

Finance Sub-Committee

Monday 7 November 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

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
7 NOVEMBER 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 - 22)
To approve the minutes of the last meeting of the Sub-Committee held on
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public

Formal Decisions

- 7. Accommodation Strategic Review** (Pages 23 - 34)
Report of the Executive Director, Operational Services
- 8. Budget Monitoring and Financial Position Month 6, 2022/23** (Pages 35 - 80)
Report of the Executive Director, Resources
- 9. Capital Approvals - Month 6 2022/23** (Pages 81 - 110)
Report of the Executive Director, Resources
- 10. Accepting funding from Rough Sleeper Initiative 5 Government Programme** (Pages 111 - 118)
Report of the Executive Director, Operational Services
- 11. Accepting funding for Rough Sleeping Accommodation** (Pages 119 -128)
Report of the Executive Director, Operational Services
- 12. Refugee Resettlement Funding** (Pages 129 -140)
Report of the Executive Director, Operational Services

- | | |
|---|-------------------|
| 13. Sheffield Doc Fest - One Year Extension to Grant Agreement
Report of the Executive Director, City Futures | (Pages 141 - 146) |
| 14. Fargate and High Street, Future High Streets Fund - Front Door Scheme Update
Report of the Executive Director, City Futures | (Pages 147 - 156) |
| 15. UK Shared Prosperity Fund (SPF)
Report of the Executive Director, City Futures | (To Follow) |
| 16. Multiply - Scheme to Improve Numeracy
Report of The Director of Children's Services | (To Follow) |
| 17. Acquisition of Buildings in Attercliffe
Report of the Executive Director, City Futures | (Pages 157 -166) |

***NOTE: Appendix 1 to the report at item 17 in the above agenda is not available to the public and press because it contains exempt information described in paragraph 3 of Schedule12A to the Local Government Act 1972 (as amended)**

The next meeting of Finance Sub-Committee will be held on Wednesday 4 January 2023 at 2.00 pm

This page is intentionally left blank

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 David Hollis, Interim Director of Legal and Governance by emailing david.hollis@sheffield.gov.uk.

This page is intentionally left blank

SHEFFIELD CITY COUNCIL

Finance Sub-Committee

Meeting held 6 September 2022

PRESENT: Councillors Bryan Lodge (Co-Chair), Zahira Naz (Co-Chair), Mike Levery (Deputy Chair), Maroof Raouf (Group Spokesperson), Mike Chaplin, Marieanne Elliot, Mary Lea, Shaffaq Mohammed and Joe Otten

.....

1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

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 Cllr Otten declared a personal interest in regards to the crossing on Hangingwater Road.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 27th July 2022 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 The Committee received a referred joint petition on Pension Divestment from the Full Council meeting of 20 July 2022. June Cattell spoke on this petition representing the Sheffield Campaign for Divestment from companies responsible for human rights abuse in Palestine. Ms Cattell made reference to the petition that was taken to the Full Council in July and that it dealt with other issues such as Human Rights, International law, local democracy and opposition to apartheid. An example was referred to around the amendment to the pensions bill linking to the boycott bill, prohibiting support for boycott actions. Ms Cattell expressed the continuing need for the Council to uphold international law and recognise the apartheid that is taking place in Israel and Palestinian territories. Ms Cattell also spoke on the SYPA investment strategy with specific references to Human Rights, Climate and the use of representative to monitoring and challenge the decisions made by SYPA.

The Chair thanked June Cattell and explained that a response had been given at the Full Council meeting in July but that further legal advice would be sought for a full written response on the points raised.

5.2 Andy Kershaw attended the Committee and asked the following questions:

1. What is the financial model for the Graves Park Charity and who makes decisions on the application of income and expenditure and who are the 11 staff quoted as supported by the revenues?
2. Why has no revenue income from the Cafe been spent on repairs & maintenance in the last 14 years?
3. It's 50 days since the closure of the café and the loss of 12 jobs as a direct result of this so will the committee provide a compensatory sum to each member of staff who has lost employment as a result of this closure?
4. When will an urgent decision be made as to a temporary replacement for the café and will this committee allocate emergency funds to facilitate this today?

The Chair explained that the questions were accepted beyond the submission deadline and that a written response would be arranged.

6. BUDGET MONITORING AND FINANCIAL POSITION MONTH 4,2022/23

6.1 This report brought the Committee up to date with the Council's financial position as at Month 4 2022/23.

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

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

6.3 Reasons for Decision

6.3.1 Executive directors and Directors will be required to develop plans to mitigate the in-year forecast overspends.

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. CAPITAL APPROVALS FOR MONTH 03 04, 2022/23

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

7.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy Committee:-

1. Approve the proposed additions and variations to the Capital Programme listed in Appendix 1 & Appendix 2 of the report.

7.3 Reasons for Decision

7.3.1 The proposed changes to the Capital programme will improve the services to the

people of Sheffield

- 7.3.2 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.

7.4 Alternatives Considered and Rejected

- 7.4.1 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.

8. SHEFFIELD CITY REGION URBAN DEVELOPMENT FUND (JESSICA FUND)

- 8.1 The Head of strategic Development and External Programmes presented the report which updated 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 was also sought to expand the Investment Strategy of the Fund to include investment in residential, leisure and retail developments.

- 8.2 Members raised questions and gave comments and responses were given surrounding funded areas, investment strategy, the focus of energy generation, potential commercial funding, repayment terms and renewable energy.

8.3 RESOLVED UNANIMOUSLY: That Finance Sub-Policy 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.

8.4 Reasons for Decision

- 8.4.1 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.

8.4.2 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)
- III. Provide an innovative local investment vehicle to attract additional private and public sector investment into the region.

8.5 **Alternatives Considered and Rejected**

8.5.1 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.

8.5.2 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.

9. **PROJECT FEASIBILITY FUND**

9.1 The Head of Strategic Development and External Programmes presented the report which sought 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.

9.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy Committee:-

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.

9.3 **Reasons for Decision**

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

1. Develop and complete of the City Strategy which will also include Policies and Spatial Strategies and the Sheffield Place Based Plan.
2. Enable the development of project ideas from prioritised City strategic objectives.
3. Turn ideas into deliverable projects with developed and costed business cases

that can deliver against South Yorkshire Strategic Economy Plan (SEP) objectives.

9.4 Alternatives Considered and Rejected

- 9.4.1 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.
- 9.4.2 No alternative external funding sources have been identified for this type of activity to be undertaken.

10. LEISURE INVESTMENT UPDATE

- 10.1 The Head of Sport, Leisure and Health presented the report which provided 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 also provided an update on the above work that has been carried out to date and an 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 asked for committee approval to draw down the next tranche of funding to allow this planned work to proceed.

It was noted that in the original report there was investment proposed for Upper Thorpe Healthy Living which will be subject to a further report

Members raised questions and gave comments and responses were given surrounding levels of investment and timeframes, increased participation and revenue, facilities and upfront investment, long term 'investing to save' model. The Head of Sport, Leisure and Health agreed to follow up with further detail and an update on the work around Heeley. It was clarified that the financial model was 30 years. Responses were also provided on concessions already in place and expectations around generating energy efficiencies.

10.3 RESOLVED UNANIMOUSLY: That Finance Sub-Policy 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.

10.4 Reasons for Decision

- 10.4.1 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.

10.5 Alternatives Considered and Rejected

- 10.5.1 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.
- 10.5.2 Option 2 – Delay Investment to 2024 Page 101 Page 8 of 8 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.

11. APPROPRIATION OF THE FORMER BOLE HILL VIEW OLDER PERSONS RESIDENTIAL HOME FOR HOUSING PURPOSES

- 11.1 The Housing Growth Service Manager presented the report which sought approval for the former Bole Hill View Older Persons' Residential Home site (Eastfield Road, Crookes, Sheffield, S10 1QL) to be appropriated¹ 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.
- 11.2 Members raised questions and gave comments and responses were given surrounding the Stock Increase Programme, re-purposing, demand for affordable housing, risk management and appropriation of the site. It was agreed that the Housing Growth Service manager would send specifications onto the Committee and also provide details on costings to maintain the site since 2013. Responses were also given on consideration of different methods to heat the building and use of external funding for environmental upgrades.
- 11.3 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy 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
- 11.4 **Reasons for Decision**
 - 11.4.1 In Planning terms, the preferred use for the site is C2 (residential institutions) and C3 (housing).

- 11.4.2 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).
- 11.4.3 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.
- 11.4.4 Provides an opportunity to regenerate a Council-owned brownfield site (removing liabilities associated with a vacant building/ disused site).

11.5 Alternatives Considered and Rejected

- 11.5.1 '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.
- 11.5.2 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.
- 11.5.3 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.

12. SHEFFIELD AND ROTHERHAM CLEAN AIR PLAN - GRANT FUNDING

- 12.1 The Head of Strategic Development and External Programmes introduced the report which sought acceptance 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 was 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.

- 12.2 Members raised questions and gave comments, and responses were given surrounding funding, infrastructure, level of support to taxi drivers, timings to launch the scheme and funding. It was clarified that the £6.17m and the £4m was not applicable to taxi drivers but that part of the £20m package of wider support will be available to taxi drivers and LGVs.

12.3 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy Committee:-

1. 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.
2. 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.

12.4 **Reasons for Decision**

- 12.4.1 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.
- 12.4.2 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.

12.5 **Alternatives Considered and Rejected**

- 12.5.1 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.

13. **DISPOSALS FRAMEWORK - POLICY ON DISPOSAL OF COUNCIL PROPERTY**

- 13.1 The Head of Property Services presented the report which outlined that Sheffield City Council holds a substantial portfolio of land and property assets some of which are no longer required for the delivery of services to the public. This report seeks approval of a Disposals Framework for council land and property.

The Framework provides guidance to decision makers, officers and Elected Members to ensure that the Council is compliant with its legal, financial and statutory duties.

13.2 Members raised questions and gave comments, and responses were given surrounding views on disposals, estate management, accommodation review and household waste recovery site.

13.3 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy Committee:-

1. That the attached Disposals Framework be adopted as Council Policy.
2. That the Council's Chief Property Officer be authorised in consultation with the Chair of Finance Sub-Committee and the Director of Legal Services to revise and reissue the Disposals Framework as required.

13.4 **Reasons for Decision**

13.4.1 Disposal of Land and Property by public authorities can be controversial and there has been recent scrutiny of a number of Local Authorities regarding estate management practice, disposals and achieving best value in property transactions. It is therefore important that decision makers, Officers and Elected Members are provided with clear guidelines and procedures for good governance to reduce the risk of challenge.

13.5 **Alternatives Considered and Rejected**

13.5.1 The main alternative option is to continue using the Disposals Framework approved by the Cabinet Member for Finance and Resources in 2013. However, this does not take account on the new governance arrangements and committee system introduced in 2022, recent case law and best value reviews of Local Authorities and best practice, neither does it fully address certain areas of policy such as disposal at less than best consideration. This leaves the Council at risk of exposure to challenge and the requirement to use scarce resources to defend actions.

14. SUBSTANCE MISUSE SERVICES

14.1 The Head of Commissioning presented the report which outlined that the Council is the lead commissioner in the city for drug and alcohol treatment and recovery services which fall under the Council's Public Health statutory duties. Services are funded via the Public Health Grant with a contribution from the Office of the Police and Crime Commissioner.

The Office of Health Improvements and Disparities (OHID) have made additional funding available to support Local Authorities to achieve the aims of the new National Drug strategy 'From Harm to Hope' published in December 2021.

The purpose of the report was to seek approval to spend the new Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) to deliver against the objectives of the national drug strategy and to seek approval to accept and spend the Rough Sleeper Drug and Alcohol Treatment Grant (RSDATG) funding to support the prevention, treatment and recovery associated with drugs and alcohol in the city for those who are rough sleeping or at risk of rough sleeping.

14.2 Members raised questions and gave comments, and responses were given surrounding tender and procurement, improvement, and expansion of mental and physical health with drug treatment services. The Head of Commissioning agreed to report back on the total budget.

14.3 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy Committee:-

1. notes the receipt of the Supplemental Substance Misuse Treatment and Recovery Grant for which the Council we will be accountable.
2. accepts and thereby agrees to be the Accountable Body for the Rough Sleeper Drug and Alcohol Treatment Grant.
3. notes the objectives that the Council is required to address using the two grants and agrees the approach taken.
4. endorses the planned interventions and, where these are reserved decisions in accordance with the Constitution, approves the outlined commissioning strategies and grant awards and approves the establishment of the enhanced recovery support grant fund.
5. delegates authority to the Director of Public Health to agree the final eligibility criteria for the enhanced recovery support grant fund.
6. delegates authority to the Director of Public Health to take any further reserved commissioning decisions necessary to deliver the outcomes outlined in this report, where such decisions are within agreed budgets including the additional funding outlined in this report.

14.4 **Reasons for Decision**

14.4.1 OHID have made their intention to monitor and scrutinise local authorities against the investment explicit. Sheffield is one of the areas in the Yorkshire and Humber region to receive the greatest allocations of funding and will be challenged if progress against the plan slips. There is a reputational risk if SCC fails to deliver.

14.4.2 Both grants offer significant opportunity to provide support to some of the most vulnerable residents in Sheffield and to improve the city's public health and equality outcomes.

14.5 **Alternatives Considered and Rejected**

14.5.1 The Council could decide that it wishes to put forward different proposals. However, this would either require further approval by OHID otherwise there is financial risk if we are unable to spend the grant in the way it is intended and reputational risk if we are unable to deliver against the new national strategy.

14.5.2 The Council could decide not to spend the money, in which case it would have to be repaid. However, if expenditure is not approved, Sheffield risks not being able to deliver against the National Drug Strategy and risks losing the associated funding. This would be a lost opportunity for Sheffield residents.

15. ADDITIONAL HOME CARE TO SUPPORT HOSPITAL DISCHARGE

- 15.1 The Director of Adult Health and Social Care presented the report which sought approval to accept and allocate monies from NHS South Yorkshire Integrated Care Board to the value of £2.427m on a non-recurring basis.

The purpose of this new funding from NHS is to enable an increase in social care capacity to enable the safe and timely provision of discharge from hospital and reduction of 40 beds on average per month.

- 15.2 Members raised questions and gave comments, and responses were given surrounding temporary funding and the new model of home care delivery.

15.3 **RESOLVED UNANIMOUSLY:** That Finance Sub-Policy Committee:-

1. Approves the Council accepting £2.427m of non-recurrent funding from the NHS South Yorkshire Integrated Care Board and thereby becoming the Accountable Body for such funding as set out in this Report.
2. Approves the establishment of a grant fund(s) of a maximum £2m, with eligibility criteria to be agreed with NHS South Yorkshire Integrated Care Board, from which grants will be allocated to successful providers to provide the additional social care support.
3. Delegates authority to the Director of Adult Health and Social Care to set the eligibility criteria for the grant fund(s), in consultation with the NHS South Yorkshire Integrated Care Board, and to award any grants in excess of £50,000

15.4 Reasons for Decision

15.4.1 The additional social care support and funding will:-

- Alleviate short and long-term pressures which will lead to people being discharged from hospital on a timely basis and within 48 hours of being 'Medically fit for discharge'.
- Support the existing home care providers who are dealing with increased demand pressures.
- Support and enable where possible the individual to return home if they are able to do so.
- Reduce the number of people deconditioning due to extended stays in hospital.
- Free up acute beds for other purpose
- Support increased demand due to winter pressures and other spike in demand due to COVID/Flu etc

15.5 Alternatives Considered and Rejected

- 15.5.1 The Council could decline the grant funding but it is anticipated that demand would still increase and there would be no additional funding to meet those costs. In addition, it is highly unlikely that the homecare sector could provide the additional capacity without the measures proposed in this Report.
- 15.5.2 The Council could agree to be Accountable Body for the funding but only look to directly provide additional capacity or contract for it without the grant funding arrangements proposed in this Report. However, as above, it is highly unlikely that the homecare sector could provide the additional capacity without the grant funding measures proposed in this Report. It is believed that those grant funding arrangements will stimulate the market and enable them to increase capacity so that we are able to enter into additional call off contracts under existing contractual arrangements.



