does the report contain confidential or exempt information?	Yes		No	X

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended)."*

Purpose of Report:

This report updates the Committee on the progress of the Sheffield City Region Urban Development Fund (the JESSICA Fund) over the past ten years and seeks approval for the Fund to retain its initial allocation of capital funding for a further ten years to enable additional commercial investment loans across South Yorkshire.

Approval is also sought to expand the Investment Strategy of the Fund to include investment in residential, leisure and retail developments.

Recommendations:

That the Finance Sub-Committee:

1. Notes the progress of the JESSICA Fund over the past 10 years and approves the Council maintaining its lead role in the oversight of the JESSICA Fund;

2. Approves the JESSICA Fund retaining the Growing Places Fund Legacy for a further ten-year period with an expansion of the associated Investment Strategy to include residential, retail and leisure development; and

3. Notes the JESSICA Fund's intention to retain, with the permission of the Department for Levelling Up Housing and Communities, the original ERDF investment and the existing Sheffield City Region funding for a further 10 years.

Background Papers:

Report of a subsequent decision taken by the Executive Leader Growing Places Fund and South Yorkshire JESSICA 1st December 2011

Report of the Executive Director Place dated 25th April 2012 entitled South Yorkshire Development Fund and Housing and Transport Fund and subsequent Cabinet decision

Lead Officer to complete:-		
1	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.	Finance: Kerry Darlow
		Legal: Sarah Bennett
		Equalities & Consultation: Annemarie Johnstone
		Climate: Jessica Rick
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**EMT member who approved submission:**	Kate Martin, Executive Director, City Futures
3	**Committee Chair consulted:**	Cllr Bryan Lodge & Cllr Zahira Naz
4	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 EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	

Lead Officer Name: **Ben Morley**	**Job Title:** **Head of Programmes and Accountable Body**
Date: 5th July 2022	

1. PROPOSAL

1.1.1 This report provides the Finance Sub-Committee with an update of the work of the Sheffield City Region Urban Development Fund (SCRUDF) and the South Yorkshire Property Investment Company (SYPIC) collectively known as the SCR JESSICA Fund ('the Fund').

1.1.2 The report provides details of the commercial property developments in Sheffield City Region that have happened over the past ten years since the Fund was created and the associated outputs and sets out a proposal to continue the work of the Fund over the next ten years which will specifically require:

a) Retention of existing funding within the Fund.
b) Re-procurement of a Fund Manager.
c) Expansion of Growing Places Fund eligible property uses that might benefit from investment.

1.1.3 In addition, some future options are also set out that could potentially further increase the benefits of the Fund to South Yorkshire.

1.2 Background

1.2.1 In 2012, at the request of the SCR LEP and SCR Local Authorities, Sheffield City Council (SCC) agreed to establish the SCR JESSICA – an EU supported financial instrument to encourage European Regional Development Fund (ERDF) eligible development within South Yorkshire. The main purpose of the Fund is to stimulate speculative commercial development through loan finance and in doing so create employment space and economic growth for the region.

1.2.2 To comply with ERDF regulations and mitigate potential risk the Fund was established as a Limited Partnership (Sheffield City Region Urban Development Fund), with SCC as the sole Limited Partner, and operated through a General Partner (a company limited by share with SCC as the sole shareholder) (South Yorkshire Property Investment Company).

1.2.3 The Fund was initially capitalised with £8.1m Growing Places Fund and £15.3m ERDF. This initial funding was for commercial loans only and had to be invested in accordance with an approved Investment Strategy by the end of 2015. The Investment Strategy sets out that only commercial property (office and industrial) and low carbon energy projects can benefit from support.

1.2.4 Following an OJEU procurement, the Fund appointed CBRE as its Fund Manager to source, develop, administer, and monitor investments. The Fund Manager makes recommendations for investment to the General Partner but will only do so with the positive backing of the advisory JESSICA Investment Board made up of representation from nominees of

the South Yorkshire Local Authorities and SCR LEP.

1.2.5 Since its inception the Fund has been successful in securing an additional £0.5m from DCLG, a £15m loan from the SCR LGF allocation, which has since been repaid with interest, and two additional grants from the SCR that can be used in the form of loan or grant with a value of £5m for development in the Enterprise Zones and £8.1m across the whole of the SCR. In addition, the Fund has established a relationship with the South Yorkshire Pension Authority which has seen a number of joint investments in the region.

1.2.6 The Fund was set up for an initial 10-year period with an exit strategy that would either see the Fund continue, be sold or terminated with capital being returned to the original investors.

1.3 Fund Performance

1.3.1 A summary of investments to date is provided below with full details provided in Appendix 1.

- Number of Investments: 20 (16 complete and repaid).
- Total Value of Investments: £64m (£56m loans)
- Floorspace: 105,683 sqm (95,189 sqm completed)
- Jobs Accommodated: 4,460 (3,710 completed)
- Private Sector Leverage: £182m (£23m completed)
- Business Rates Uplift: £5m (£3.5m completed)
- Interest Earned: £3.2m (£3.0m completed)
- Rental Loan Repayments: £0.81m
- Overage from First Loss Loans: £83k

1.3.2 From an original value of £23m the Fund's has increased this to £32.5m of which £22m is currently uncommitted. However the current pipeline of investments consists of a further eight developments seeking £25m in total (of which £5m is in the form of grants).

1.3.3 All costs associated with operating the Fund have been fully contained within the Fund's own capital with returns from investments more than covering the operational costs.

1.4 Issues Facing the Fund

a) Fund End Date and Continuation

Under existing agreements with its core Funders (DLUHC and SCC), the Fund must cease all investment activity by the end of 2022 and can only monitor extant loans for a further three years at which point all monies are returned to the Funders.

The Fund pipeline and general market conditions suggest that there remains a need for the Fund to continue beyond 2022 for up to a further ten-year period. This would see the Fund to continue to stimulate the

commercial property market and facilitate activity where appropriate.

The Fund has approached DLUHC to retain the original ERDF investment plus interest (Legacy) and they have confirmed that this is acceptable for a further 10 years. The ERDF Legacy is still required to be invested in property projects that bring a benefit to the South Yorkshire economy.

The request of the Council is to agree to the Growing Places Fund Legacy also remaining in the Fund for a further ten years alongside the ERDF. Retention of this funding is important to maintaining the scale of the Fund and its ability to support multiple investments at any one time. It should be noted that should the Growing Places Fund be repaid at this time it would likely not be retained by the Council but transferred SYMCA for use in South Yorkshire.

b) Fund Manager

To provide detailed support and to manage loans the Fund requires a Fund Manager. The current contract for this service ends in October 2022 but has the option to extend until June 2023 to facilitate any transition issues.

With confirmation of a further 10 years funding, it is proposed to undertake a procurement for a Fund Manager who will be appointed until October 2032. The procurement will be run through the Council's usual competitive process.

c) Investment Strategy

For each funding source the Fund has an Investment Strategy to determine the eligibility of the investment against the requirements of the original provider.

To provide additional flexibility DLUHC has agreed to the expansion of the ERDF Legacy Investment Strategy to also include retail, residential and leisure where part of a mixed-use development and where there are benefits to the South Yorkshire economy.

The Fund would also benefit from the Council agreeing to an amendment to the Growing Places Fund Legacy Investment Strategy that also allows support to retail, residential and leisure developments, whether part of a mixed-use scheme or not, and contributing the South Yorkshire economy.

d) Additional Funding

The existing investment pipeline has the potential to utilise a significant amount of Fund capacity for both loans and grant activity. Until some existing loans are repaid the Fund might face a cash flow issue which could constrain further investments in the short to medium term. Likewise, the gradual reduction grant funds will inhibit the Fund from supporting important developments that are non-viable or need a stimulus to bring to site.

Whilst not essential access to additional funding is seen as important for the Fund and options being explored include Gainshare from SYMCA and Levelling Up funds. Other sources will be considered as they become available.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 Over the past ten years the Fund has enabled commercial property developments across South Yorkshire which have the capacity to accommodate over 4,000 jobs. The retention of the Fund with its existing capital and re-procured Fund Manager should see this level of activity repeated.

2.2 The nature of the investments made by the Fund reflect the diverse nature of the South Yorkshire economy with developments taking place in office developments in Sheffield City Centre, modern manufacturing units at the Advanced Manufacturing Park in Rotherham, larger industrial units along the M1 corridor and small business units in the Dearne Valley and at Doncaster-Sheffield Airport. The units have enabled business growth and also facilitated inward investment.