Report to Policy Committee

Author/Lead Officer of Report: Mark Betts,
Programme Delivery Lead

Tel: 07765311580

Report of: Ajman Ali, Executive Director Operational Services
Report to: Finance Sub Committee
Date of Decision: 7th of November 2022
Subject: Accommodation Review

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- <i>"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)."</i>				

Purpose of Report:

The purpose of this report is to provide background and contextual information highlighting the issues facing the Council's corporate estate; whilst seeking committee approval for the Accommodation Review's scope, approach, targets and short term actions.

Recommendations

Finance Sub-Committee are recommended to:

1. Endorse the programme scope, priorities and targets set out in this report.
2. Approve vacating Moorfoot and seek to maximise the usage of Town Hall and Howden House.
3. Identify and deliver any quick wins across the programme such as the closure/disposal or reuse of vacant, underutilised and non-contentious buildings and reviewing the occupation and potential exit of the few remaining buildings which are leased, such as Solpro.
4. Authorise the Director of Direct Services to identify those buildings in localities which offer the best basis for targeted future investment from an operational cost and condition perspective, to feed into a wider review.
5. Approve the development of a robust process to conduct the review of community buildings.
6. Approve the development of a business case for the next stages of the Town Hall's repairs, maintenance and refurbishment.
7. Approve the development of a business case for the next stages of the rationalisation of the Council's depots.
8. Approve the development of a business case for how Facilities Management Services use their allocated budget to fund repairs and maintenance.
9. Approve the development of the Accommodation Review's medium to long term programme plan.
10. Agree the high level principles for the review of the community buildings in section 3.3 of this report.

Background Papers:

Sheffield Land and Property Plan:

<https://democracy.sheffield.gov.uk/documents/s47987/Sheffield%20Land%20and%20Property%20Plan%20v24%20FINAL.pdf>

Policy for the Disposal of Council Owned Land and Property:

<https://democracy.sheffield.gov.uk/documents/s54258/14%20-%20Disposals%20Framework%20V6%2030082022%20TW.pdf>

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: Nadine Wynter
		Equalities & Consultation: Louise Nunn
		Climate: Jessica Rick
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	Ajman Ali
3	Committee Chair consulted:	<i>Councillor Bryan Lodge</i>
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 Smith	Job Title: Director of Direct Services
	Date: 27/10/2022	

1. Background

- 1.1 The Council currently owns, manages and maintains a significant portfolio of buildings across the city. This includes iconic and historic buildings such as the Town Hall, large office buildings such as Moorfoot, but also 182 community and locality buildings.
- 1.2 Whilst the Council is meeting its legal and statutory responsibilities, there is a risk that without significant investment the Council will have to close or partly close some of its buildings. Our initial estimates indicate that the current estate requires around £200m of future maintenance investment over the next 5 years and £48m of this has been highlighted as critical and essential maintenance. Furthermore, an estimated £300m will be needed to maintain our current estate over the 10 years.
- 1.3 In 2020/21 the Council spent £5.0m on energy across its estate and is expected to spend around £10.5m in 2022/23. Early analysis of increased energy costs indicated that the cost across the Council's

estate could increase by £10m in the 2023/24 financial year to around £20.7m.

1.4

It is clear therefore that the Council cannot afford to maintain or retain its current estate.

1.5

Covid-19 has changed the way the Council and partners use our buildings. Hybrid working and the development of online systems have reduced the use of many Council buildings significantly. Many of our buildings are now underoccupied and underused.

1.6

The Council has declared a climate emergency and is working towards Sheffield becoming a zero-carbon city by the start of the next decade. Investment in our estate will be required to meet this commitment.

Given the above, the Council needs to move to a smaller, more cost-effective, well-maintained and better used estate, that meets the needs of our services and communities.

1.7

Sheffield City Council's Cooperative Executive approved the Sheffield Land and Property Plan on 20th October 2021. The Sheffield Land and Property Plan sets the strategic direction and broad principles for the Council's land and property holdings. It:

"provides local people, Members and officers with a clear statement of how the Council's estate will be used to maintain and enhance service delivery and contribute to the wider ambitions of the City balanced against the financial constraints within which the Council now operates."

1.8

The Plan outlines a set of guiding principles for use of the Council's assets. Our assets will be used to:

- Support the delivery of good services for people
- Join-up key services for communities
- Improve the quality of life for all communities in Sheffield
- Tackle climate change and support a low carbon economy
- Support a stronger inclusive city economy that works for all
- Unlock money to support new investment

1.9

These principles will underpin our work in terms of the future of the Council's buildings.

2.0

Strategic Review of Accommodation and Buildings

2.1

Given the above the Council has begun a strategic review of its accommodation and buildings across the city. The Sheffield Land and Property Plan set out that, over the next five years the Council would seek to reduce the running costs of its operational estate by 25%. The review will set out how this will be achieved with further aims to:

- Reduce annual operating costs by £5.3m.
- Reduce future maintenance by £30m.

- Facilitate capital receipts of £8m.
- Reduce carbon emissions to support net zero by 2030.
- Reduce energy costs by £3m.

2.2

The Sheffield Land and Property Plan also sets out the principle of “Right Asset, Right Place, Right Time, Right Decision”. The review will support this principle and seek to support organisational and partnership service changes to deliver better services for Sheffield’s communities, for example through locality working and co-location.

2.3

The review will seek to support our communities in terms of the cost of living crisis and will support warm spaces and other policy outcomes for our communities via targeted investment in the retained estate.

2.4

It will enable the release or disposal of properties to generate savings and enable reinvestment in the remaining estate, with the ultimate aim of delivering fewer, better quality, more environmentally friendly buildings, that better meet the needs of the Council and our communities.

3.0

Programme Scope and Priorities

3.1

The main elements and aims of the programme are as follows:

City centre office accommodation

- Vacate Moorfoot to deliver savings on maintenance and energy.
- Maximise the use of the Town Hall and Howden House.
- Develop business cases for the next stages of the Town Hall’s repairs, maintenance and refurbishment.
- Reduce the size of the city centre office portfolio and a move to hybrid working.
- Support the decision about the future of the Graves building through work to understand compliance needs and through development of an interim maintenance plan.

3.2

Operational portfolio

- Develop the business case for the consolidation of Manor Lane and Staniforth Road, as well as reviewing the use of other depot sites.
- Review to determine the future of the Solpro building at lease end.
- Review Council locality office buildings to:
 - Maximise the use of available space and opening hours.
 - Increase co-location and collaboration with public sector partners and the Voluntary, Community and Faith Sectors.
 - Reduce costs & release capital.
 - Release budget to invest and enhance the estate.

- Support delivery of enhanced 'joined up' public services within communities that most need them.
- Support hybrid working and alternative locations for service delivery.
- Review Parks and Countryside service lodges to support the "Better Parks initiative", increase income, reduce costs and improve service delivery.

3.3

Community Buildings

As outlined above, many of the Council's community buildings are underused, not fit for purpose and could be better maintained. The review will therefore aim to deliver a smaller number of better quality and better used Council-owned community buildings that meet the needs of our communities.

Using the knowledge and data stored for the Council's assets, all of the Council's community buildings will be reviewed. The review will be governed by clear principles in terms of:

- The financial viability of the building in terms of its current condition (including compliance), operating costs, maintenance, investment need, and potential future use.
- The environmental sustainability of the building in terms of the ability for it to become net zero and the required investment to do so, including its current and future potential energy performance and carbon emissions.
- The current and potential future utilisation of the building and the availability of other similar facilities in the local area. This will also include whether the building is currently fit for purpose in terms of its intended use.
- How the current or future use of the building contributes to the Council's strategic ambitions and those of Sheffield's communities.
- The context of any legal ownership, covenants and restrictions of the building and ensuring appropriate decision making and governance.

3.4

A detailed and standardised approach to the evaluation of each property will be developed to ensure consistency in decision-making. This will include consultation with Elected Members, Local Area Committees, building users and key stakeholders. The approach will result in a recommendation for each building to:

- **Invest:** Target investment to improve the quality of the building and deliver better outcomes for our communities.

- **Divest:** Dispose of surplus buildings to create savings, that could be re-invested into the Council's remaining estate. Any building disposals would be undertaken through the Council's Policy for the Disposal of Council Owned Land and Property.
- **Re-purpose:** Explore options for co-location, repurposing or asset transfer of buildings to deliver better value for communities and maximise usage.

3.5

The detailed evaluation approach will be developed following Finance Sub-Committee in November and will be proposed for agreement at a future Finance Sub-Committee in early 2023.

4.0 Short Term Actions

4.1 Given the above, there are a number of short-term actions that the programme proposes to take. These will ensure that the Council is dealing with any urgent safety and compliance issues and will allow the team to bring momentum to the programme of work to deliver urgently needed savings, given the Council's overall budget position. This work will also begin to develop longer term business cases and feasibility work to inform the long-term plan for the large-scale aspects of the programme, for example the Town Hall.

4.2 The identified short terms actions for the programme are:

- Vacate Moorfoot and seek to maximise the usage of Town Hall and Howden House.
- Identify and deliver any quick wins across the programme e.g. closure/disposal or reuse of vacant, underutilised and non-contentious buildings and reviewing the occupation and potential exit of the few remaining buildings which are leased, such as Solpro.
- Identify those buildings in localities which offer the best basis for targeted future investment from an operational cost and condition perspective, to feed into a wider review.
- Develop and agree the detailed approach to the review of community buildings.
- Develop business cases for the next stages of the Town Hall's repairs, maintenance and refurbishment.
- Develop business cases for the next stages of the rationalisation of the Council's depots.
- Develop business cases for how Facilities Management use their allocated budget to fund repairs and maintenance.

- Develop the Accommodation Strategic Review's medium to long term programme plan.

5 How Does This Decision Contribute?

- 5.1 The Council has declared a climate emergency and agreed an ambitious deadline for net zero by the end of the decade. During 2021/22 we agreed the Ten Point Plan setting out our broad objectives that will help meet our response to the climate crisis. As part of the property review highlighted in the scope of this programme, there will be opportunities to reduce our carbon footprint by reducing our overall energy usage, decommissioning energy inefficient buildings and investing in energy improvements for our remaining property.
- 5.2 The Council estimates indicate that the current estate requires around £200m of future maintenance investment over the next 5 years and £48m of this has been highlighted as critical and essential maintenance.. We have developed a corporate asset management plan to help us reduce this backlog through rationalising the size and cost of our estate. Furthermore, an additional £2.5m of savings have been identified associated with vacating Moorfoot.
- 5.3 Our approach to asset management should be about more than just budget savings. There is an opportunity ensure our accommodation is fit for purpose and meets the requirements of our services and communities into the future.

6 Has There Been Any Consultation?

- 6.1 In relation to the vacating of the Moorfoot building, high level discussions with Trade Unions at Corporate Joint Committee, Corporate Strategy Group, Place Operational Group and Facilities Management Service Operational Group have taken place.
- 6.2 Furthermore, contents of this report have been submitted to Strategic Leadership Board, Corporate Leadership Team and Corporate Membership Team.
- 6.3 Should approval to proceed be given further and significant consultation will take place with stakeholders across the programme, in particular in the short-term with colleagues based in Moorfoot.

7 Risk Analysis and Implications of The Decision

7.1 Equality Implication

- 7.1.1 The Accommodation Review is proposing to carry out a full review of the Council's corporate estate. Furthermore, the Accommodation Review is proposing to vacate Moorfoot and utilise space in Town Hall, Howden House and other Council owned buildings.

For services affected by the decant of Moorfoot, full consultation and engagement will be carried as governed by the corporate office move framework.

Additionally, this is an opportunity to improve the support we provide to employees to eliminate discrimination and advance equality of opportunity through improvements to the guidance and communications of policies, such as reasonable adjustments.

7.2 Financial and Commercial Implications

- 7.2.1 In the short-term (2023/24) the revenue budget saving arising from the first year of reduced operating costs are planned to be used to mitigate pressures in the Council's General Fund. In subsequent years, any revenue benefits are intended to be used to fund the programme.

As the programme develops, further updates and business cases will be brought to the Committee and these will quantify the financial implications at each stage.

7.3 Legal Implications

- 7.3.1 There are no direct legal implications resulting from approval of this report at this stage. Each Council building will have its own set of legal implications depending on but not limited to use, structural design and tenure. Therefore, specific legal implications that cover each building will be considered as and when each is brought through for consideration.

7.4 Climate Implications

- 7.4.1 The Accommodation Strategic Review programme will have a significant effect on the Council's ambition to move to net zero. We are currently in the initial development stage and details are not yet available, but we know that the programme will have short term negative and longer-term positive impacts.

In the initial phases of most of the larger capital projects, construction and maintenance will generate negative carbon impacts from the transport, use of materials and work of operatives and energy usage needed. There are, however, opportunities to work with partners and contractors to mitigate some of these impacts and reduced embodied carbon arising from construction works, raise awareness and show climate leadership, as we have demonstrated in other major schemes.

In the longer term the design of new buildings and significant investment in capital works to existing buildings offer opportunities to seek energy/water/waste efficiencies and energy demand reduction through the inclusion of lower carbon and more energy efficient heating and lighting, better building management systems etc. There is likely

to be grant and other funding available for the installation of infrastructure and facilities to encourage active travel.

Reducing the size of our estate will also help to directly reduce overall energy use and carbon emissions as we will have fewer, more energy efficient buildings. Furthermore, making key decisions around the future of our estate will help remove barriers for energy efficient investment, funding applications and grants.

Whilst it is possible that there may be some negative impact arising from changes to locations and working arrangements, there may also be positive impacts e.g. from a reduced need for staff to travel to central buildings and a focus on locality working and localised service delivery for customers.

The details of the climate impact of this programme will be assessed in each project as it is developed.

7.5 Other Implications

- 7.5.1 Guidance for hybrid working may need to be updated as part of the work and we will assess the need for that as the work progresses.

8 Alternative Options Considered

8.1 Option 1: Do nothing

This is not a realistic option because our buildings no longer meet the requirements of our services and communities; and without investment, our buildings will continue to deteriorate and there is a significant risk that buildings would have to be closed. Furthermore, early analysis estimates that energy costs for our estate will increase by £10m in 2023/24 creating further pressures to our budget.

9 Reasons for Recommendations

- 9.1 Vacate Moorfoot and maximise the usage of Town Hall and Howden House.

Outcome: The current usage of the Town Hall and Howden House are extremely low. By vacating Moorfoot and utilising Town Hall and Howden House there are estimated savings of £2.5m per annum.

- 9.2 Identify and deliver any quick wins across the programme e.g. closure/disposal or reuse of vacant, underutilised and non-contentious buildings and reviewing the occupation and potential exit of the few remaining buildings which are leased, such as Solpro.

Outcome: The programme will review and evaluate all buildings in scope and provide business cases to any investment, divestment and

repurposing of buildings; and quickly identify any financial savings that can be made in the 2023/24 financial year.

- 9.3 Identify those buildings in localities which offer the best basis for targeted future investment from an operational cost and condition perspective, to feed into a wider review.

Outcome: The programme will review and evaluate all buildings in scope and provide business cases for any future investment required in the 2023/24 financial year.

- 9.4 Develop and agree a standardised approach to how we review and evaluate community buildings.

Outcome: The programme will provide a framework to how we will invest, divest and repurpose the Council's community buildings; and how these decisions strategically fit with the rationalisation of the Council's corporate estate.