2.3 Retaining the JESSICA Fund ensures that at least £17m of former European funding is retained in South Yorkshire for further investment over the next 10 years.

2.4 The expansion of the Investment Strategy to retail, leisure and residential opens up the opportunity for the Fund to support other developments where access to finance may be difficult secure particularly when local financial institutions are becoming increasingly important in the property market.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 Given the nature of the proposal there has been no public consultation in respect to the proposals however the extension of the Fund is supported by the other Local Authorities in South Yorkshire and the Mayoral Combined Authority. As appropriate existing Inter Authority Agreement associated with sharing Fund loses will be reviewed and extended if deemed necessary.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 <u>Equality of Opportunity Implications</u>

4.1.1 The original Equality Impact Assessment has been reviewed and updated in respect to Equalities issues. No negative equality impacts have been identified. The purpose of the Fund is to help improve the economy of South Yorkshire and create opportunities for its communities as jobs are created.

4.2 Financial and Commercial Implications

4.2.1 Whilst the Council remains the Accountable Body for the JESSICA Fund (as Limited Partner) the retention of both the ERDF Legacy and Growing Places Fund within the JESSICA fund has no direct implications for the Council.

4.2.2 Should funds be withdrawn from the Fund then they would be expected to be returned to the original providers (SYMCA in the case of Growing Places Fund) and not retained by the Council.

4.2.3 The costs associated with operating the Fund are financed fully from the Fund itself and the interest it earns from its investments. This includes payment of a Service Fee to SCC for the support it provides the Fund.

4.3 Legal Implications

4.3.1 It is proposed that the existing governance structure of the Fund remains unchanged with the Council continuing to be the Limited Partner and owner of the General Partner. This structure continues to mitigate risk for the Council whilst maximising the tax efficiencies for the Fund.

4.3.2 Any proposals to change structure would be subject to a separate report, as required, in the future.

4.3.3 The General Partner has existing authority to enter into agreements to secure the ERDF Legacy funding and appoint a Fund Manager. The Council, however, is required to approve the retention of the Growing Places Fund Legacy and the recommended variation to its associated Investment Strategy.

4.3.4 The Council does not have specific powers to promote economic regeneration. However, it does have a general power of competence in s1 Localism Act 2011, which allows it to do anything that an individual may do so long as restrictions are already placed upon in that regard it by other legislation. No such restrictions apply to prevent the proposals outlined in this report.

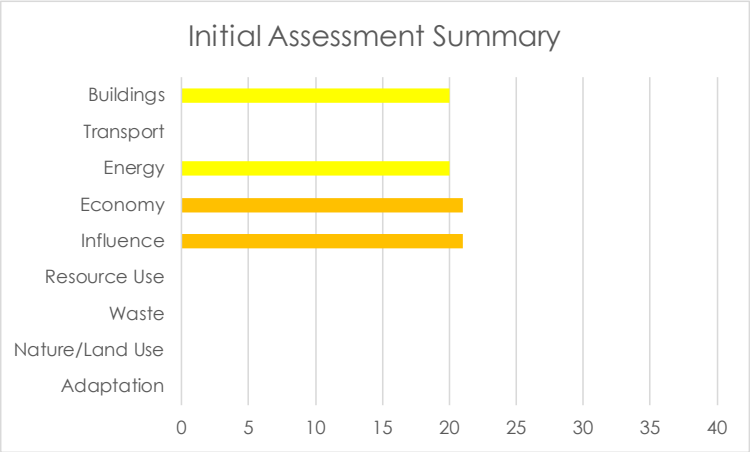
4.4 Climate Implications

4.4.1 The nature of activity of the Fund does result in an impact upon the climate through the development of new property. However, the Fund requires every development it supports to achieve BREEAM rating of Very Good as a minimum now expects Office areas to secure an ‘A’ for its Environmental Performance Certificate (EPC) rating. The Fund will also require borrowers to sign up to the RIBA 2030 climate challenge targets and will undertake a Environmental, Social, and Governance (ESG) assessment as part of the wider loan appraisal process.

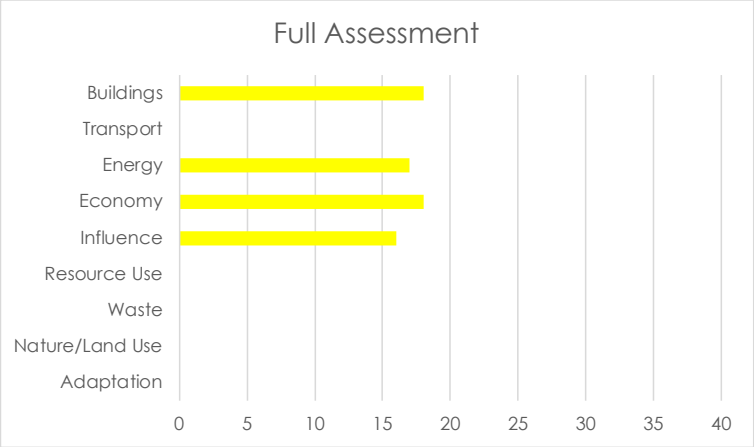
4.4.2 Recently the Fund has used some of its flexible funding (grant support) to improve the environmental performance of the developments it invests in and this has seen items such as heat pumps, solar arrays, low energy lighting and EV parking bays being included in developments.

4.4.3 The Fund also has the ability to support commercially led renewable energy projects although none have approached the Fund to date. This type of scheme will remain an option for the Fund.

Initial Assessment Summary



Full Assessment Summary



4.4.4 The results of the Climate Impact Assessment as provided above and indicate a potential improvement in the impact of the activity of the Fund by implementing the measures identified in 4.4.1.

4.5 <u>Other Implications</u>

4.5.1 HR Implications

The ongoing oversight of the Fund will be undertaken by the nominated Officer in City Futures with costs covered by the Fund.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 A do-nothing option would see the Fund end its activity in supporting activity in South Yorkshire and its capital proportionally returned to DLUHC to be invested in the UK and to SYMCA with investment in the South Yorkshire economy.

5.2 The Fund could be 'sold' as an ongoing asset to a private investment vehicle. This would likely generate a small return for the Funds original investors but would see a loss of control of the Funds activity. It is likely that the geographic and sector restrictions in the Investment Strategies would be removed, and investments would no longer be directed at those that have both economic and social benefits for South Yorkshire.

6. REASONS FOR RECOMMENDATIONS

6.1 The underlying benefit that this proposal brings is that it retains a sustainable source of finance that can be used for future capital developments that might not be feasible through traditional commercial (private sector) finance and will support the economic regeneration of the City and wider region. A successful JESSICA Fund represents an opportunity to progress the local and regional regeneration agenda creating jobs and wealth.

6.2 Retaining the JESSICA Fund with its Legacy funding and newly procured Fund Manager for a further ten years with an expanded Investment Strategy will:

i) Retain £32m in the South Yorkshire economy to support property development and the wider economy through the accommodation of indigenous business growth and inward investment.
ii) Enable a local Fund to invest in a broader range of property investments thereby improving the opportunity for businesses to access finance.
iii) Provide an innovative local investment vehicle to attract additional private and public sector investment into the region.