- 9.5 Develop business cases for the next stages of the Town Hall's repairs, maintenance and refurbishment.

Outcome: The programme will develop business cases to make informed decisions to how we fund, maintain, develop and invest in Town Hall; and how these decisions strategically fit with the rationalisation of the Council's corporate estate.

- 9.6 Develop business cases for the next stages of the rationalisation of the Council's depots.

Outcome: The programme will develop business cases to make informed decisions to how we rationalise the depots; and how these decisions strategically fit with the Council's overarching strategy for our corporate estate.

- 9.7 Develop business cases for how Facilities Management use their allocated budget to fund the Council's buildings repairs and maintenance.

Outcome: The programme will develop business cases to make informed decisions for how we fund our buildings that require any critical, essential and backlog maintenance; and how these decisions strategically fit with the Council's overarching strategy for our corporate estate.

- 9.8 Develop the Accommodation Strategic Review's medium to long term programme plan.

This page is intentionally left blank



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: 7th November 2022
Subject: Month 6 Monitoring

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>"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)."</i></p>				

Purpose of Report:

*This report brings the Committee up to date with the Council's financial position as at Month 6 2022/23 including General Fund revenue position, Housing Revenue Account and Capital Programme Monitoring (**Appendix 4**). This report as at September 2022 also provides an update on the Council's Collection Fund (**Appendix 1**), Treasury Management Outturn (**Appendix 2**) and Reserves Strategy (**Appendix 3**).*

Recommendations:

The Committee is recommended to:

1. Note the Council's financial position as at the end of September 2022 (month 6).
2. Note the Council's forecast Collection Fund position as at September 2022
3. Note the Treasury Management position and impact on revenue budgets as at September 2022

4. Note the Council's reserves position and strategy

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.	<div>Finance: <i>Ryan Keyworth, Director of Finance and Commercial Services</i></div> <div>Legal: <i>Sarah Bennett, Assistant Director, Legal and Governance</i></div> <div>Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i></div> <div>Climate: n/a</div>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	<i>Eugene Walker</i>
3	Committee Chair consulted:	<i>Cllr Bryan Lodge</i>
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: <i>Ryan Keyworth</i> <i>Jane Wilby</i>	Job Title: <i>Director of Finance and Commercial Services</i> <i>Head of Accounting</i>
	Date: 23 rd October 2022	

1. PROPOSAL

1.1 This report sets out the 2022/23 Month 6 financial monitoring position for each Policy Committee.

1.2 Council Portfolio Month 6 2022/23

1.2.1 The Council is forecasting a £18.6m overspend against the 2022/23 budget as at month 6.

Full Year £m	Outturn	Budget	Variance
Corporate	(464.6)	(463.2)	(1.4)
City Futures	46.7	46.8	(0.1)
Operational Services	113.3	113.4	(0.1)
People	313.5	295.9	17.6
Policy, Performance Comms	3.2	2.9	0.4
Resources	6.4	4.2	2.2
Total	18.6	(0.0)	18.6

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 Variance £m	One-off	BIPs	Trend	Total Variance
Corporate	0.0	0.0	(1.4)	(1.4)
City Futures	(0.1)	0.0	(0.0)	(0.1)
Operational Services	(5.8)	3.2	2.6	(0.1)
People	(0.4)	14.2	3.8	17.6
Policy, Performance Comms	(0.1)	0.3	0.2	0.4
Resources	(0.7)	1.7	1.3	2.2
Total	(7.1)	19.3	6.3	18.6

1.2.3 In 2021/22, the Council set aside £70m of reserves to manage the financial risks associated with delivering a balanced budget position. In 21/22, the council overspent by £19.8m which was drawn from this pool, a further £15m was used to balance the 22/23 budget and current forecast overspend at M6 is set to be £18.6m leaving a remaining risk allocation of £16.7m

	£m	
Allocated reserves	70.0	
21/22 Budget overspend	19.8	
22/23 Base budget committed	15.0	
22/23 BIP shortfall	19.3	
22/23 pressures	6.3	
22/23 in year mitigations	(7.1)	
Reserves used @ M6	53.3	
Remaining reserves	16.7	


 (£18.6m
overspend @ M6)

1.3 Committee Financial Position

1.3.1 Overall Position - £18.6m overspend at Month 6

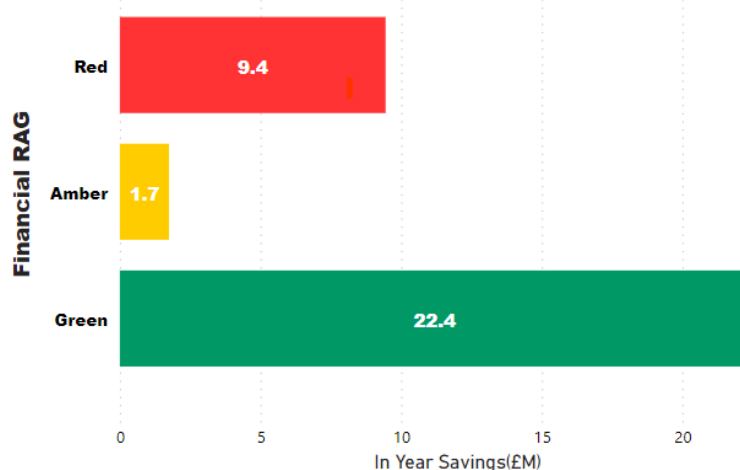
There is a £11.8m overspend in the Adult Health and Social Care Committee and a £6.5m overspend in the Education, Children and Families Committee	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Adult Health & Social Care	164.4	152.5	11.8
	Education, Children & Families	135.2	128.6	6.5
	Housing	8.6	8.8	(0.1)
	Transport, Regeneration & Climate	41.3	41.9	(0.6)
	Economic Development & Skills	11.0	11.0	(0.0)
	Waste & Street Scene	54.4	54.7	(0.3)
	Communities Parks and Leisure	44.9	45.4	(0.5)
	Strategy & Resources	(441.2)	(442.9)	1.7
	Total	18.6	(0.0)	18.6

Most of the full year forecast overspend is attributable to shortfalls in Budget Implementation Plans (BIPs) delivery	Variance Analysis £m @ Month 6	One-off	BIPs	Trend	Total Variance
	Adult Health & Social Care	(0.5)	8.1	4.2	11.8
	Education, Children & Families	0.6	6.0	(0.1)	6.5
	Housing	0.0	0.0	(0.1)	(0.1)
	Transport, Regen & Climate	(2.1)	2.1	(0.6)	(0.6)
	Economic Dev't & Skills	(0.1)	0.0	0.1	(0.0)
	Waste & Street Scene	(3.2)	0.4	2.6	(0.3)
	Communities Parks & Leisure	(0.8)	0.5	(0.2)	(0.5)
	Strategy & Resources	(1.0)	2.2	0.6	1.7
	Total	(7.1)	19.3	6.3	18.6

£6.3m 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. The government's recent announcement on the energy price cap only gives us protection on current rates until the end of the financial year. Currently, the best open market prices we are able to achieve for 1 April 2023 onwards results in a doubling in the unit price of energy that we will face.
--	--

Balancing the 22/23 budget was only possible with £53m of BIPs, £33m are reported as deliverable in year	Budget Savings Delivery Forecast @M6 £m	Total Savings 22/23	Deliverable in year	FY Variance
	People	37.7	23.5	14.2
	Operational Services	7.1	4.0	3.1
	PPC	1.2	1.0	0.2
	Resources	6.7	5.0	1.7
	Total	52.7	33.4	19.3

Focus must be on delivering BIPs in 22/23 and preventing the budget gap from widening	Of the £33m BIPs forecast as being deliverable, £9.4m are rated red, which indicates considerable risk that these will not be delivered in full which would increase the existing forecast overspend.
--	---



Of the £19.3m savings that are forecast to be undelivered this year, some can be delivered next financial year. It is estimated that £12m 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 £11.8m

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 £6.5m

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 committee position improved in M6 by £0.8m due to an additional grant contribution of £0.5m for Household Support mitigating an overspend in this area alongside reductions to staffing forecasts.

1.4.1 Strategy and Resources - £1.7m overspend at Month 6

The Strategy and Resources Committee budget is forecast to overspend by £1.7m	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Business Change & Info Solns	18.2	16.9	1.4
	Central Costs	(46.9)	(46.5)	(0.4)
	Community Services (LACs)	2.0	2.0	(0.0)
	Consolidated Loans Fund	27.4	28.9	(1.5)
	Contract Rebates & Discounts	(1.1)	(0.7)	(0.3)
	Corporate Transactions	(492.1)	(492.1)	0.0
	Customer Services	5.3	5.4	(0.1)
	Finance & Commercial Services	18.5	18.5	0.1
	Housing Benefit	0.2	0.2	(0.0)
	Human Resources	5.3	5.0	0.3
	Legal & Governance	6.2	5.2	1.0
	Other Central Costs	0.0	0.0	(0.0)
	Policy, Performance & Comms	3.4	3.0	0.4
	Public Health	(0.1)	(0.1)	(0.0)
	Resources Mgmt& Planning	0.7	0.3	0.4
	One Year Plan	0.0	0.0	0.0
	Direct Services (Facilities; PPE)	15.8	15.9	(0.1)
	Inclusive Growth & Development (Property and Regeneration)	(4.1)	(4.8)	0.7
	Total	(441.2)	(442.9)	1.7
Shortfalls in BIP delivery on council-wide organisational changes is a key factor in the current overspend.	Savings in 22/23 associated with organisational model changes to Business Change, ICT delivery, Performance and Communications is a key factor in the current forecast overspend (£1.4m) alongside underlying overspends in Legal and Governance (£1m). An approach to the restructures has now been agreed which should secure some savings going into 2023/24. The level of approved Voluntary Severance / Voluntary Early Retirement means that the required run-rate saving will not be achieved without further action.			
The impact of the proposed pay offer creates an extra £0.4m pressure to the committee	The proposed pay award of £1,925 flat rate per employee was factored into forecasts in M4. The proposal leaves an additional pressure of £0.4m for the Committee. It should be noted that the extra pay offer cost is an initial indicative estimate only and has been included within "Resources Mgt & Planning" for all services within the Committee, pending Union agreement scheduled for the end of October 22.			
Property services overspend largely relates to Electric Works.	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 help it to be filled.			
Economic uncertainty affecting interest rates has had a positive effect on investments	The government's "mini-budget" created uncertainty in economic markets resulting in a Bank of England base rate increase. A rise in interest rates has positively impacted the authority due to current cash balances and our ability to capitalise upon favourable market investment rates. The impact of this interest rate change in the month is likely to yield an additional £730k interest this year.			

1.4.2 Adult Health & Social Care- £11.8m overspend at Month 6

The revenue outturn position for the AHS&C Committee is to overspend by £11.8m	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Adult Health & Social Care Integrated Commissioning (Early Help and Prevention - Partnership Funding; Supporting Vulnerable People - Housing Related Support/Drugs and Alcohol Services)	155.6	143.8	11.8
		8.8	8.8	(0.0)
	Total	164.4	152.5	11.8
£8.1m of the overspend relates to BIP shortfalls. Staffing is £1.8m overspent and Purchasing activity £2.2m over budget	Variance Analysis £m @ Month 6	One-off	BIPs	Trend
	Adult Health & Social Care Integrated Commissioning	(0.5)	8.1	4.2
		0.0	0.0	(0.0)
	Total	(0.5)	8.1	4.2
	Expenditure trends continue in Learning Disabilities purchasing budgets with an underlying pressure of £2.8m 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 was 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 and is pending agreement with Unions. A decision is expected to be made by the end of October 2022.			
The committee position was stable from M5 to M6	Purchasing activity overall was stable this month with adverse movement in Learning Disability activity overspend offsetting improvements across the rest of Purchasing.			
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 savings delivery in 22/23, but with the potential to increase	Vacancies which are part of the investment plan are not fully recruited to. If posts are filled, the £1.8m current employee overspend would increase but an improvement in BIP delivery would be expected.			

staffing pressure in future years	<p>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.</p> <p>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.</p>
Home care continues to be a huge challenge	<p>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. Pre-covid pandemic, there were 10 clients on average with packages costing over £1,000/week. Numbers are still staying at around 70 clients. This shows that whilst reviews are reducing the original cohort of high-cost home care put in place during the pandemic, these are being replaced by a similar number of equally expensive packages.</p>
Fair Cost of Care Exercise and Social Care Reform will increase Adult Social Care responsibilities and costs	<p>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.</p> <p>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.</p>

1.4.3 **Education, Children & Families Committee - £6.5m overspend at Month 6**

The Education, Children & Families General Fund is overspending by £6.5m, made up of a shortfall of savings delivery offset by staffing vacancies.	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Children & Families	115.2	109.1	6.1
	Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)	12.5	12.7	(0.2)
	Integrated Commissioning (Commissioning; Children's Public Health; Early Help and Prevention)	7.5	6.9	0.6
	Total	135.2	128.6	6.5
The main cause of the overspend is under delivery of Budget Implementation Plans (BIPs)	Variance Analysis £m @ Month 6	One-off	BIPs	Trend
	Children & Families	0.6	5.4	0.2
	Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)	0.1	0.0	(0.2)
	Integrated Commissioning	0.0	0.7	(0.1)
	Total	0.6	6.0	(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 and is pending agreement with Unions. A decision is expected to be made by the end of October 2022.			
The position in Children's & Families improved from M5 to M6 by £0.9m	The forecast outturn at M6 is £0.9m better in Children's & Families, there have been improvements to the outturn for:			
	1) Household support grant (£0.5m) one off contribution towards S17 payments ¹			
	2) Reductions to forecast growth in staffing/other revisions to staffing forecasts of (£0.6m)			

¹ Section 17 of the Children Act 1989 imposes a general duty on local authorities to safeguard and promote the welfare of "children in need" in their area. To fulfil this duty section 17 gives local authorities the power to provide support, including accommodation and financial subsistence to families with "children in need", even if they have no recourse to public funds. The power under section 17 can be used to support the family as a whole and to promote the upbringing of the child within the family unit.

- 3) (£0.1m) reduced costs for Unaccompanied Asylum Seeker Children which now has a shortfall of less than £0.1m.

These improvements are partly offset by continuation of income reductions at Aldine House secure residential unit due to staffing capacity of £0.5m with income assumed back to usual levels from January 23.

	£m
M5 Committee Overspend	7.4
Household support grant	(0.5)
Reduction to staff forecast	(0.6)
Unaccompanied Asylum seeker Children	(0.1)
Other improvements	(0.2)
Aldine House Income	0.5
M6 Committee Overspend	6.5

Dedicated Schools Grant (DSG) is overspending by £2.3m	DSG Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Children & Families	6.1	6.3	(0.1)
	Community Services	0.6	0.6	0.0
	Education & Skills	214.0	211.6	2.4
	Integrated Commissioning	9.5	9.4	0.0
	Total	230.2	227.9	2.3

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	<p>£0.7m of the BIP shortfall relates to reduction in business support staffing linked to the investment in support workers in Fieldwork not happening as planned.</p> <p>Difficulties in recruiting Fieldwork staff is resulting in a £1.5m underspend which is currently helping to offset the BIP shortfalls.</p> <p>There are £0.6m 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.</p>
The residential strategy (c£2.7m savings) requires completion of a business case and will not be delivered this year	<p>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.</p> <p>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.</p> <p>The existing secure unit is now forecasting an income shortfall of £1m due to capacity restrictions caused by staffing shortages. There are risks around when this may be resolved but this is a one-off issue with the forecast assuming normal income levels from January 2023 in line with staffing assumptions.</p>

£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) have a combined overspend of £1.4m partly offset by one-off income.	<p>The direct payments and short breaks budgets are forecast to overspend by £0.5m (consistent with growth observed in 21/22).</p> <p>The Family Time budget is £0.2m overspent with the current staffing forecast being higher than planned.</p> <p>Non-staffing Fieldwork/NRTPF budget is £0.7m overspent. The forecast has continued to rise this year and is broadly based on M1-4 trends. A (£0.5m) one off contribution from Household Support Grant has been made towards S17 payments.</p> <p>These areas need to be closely reviewed to confirm forecast accuracy, understand reasons behind the overspends and explore any mitigating action available.</p>

1.4.4 **Housing Committee - General Fund Balanced but Housing Revenue Account overspend of £12.7m at Month 6**

The Housing General fund is forecast to be broadly in line with budget.	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Housing General Fund	8.6	8.7	(0.1)
	Housing Growth	0.1	0.1	0.0
	Total	8.7	8.8	(0.1)
The Housing Revenue Account is forecast to overspend by £12.7m.	Full Year Forecast £m @ Month 4	Outturn	Budget	Variance
	Net Income – Dwellings	(149.5)	(152.6)	3.1
	Other income	(6.5)	(6.5)	(0.0)
	Repairs & Maintenance	48.7	41.4	7.3
	Depreciation	25.0	25.0	0.0
	Tenant Services	52.4	54.0	(1.6)
	-Disrepairs	5.2	2.6	2.6
	-Council Tax	2.2	0.9	1.3
	Interest on borrowing	13.6	13.6	(0.0)
	Contribution to Capital Programme	8.9	21.6	(12.7)
	Total	(0.0)	0.0	(0.0)
Vacant properties are forecast to result in a £3.1m loss of rent and £1.3m extra Council Tax cost.	Loss of rent is forecast to be £3.1m for the year largely related to the speed of turnaround of repairs on vacant properties. The HRA plan had assumed voids at around 1.5% but whilst plans are in place to improve the position going forward the current rate is around 3.5%. In addition, the extra Council Tax costs of vacant properties is forecast to be around £1.3m for the year.			
The Housing Repairs Service is forecast to overspend by £7.3m	There are significant overspends on employees, sub-contractors, and material costs in dealing with additional responsive repairs. Gas servicing and repair work to address voids, inclusive of the estimated extra cost of the pay offer for this service (£1m).			
Disrepair claims are estimated at £2.6m above budget.	The current forecast includes £2.6m extra costs for legal fees from an increasing volume of disrepair claims.			
Vacant posts in Tenant Services contribute to a forecast £1.6m underspend.	A forecast underspend across Tenant services is largely as a result of vacancies, more than offsets the additional pay offer cost of £1.1m.			
High inflation poses a risk to the business plan.	As part of the 2022/23 HRA Business Plan, rental income was increased by September's CPI +1%, as required per rent policy. Since then, the rate of CPI has been increasing, and is currently running at 10.1%, which is significantly higher than the 4.1% agreed. This needs further consideration in the business plan going forwards.			

Energy inflation is forecast to increase at around 100%, resulting in additional cost pressures in 22/23. This is forecast to be funded by specific earmarked reserves alongside an increase to the Kilowatt per hour charge within Community Heating services.

The use of reserves to mitigate the energy impact is one off, and not sustainable going forwards.

Community heating account is forecast to overspend by £0.3m due to rising energy prices	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Income	(3.6)	(3.3)	(0.3)
	Expenditure	3.8	3.2	0.6
	Total	0.2	(0.1)	0.3
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 £0.6m at Month 6**

The Transport, Regeneration & Climate Committee is forecast to underspend by £0.6m.	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Direct Services (<i>Carbon Reduction; Transport</i>)	0.0	0.0	0.0
	Streetscene & Regulation (<i>Clean Air Zone</i>)	0.1	0.0	0.1
	Inclusive Growth & Development (<i>Capital Delivery; Director of Inclusive Growth; Property and Regeneration</i>)	0.5	0.4	0.1
	Planning, Investment & Sustainability (<i>Planning Services; ITA Levy; Transport and Infrastructure</i>)	40.7	41.5	(0.8)
	Total	41.3	41.9	(0.6)
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 6	One-off	BIPs	Trend
	Direct Services	0.0	0.0	0.0
	Streetscene & Regulation	(2.1)	2.1	0.1
	Inclusive Growth & Devt	0.0	0.0	0.1
	Planning, Investment & Sustain	0.0	0.0	(0.8)
	Total	(2.1)	2.1	(0.6)
<p>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.</p> <p>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.</p>				
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 was factored into forecasts in M4. The proposal leaves an additional pressure of £0.1m for the Committee.			
	It should be noted that the extra pay offer cost is an initial indicative estimate only and has been included within Inclusive Growth and Development activity for all services within the Committee, pending agreement with Unions.			
The underspend reflects vacancies and higher Highway Network activity.	Contributory factors in the underspend are vacancies within Planning & Transport and extra income from higher than planned Highway Network Management activity.			

1.4.6 **Economic Development & Skills Committee – Underspend of £0.1m Month 6**

The revenue outturn position for the Economic Development & Skills Committee remains broadly balanced	Full Year Forecast £m @ Month 6		Outturn	Budget	Variance
	Education & Skills <i>(Employment and Skills; Family and Community Learning)</i>		0.8	0.8	0.0
	Economy, Culture & Skills <i>(Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)</i>		9.5	9.6	(0.1)
	Streetscene & Regulation <i>(Events)</i>		0.7	0.6	0.1
	Total		11.0	11.0	0.0

Whilst the net budget is £11m, the Committee is reliant on £14.4m of income to support the services	Service	Net Budget	Outturn - Income	Outturn - Expend	Total Outturn (M6)	Total Variance
	Education & Skills	0.8	(6.9)	7.7	0.8	0.0
	Economy, Culture & Skills	9.6	(6.8)	16.3	9.5	(0.1)
	Streetscene & Regulation	0.6	(0.7)	1.4	0.7	0.1
	Grand Total	11.0	(14.4)	25.4	11.0	(0.0)

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 extra pay offer cost is an initial indicative estimate only and has been included within Economy, Culture & Skills activity for all services within the Committee, pending agreement with Unions.

The key Budget Implementation Plan (BIP) was delivered	The key BIP for 22/23 was to vacate the offices at Broad Street West, which has been achieved.
---	--

1.4.7 **Waste & Street Scene Committee is balanced at Month 6**

The Waste & Street scene committee is forecasting to underspend by £0.3m.	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Streetscene & Regulation <i>City Centre Management; Director of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services; Covid Hub)</i>	54.4	54.7	(0.3)
	Total	54.4	54.7	(0.3)

A breakdown of budgets included in the W&SC committee is provided below for further detail on the split between income and expenditure budgets:

Service Area	Budget	Outturn - Income	Outturn - Expend	Total Outturn @M6	Variance
Waste Management	28.5	(5.3)	33.4	28.1	(0.3)
Highways Contract	20.2	(49.3)	69.5	20.2	(0.0)
Environmental Regulations	4.9	(1.3)	6.5	5.1	0.2
Sheffield City Markets	1.9	(1.6)	3.4	1.8	(0.1)
Highway Maintenance Division	1.6	(2.2)	3.6	1.3	(0.3)
City Centre Management	1.3	(1.5)	3.0	1.5	0.2
Director Of Streetscene & Regulation	0.8	(0.2)	1.1	1.0	0.1
Emergency Planning	0.3	(0.1)	0.4	0.3	(0.0)
Licensing	0.1	(1.5)	1.7	0.2	0.0
Covid Hub	0.0	(8.3)	8.3	0.0	0.0
Place Hub	0.0	0.0	0.0	0.0	0.0
Parking Services	(4.9)	(11.2)	6.1	(5.1)	(0.2)
Grand Total	54.7	(82.5)	136.9	54.4	(0.3)

Underlying inflationary pressures on energy and waste management present a significant issue for the 23-24 business plans.	Variance Analysis £m @ Month 6	One-off	BIPs	Trend
	Streetscene & Regulation <i>City Centre Management; Director of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services; Covid Hub)</i>	(3.2)	0.4	2.6
	Total	(3.2)	0.4	2.6

The Waste contract provides for an uplift in costs at RPIX which was re-based at 8% for 22/23. This was £0.8m higher than the budgeted level. Similarly, energy cost increases of 100% on street lighting are resulting in a £2.1m issue in 22/23.

	<p>Both these pressures are being mitigated in 2022/23 through one-off provisions / reserves, which will be exhausted for the 2023/24 budget.</p> <p>So given 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.</p>
<p>The impact of the proposed pay offer creates an additional £0.2m pressure to the committee</p>	<p>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.</p> <p>It should be noted that the extra pay offer cost is an initial indicative estimate only and has been included within the Director activity for all services within the Committee, pending agreement.</p>

1.4.8 **Communities, Parks & Leisure Committee - underspend of £0.4m at Month 6**

The Communities Parks & Leisure Committee is forecast to underspend by £0.4m	Full Year Forecast £m @ Month 6	Outturn	Budget	Variance
	Community Services (Community Safety; Family Centres; Youth Services; Community Services Business Support)	10.4	11.1	(0.7)
	Parks, Leisure & Libraries (Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health)	33.7	33.4	0.3
	Integrated Commissioning (Voluntary Sector)	0.7	0.8	(0.1)
	Total	44.9	45.4	(0.4)
There is forecast to be a shortfall of BIP delivery of £0.4m relating to Parks and Libraries	Variance Analysis £m @ Month 6	One-off	BIPs	Trend
	Community Services (Community Safety; Family Centres; Youth Services; Community Services Business Support)	(0.5)	0.0	(0.1)
	Parks, Leisure & Libraries	(0.2)	0.5	0.0
	Integrated Commissioning (Voluntary Sector)	0.0	0.0	(0.1)
	Total	(0.8)	0.5	(0.1)
Community Services are underspending by £0.7m	Most of the underspend is one-off. £254k funding relating to year 2 of the Page Hall project which is being requested to carry forward to 23/24. There is an underspend of £0.1m resulting from recruitment slippage for Community Support Workers (£0.1m). This month, forecasts have been adjusted to reflect an underspend of £225k in Youth Services due to delays in restructuring.			
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 was factored into forecasts in M4. The proposal leaves an additional pressure of £0.4m for the Committee.			
	It should be noted that the extra pay offer cost is an initial indicative estimate only and has been included within the Parks, Leisure & Libraries activity for all services within the Committee, pending agreement with Unions.			
£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 Collection Fund Monitoring Update M6 22/23

The Council, as a billing authority, is required by law to set up and maintain a Collection Fund separate from the General Fund. It records transactions relating to both the Council Tax and the National Non-Domestic Rates (NNDR). It shows how these local taxes have been distributed to the Council's General Fund. **Appendix 1** provides an update of the Council's collection fund position as at 30th September 2022 and forecast outturn position for 22/23.

1.6 Treasury Management Outturn M6 22/23

Appendix 2 describes the Council's Treasury Management position and potential implications for revenue budgets. It also covers prudential and treasury management indicators required under the Prudential Code or the Treasury Management Code of Practice

1.7 Reserves Position and Strategy

Attached to this report as **Appendix 3** is the Council's Reserves Strategy showing details of the reserves held and planned uses. Our reserve strategy is a living document. The Council continually assesses its reserves position, balancing the need to retain sufficient reserves to meet future risks, with a plan to utilise any reserves that are not needed. The paper provides an updated position as at 30th September 2022.

1.8 Capital Programme Monitoring M6 22/23

The position on the capital programme at M6 is noted in **Appendix 4**.

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 climate 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.

6. REASONS FOR RECOMMENDATIONS

- 6.1 This paper is to bring the committee up to date with the Council's current financial position as at Month 6 2022/23 including Revenue General Fund, Housing Revenue Account, Capital Programme, Collection Fund, Treasury Management position and the Council's reserves strategy.

Collection Fund Monitoring

As at 30th September

Summary

1. In 2022/23 approximately £343.6m of the Council's net expenditure was forecast to be financed directly through locally collected taxation. This taxation is initially collected by the Council and credited to the Collection Fund.
2. As at the end of September, the local share of the Collection Fund Income Stream is forecasting a small £0.1m surplus.
3. This is an estimate that is subject to considerable uncertainty and highly sensitive to changes in local and national economic trends.

Income Stream, retained by SCC (all figures £m)	Budget 22/23	Forecast Year End Position	Variance
Council Tax	(251.3)	(251.4)	(0.1)
Business Rates	(92.3)	(92.3)	0.0
Total	(343.6)	(343.7)	(0.1)

Council Tax

4. The forecast year end position for Council Tax is a broadly balanced position – a surplus of £123k across the Fund.
5. The estimates used for the purposes of setting the 22/23 Budget appear accurate. Payment rates continue to recover to pre-pandemic levels, and the aggregate Council Tax liability after exemptions and discounts are in line with original estimates.

Collection Fund - Council Tax (all figures £m)	Budget 22/23	Forecast Year End Position	Variance
Gross Council Tax income yield for 2022/23	(413.2)	(413.9)	(0.7)
Revenue foregone due to Council Tax Support	43.4	43.6	0.2
Other discounts and exemptions	61.6	61.7	0.1
Net Collectible Council Tax	(308.2)	(308.6)	(0.4)
Losses on collection and increase/(decrease) to bad debt provision	13.8	14.1	0.3
Council Tax Income	(294.4)	(294.5)	(0.1)
Allocation of Council Tax Income (<i>%age share in brackets</i>)			
Sheffield City Council (85.4%)	(251.3)	(251.4)	(0.1)
South Yorkshire Police and Crime Commissioner (10.9%)	(32.0)	(32.0)	(0.0)
South Yorkshire Fire & Rescue (3.8%)	(11.1)	(11.1)	(0.0)
Total Allocations	(294.4)	(294.5)	(0.1)

6. The main threat to the position is the uncertainty created by the current cost of living crisis, and the impact this may have on residents' ability to pay Council Tax. The

headline position assumes a level of decline in future months, so we are proceeding on a cautious footing.

7. Any variance to the budgeted position will not affect the 22/23 outturn position but must be accounted for in future years. The above table demonstrates a relatively minor surplus payment into 23/24, if this position holds true.

Business Rates

8. The forecast year end position for Business Rates is a broadly balanced position, as below.

Collection Fund - Business Rates (all figures £m)	Budget 22/23	Forecast Year End Position	Variance
Gross Business Rates income yield	(266.8)	(261.7)	5.1
Estimated Reliefs	68.4	68.7	0.3
Losses on collection, appeals and increase/(decrease) to bad debt provision	11.7	6.3	(5.4)
Net Collectable Business Rates	(186.7)	(186.7)	0.0
Transitional Protection Payments due from Authority	-	-	-
Cost of Collection allowance	0.7	0.7	-
Designated amounts	3.7	3.7	-
Non Domestic Rating Income	(182.3)	(182.3)	0.0
Allocation of net business rates (<i>%age share in brackets</i>)			
Sheffield City Council (49%)	(89.3)	(89.3)	-
SY Fire Authority (1%)	(1.8)	(1.8)	-
Central Government (50%)	(91.2)	(91.2)	-
Total Allocations	(182.3)	(182.3)	-
Share of disregarded amounts			
Sheffield City Council	(3.0)	(3.0)	0.0
South Yorkshire Mayoral Combined Authority	(0.7)	(0.7)	(0.0)
Sheffield City Council NNDR Income	(92.3)	(92.3)	0.0

9. The net collectible business rates position is broadly balanced, but contains some large movements described below:
- Gross liability is assumed to fall £5.1m below budgeted levels. This is largely due to a cautious forecast of the activity in the rest of the year.
 - Reliefs are £0.3m higher than estimated in the Budget. This figure fluctuates as ratepayers submit claims for relief and we have assumed a level of continued claims for relief in this year.
 - The improvements offsetting this £5.4m movement are releases of £4.3m and £1.1m from the bad debt and appeals provision respectively. This is due to successful enforcement and collection activity as regards historic debt, and the

resolution of historic appeals meaning the Council need no longer hold the provision.