Appendix 1: JESSICA FUND INVESTMENTS

JESSICA Summary										
Indicator	**JESSICA £'m**			**Interest Accrued**	**Floorspace sqm**	**Est. Jobs**	**Potential Rates p.a.**	**Private Leverage £**	**Status**	**LA Area**
	Loan	Rental Loan	First Loss Loan							
Re:volution @ AMP	£ 2,355,658			£ 16,134	4,831	330	£ 150,000	£ 650,000	P.C. / Repaid	RMBC
St Pauls Place	£ 3,265,171			£ 513,237	9,947	524	£ 746,880	£ 1,300,000	P.C. / Repaid	SCC
Rockingham	£ 4,454,942			£ 59,423	6,038	122	£ 148,000	£ 920,000	P.C. / Repaid	BMBC
Rockingham 5	£ 2,298,245			£ 104,568	6,967	120	£ 180,000	£ 1,100,000	P.C. / Repaid	BMBC
Robinhood Airport	£ 1,530,001			*£ 16,572*	4,087	200	£ 119,000	£ 1,010,000	P.C. / Repaid	DMBC
Steel City House	£ 5,000,000			*£ 469,534*	5,442	500	£ 329,000	£ 3,500,000	P.C. / Repaid	SCC
AMP Units 7&8	£ 2,500,000			*£ 140,362*	4,808	137	£ 164,000	£ 1,320,000	P.C. / Repaid	RMBC
AMP 3 (Maclaren)	£ 4,000,000			*£ 113,839*	7,316	209	£ 190,000	£ 574,000	P.C. / Repaid	RMBC
NUM Barkers Pool	£ 4,510,000			*£ 328,676*	1,345	149	£ 205,000	£ 900,000	P.C. / Repaid	SCC
Capitol Park			£ 2,200,000		7,468	142	£ 218,000	£ 5,400,000	P.C. / Repaid	BMBC
AMP 5&6 (EZ)	£ 2,852,000	£ 379,000		£ 207,751	5,179	180	£ 175,000	£ 1,000,000	P.C. / Repaid	RMBC
Ashroyd Business Park (EZ 4B)	£ 2,085,000	£ 262,500	£ 370,000	£ 83,983	4,877	130	£ 65,000	£ 615,825	P.C. / Repaid	BMBC
Ashroyd Business Park (Plot 5)	£ 2,315,000		£ 1,095,000	inc above	5,263	140	£ 185,000	£ 1,764,175	P.C. / Repaid	BMBC
Little Kelham	£ 2,780,000			*£ 850,000*	2,679	225	£ 172,800	£ 285,000	P.C. / Repaid	SCC
Maple Road	£ 4,900,000		£ 1,390,000	£ 36,000	12,067	335	£ 300,000	£ 2,400,000	P.C. / Repaid	BMBC
Barrowfield Business Park	£ 1,300,000		£ 500,000	£ 55,000	2,323	67	£ 55,000	£ 370,000	P.C. / Repaid	BMBC
Glass Yard, Chesterfield	£ 3,262,500			£ 200,000	4,920	400	£ 320,000	£ 3,500,000	P.C. / Repaid	CDC
Beighton Link		£ 500,000		£ 3,000	4,552	200	£ 136,000	£ 162,000	P.C. / Repaid	RMBC
Bolsover Infrastructure	£ 4,000,000			£ 78,000	*	*	£ 200,000	£ 12,820,000	Repaid	BDC
Sub Total (Repaid)	**£ 53,408,517**	**£ 1,141,500**	**£ 5,555,000**	**£ 3,276,079**	**100,109**	**4,110**	**£ 4,058,680**	**£ 26,771,000**		
Vidrio Digital Campus	£ 3,000,000				5,574	350	£ 450,000	£ 3,000,000	On site	SCC
West Bar Square		£ 1,250,000			10,219	2,200	£ 750,000	£ 35,500,000	On site	SCC
Gateway 36	£ 3,400,000				10,219	217	£ 722,000	£ 3,400,000	On site	BMBC
AMP Tech Centre	£ 2,900,000	£ 340,000			7,664	100	£ 680,000	£ 2,500,000	To start	RMBC
Sub-Total (Contracted)	**£ 6,400,000**	**£ 1,250,000**	**£ -**	**£ -**	**135,593**	**7,477**	**£ 6,636,680**	**£ 41,900,000**		
TOTAL	**£ 59,808,517**	**£ 2,391,500**	**£ 5,555,000**	**£ 3,276,079**	**235,702**	**11,587**	**£ 10,695,360**	**£ 68,671,000**		

*(130,000 sqm faciliated / 500 jobs)

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Sheffield City Council

Report to Finance Sub-Committee

Author/Lead Officer of Report: Ben Morley, Head of Programmes and Accountable Body, City Futures

Tel: 07909898754

Report of:	Kate Martin, Executive Director City Futures
Report to:	Finance Sub Committee
Date of Decision:	6th September 2022
Subject:	Project Feasibility Fund

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	X	No	
If YES, what EIA reference number has it been given? 1214				
Has appropriate consultation taken place?	Yes	X	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	X	No	
Does the report contain confidential or exempt information?	Yes		No	X

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended)."*

Purpose of Report:

This report seeks approval from the Sub-Finance Committee to accept £6.6m from the South Yorkshire Mayoral Combined Authority (SYMCA) to support the implementation of a Project Feasibility Fund (PFF) and to note the proposed governance arrangements for the PFF.

Recommendations:

1. Sheffield City Council through the Programmes and Accountable Body Team will act as the Accountable Body for the Project Feasibility Fund.

2. The Council to enter into a funding agreement with the South Yorkshire Mayoral Combined Authority in order to accept a grant of £6.6 million.

Background Papers:

Lead Officer to complete:-		
1	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.	Finance: Peter Carr
		Legal: Henry Watmough-Cownie
		Equalities & Consultation: Annemarie Johnston
		Climate: Jessica Rick
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**EMT member who approved submission:**	Kate Martin, Executive Director, City Futures
3	**Committee Chair consulted:**	Cllr Bryan Lodge & Cllr Zahira Naz
4	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 EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: **Ben Morley**	**Job Title:** **Head of Programmes and Accountable Body**
	Date: 15th August 2022	

1. PROPOSAL

1.1.1 This report seeks approval for the Council to enter into a Funding Agreement with the South Yorkshire Mayoral Combined Authority for £6.6m to implement the Project Feasibility Fund (PFF).

1.1.2 The PFF will:

- Contribute to the development and completion of the City Strategy which will also include Policies and Spatial Strategies and the Sheffield Place Based Plan. This suite of documents will set a clear strategic framework to drive forward an inclusive economic agenda that will also take account of environmental impact and deliver South Yorkshire Strategic Economy Plan (SEP) outcomes

- Enable the development of project ideas from prioritised City strategic objectives.

- Turn ideas into deliverable capital and revenue projects with developed and costed business cases that can deliver against the SEP.

1.2 <u>Background</u>

1.2.1 For several years, the Council has had limited capacity and resource to develop key sustainable and inclusive economic strategies and proactively develop ideas and projects that flow from such strategies.

1.2.2 The lack of resource has hampered the Council's ability to develop projects and their associated business cases to a point where they might secure funding to be delivered. Furthermore, it has not been able to test innovative project and programmes ideas to determine whether they are the best way to achieve strategic outcomes for the City.

1.2.3 SYMCA has acknowledged that the lack of resource and capacity in Local Authorities has a direct impact on their ability to deliver the outcomes of the SEP which, in turn, potentially undermines their ability to successfully secure additional funding for the region.

1.2.4 Considering this situation SYMCA has agreed to provide Gainshare revenue funding to all the Local Authorities in the form of the PFF. Up to £6.6m is being provided to the Council in the first instance for the next four years to specifically develop strategies and projects that aligns with the SEP together with local plans.

1.2.5 In return for the funding, the Council is expected to complete a 'Place Based Plan' by the 31st March 2023.

1.3 Governance

1.3.1 The Member-led Regeneration and Development Board, with representation from the Transport, Regeneration and Climate Committee and Economic Development and Skills Committee, will have oversight of the PFF and be able to recommend activity to be undertaken. The Board will also receive monitoring reports in respect to activity funded by PFF.

1.3.2 Access to the PFF will through an internal application process managed by the Programme and Accountable Body Team in City Futures.

1.3.3 Applications will be considered by the Executive Director of City Futures and the Director of Finance and Commercial Services with approvals made under existing delegations.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The PFF will enable the development and completion of the City Strategy and specifically the Sheffield Place Based Plan. This suite of documents will set a clear strategic framework to drive forward an inclusive economic agenda that will also take account of environmental impact and deliver SEP outcomes.

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2.2 The PFF will also be used to turn ideas into deliverable projects with developed and costed business cases that can deliver against the strategic outcomes of the South Yorkshire Strategic Economy Plan as well as elements of the City Strategy.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 Given the nature of the proposal there has been no public consultation in respect to the proposals. The Chairs, Deputy Chairs and Spokesperson of the Transport, Regeneration and Climate Committee and of the Economic Development and Skills Committee have briefed on the proposals.

3.2 The Feasibility Funding will contribute to the development of the City Strategy and the linked City Investment Plan (Place Based Plan). The development of City Strategy itself includes consultation through a range a partners and is being jointly developed with the City Partnership.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 The initial assessment has determined that this proposal should have a positive impact as the purpose of the Fund is to help improve a sustainable and inclusive economy for the City creating opportunities for all residents. There are no negative equality impacts associated with this proposal.

4.1.2 Individual strategies and projects will be expected to carry out an equality impact assessment and this in turn, will inform the decisions regarding fund allocation.