10. This position is sensitive to a number of risks – that aggregate rating liability remains stable, and that payment rates continue to be strong. As above, this position has an amount of decline ‘built in’ to provide against risks borne of an uncertain and changeable backdrop.

Conclusion

11. The above forecast of a modest surplus position rests on a number of assumptions – detailed above. For avoidance of doubt, it must be remembered that any eventual surplus or deficit at year end does not affect the 2022/23 General Fund revenue outturn and will be accounted for within future revenue budgets.
12. Due to the size of the Collection Fund, any small percentage variations in income or the level of aggregate bills over the coming months will have a significant impact on the forecast position. Monthly monitoring of the Collection Fund position is conducted to ensure that we are fully aware of any changes and the potential budget impacts.

This page is intentionally left blank

Revenue Implications of Treasury Management

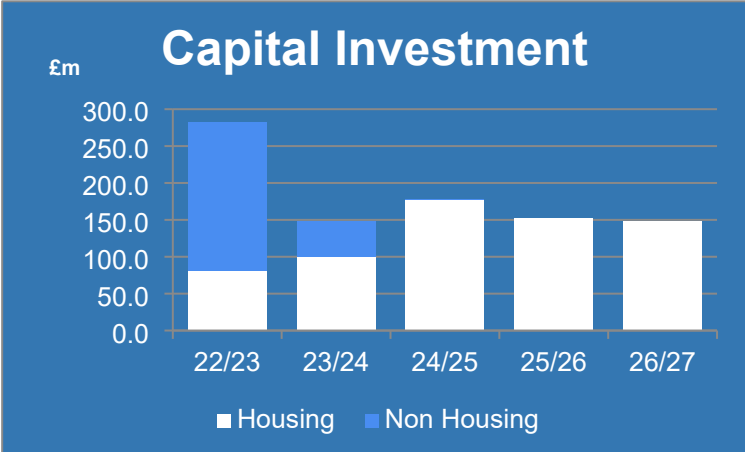
as at 30th September 2022

Purpose of the Report

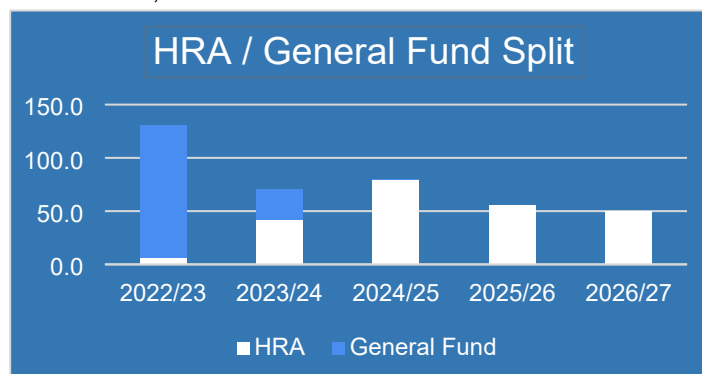
The purpose of this report is to summarise the Treasury Management position for the period to 30th September 2022 and the potential implications for revenue budgets.

In addition, Appendix 1 sets out Indicators not already covered in the main report but are required to satisfy the Council's Prudential Code and Treasury Management Code of Practice obligations.

1. Capital Investment & Funding

1.1 Significant capital investment delivered across the city	The Council continues to deliver significant capital investment across the city which will provide improved facilities and infrastructure and supports the local economy, whilst ensuring the impact on debt costs within the revenue budget is effectively managed.																								
1.2 The capital budget for 22/23 to 26/27 totals £909m	As of 31 st August 2022, the <u>approved</u> capital budget, for the period from 2022/23 through to 2026/27 totals £909m (a full breakdown is shown in Appendix A).																								
1.3 Housing and non-housing split of planned investment	<p>The split of this planned investment across housing and non-housing is shown in the graph below: -</p>  <table><caption>Capital Investment Split (£m)</caption><thead><tr><th>Year</th><th>Housing</th><th>Non Housing</th><th>Total</th></tr></thead><tbody><tr><td>22/23</td><td>80.0</td><td>200.0</td><td>280.0</td></tr><tr><td>23/24</td><td>100.0</td><td>50.0</td><td>150.0</td></tr><tr><td>24/25</td><td>180.0</td><td>0.0</td><td>180.0</td></tr><tr><td>25/26</td><td>150.0</td><td>0.0</td><td>150.0</td></tr><tr><td>26/27</td><td>150.0</td><td>0.0</td><td>150.0</td></tr></tbody></table>	Year	Housing	Non Housing	Total	22/23	80.0	200.0	280.0	23/24	100.0	50.0	150.0	24/25	180.0	0.0	180.0	25/26	150.0	0.0	150.0	26/27	150.0	0.0	150.0
Year	Housing	Non Housing	Total																						
22/23	80.0	200.0	280.0																						
23/24	100.0	50.0	150.0																						
24/25	180.0	0.0	180.0																						
25/26	150.0	0.0	150.0																						
26/27	150.0	0.0	150.0																						
1.4 Prudential borrowing over the next 5 years will fund approx. 48% of capital expenditure	The proportion of this investment funded by prudential borrowing over this period will be £387m. On this basis, approximately 42% of the capital expenditure planned for the next four years is being funded by Prudential Borrowing – with a substantial proportion of this being Heart of the City II in 2022/23. In later years 100% of new borrowing will be HRA related.																								
1.5 Graph - Prudential borrowing over next 5 years	The following graph shows how this element of funding varies over the five years. General Fund borrowing (£153m) makes up most of the borrowing in																								

the near term, but the HRA forecasts to borrow more from 2023/24 onwards.

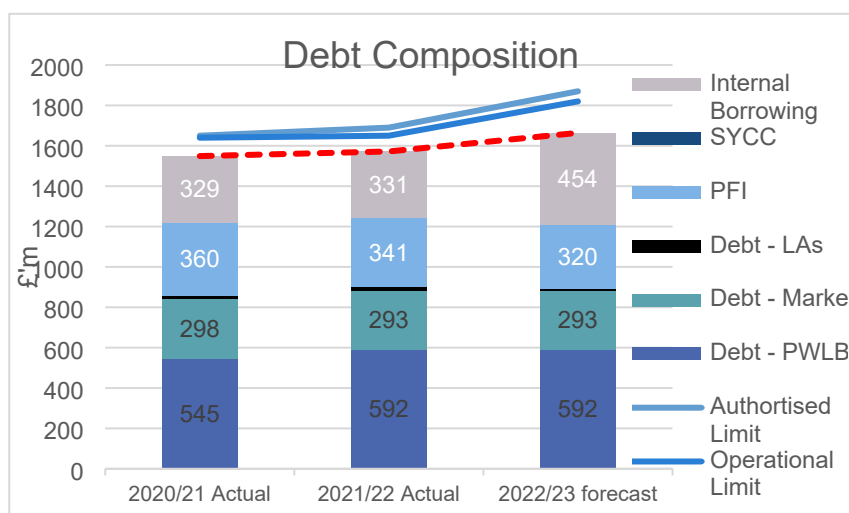


- | | |
|--|--|
| <p>1.6 The sale of parts of HoTC II programme are expected to be delayed, so borrowing costs and MRP will continue at current levels during this period</p> | <p>Anticipated disposals of blocks in the Heart of the City development are now expected to be delayed until more favourable economic conditions help maximise the benefit of the disposal. As a result, assets will be held and financed for longer, meaning the cost of interest and the Minimum Revenue Provision (MRP) charged to revenue will be higher for longer, although these charges will be offset by the rentals received. The gross impact will be around £3.6m (1.6m Interest and £2m MRP costs) though income will offset some of this cost.</p> |
| <p>1.7 No new external borrowing planned in 22/23. Borrowing rates are currently high and volatile. Internal resources can delay borrowing until more favourable conditions return.</p> | <p>Economics conditions have seen the cost of borrowing rise dramatically in the 2nd quarter of this year, forecasts are for more uncertainty but with cost eventually falling back by 24/25. This supports delaying borrowing and using internal sources, with options to look at short term borrowing should liquidity become an issue over this period.</p> <p>If 2022/23 forecasts for Prudential borrowing externalised current interest rates of around 5.6% would see an additional (full year cost) of around £7m.</p> |
| <p>1.8 Capital Expenditure funded by new borrowing is forecast to be £43.8m lower than Budgeted.</p> | <p>The latest projected capital expenditure estimates for 2022/23 compared to the original budget position shows that Prudential Borrowing in 2022/23 is projected to Decrease to £130.3m from £174.1m.</p> <p>Within this, HRA borrowing is down by £76m with General fund showing an increase of £32.2m.</p> |
| <p>1.9 Cash balances have remained strong and so we have delayed borrowing</p> | <p>Cash balances have remained strong and have afforded us the luxury of delaying borrowing into next year. Irregular funding flows from government partially created this opportunity. Balances are expected to decrease but have remained level during the first half of the year.</p> |

2. Update on Debt

2.1 Current Debt Composition (assumes full years' cap ex in our Capital Financing Requirement – CFR)

Borrowing from internal sources will increase.



The above table shows:

- The Council is using a substantial proportion of its own liquidity to fund capital expenditure, rather than taking external borrowing. If no further borrowing is externalised the Council will have borrowed internally up to £454m by 31 March 2023.
- This approach is taken because we pay around 2.0% p.a. more to borrow externally than we receive on any cash we invest. This report assumes further internal borrowing, but notes the associated interest rate risk, i.e., rates could be higher in future when we need to borrow externally.
- No new borrowing has been taken since March 2022.
- The Council is expected to maintain a moderate amount of borrowing capacity, over and above its current/forecast CFR when compared to the Operational Boundary. Whilst this capacity is forecast to reduce, we do not anticipate breaching the Boundary this year, as we still have a satisfactory margin of safety.
- In addition to that, there is further headroom of circa £50m before borrowing reaches the maximum level currently authorised by Full Council.

2.2 Strategy Update – no proposed changes

There are no proposed changes to:

- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue Provision Policy
- Either the Operational or Authorised Borrowing Limits

The 2022/23 Treasury Management Strategy Statement (TMSS) set out plans to borrow an additional £180m to fund in-year Capital Expenditure and reduce the under-borrowed position. Strong cash balances have allowed us to defer this borrowing and should see significant interest costs avoided for 2022/23.

So far, this financial year:

- The timing of grants received to cover Covid related costs have seen our cash balances remain high, although these balances are expected to reduce significantly towards the end of 2022/23
- £8m of loans will be repaid during 2022/23
- No further borrowing to fund General Fund investment is anticipated during this financial year, so internal borrowing is expected to increase as per the chart in 2.1
- The HRA is forecasting to expand capital investment which will lead to new borrowing being required., This borrowing may start during 2023/24 depending on the levels of capital expenditure.

2.3 No rescheduling of our borrowing has been undertaken

No rescheduling of any of our borrowing has been undertaken. Options to repay an £18m LOBO loan with Commerzbank are currently being reviewed. This debt is allocated to the HRA so will have no General fund impact. We will keep this position under review, currently the charges to reschedule PWLB debt are higher than the benefits of doing so.

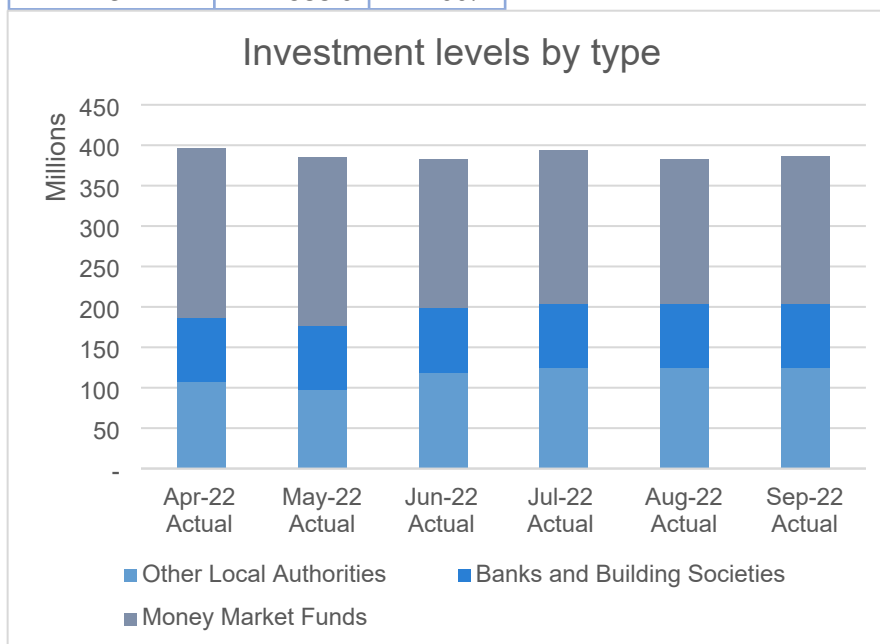
3. Update on Investments

3.1

Investment balances have decreased by £10m but rates are increasing, this is expected to continue until inflation in the economy is brought under control or bank rates have to ease over recession fears.

Investment balances have remained similar proportionally. However, the second half of the year will see more lending to Locals and Banks as the benefit to yield over liquidity has increased dramatically in

	Mth End Balance (£M)	Average Return
April	£396.8	0.53%
May	£385.1	0.72%
June	£383.0	0.95%
July	£393.7	1.04%
August	£382.2	1.27%
September	£386.9	1.53%
YTD Ave	£388.0	1.00%



the higher rate environment.

3.2	<p>Sufficient liquidity is being maintained, balances are expected to reduce, but income from investments is higher than budgeted.</p> <p>There are no investments for longer than 365 days</p>	<p>Most Local Authorities are in a similar position to Sheffield in that they currently have significant cash balances. However, we are beginning to see more Locals looking for cash, with higher alternative borrowing costs, lending rates to locals have increase dramatically. Bank and other investments are showing similar signs of recovery as the BOE increase base rates. Borrowing costs have also increased and as usual are higher than typical investment returns within our appetite for risk.</p> <p>Investment balances are expected to fall toward the end of the financial year, though income will still be higher than budgeted.</p> <p>On this basis, the Council will maintain a mix of investment balances to ensure ready access to funds and, where possible, benefit from locking away funds for a short, fixed duration. We will not pursue yield at cost of the security of funds or the liquidity requirement of the Authority.</p> <p>There are currently no proposals for the Council to invest sums for periods longer than 365 days.</p>
------------	---	---

4. Revenue

4.1 Treasury Management costs are largely in line with budget. No new borrowing has been done in 22/23	As at September 2022	Forecast £m	Budget £m	Variance £m
	Interest Costs (net of HRA recharge)	21.2	21.4	(0.2)
	MRP Costs	17.4	17.4	0
	Budget Variances	38.6	38.8	(0.2)

The above table shows:

- Costs are forecast in line with budget as a result of:
 - Additional cost of borrowing in March 22, after budget was set. This has had a full year impact in 2022/23 and was done on anticipation of interest rates increasing.
 - Anticipated 2022/23 borrowing will now be deferred because of strong cash balances and the borrowing mentioned above.

4.2

Financing Costs to Net Revenue generally increase slightly

22/23 shows a decrease due to Investment

Ratio of Financing Costs to Net Revenue	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Finance Costs	£39,379	£35,785	£41,475	£50,928
Net Revenue	£528,524	£527,394	£554,512	£570,200
Ratio	7.45%	6.79%	7.48%	8.93%

income and delays to borrowing costs.