4.2 Financial and Commercial Implications

4.2.1 The key features (not exclusive) of the Grant Agreement are summarised as follows:

- A revenue grant of £6.6m provided from South Yorkshire Mayoral Combined Authority (SYMCA) to Sheffield City Council (SCC) to support the implementation of the Project Feasibility Fund (PFF).
- Up to £6.6m is being provided to the Council in the first instance for the next four years to specifically develop strategies and projects that aligns with the South Yorkshire Strategic Economy Plan (SEP) together with the City Strategy and local plans.

22/23	23/24	24/25	25/26	**Total £**
£1.66m	£2.70m	£1.25m	£1.05m	**£6.60m**

- The Member-led Regeneration and Development Board will have oversight of the PFF and will also receive monitoring reports in respect to activity funded by PFF.
- Access to the PFF will be managed by the Programme and Accountable Body Team in City Futures and applications will be considered by the Executive Director of City Futures and the Director of Finance and Commercial Services.
- Commencement Date: 12th July 2022 - The date from which eligible costs and project outputs may be attributed to the project.
- As per the Financial Regulations, the grant offer will need s151 sign off and claims to be signed off by a Senior Finance Manager.
- SYMCA shall pay the grant to SCC in accordance with Schedule 2 of the Grant Agreement during the Grant Period.
- SYMCA will only pay grant to SCC against qualifying expenditure incurred within the financial years 2022/23 - 2025/26, up to the 31st March 2026.
- Any qualifying expenditure defrayed by SCC after this/these date(s) will not be eligible to claim under the terms of the Grant Agreement.
- Payment of the grant will only be made if SCC complies with the monitoring information requirements and can demonstrate that the outputs have been achieved.
- SCC shall provide SYMCA with the monitoring information set out in Schedule 5 of the Grant Agreement by the deadlines detailed in Schedule 2.
- The Grant paid to SCC shall not include any element of Value Added Tax (VAT).
- If SCC does not comply with the terms of the Grant Agreement, then SYMCA may terminate the Grant Agreement and cease to make payments. For the avoidance of doubt, this will include any failure to achieve the outputs and failure to provide any of the monitoring information.
- The Grant must be spent in full by the end of the grant period and any unspent monies are immediately returned to SYMCA.
- SYMCA may at its discretion withhold or suspend payment of the Grant,

require repayment of all or part of the Grant and/or terminate this Agreement if clause 19 of the Grant Agreement is not complied with.

- Grant Accounting Treatment - Conditional Grant.
- The Project Manager (SCC) is Ben Morley, Head of Programmes and Accountable Body.
- The Grant Manager (SYMCA) is Sue Sykes, Assistant Director - Procurement, Contracts and Programme Controls.
- SCC must ensure that it keeps full, complete and accurate books, annual accounts, records and documentation on the Project for a minimum of six years following completion of the Project and make such books, annual accounts, records and documentation available to SYMCA on request.
- Records are maintained, effective monitoring and financial management systems to control expenditure are operating to ensure that the costs of achieving the objectives, activities and milestones set out by the funder can be clearly identified.
- The Project Manager will need to read, understand and comply with all of the grant terms and conditions and the Code of Conduct for Grant Recipients.

Procurement

- All public sector procurement is governed by and must be compliant with UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).
- Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.
- Comply with the Local Government Transparency Code 2015 and clause 19 of the Grant Agreement.

4.3 Legal Implications

4.3.1 The Council has been awarded £6.6m funding by SYMCA for the Project Feasibility Fund.

4.3.2 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to accept the funding.

4.3.3 The Council will be required to enter into a grant agreement with SYMCA, key clauses and requirements are outlined above in paragraph 4.2, officers working on this project must be aware of these requirements and ensure they are complied with.

4.3.4 SYMCA are under no obligation to pay an overspend, this includes any overspend against the amount planned in the expenditure profile for any financial year

4.3.5 All changes to the project must be approved by the SYMCA prior to the change taking place.

4.3.6 The Council must comply with all applicable legislation and regulations.

4.4 Climate Implications

4.4.1 Given the nature of the proposal as Climate Impact Assessment (CIA) is not considered appropriate.

4.4.2 All projects supported with PFF will be subject to a Climate Impact Assessment to ensure that Members can consider a project's alignment with the Council's ambitions for Net Zero by 2030 prior to progressing to delivery. Furthermore the PFF might be used to enhance the CIA process and/or to support the development of specific climate change mitigation projects.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 A do-nothing option would see the Council with very little capacity and resource to complete the City Strategy and Place Based Plan. In addition, there would be extremely limited ability to proactively develop project ideas and business cases to delivery strategic outcomes for the City.

5.2 No alternative external funding sources have been identified for this type of activity to be undertaken.

6. REASONS FOR RECOMMENDATIONS

6.1 Entering into the Fund Agreement will allow the Council to:

- Develop and complete of the City Strategy which will also include Policies and Spatial Strategies and the Sheffield Place Based Plan.
- Enable the development of project ideas from prioritised City strategic objectives.
- Turn ideas into deliverable projects with developed and costed business cases that can deliver against South Yorkshire Strategic Economy Plan (SEP) objectives.

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Report to Finance Sub Committee

Author of Report: Tammy Barrass, Head of Sport Leisure & Health / Sean Mcclean, Head of Capital Delivery Service

Tel: 07837 632 6684 / 07740 918857

Report of:	Lisa Firth/Ryan Keyworth
Report to:	Finance Sub Committee
Date of Decision:	6th September 2022
Subject:	Leisure Investment Update

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	x	No	
If YES, what EIA reference number has it been given? 981				
Has appropriate consultation taken place?	Yes	x	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	x
Does the report contain confidential or exempt information?	Yes		No	x

Purpose of Report:

To provide an update on the lifecycle maintenance work outlined in the Leisure Investment and Facility Review report, approved at Cooperative Executive in November 2021.

The report provides an update on the above work that has been carried out to date.

The report provides update on the planned work between now and 2024, including a breakdown of the required investment for each of the facilities and the planned work.

The report asks for committee approval to draw down the next tranche of funding to allow this planned work to proceed.

Recommendations:

It is recommended that the Finance Sub-Committee:

1. Approves the drawdown of funding to SCT for essential health and safety/maintenance and lifecycle improvements through to 2024 of up to £19.2m, to be funded as identified in the Leisure Facility Investment Review (LIFR) approved at the November 2021 Cooperative Executive.

2 Notes that a further report will be brought to a future Finance Sub Policy Committee meeting in relation to maintenance and lifecycle work at Upperthorpe Healthy Living Centre

Background Papers:

None

Lead Officer to complete:-		
1	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.	Finance: *Ryan Keyworth/ Chris Nicholson*
		Legal: Sarah Bennett
		Equalities & Consultation: Annemarie Johnston
		Climate: Victoria Penman
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**SLB member who approved submission:**	Ryan Keyworth
3	**Committee Chair consulted:**	Bryan Lodge
4	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.	
	Lead Officer Name: Lisa Firth	**Job Title:** Director of Parks, Leisure and Libraries
	Date: 18/08/22	

1. PROPOSAL

1.1 In November 2021, the Co-operative Executive approved a report that included the provision of funding to support maintenance investment at the following facilities:

a. Sheffield Arena
b. Ponds Forge International Sports Centre
c. English Institute of Sport Sheffield (EISS)
d. Ice Sheffield
e. Heeley Pool and Gym
f. Beauchief Golf Course
g. Birley Gold Course
h. Tinsley Golf Course
i. Sheffield City Hall
j. Upperthorpe Healthy Living Centre – Managed by Zest

1.2 The Council is landlord for a wider portfolio of leisure and entertainment facilities across the city and not all sites are included in the investment proposals. The Graves Health and Leisure Centre, Thorncliffe Health and Leisure Centre and Wisewood Sport Centre are managed by Places Leisure under a commissioned model which includes responsibility for all maintenance obligations. King Edwards Swimming Pool and Stocksbridge Community Leisure Centre are leased to community organisations without financial support from the council in line with previous decisions taken by the Council's Cabinet.

Investment Proposals

1.3 The Council's Capital Delivery Service has been working closely with Sheffield City Trust (SCT) to develop a programme of work to ensure that all essential maintenance and lifecycle replacement tasks are completed in readiness for SCT facilities transferring to a new operator in 2024.

1.4 Work has also been completed to identify the level of maintenance/lifecycle spend required at Upperthorpe Healthy Living Centre, unlike the SCT facilities this site will not transfer to a new operator in 2024. A further report on investment at this site will be brought to a future Finance Sub Policy Committee meeting.

1.5 It should be noted that the November 2021 Co-operative Executive report also endorsed plans to rebuild Springs Leisure Centre in 2024, Concord Leisure Centre in 2027 and Hillsborough Leisure Centre in 2030. Therefore, maintenance spend at these venues has been reviewed to ensure that only essential investments are included in the future programme of work. Spend at Hillsborough Leisure Centre is predominantly related to replacement pool plant and roof repairs, this works is essential to ensure the venue remains accessible until plans for a rebuild are progressed.

The Table below provides a high-level breakdown by venue of the timings and associated costs of maintenance spend planned up to August 2024. This includes the cost of work completed to date at each facility, the cost of work currently programmed to take place and the cost of the next phase of works that are planned take place prior to the handover of facilities to a new operator in 2024.

VENUE	Work Completed to Date	Current Planned Work	Next Phase of Works – Prior to 2024 Handover	Total
Arena	£2,460,428	£75,000	£2,914,000	£5,449,428
Beauchief Golf Course	£-	£239,000	£232,400	£471,400
Concord Sports Centre	£3,800	£-	£-	£3,800
ICE Sheffield	£248,525	£426,000	£580,000	£1,254,525
Ponds Forge	£2,342,908	£1,209,300	£1,756,000	£5,308,208
Hillsborough Leisure Centre	£79,234	£158,000	£1,670,000	£1,907,234
English Institute of Sport Sheffield	£22,703	£570,000	£860,000	£1,452,703
Springs Leisure Centre	£14,448	£-	£-	£14,448
City Hall	£978,198	£749,331	£138,000	£1,865,529
Heeley	£47,506	£75,000	£-	£122,506
Tinsley	£71,025	£40,000	£20,000	£131,025
Contingency 15%			£1,225,560	£1,225,560
Total	**£6,268,775**	**£3,541,631**	**£9,395,960**	**£19,206,336**

VENUE/Required Maintenance	Key areas of work recommended prior 2024
Arena £2,914,000	• Replacement ice pad pipework. • Upgrade of obsolete electrical installations, this includes mains distribution boards and stage drape motors. • Upgrade to mechanical and heating installations • Upgrade of lighting installations and luminaires -. Emergency lighting upgrade required, old technology failing. • CCTV sequence controls. • Allowance to replace and upgrade current Public Address (PA) provisions. • Allowance for roofing repairs.
Beauchief Golf Course £232,400	• Emergency lighting provisions • Improved storage for plant and equipment. • Building Management System

	• Locker replacement - Mixture of lockers, all in a poor condition, expensive to maintain. Require replacement.
Concord Sports Centre	• Building to be rebuilt therefore no significant maintenance spend identified.
ICE Sheffield £580,000	• Upgrade and replacement to ice plant. • Replacement lockers • Upgrade to Building Management System (BMS) • Resurfacing of over spill car park
Ponds Forge £1,756,000	• Replacement of heating and filtration to competition pool • Upgrade of lighting to competition pool hall • Upgrade to sprinkler system • Replacement external windows, doors and cladding • Replacement fire doors • Lift replacement • Upgrade PA system • Mechanical and electrical upgrades • Upgrade to diving pool floating floor mechanical installations • General mechanical and electrical upgrades
Hillsborough Leisure Centre £1,670,000	• Replacement of life expired pool plant • Regrouting of pool areas • Repairs to corrosion of steel frame • roof repairs • Replacement mechanical ventilation system in pool area • Replacement of life expired lighting installations
English Institute of Sport Sheffield £860,000	• Repairs to corrosion of steel frame • Emergency lighting upgrade • Sports lighting upgrade • Replacement sports flooring
Springs Leisure Centre	• Building to be rebuilt therefore no significant maintenance spend identified.
City Hall £138,000	• Roof repairs • Upgrade to Public Address (PA) system • Lighting upgrades
Heeley	• No significant spend identified
Tinsley £20,000	• Building fabric repairs

1.5 To progress the required works at Hillsborough Leisure Centre, Ponds Forge and the Arena it is highly likely that some areas of the facilities may need to be closed to safely undertake the works. Any closures will be planned well in advance to minimise disruption to income and use of the facilities.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 It is expected that investment into improved facilities will help to retain participation and usage of venues. Improved facilities will better meet customer expectations of a modern and welcoming leisure and entertainment offer. This will help encourage more people to be more active, more often contributing to our Public Health objectives and the City's Move More outcomes.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 A significant consultation exercise was carried out in December 2021/January 2022 which captured the views of over 2000 residents. This consultation has helped to shape a Sport and Leisure Strategy for the city and will help to inform future investment priorities for our sport and leisure estate.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 The proposals identified within this report are expected to have positive equality of opportunity impacts as investment in facilities will help to keep facilities open and reduce barriers to participation.

4.2 Financial and Commercial Implications

4.2.1 Co-operative Executive has previously approved investments in Leisure facilities in excess of £100m over the life of the strategy.

This report provides an update on the schedule of works undertaken to date and proposed works on and lifecycle improvements through to 2024. It includes a contingency of to cover uncertainty over current construction prices and rising inflation and to allow for any unforeseen failures of plant or machinery prior to the SCT facilities handing over to a new operator. This will bring the total Programme of works with SCT to £19.2m and should ensure facilities are up to a reasonable standard prior to transfer to an new operator in 2024.

Funding for this work was identified in the previously approved Leisure Investment report considered by Co-operative Executive in November 2021. This report covers investment to 2024, a further programme of investment will be implemented from 2024 onwards, funding for this has been built into the financial model that supports the Leisure Investment and Facility Review.

4.2.2 It is proposed that the works at SCT properties continue to be undertaken on the existing basis whereby SCC officers work closely with SCT to manage the works through SCT's existing supply chain.

4.3 Legal Implications

4.3.1 The Council has the power under the Local Government Miscellaneous Provisions Act 1976 to provide recreational facilities inside or outside its area as it thinks fit including premises for the use of clubs or societies having athletic, social or recreational objects; staff, including instructors, in connection with any facilities and facilities by way of parking spaces and places at which food and drink may be bought from the authority or another person and the power to provide buildings, equipment, supplies and assistance of any kind.

4.4 Climate Implications

4.4.1 This proposal will have positive climate implications, a number of the investments identified in this report will help to improve the carbon output of our venues, for example replacing obsolete Building Management Systems and replacing florescent lighting and luminaires with LED lighting systems.

Further work is in the process of being commissioned to identify opportunities to decarbonise our leisure buildings. This will help to shape how we progress development of the new builds for Springs, Concord and Hillsborough as well as identifying areas for further decarbonisation improvements at the other sport and leisure sites. A further report will be brough forward once this work has completed.

4.4 Other Implications

4.4.1 The Local Government Association's Securing the Future of Public Sport and Leisure Services report, published in September 2021 in partnership with the Association for Public Service Excellence (APSE) and Chief Cultural and Leisure Officers Association (CLOA) evaluates the current state of public sport and leisure services and sets out recommendations to ensure the survival and development of the sector. The report confirms that investment in public sport and leisure facilities and services is key to levelling up the health of the nation, tackling health inequalities and supporting climate change targets. The report evidences that regular physical activity reduces the risk of serious illness and disease. With obesity rates forecast to cost £9.7 billion per year by 2050, the LGA report advises that delivery of low-cost facilities and social prescribing opportunities from councils is key in responding to this crisis, addressing health inequalities, and reducing the burden on the NHS and public health services.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Option 1 - Do nothing

This is not a realistic option because without investment facilities will continue to deteriorate and there is a significant risk that facilities would have to be closed.

Option 2 – Delay Investment to 2024

Investment could be delayed until the appointment of a new operator in 2024. This is not the preferred option because there is a risk that plant and equipment may fail prior to 2024 resulting in unplanned building closures and disruption to customers. It is also our preferred option to progress as much work as possible in advance of handing over facilities to a new operator to help support a smooth transition and mobilisation process.

6. REASONS FOR RECOMMENDATIONS

6.1 It is expected that investment into improved facilities will help to retain participation and usage of venues. Improved facilities will better meet customer expectations of a modern and welcoming leisure and entertainment offer.