* [Excluding PFI financing costs and associated grants but includes MRP charges made to services but not included in the treasury management budget](#)

The above table shows:

- Financing costs generally increase over the period. However, avoidance of new borrowing and increases to investment income in 2022/23 see the ratio come down this financial year.
- Financing Costs in 2024/25 include an extra £8.7m in MRP. £5.7m of this is due to the ending of reversals for previous overprovisions.
- Please note that the capital programme projections become less accurate the further forward the projection period is, and therefore financing costs may increase if the amount of the capital programme in 2023/24 to 2024/25 is funded by prudential borrowing increases.

5. Risk Assessment

5.1 The principal risks associated with treasury management	Risk	Mitigation
	Loss of investments as a result of a failure of a counterparty	Application of Annual Investment Strategy in relation to choice, of counterparty/investment type, level of investment and monitoring of credit ratings
	Increase in net borrowing costs due to an increase in borrowing costs and/or a decrease in investment returns	Planning and undertaking borrowing considering interest rate trends/forecasts. Borrowing using fixed rate loans to limit volatility of interest costs
	Interest rates rise significantly, increasing the cost of servicing new borrowing	The planned use of internal borrowing carries a risk that interest rates will be higher when we look to externalise the borrowing.
	Fraud	Strong internal controls – with dual stage authorisation for any out-going payments

6. Other Matters

6.1	Section 151 Officer Compliance	<p>The Section 151 Officer confirms compliance with the approved TMSS for 2021/22 and that a prudent investment approach has been followed with priority given to the security and the liquidity of amounts invested over the yield we receive.</p> <p>The Section 151 Officer confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2022/23</p>
-----	--------------------------------	---

Appendix 1 – Prudential and Treasury Management Indicators

This appendix covers the prudential and treasury management indicators not already covered in the body of the main report but are required under the Prudential Code or the Treasury Management Code of Practice.

Capital Programme and Funding

Forecast as at August 2021	2022/23 Forecast £m	2022/23 Budget £m	2022/23 Variance £m
Non-Housing Expenditure	200.9	132.1	68.8
Housing Expenditure	80.6	170.6	-90.0
Total	281.5	302.7	-21.2
Financed by:			
Capital Receipts	21.3	32.5	-11.2
Capital Grants and Contributions	91.1	43.0	48.1
Revenue Contributions	38.8	53.1	-14.3
Prudential Borrowing	130.3	174.1	-43.9
Total	281.5	302.7	-21.2

Breakdown of Capital Expenditure

Capital Expenditure	22/23	23/24	24/25	25/26	26/27
ADULT HEALTH & SOCIAL CARE	0.9	0.0	0.0	0.0	0.0
COMMUNITIES, PARKS & LEISURE	8.4	0.0	0.0	0.0	0.0
ECONOMIC DEVELOPMENT & SKILLS	80.6	100.0	177.6	0.0	0.0
EDUCATION, CHILDREN & FAMILIES	133.7	23.0	0.0	0.0	0.0
HOUSING	6.8	0.0	0.0	152.5	149.0
STRATEGY & RESOURCES	25.3	18.6	0.0	0.0	0.0
TRANSPORT, REGEN & CLIMATE	25.1	6.8	0.0	0.0	0.0
WASTE & STREET SCENE	0.7	0.0	0.0	0.0	0.0
TOTAL	281.5	148.4	177.6	152.5	149.0

Movement in Capital Financing Requirement

Capital Financing Requirement (CFR)	Per TMSS 22/23	Mid-Year Forecast £m
CFR - General Fund CFR	1,288.9	1,312.0
CFR - Housing Revenue Account	456.3	352.0
TOTAL	1,745.2	1,664.0
Borrowing	1020.0	890.2
Other Long-Term Liabilities	320.0	320.0
Forecast - Total Debt as of 31 March 2023	1340.0	1210.2

Authorised and Operational Borrowing Limits show significant headroom especially compared to external debt.

Authorised and Operational Limits on Debt	Per TMS £m	Forecast £m
Authorised Limit	1,780	1,780
Operational Boundary	1,750	1,750
Projected Year End Capital Financing Requirement	1,745	1,664
Headroom to Operational Boundary (CFR)	5	86
Headroom to Authorised Borrowing Limit (CFR)	35	116
Projected External Debt at 31 March 2022	1,340	1,210
Headroom to Operational Boundary (debt)	410	540
Headroom to Authorised Borrowing Limit (Debt)	440	570

Interest Rate Forecast

The Council's treasury advisor, Link Asset Services, has provided the following forecast. The dramatic increase in the bank rate between their two forecasts is indicative of the level of volatility. This dramatic change was caused by the Governments Mini budget and their inflationary nature of their policy.

Updating of our forecasts 27 September 2022

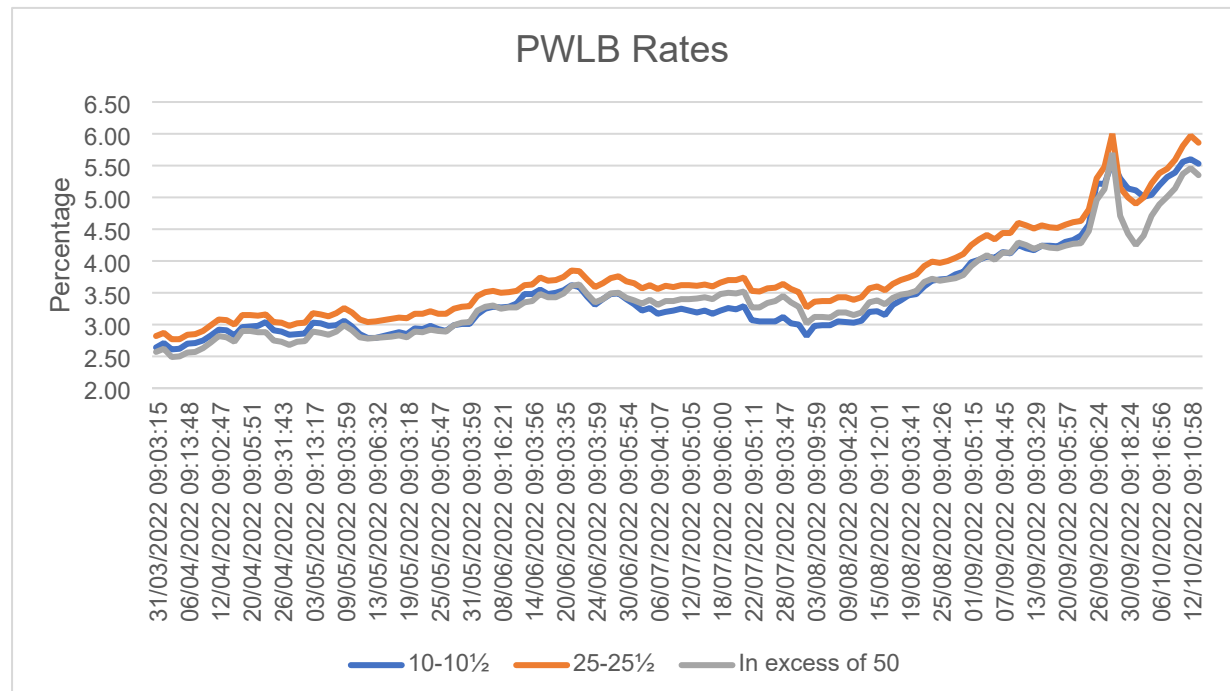
Comparison of forecasts for Bank Rate today v. previous forecast												
Bank Rate	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
27.09.22	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
09.08.22	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00
Change	1.50	2.25	2.25	2.25	2.00	1.50	1.50	1.00	0.75	0.50	0.50	0.50

The long term forecast for for borrowing rates is to reduce steadily from 23 onwards. However, PWLB 25 year has already touched 6% in early October before falling back considerably. There remains significant uncertainty in gilt markets, strong cash balances should allow us to delay new borrowing until conditions are more favourable.

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

PWLB

Up to August 22 PWLB rates were fairly static, the problem of inflation and energy costs became a huge problem, and the bank of England were forced to increase the base rate. The general situation is for volatility in bond yields to endure as investor fears for inflation and/or recession ebb and flow.



This page is intentionally left blank

Reserves Strategy

Introduction

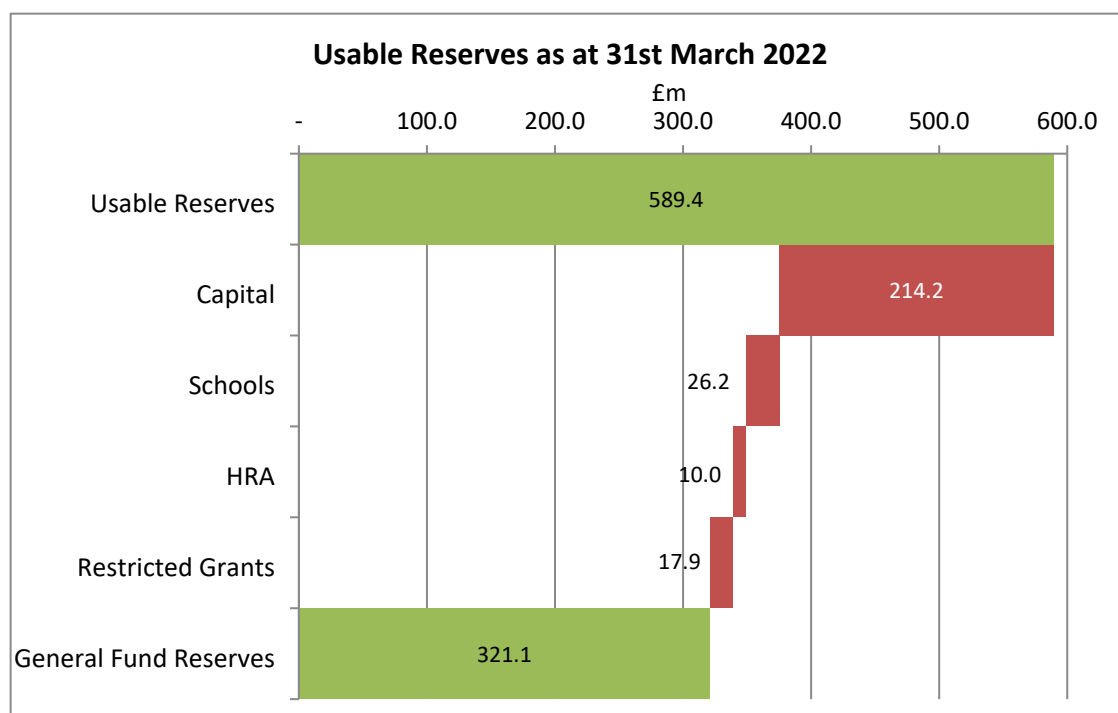
1. This report analyses the latest position in relation to the level of the Council's reserves. Section 25 of the Local Government Act 2003 requires the statutory Chief Finance Officer (the Executive Director of Resources) to present to the authority a report assessing the adequacy of unallocated reserves in the context of corporate and financial risks facing the Council.
2. The Council needs to balance the necessity for reserves against the immediate impact on council taxpayers and arrive at a level it considers adequate and prudent, but not excessive.
3. Reserves can be used temporarily to fund services, and this approach is reviewed as part of the budget strategy. However, they are:
 - one off funds and using them in the budget will only delay the need to make savings. Once used, they are not available to support future years.
 - most suited to covering one off, unexpected costs and emergencies or costs that are likely to be incurred in the future, but the timing is uncertain.

Total Reserves at 31st March 2022

4. The [Council's Un-Audited Statement of Accounts for 2021-22](#) shows a figure for “usable” reserves in the balance sheet on page 33 of £589.4m as at 31st March 2022. However, this figure is a technical accounting one and is not relevant for the purposes of setting the General Fund revenue budget.
5. The Council's total spending and reserves is separated in to five main blocks:
 - Capital - Sums set aside to provide funding for the capital programme or to manage the impact of new capital schemes.
 - Schools - funds that have been allocated to, and held in trust for, schools, and which remains unspent at the year end. This reserve is only available to support schools expenditure.
 - Housing Revenue Account (HRA) - amounts specifically required by statute to be set aside and ring-fenced for future investment in HRA;
 - Restricted Grants – funding received for specific projects;

- General Fund - spend on all other services not in the above four categories, funded from government grants, the local share of business rates and council tax.

6. For the purposes of setting the budget and this reserves strategy, £268.3m of the “usable reserves” are irrelevant as below:



7. This leaves around £321.1m of General Fund reserves as at 31st March 2022. However, £308.3m of this is “earmarked” i.e. committed to cover liabilities for expenditure which is already committed but not yet paid for.
8. Just £12.8m is un-earmarked reserves. If the reserve is used, it will be replenished to the stated minimum level as soon as practically possible; the Council will always need a minimum level of emergency reserves.
9. The Council continually assesses its reserves position, balancing the need to retain sufficient reserves to meet future risks, with a plan to utilise any reserves that are not needed. Any future over spends will require further un-earmarking of reserves, leaving the Council at far greater risk of future unfunded expenditure.

Estimate of reserves going forward

10. The table below highlights the split of earmarked and un-earmarked reserves forecast at 31st March 2022 and 31st March 2023.

Estimate of reserves at 31 March 2022 & 31 March 2023

Description	Balance at 31/03/22 £000	<i>Movement in 2022/23 £000</i>	Balance at 31/03/23 £000
Un-earmarked Reserves			
General Fund Reserve	12,851	0	12,851
	12,851	0	12,851
Earmarked Reserves			
Collection Fund	49,834	(11,904)	37,930
Major Sporting Facilities	43,228	536	43,764
PFI Reserve	28,850	(2,642)	26,208
Service Area Reserves	24,353	(1,892)	22,461
New Homes Bonus	21,134	(1,704)	19,430
Capital Charges	15,385	1,500	16,885
Insurance Fund	10,939	0	10,939
Public Health	6,130	(1,639)	4,491
Heart of the City II	5,980	0	5,980
Children's and Adults Social Care	5,837	(5,837)	0
Invest to Save	875	1,417	2,292
Other earmarked	95,707	(31,619)	64,088
Total Earmarked Reserves	308,252	(53,784)	254,468
Total Revenue Reserves	321,103	(53,784)	267,319

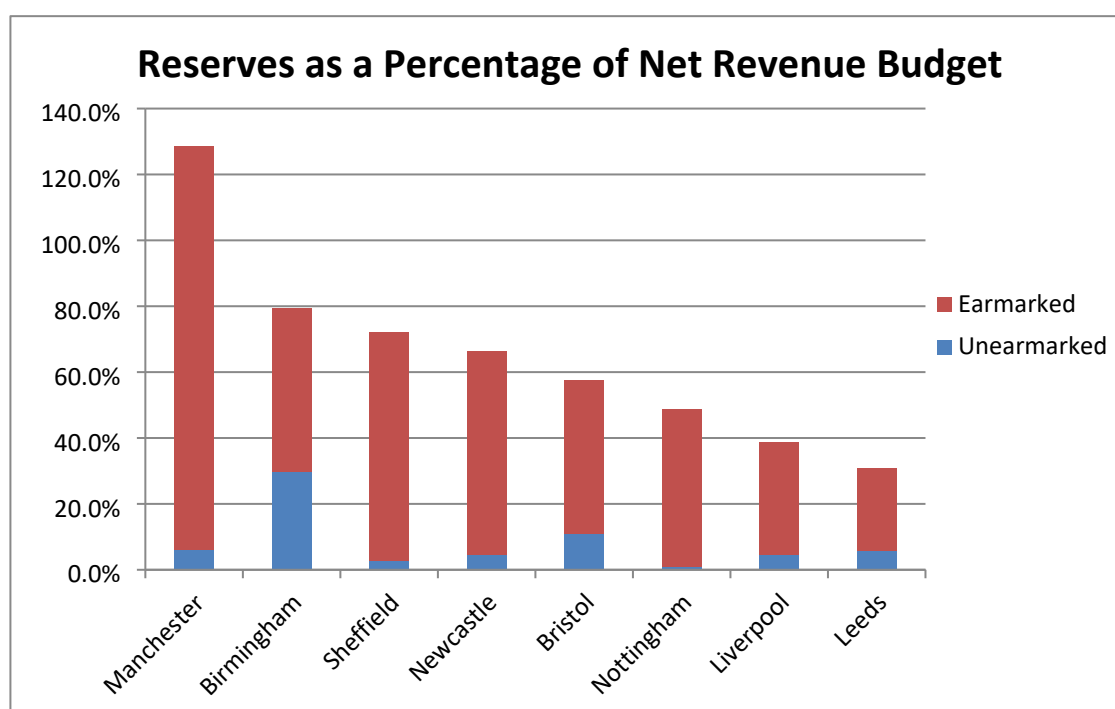
11. The forecast for 2022/23 shows a steep decline in reserves of £53.8m due mainly to the need to un-earmark reserves to cover ongoing overspends. This equates to 17% of all General Fund reserves.
12. £33.1m of the forecast drawdown comes from other earmarked reserves to cover the £14.5m used to fund the Council's 2022/23 budget gap and a further £18.6m forecast to be required for the 2022/23 overspend.
13. The £11.9m reduction in the Collection Fund Reserve is for the anticipated distribution of the retail discount grant from Government that was carried forward from the previous year.

General (non-earmarked) revenue reserves

14. The purpose of general revenue reserves is to provide funding for any unforeseen risks and expenditure which may arise during the year. The Council will always

need a minimum level of emergency reserves. A good example being the Sheffield floods in 2007 and 2019, when we had to use reserves to fund spending on the recovery operation before reclaiming costs from insurance or the Government.

15. There is no overall formula that can calculate what the level of reserves should be; it is a matter of judgement based on the known risks, budgetary pressures and local factors.
16. The graph below shows a comparison of both earmarked and un-earmarked reserves as a percentage of Net Revenue Budget in relation to other major cities for the same period.
17. SCC has the second lowest un-earmarked reserves of all core cities at just 2.9% of Net Revenue Budget (NRB). Once Earmarked Reserves are added on SCC is 3rd of the 8 core cities with 72.2% of NRB. The expected decline in reserves for 2022/23 would drop SCC to 4th, all other things being equal.



N.B Reserve levels based on 2021-22 Statement of Accounts (un-audited) except for Nottingham whose latest published accounts are 2019/20. NRB data based on 2022-23 RA data.

Earmarked Reserves

18. A list of earmarked reserves, their purpose and proposed use are set out below. Figures in brackets represent their balance at 31/3/22.
19. Earmarked reserves are set aside to meet known or predicted liabilities, but ones that are not certain enough to create an exact provision in the accounts. The

liabilities are, however, likely enough to say that the earmarked reserves are not normally available to fund the budget or other measures.

Collection Fund (£49.8m)

20. This reserve is required to cover potential reductions in Business Rates and Council Tax income, ensuring any short-term fluctuations in collection rates don't have a direct impact on budget setting and/or cause additional financial pressures across portfolios. £11.9m of the remaining reserve is forecast to be used in 2022/23, largely for the anticipated distribution of the remaining retail relief funding from Government. Due to the accounting arrangements involved we were required to carry this forward in earmarked reserves.

Major Sporting Facilities (MSF) (£43.2m)

21. The remaining funds are required for the future costs of the Major Sporting Facilities debt (Ponds Forge, Hillsborough Leisure Centre, etc.) and for investment in the leisure strategy.

Private Finance Initiative (PFI) Reserve (£28.9m)

22. This PFI grant is a good example of why we have earmarked reserves – Government pays us money in advance to pay future years' liabilities, so we set these sums aside in a reserve until they are needed. If we did not do so, there would be insufficient funds to cover the cost of contracts in future years. These reserves are therefore firmly committed in the medium to long term.

23. The PFI reserve is expected to reduce by £2.6m over the course of 2022/23 in line with the established PFI spend profile.

Service Area Reserves (£24.4m)

24. These are a variety of service specific reserves agreed by Cabinet in previous years set aside for long term projects / plans, examples include the Workplace Accommodation Strategy and the Flexible Development Fund.

New Homes Bonus / Corporate Investment Fund (£21.1m)

25. The Government pays all Councils the New Homes Bonus to incentivise them to bring empty properties back into use or encourage new housing to be built. The Council intends to use the payments to promote housing development and to fund economic growth projects. This reserve sets aside the payments until required for agreed projects, which now form part of the wider Corporate Investment Fund.

Capital Financing Charges (£15.4m)

26. Funds required to support borrowing, Minimum Revenue Provisions (MRP) and other associated costs for capital programmes including the major sporting facilities, Heart of the City 2 project and Highways PFI.

Insurance Fund (£10.9m)

27. This reserve was created in 2013/14 following the audit of the 2012/13 accounts. The External Auditor recommended that the difference between the Council's best estimate of actual losses and the maximum potential liability should be classified as an earmarked reserve.

Public Health (£6.1m)

28. Public Health grant funding is given to the Council on a yearly basis and is restricted to spending on public health functions. The conditions of the grant specify that any surpluses must be carried to a reserve for use in future years. The balance on this reserve therefore represents underspends in prior years.

Heart of the City II (£6.0m)

29. Funds set aside for future in costs in relation to the city's Heart of the City regeneration scheme.

Children's and Adult Social Care (£5.8m)

30. Social Care reserves are held to deal with transforming Social Care in Sheffield to better meet the much-publicised challenges facing the sector and to deal with unforeseen costs. This is all expected to be required in 2022/23.

Invest to Save Projects (£0.9m)

31. The Council has delivered a number of business transformation projects that are essential to the future success of the Council's operations and which have been used to help offset budget pressures over the last few years. This will continue with support to deliver future savings identified, including a number of strategic reviews. This reserve will be bolstered by £1.4m in 2022/23.

Other Earmarked Reserves (£95.7m)

32. This includes various specific earmarked reserves. These include:

- contingencies for potential budget deficits
- redundancies
- pension deficit payments
- corporate energy reserve
- highways PFI contingency

33. As at March 2022 the contingency for budget deficits had been reduced from £70m to £50.5m due to the 2021/22 overspend. £14.5m of this remaining £50.5m is planned to be used to fund the Council's 2022/23 budget gap and a further £18.6m is forecast to be required for the 22/23 overspend, leaving just £17.4m specifically set aside for budget deficits.

Assessment of levels of reserves

34. The Section 151 officer has carried out an assessment of the adequacy of the level of reserves held by the Council in light of the principal risks it faces. While the maximum total financial impact of these risks far exceeds the reserve held, the overall likelihood of all these risks being incurred in any one year is low and therefore, it is not deemed prudent, nor offers best value to hold sufficient reserves to cover all eventualities.
35. The Executive Director of Resources recommended during the 2022/23 budget process that:
- The General Fund Balance be maintained at around £12.9m, and broadly in line with the recommended level of 3% to 5% of the Council's net spending, regarded by most Chief Finance Officers in the Audit Commission's research as a prudent level for General Fund reserves.
 - There are currently significant external risks to Local Authorities budgets but those that were already an ongoing risk, for example, the cost pressures in social care have been exacerbated by the pandemic and the Cost of Living crisis driving inflation.
 - These have also brought significant other risks, such as impacts on the collection fund, primarily due to Business Rates pressures.
 - The position is not yet critical, but stringent monitoring will be essential to ensure that reserve levels are adequate to cover future expected pressures in the medium term.

Management and Governance

36. Approving the in-year flow of money to and from reserves and creating or consolidating reserves is at the discretion of the Chief Financial Officer (CFO).
37. The condition for assessing requests for carry forwards is that the overall budget position of the requesting Portfolio cannot exceed its approved budget and therefore it is under spending.
38. Once reviewed by the Head of Accounting, carry forward requests will be presented to the Finance Sub-Committee as part of the quarterly Revenue Budget monitoring process. These should be submitted no later than the Month 8 forecast in December.
39. An annual Reserves Strategy is produced for approval in line with the Constitution. The Head of Finance & Commercial Business Partnering, or delegated officer, will then manage the need for transfers to and from reserves.

40. Where the proposed transfer does not relate to an approved strategy and is not a restricted grant then, subject to the urgency procedure, the decision may only be taken by Full Council.
41. The Head of Finance & Commercial Business Partnering, or delegated officer, can approve the transfer to reserves of a restricted grant where the expenditure is not expected to happen in the current financial year.
42. Restricted grants must be used for a specific activity/ purpose and any restricted grant balances carried forward at year end will be drawdown in full in M1 (April) of the following financial year.

CAPITAL PROGRAMME MONITORING AS AT SEPTEMBER 2022

1 - Statement of Budget Movement

The table below summarises the movement in budget from month 5 to month 6 22/23 and Capital programme budget position as at September 2022.

	2022/23	2023/24	Future	Total	Comments
Month 5 Approved Budget	281.5	148.4	479.2	909.1	The key changes to the programme from last month relate to:
Additions	1.1	0.0	0.0	1.1	ADDITIONS + £0.6m - Inclusion of budget for contribution to new SEND School + £0.36m - Inclusion of Levelling Up Fund feasibility budgets + £0.16m - Inclusion of budgets for Gleadless Valley Masterplan purchases
Variations	-1.0	5.5	-3.6	0.8	VARIATIONS + £0.5m - Variations to Transport Programme including 20mph zones + £0.6m - Increases to Woodbourn Road Football Hub and Parson Cross Sports Hub Works - £0.1m - Contribution to King Edwards Access Gates no longer required - £0.16m - Variation of block allocation to fund Gleadless Valley Masterplan purchases
Reprofile	0.0	0.0	0.0	0.0	REPROFILES Change to latest expected profile of expenditure on Silverdale School expansion
Slippage & Acceleration	-3.5	3.5	0.0	0.0	
Month 6 Approved Budget	278.0	157.4	475.6	911.0	

2 - Top 20 Projects by value as at September 2022

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2022/23. This group accounts for 59% of the 2022/23 capital programme. The major in-year and

PROJECT	Current Year							Remaining Life of Project					Comments	
	YTD Actual	YTD Budget	YTD Variance	FY Outturn	FY Budget	FY Variance	Variance %	Delivery Forecast RAG	All Years Outturn	All Years Budget	All Years Variance	Variance %		Delivery RAG
Values in £000														
Heart of The City Henrys Block	14,128	17,000	(2,872)	29,321	38,744	(9,423)	-24.3%	A	38,755	40,927	(2,172)	-5.3%	A	See Item 4.1
Heart of The City Palatine Chambers Block	6,131	9,853	(3,722)	19,106	27,216	(8,110)	-29.8%	A	36,944	35,707	1,237	3.5%	A	See Item 4.2
Major Sporting Facilities Finance	8,152	8,279	(127)	16,559	16,559	(0)	0.0%	NR	34,167	34,167	(0)	0.0%	NR	
Council Housing Roofing Replacements Prog	3,730	3,522	208	4,519	8,042	(3,523)	-43.8%	G	32,837	32,837	(0)	0.0%	G	See Item 4.4
Council Housing Single Staircase Tower Blocks Works	2,727	5,049	(2,322)	6,454	7,894	(1,440)	-18.2%	G	9,844	9,678	166	1.7%	G	See Item 4.7
Council Hsg Acquisitions Prog	3,787	3,576	211	7,533	7,152	381	5.3%	G	12,817	12,817	0	0.0%	G	See Item 5.7
Heart of The City - Pounds Park	2,281	3,088	(807)	5,924	6,699	(775)	-11.6%	G	6,699	6,699	(0)	0.0%	G	Contractor valuations not in line with forecasts
Brownfield Site Development Acquisitions	1,109	4,624	(3,515)	5,882	5,881	0	0.0%	NR	5,882	5,881	0	0.0%	NR	See Item 4.4
Heart of The City Leas Yard	155	1,080	(925)	1,338	4,920	(3,582)	-72.8%	A	7,638	4,920	2,718	55.2%	A	See Item 4.3
New Council Housing Acquisition - Handsforth	452	450	2	4,735	4,733	2	0.0%	NR	4,735	4,733	2	0.0%	NR	
New Build Council Housing Daresbury / Berners	3,020	3,372	(352)	4,699	4,651	49	1.0%	G	4,699	4,651	49	1.0%	G	
Council Housing Electrical Upgrades Ph 2	2,306	1,814	492	4,225	4,143	82	2.0%	G	19,510	19,436	74	0.4%	G	
Heart of The City Block C Pepper Pot Building	2,334	3,672	(1,338)	3,712	3,983	(271)	-6.8%	R	4,241	3,983	258	6.5%	R	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.
King Egberts School Expansion	244	255	(11)	3,874	3,874	(0)	0.0%	A	6,296	6,296	(0)	0.0%	A	
New Build Council Housing - Corker Bottoms	4	4	-	3,805	3,800	5	0.1%	NR	8,336	8,336	-	0.0%	NR	
Heart of The City - JLP Building works	434	1,448	(1,014)	2,693	3,485	(792)	-22.7%	A	3,485	3,485	0	0.0%	A	
Future High Streets Fund Public Realm & Infrastructure	467	852	(385)	1,399	3,418	(2,019)	-59.1%	G	8,624	8,624	(0)	0.0%	G	See Item 4.5
Future High Streets Fund Front Door Interventions	20	1,314	(1,294)	1,673	3,395	(1,721)	-50.7%	G	4,775	4,775	0	0.0%	G	See Item 4.6
Talbot-seven Hills Send	1,698	1,994	(296)	3,297	3,297	(0)	0.0%	A	3,297	3,297	(0)	0.0%	A	
Upper Don Valley Flood Scheme Phase 1	2,062	1,827	235	3,971	3,209	762	23.8%	A	4,674	3,209	1,465	45.7%	A	See Item 5.5
Top 20 Value	55,241	73,074	(17,832)	134,720	165,095	(30,375)	-18.4%		258,254	254,459	3,796			
Rest of Programme	35,469	56,000	(20,531)	108,011	112,945	(4,934)	-4.4%		663,765	656,577	7,187			
Total Capital Programme Value	90,711	129,074	(38,363)	242,730	278,040	(35,309)	-12.7%		922,019	911,036	10,983			
% of Programme within the Top 20	61%	57%	46%	56%	59%	86%			28%	28%	35%			

3 - Current Year to date and Forecast Outturn Position

The forecast outturn position is £35.3m below budget. The key variances by policy area are explained below. This is a movement of £1.7m from the £37m reported last month. However, there are approximately £7m of budgets to be approved that will shift the position to around £42m under budget. This month has seen further reported slippage across the Heart of The City and Future High Streets Fund schemes of £7.7m