Report to Policy Committee

Author/Lead Officer of Report:
Michael Hellewell
Service Manager: Housing Growth (City Futures)

Email: *michael.hellewell@sheffield.gov.uk*
Tel: *0114 20 39677*

Report of:	*Executive Director: Operational Services (Ajman Ali)*
Report to:	*Finance Sub-Committee*
Date of Decision:	*6th September 2022*
Subject:	*Appropriation of the former Bole Hill View Older Persons' Residential Home site for housing purposes.*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	X	No	
If YES, what EIA reference number has it been given? *'Principles for Increasing the Council's Stock Increase Programme' – 260 (2019)* *'Bole Hill View Project Equality Impact Assessment'- 974 (2021)*				
Has appropriate consultation taken place?	Yes	X	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	X
The decision to appropriate the site has no climate implications. *A Climate Impact Assessment will be undertaken as part of proposals to develop the site for new housing. The project will also be subject to a Carbon Assessment.*				
Does the report contain confidential or exempt information?	Yes		No	X
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:				

Purpose of Report:

This report seeks approval for the former Bole Hill View Older Persons' Residential Home site (Eastfield Road, Crookes, Sheffield, S10 1QL) to be appropriated[1] for the purposes of Part II of the Housing Act 1985.

The vacant former Older Persons' Residential Home, which has been disused for several years, currently occupies part of the site. The site and building have been declared surplus to requirements in terms of their original/ previous use. The site has been identified as suitable for the delivery of new affordable homes as part of the Council's Stock Increase Programme.

The site needs to be formally appropriated for 'housing purposes' to enable work to progress (e.g. disconnection of utilities, demolition of existing structures, completion of ground investigation surveys) on the delivery of new affordable Council homes.

Recommendations:

That the Finance Sub Committee:

1. Approve that the former Bole Hill View Older Persons' Residential Home site is appropriated for the purposes of Part II of the Housing Act 1985

Background Papers:

- **Appendix 1:**
  Site Location and Plan

- ***Principles for Increasing the Council's Stock Increase Programme***
  Report to Cabinet Member for Neighbourhoods and Community Safety
  14th October 2019
  http://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?ID=2392

[1] Formal responsibility for the asset/ site transferred from one Council Service ('legal function of the Authority') to another, and set apart for a particular use or purpose (in this case housing)

Lead Officer to complete:-		
1	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.	**Finance:** *Helen Damon (Finance Business Partner)*
		Legal: *Stephen Tonge (Corporate Governance Lawyer)*
		Equalities & Consultation: *Louise Nunn (Equalities and Involvement Officer)*
		Climate: *Laura Chippendale (Sustainability Programme Officer)*
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**SLB member who approved submission:**	*Executive Director: Operational Services* *(Ajman Ali)*
3	**Committee Chair consulted:**	*Cllr Terry Fox* *(Chair – Strategy and Resources Committee)* *Cllr Douglas Johnson* *(Chair – Housing Policy Committee)*
4	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.	
	Lead Officer Name: *Michael Hellewell*	**Job Title:** *Service Manager: Housing Growth* *City Futures*
	Date: *28th July 2022*	

1. Affordable Housing Need in Sheffield and the Council's Stock Increase Programme

1.1 According to the Sheffield and Rotherham Strategic Housing Market Assessment[2], Sheffield has an overall shortfall of affordable homes of c902 per annum.

1.2 As part of the response to this, the Council has committed to the delivery of an ambitious Stock Increase Programme (SIP). This will see the delivery of 3,100 Council homes by 2028/29, though a mixed programme of new build and acquisition activity[3].

1.3 This is the largest investment in new Council homes in a generation, with delivery increasing as the programme gains momentum towards its peak in 2025/26.

1.4 Whilst increasing the number of affordable homes is important, of equal importance is the type (e.g. general needs, supported and specialist housing), tenure (e.g. social rent, affordable rent, shared ownership) and location of new affordable homes.

2. The Bole Hill View Site

2.1 The former Bole Hill View Older Persons' Residential Home site, known as 'Bole Hill View', is a c0.35 hectare site situated off East Hill Road, Crookes, Sheffield, S10 1QL (**see Appendix 1**). The site is located within the Walkley Ward.

2.2 The site is owned and maintained by Sheffield City Council, within the People Portfolio. Disused for several years, part of the site is occupied by a former older persons' unit (building vacant and remains secure, but in a poor state of repair).

2.3 The site/ building was declared surplus to requirements (in terms of its original/ previous use) by the then "Communities" Portfolio[4] in 2013 with an expectation that the receipt generated by sale (or appropriation) be reinvested in new Council service provision. The site is currently 'held' within the 'Estates Committee'[5].

2.4 The site has been identified as suitable for the delivery of new affordable Council homes as part of the Council's Stock Increase Programme.

2.5 The site is in the Urban West Housing Market Area. This is the area of the City with the largest shortfall of affordable homes – including demand for 1-bed apartments of the type proposed for this site.

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[2] https://www.sheffield.gov.uk/home/housing/strategic-housing-market-assessment
[3] https://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?ID=2392
[4] This refers to a Portfolio (Council Service Area) that no longer exists. Services previously covered by the former 'Communities Portfolio' are now the responsibly of the 'People Portfolio'
[5] The 'Estates Committee' is a historical Committee/ designation that is no longer in place

2.6 The site is in an area with limited surplus Council-owned land suitable for housing development and where competition for and cost of sites on the open market is high.

2.7 This site represents an opportunity to deliver much needed new affordable Council homes. The site is currently estimated to have capacity for up to 36 one-bed apartments (subject to further detailed design work, the outcome of a Planning Application and Council approval via the Capital Approval process).

3. Proposal to Appropriate the Site for Housing Purposes

3.1 It is proposed that the site be appropriated to housing purposes (Part II of the Housing Act 1985) and used for the provision of new Council homes as part of the Council's Stock Increase Programme.

3.2 Following appropriation of the site, and subject to a separate Committee/ Capital approval - disconnection of utilities and demolition of the existing building will take place to ensure the whole site is clear and safe.

3.3 This will enable ground investigation/ site surveys to be completed across the whole site, thereby managing some of the risks associated with clearing existing buildings and the currently unknown ground conditions under the part of the site where ground surveys have not been possible to date[6] (due to existing structures).

3.4 Current estimates suggest that the overall project is broadly viable/ affordable across the range of metrics used to assess Stock Increase Programme schemes.

3.5 Once the aforementioned works are complete, the estimated cost of delivering the apartment scheme will re-evaluated. Should the viability of the project change (e.g. due to the identification of poor ground conditions leading to further 'abnormal costs') then other options, including marketing the site for open market delivery, may need to be considered.

4. How does this decision contribute to the Council's ambitions for the City (as set out in 'Our Sheffield: One Year Plan for 2021/22[7]'):

4.1 The specific proposals set out in this report contribute towards the delivery of the following priorities/ ambitions for the City:

- 'Neighbourhoods that are clean, green, safe and thriving' *(Communities and Neighbourhoods Theme)*

[6] Progressing with these 'enabling works' upfront means that prospective tenderers for the main housing construction contract won't need to price for unknown ground conditions.
[7] https://democracy.sheffield.gov.uk/documents/s45712/Our%20Sheffield%20-%201%20year%20plan%20FINAL.pdf

4.2 The subsequent development of affordable Council homes on this site will contribute towards the delivery of the following priorities/ ambitions for the City:

- ‘High quality, safe homes for all our citizens’ *(Communities and Neighbourhoods Theme)*
- ‘Enabling adults to live the life that they want to live’ *(Education, Health and Care Theme)*
- ‘Deliver high quality, sustainable homes, working with the best developers’ *(Climate change, economy and development)*

5. Has there been any consultation?

5.1 The specific proposals in this report do not require the Council to undertake any consultation. However, the proposal to appropriate the site was publicly advertised (via an ‘Open Space Notice’) – further details are set out in **Section 6.3.**

5.2 Consultation and engagement with tenants and residents forms a key part of the annual review of the Housing Revenue Account Business Plan – this includes the Stock Increase Programme priorities.

5.3 The Council undertakes consultation on individual Stock Increase Programme projects at various stages throughout project development. This is done in partnership with Local Members, Tenants and Resident Associations and established Community Groups, as well as with the wider public through the formal planning process. Appropriate consultation will continue to be undertaken as this project develops.

6. Risk Analysis and Implications of the Decision

6.1 <u>Equality of Opportunity Implications</u>

6.1.1 There are no negative equality impacts arising from the proposals/ recommendations detailed in this report.

6.1.2 In line with the agreed standards for new Council homes in Sheffield - affordable homes delivered through the Stock Increase Programme will have the following features:

- Good space standards and physical accessibility with ‘lifetime homes’ features – ensuring homes are adaptable for ‘lifetime use’ at minimal cost and disruption
- High levels of thermal performance/ energy efficiency – addressing fuel poverty and supporting better health outcomes

6.2 Financial and Commercial Implications

6.2.1 From an accounting perspective, the Council is not able to spend Housing Revenue Account resources on assets (buildings and sites) that are outside of the Housing Revenue Account.

6.2.2 There are currently no other readily available sources of Council investment available to fund the demolition required on the Bole Hill View site.

6.2.3 Upon appropriation, there is a statutory requirement on the Council to "make such adjustment in its accounts as may be requisite in the circumstances pursuant to Section 24 of the Town and Country Planning Act 1959". Further details are set out in **Section 6.3.**

6.2.4 The site has been valued by a RICS Registered Valuer (a Council Officer working in Property Services). As at March 2022 the site is valued ('market value') at £660,000. This accounts for the demolition of the existing building and the intention to deliver an apartment scheme. The adjustment to the accounts will reflect this market value.

6.2.5 Officers are pursuing opportunities to secure public sector investment (grant) to aid the viability of the overall project by funding some of the 'abnormal costs' (which includes demolition and associated activity).

6.2.6 At this stage, the overall viability/ affordability of the project is not confirmed (although estimates do suggest the project will be viable), and grant funding opportunities are not secured. Therefore, appropriation of the site now does not guarantee the delivery of this project.

6.2.7 However, given the demand for affordable housing in this area of the City, and the need to demolish the existing structure in order to de-risk the site and confirm it's development potential, the appropriation of the site is the best course of action.

6.2.8 The agreed Officer sign-off and appropriate Committee/ Capital approval processes will be followed for all future stages of this project.

6.3 Legal Implications

6.3.1 Section 122 Local Government Act 1972 provides that the Council may appropriate land, which belongs to it and is no longer required for the purpose for which it is held immediately before the appropriation, for any purpose for which the Council is authorised by statute.

6.3.2 Therefore provided:

a) The land already belongs to the Council (confirmed by Property Services)

b) The land is no longer required for the purpose for which it is currently appropriated (see **Section 6.3.3**); and
c) The purpose for which the Council is appropriating is authorised by statute (see **Section 6.3.4**)

The recommended decision is lawful, subject to following the Open Space procedure detailed below (see **Section 6.3.5 to 6.3.7**).

6.3.3 In December 2013, in an Executive Director report to the Council Asset Management Group, the then Executive Director of the Communities Portfolio declared Bole Hill View surplus to requirements. This enabled its disposal with the proceeds to be reinvested into the Council's approved Capital Investment Programme.

6.3.4 As a Local Housing Authority, the Council is authorised by statute to appropriate land for housing purposes pursuant to Section 19 of Part II of the Housing Act 1985. The property must then be accounted for within the Housing Revenue Account pursuant to Part VI of the Local Government and Housing Act 1989.

6.3.5 If the land is considered "open space" then before appropriating the land the Council should first publish an Open Space Notice pursuant to Section 122(2A) of the Local Government At 1972, as follows:

- advertise the intention to appropriate the land (as per the recommendation) for two consecutive weeks in a newspaper circulating in the local area; and
- consider any objections to the proposed appropriation which may be made to them.

6.3.6 'Open space' is defined by s.336(1) Town and Country Planning Act 1990 (adopted by the LGA) as "any land laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground" this impliedly includes de facto open space land not formally dedicated under the Open Spaces Act 1906.

6.3.7 Whilst the entirety of the site is not classified as open space, the intention to appropriate the full Bole Hill View site was publicly advertised in the Sheffield Telegraph on 3rd and 10th March 2022. A deadline of 31st March 2022 was advertised for objections to be raised with the Council's Property Services. No objections were recorded.

6.4 <u>Climate Implications</u>

6.4.1 The decision to appropriate the site has no climate implications.

6.4.2 In terms of the future delivery of Council homes on this site:

- The Council will set the performance specification for these homes

- This specification will detail requirements around thermal efficiency and environmental performance – including a fabric first approach, high levels of air tightness and the use of low energy heating systems
- The use of renewable energy technologies will also be considered

6.4.3 The wider project will be subject to a carbon assessment – including both embodied carbon and an 'in use'/ lifetime carbon assessment.

7. Alternative Options Considered

7.1 '**Do nothing':** The site was declared surplus in 2013. It has been disused for several years, with part of the site is occupied by a former older persons' unit. The site remains a maintenance liability for the Council and is an underutilised brownfield site in Council ownership. 'Do nothing' is not considered a suitable long-term option.

7.2 **Disposal of the site and subsequent marketing for a commercial use:** Marketing the site for commercial use is also likely to generate a land receipt for the Council which could be re-invested in services. However, whilst other uses may be acceptable, in Planning terms, the preferred use for the site is C2 (residential institutions) and C3 (housing). Given the location of the site in an established residential area, with good access to public transport and local services – a residential use is preferred

7.3 **Disposal of the site and subsequent marketing for a residential use:** Marketing the site for residential use is also likely to generate a land receipt for the Council which could be re-invested in services. Given the need for affordable housing in this area of the City, coupled with limited surplus land in Council ownership suitable for housing development to meet this need, the preference is to secure the site for the delivery of affordable Council homes as part of the Stock Increase Programme.

Whilst market disposal of the site for residential use cannot be ruled out in its entirety (if a Council-led scheme is considered unviable) it is not the preferred option for this site.

8. Reason for Recommendation(s)

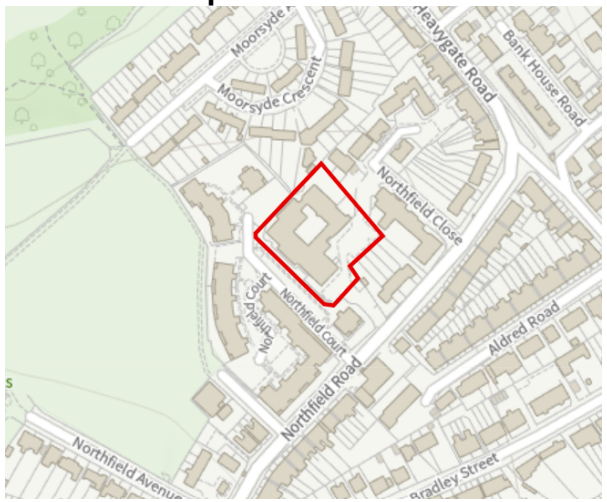
8.1
- In Planning terms, the preferred use for the site is C2 (residential institutions) and C3 (housing)
- The site is in the Urban West Housing Market Area. This is the area of the City with the largest shortfall of affordable homes, which includes demand for 1-bed apartments which this project will ultimately deliver (subject to further detailed design work, the outcome of a Planning Application and Council approval via the Capital Approval process)
- The site is in an area with limited surplus Council-owned land suitable for housing development and where competition for and cost of sites on the open market is high
- Provides an opportunity to regenerate a Council-owned brownfield site (removing liabilities associated with a vacant building/ disused site)

Appendix 1: Site Location and Plan
Former Bole Hill View Older Persons Residential Home site
Eastfield Road, Crookes, Sheffield, S10 1QL (indicative boundary)

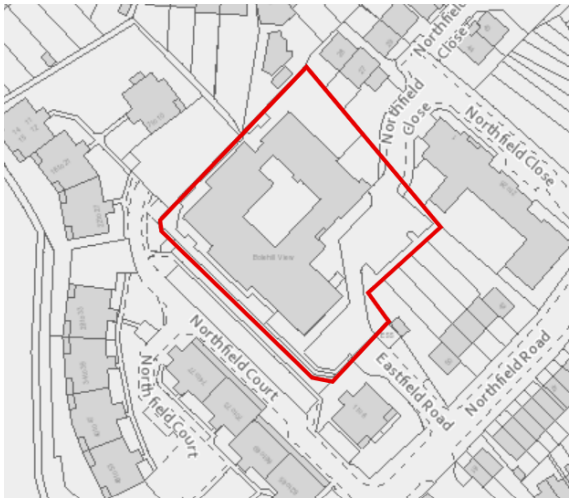
Total approximate area = 0.35Ha

- The site is situated off East Hill Road, Crookes, Sheffield, S10 1QL
- The site was previously used as an older persons' residential home which remains on site. The site was formally declared surplus to requirements by the then Communities Portfolio in 2013.
- The preferred planning use for the site is C2 (residential institutions) and C3 (housing), however other uses may be acceptable

Location Map



Site Plan



Aerial Plan

Report to Finance Sub Committee

Author/Lead Officer of Report: Ben Morley / Amanda Cosgrove
V1.00 issued 25 08 2022

Report of:	**Tom Finnegan-Smith**
Report to:	Finance sub-committee
Date of Decision:	6th September
Subject:	Sheffield and Rotherham *Clean Air Plan – grant funding*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	x	No	
If YES, what EIA reference number has it been given? *REF: 803*				
Has appropriate consultation taken place?	Yes	x	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	x
Does the report contain confidential or exempt information?	Yes		No	x

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended)."*

Purpose of Report:

Acceptance is sought for £4,033,566 of DEFRA / DfT Implementation Fund grant funding awarded towards delivery of the Sheffield and Rotherham Clean Air Plan to achieve legal NOX levels within the shortest possible time.

Approval is also sought for £6.176m of the existing DEFRA / DfT Clean Air Fund (CAF) award to be included in the Capital Programme to enable Financial Support Measures (grants) be provided to owners of Clean Air Zone (CAZ) non-compliant to upgrade their vehicles.

Recommendations:

- Accept the additional grant funding of £4,033,566 awarded to Sheffield City Council as the accountable body by the Department for Environment Food & Rural Affairs (DEFRA) and the Department for Transport to enable the Council to comply with its statutory duty to implement the Sheffield & Rotherham Clean Air Plan as the Direction from the Secretary of State received on 13th July 2022.

- Approve the inclusion of in the Capital Programme of a scheme of grant assistance to Bus, Coach and HGV owners as described in the report to a value of £6.176m

Background Papers:
(Insert details of any background papers used in the compilation of the report.)

Cooperative Executive Report and Decision, 26th October 2021 Clean Air Zone - CAP

Executive Decision, Clean Air Plan, February 2022 - Decision details on public web site

Lead Officer to complete:-		
1	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.	Finance: Jane Wilby
		Legal: Henry Watmough-Cownie
		Equalities & Consultation: *Annemarie Johnson* Executive Decision, Clean Air Plan, February 2022 - Decision details on public web site
		Climate: Tom Finnegan-Smith
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.	
2	**SLB member who approved submission:**	William Stewart
3	**Committee Chair consulted:**	*Cllr Grocutt and Cllr Iqbal*
4	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.	

Lead Officer Name: *Tom Finnegan-Smith*	**Job Title:** Director of Investment, Climate Change and Planning
Date: *25 08 2022*	

1. PROPOSAL

1.1 When awarded funding to implement the Financial Support Measures (FSM) for CAZ, the Clean Air Fund comprised of both revenue and capital reflecting that funding to support upgrades to compliant vehicles will take the form of subsidised loan interest payments and grants for retrofits and a contribution to an acquisition cost.

In order to deliver the capital elements of the CAZ Financial Support Measures (FSMs) it is necessary to include £6.176m of the CAF through the Capital Programme. This proposal is solely a technical matter to enable the Council to legally defray the funding in a compliant manner and has no bearing on the actual FSM scheme that has previously been presented and approved by the Council.

The Sheffield & Rotherham Clean Air Plan Full Business Case (FBC) submitted in April 2022 included a request for further grant funding from the Implementation funding towards delivery of the CAP measures required to achieve legal compliance.

The FBC was approved by Government on the 13th July 2022 and the Department for Environment Food & Rural Affairs (DEFRA) and the Department for Transport have awarded (Section 31) £4,033,566 from the Implementation Fund.

Grant funding of £4,033,566 has been awarded by the Department for Environment Food & Rural Affairs (DEFRA) and the Department for Transport to enable the Council to comply with its statutory duty through the measures as per the Direction from the Secretary of State received on 13th July 2022. Approval is sought to accept the FBC IF grant ward subject to receipt of the award letters and terms / conditions that are in line with previous awards.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1

- Contributes towards meeting the legal obligation for SCC to implement a category C Clean Air Zone in order to achieve compliance in the shortest possible time.
- Contributes towards protecting public health and making a positive impact on those who are vulnerable to roadside pollution including working drivers.
- Contributes towards creating a cleaner, healthier urban environment for residents and workers
- Contributes towards achieving corporate objectives

3. HAS THERE BEEN ANY CONSULTATION?

3.1 There has been significant consultation and stakeholder engagement in respect to the Sheffield & Rotherham Clean Air Plan including the Clean Air Zone in Sheffield and the financial Support Measures. Given the technical nature of the decision and the Direction to achieve legal compliance within the shortest possible time it has been considered that further consultation is not required.

All consultation reports can be viewed on the SCC website – Consultation reports – Sheffield City Council, Clean Air website - Clean air zone proposals (sheffield.gov.uk)

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 The EIA concludes that addressing Sheffield's air pollution challenge should bring health and equality benefits to communities across the whole city, particularly as some of the most significant polluters (buses, taxis, LGVs) drive around and through neighbourhoods in every part of Sheffield.

There are no Equalities issues associated with the technical decision to include part of the CAF programme through the Capital Programme. Previous reports have identified the Equalities Implications of the CAZ and the use of FSMs

4.2 Financial and Commercial Implications

4.2.1 The costs of the grant assistance scheme to Bus, HGV and Coach owners will be fully funded from the Clean Air Zone grant funding provided from Government. The Clean Air Fund grant funding was awarded in February 2020, details of the grant conditions are included in the Cooperative Executive report of 26th October 2021.

The final Full Business Case submitted in April 2022 outlined a request for additional grant funding from the Implementation Fund to cover additional forecast delivery costs. The government approved the FBC in July 2022 and have now awarded a further £4,033,566 of grant funding from the Implementation Fund (see Table 1 below).

Table 1:

FBC Grant Award - Implementation fund (IF)		
IF award value	3,733,566	
Regional comms	300,000	Additional funding provided by DEFRA to undertake wider regional marketing campaigns
Total award	**4,033,566**	
FBC IF funding request	**3,755,616**	Excludes £300k comms later added by JAQU (see above)
IF award shortfall	**22,050**	Shortfall relates to monitoring data capture frequency for location in Rotherham (reduced form quarterly to annual)

The FBC award includes an additional £300k (not requested within the FBC) to fund local regional marketing campaigns relating to the Clean Air Zone, this is to compensate for Government withdrawing their commitment to deliver a national CAZ communication campaign.

The FBC IF grant terms and conditions have not yet being received by SCC, but DEFRA Officers have advised the these will be similar to those issued previously (see the Cooperative Executive Report and Decision, 26th October 2021 Clean Air Zone - CAP). When the finalised grant terms and conditions arrive both Finance and Legal will review and approve these.

The table 2 below shows the total Implementation Fund and Clean Air Fund grant funding awarded by DEFRA / DfT for the Clean Air Plan:

Table 2:

CAP funding Awarded:	
Clean Air Fund (CAF)	20,413,406
Implementation Fund (IF)	7,254,030
sub total	**27,667,436**
IF (FBC)	4,033,566
Total	**31,701,002**

The Proramme Sponsor and the Programme / Project Manager and will need to read, understand and comply with the grant terms and conditions and ensure that there are no ongoing unfunded costs once the grant funding has ended.

4.3 Legal Implications

4.3.1 Under Part IV of the Environment Act 1995, Local Authorities are required to have regard to any national strategy on clean air which is published by the Secretary of State; and to review and assess air quality in their areas and to report against objectives for specified pollutants of concern, to the Department for Environment, Food and Rural Affairs

(DEFRA). The Secretary of State, in exercise of the power conferred by section 85(5) of the Environment Act 1995, Directed that SCC and Rotherham on 13th July 2022. The effect of which is that the Council must fulfil its statutory duty to achieve compliance with air quality standards by 2023.

Local authorities must distinguish between capital expenditure and revenue expenditure in their accounting. To comply Local Government Act 2003 the CAF funding provided as capital must be included within the Council's capital programme.

4.4 Climate Implications

4.4.1 There are no Climate issues associated with acceptance of the FBC grant funding or the technical decision to include part of the CAF programme through the Capital Programme. Previous reports have identified the Climate Implications of the CAZ and the use of FSMs.

4.4 Other Implications

4.4.1 None

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Options were assessed throughout the outline business Case and Full business case process. Proposals are now final and the Local Authority is Directed to implement the measures to achieve legal compliance by 2023.

6. REASONS FOR RECOMMENDATIONS

6.1 The £4,033,566.00 Implementation fund grant award needs accepting to enable implementation to progress to progress within the required timescale. Without this the funding will not be available when required and could cause delay and / or will require expenditure at risk.

The £6.7m of the CAF funding needs including on the capital programme to progress within the required timescale. Without this approval the funding will not be available when required and may delay roll-out of the FSM's grant and loans designed to mitigate some of the financial impacts of the CAZ charging zone.

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