Policy Committee	YEAR TO DATE			FULL YEAR			Comments
Values in £000	Actual	Budget	Variance	Forecast	Budget	Variance	
TRANSPORT, REGEN & CLIMATE	36,197	59,280	(23,083)	109,859	134,229	(24,370)	Key Variances - £26.1m - Slippage across Heart of The City Programme - £4.9m - Slippage across Future High Streets Fund Programme + £0.1m - CAZ Assistance Measures - forecast made budget awaiting approval + £0.8m - Forecast overspend on Upper Don Valley Flood Scheme (additional Environment Agency Funding sought) + £0.7m - LUF Attercliffe Adelphi Scheme - Forecast made Budget awaiting approval
COMMUNITIES, PARKS & LEISURE	10,656	13,001	(2,345)	24,910	25,970	(1,060)	Key Variances - £.4m - Section 106 Green & Open Spaces Allocation - Reprofitting of S106 funds to reflect likely timescales of delivery - £0.4m - Woodbourne Road Football Hub - Approval of increased budget in line with forecast increased costs - £0.25m - Hillsborough Library Entrance - Forecast slippage on this programme
HOUSING	31,354	37,224	(5,870)	71,376	78,641	(7,265)	Key Variances - £3.5m - Roofing Programme - forecast slippage as contractor has gone into administration - £1.4m - Slippage on Single Staircase Tower Blocks works - £0.7m - Council Housing Acquisition Programme - Reprofile of purchases - £0.7m - Underspend against LAD 2 grant schemes - £0.6m - Slippage on Gaunt Road New Build Council Housing - £0.35m Slippage on Elemental Refurbs contract - £0.3m - Slippage on Lift Replacement program - £0.3m Slippage on Hemsworth OPIL project - £0.15m - Stock Increase Programme block allocation reprofile + £0.9m Acceleration/increased costs forecast on Newstead Enabling works
EDUCATION, CHILDREN & FAMILIES	5,196	9,686	(4,491)	20,016	22,139	(2,123)	Key Variances - £0.6m - Contribution to new SEND Free School - Forecast not completed - £1.3m - Slippage on Schools FRA program - £0.5m - Brunswick School FRA - Budget reduction awaiting approval for scheme removed from program + £0.3m - Aldine House 2 Bed Extension - Forecast overspend on scheme. May generate additional revenue pressure in year
STRATEGY & RESOURCES	2,768	5,701	(2,934)	6,314	8,366	(2,052)	Key Variances - £1.5m - Corporate Estate Fire Risk Assessment Programme - forecast slippage across the programme - £0.4m - Abbeydale and Carr Forge Dam repairs - slippage
ADULT HEALTH & SOCIAL CARE	4,163	3,399	764	8,343	6,797	1,546	Key Variances + £2.6m - 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 - £0.8m - 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) - £0.2m - Disabled Persons Relocation Loans- Loan requests not at level expected GENERAL - Pressure building on overall DFG budget. Current predicted overspend is manageable within current year resources plus previous underspends brought forward. Work ongoing to review emerging pressures
WASTE & STREET SCENE	17	164	(147)	858	853	5	
ECONOMIC DEVELOPMENT & SKILLS	359	617	(257)	1,053	1,043	10	
Grand Total	90,711	129,074	(38,363)	242,730	278,040	(35,309)	

4 - Top 10 Forecast Slippage against Full Year Budget

Of the main £33.2m forecasts below budget, £23.9m 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. It should be noted that in the cases of the Heart of The City Schemes at Palatine Chambers and Leah's Yard, while there is in year slippage these schemes are forecasting to overspend against budget over all years. A separate appendix to the Capital Approvals report at the next Finance Sub-Committee will address this issues as part of a review of the overall Heart Of The City Programme.

	Business Unit	Policy Committee	FY Budget	FY variance on budget	Explanation
4.1	Heart of The City Henrys Block	TRANSPORT, REGEN & CLIMATE	38,744	(9,423)	SAVING /SLIPPAGE - Forecast updated to reflect draft QRE appraisal update Oct-22, following review with SCC: £2.17m 'underspend' provisionally identified against the advised SCC budget, therefore slippage of approx. £7.5m. No further change to outturn in the period. Understand QRE/SCC budget and appraisal review ongoing & imminent, with formal budget update to follow. Whilst a reasonable 'developer's contingency' has been retained, the figures do remain subject to ongoing risks - as is to be expected on a live construction project of this size & nature
4.2	Heart of The City Palatine Chambers Block	TRANSPORT, REGEN & CLIMATE	27,216	(8,110)	SLIPPAGE / OVERSPEND - Delays to work on site as a result of the Yorkshireman Pub demolition. Over all years an overspend of £1.2m is forecast due to: •Increased foundations associated with ground conditions. •Increase in provisional sums for additional asbestos, increased work to existing structure associated with the retained facade and increase in the kitchen costs. •Changes to satisfy planning requirements on both the Hotel and Gaumont facades. •Allowance for FFRE increased due to market conditions and inflation.
4.3	Heart of The City Leahs Yard	TRANSPORT, REGEN & CLIMATE	4,920	(3,582)	SLIPPAGE / OVERSPEND - Budget was originally set on one phase of works. Works then split into 2 phases with stabilisation first. Therefore, longer programme and increased costs associated with professional fees, contractor remobilisation and inflation. Overall overspend of £2.7m forecast Market conditions changed significantly from initial cost estimates, leading to uplift in phase 2 costs. Contractor tender of second phase lead to only one contractor returning a price (Same contractor as phase 1) due to volatile market conditions and general change in tenderer risk appetite
4.4	Council Housing Roofing Replacements Prog	HOUSING	8,042	(3,523)	Reprofile - The forecast for an underspend of £3.5m in the year 2 phase of the works is a result of the contract being terminated due to the Main Contractor entering into administration. Work is underway with the appointed administrator to finalise liabilities to the Avonside contractor (outstanding payments for works completed minus incurred costs). Arrangements are being put in place for properties that are partway through the re-roofing works by means of a variation to the Novus Elementals contract to maintain these properties as weathertight and for H&S reasons (scaffolding still erected on these properties). Next steps are to start to review and develop a procurement plan for the remaining properties that were originally included in the Avonside contract and put in place the appropriate financial approvals which will take into account the balance of the budget for this and future years
4.5	Future High Streets Fund Public Realm & Infrastructure	TRANSPORT, REGEN & CLIMATE	3,418	(2,019)	SLIPPAGE - Budget will not be sufficient to deliver scope of works. Significant cost increase announced in Stage 3 and again in Stage 4 cost plan. Presentation of budget cost and proposals to Regeneration Board for discussion and decision on way forward. Initial steer is for project to focus on Fargate only - Outturn forecast all years now reflects that figure. Works ongoing to arrive at a final figure for the works. VE is ongoing. Amended FE will be required once final costs are agreed due to uplift and rescoping required.
4.6	Future High Streets Fund Front Door Interventions	TRANSPORT, REGEN & CLIMATE	3,395	(1,721)	Reprofile - Project programmes are slipping. Difficulties in identifying and securing grant funding projects.
4.7	Council Housing Single Staircase Tower Blocks Works	HOUSING	7,894	(1,440)	Slippage / Overall Overspend - The overall expenditure is £298,747 more than the current approved amount. The Contract Administrator has notified the client of the expected overspend. The main reasons for the change since the last report are as follows: 1)The Contractor has provided quotations for a number of variations, the value of these have been included in full. Several of these variations are being challenged with the contractor both in terms of validity and value. It is anticipated that some variations will be rejected and others reduced in value. 2)Further to the previous cost report a number of variations have now been verified and the values agreed with the contractor, these values have been updated in this Report. 3)Since the last cost report, the contractor has been asked to provide quotations for two changes outside the original scope of works. These are for an increased U Value of 0.15 to the roof covering at Cliffe and Parkside blocks, alongside replacement of the communal floor coverings to the upper floors at the Stanington Blocks. Provisional amounts have been included for these works, pending formal quotations for client consideration to instruct.
4.8	Future High Streets Fund Events Central Building	TRANSPORT, REGEN & CLIMATE	1,616	(1,213)	SLIPPAGE - Further slippage of project start due to fire safety issue. Fee only expenditure 22/23. £350,000 additional budget allocated to 20-26 Fargate from Front Door Scheme to cover non-design related costs (inflation, stamp duty previously not identified, fees and rates associated with the empty asset 2021/2022).
4.9	General Council Housing Acquisitions	HOUSING	1,547	(1,112)	Reprofile - The forecast position is for an underspend of nearly £1.11m. There are three main contributing factors. Firstly the reduced forecast of properties to be acquired under General Acquisitions, 70 rather than 80. Secondly, current average refurbishment costs are forecast to be £15k per property against a budget of £18k. This is subject to change as the work required in future acquired properties is unknown as is the impact of Novus undertaking the work. Thirdly, the delayed start in Novus refurbishing acquired properties. The forecast position will be monitored and updated as more cost information becomes available.
4.10	Barkers Pool Car Park Demo	TRANSPORT, REGEN & CLIMATE	1,288	(1,020)	Reprofile - Demolition works forecast to start later than planned due to the building being listed. Discussions are ongoing with Historic England around the limitations due to the listing decision and potential alternatives
Total			98,080	(33,164)	

5 - Top 10 Forecast Overspends over Full Year Budget

Of the main £12.2m forecasts over budget approx. £5.1m 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 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.

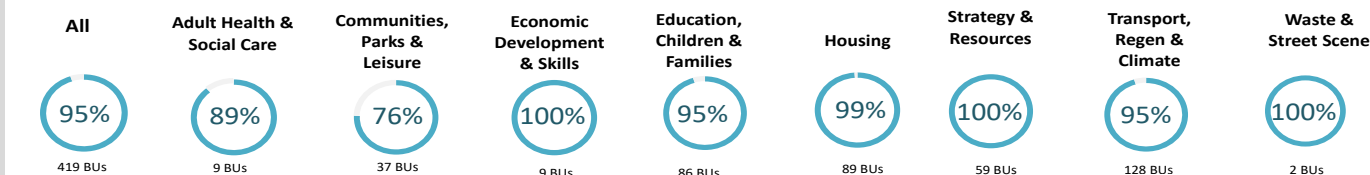
At the outset of the Aldine House Expansion it was agreed that any overspends would be met from the revenue surplus generated. While revenue contributions have been received towards the scheme, a further £140k is now required to meet the forecast costs

Further funding is expected from the combined authority to meet the additional costs of the Active Travel Neighbourhoods scheme

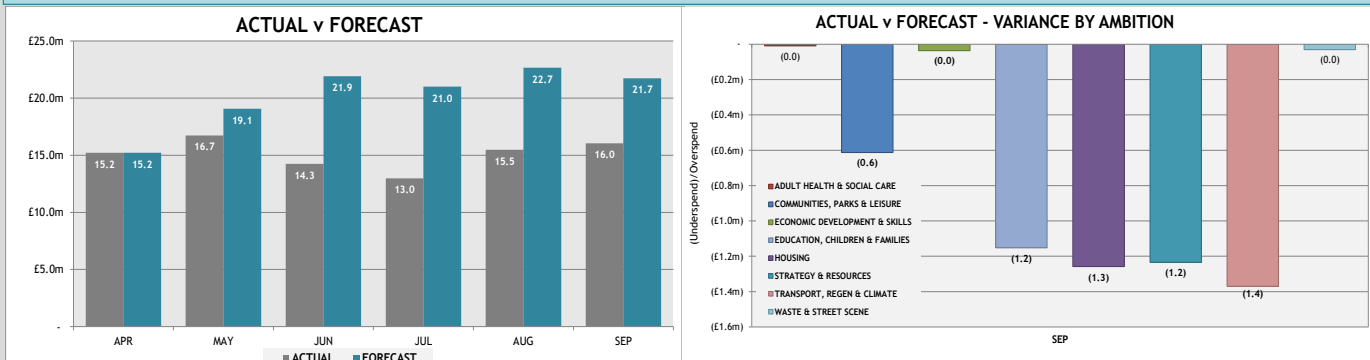
	Business Unit	Policy Committee	FY Budget	FY variance on budget	Explanation
5.1	Clean Air Zone HGV Support	TRANSPORT, REGEN & CLIMATE	-	3,520	Awaiting Approval - Cost of activity has been forecast, just awaiting formal authorisation of budget in finance system
5.2	Clean Air Zone Buses & Coaches Support	TRANSPORT, REGEN & CLIMATE	-	2,640	Awaiting Approval - Cost of activity has been forecast, just awaiting formal authorisation of budget in finance system
5.3	Disabled Facilities Accelerated Adaptations Grant	ADULT HEALTH & SOCIAL CARE	2,230	2,571	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 reviewing expenditure on major extensions
5.4	New Build Council Housing -Newstead-enabling works	HOUSING	1,948	877	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. Forecast overspend £1.4m over all years. This forecast cost increased includes inclusion of a notional allowance for the transfer of works from Newstead GN- £350k. Cost for additional prolongation costs due to street lighting works delaying NPG disconnections and extending programme. An opportunity has been identified by the contractor to avoid some of the Severn Trent diversions, thereby saving money. The engineer is looking at the fall of the road to be constructed to see if this is possible. It seems likely there will be a resulting saving. Ongoing discussions re impact of scope change between General Needs and Enabling on budget.
5.5	Upper Don Valley Flood Scheme Phase 1	TRANSPORT, REGEN & CLIMATE	3,209	762	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). Total forecast overspend over all years is £1.465m 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.
5.6	Levelling Up Fund Attercliffe Adelphi Sq	TRANSPORT, REGEN & CLIMATE	28	745	Awaiting Approval - Cost of activity has been forecast, just awaiting formal authorisation of budget in finance system
5.7	Council Housing Acquisitions Prog	HOUSING	7,152	381	Overspend - We are in the process of acquiring 13 strategically important 4 bedroom homes at £170k+ per property which is nearly double the average budgeted amount. Average purchase prices across the programme continue to be over budgeted levels as a result of market conditions. The projected overspend has decreased to £381k due to our agreed sales in September having an average cost of £91k which is around £15k below our current average)
5.8	Aldine Hse- 2 Bed Extn & Muga	EDUCATION, CHILDREN & FAMILIES	1,050	326	OVERSPEND - The overall expenditure is now forecast to be £326,000 over the current approved budget due to firming up of CE quotations and PM assessments. It should be noted whilst this includes allowances for outstanding CEs, it does not include any project contingency. This has been fed back to the Head of Project Delivery who has subsequently escalated this to the client. Additional funds of £140k are required to meet the current overspend position
5.9	Heart of The City programme costs	TRANSPORT, REGEN & CLIMATE	568	172	Acceleration - Budget allocation for financial year 2022/23 did not allow for current estimated costs for Communications, IT systems, marketing and SCC fees, therefore need to accelerate some of budget from 2023/24 to cover these.
5.10	Nether Edge & Crookes Active Travel Neighbourhoods	TRANSPORT, REGEN & CLIMATE	524	170	Overspend - Awaiting formal offer of increased funding from Combined Authority in order to uplift budget in line with forecast expenditure.
Total			16,709	12,164	

6 - Forecast 2021/22

6.1 - Capital Projects with Forecasts Committed



6.2 - Forecasting Summary



Section 6.1 indicates 95% 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 September was £5.7m less than had been forecast.

Key projects making this up are as follows:

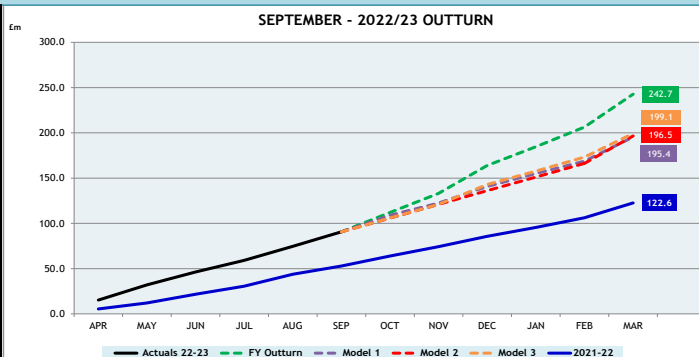
Transport Regeneration & Climate Change (-£0.9m) - Slippage across Heart of The City II programme - (-£0.9m) - Slippage on Future High Streets Fund Front Door Interventions (-£0.6m) slippage on CAZ schemes, (+£1m) Earlier than anticipated payment re: Brownfield Acquisitions

Housing (-£1.1m) - Slippage on payments re: acquisitions at Owlthorpe due to difficulty obtaining information from contractor

Education Children & Families (-£0.6m) Delay on expected payment of Devolved Formula Capital Grant to schools, (-£0.2m) Astrea Sports Pitch scheme delayed is not being reforecast correctly, (-£0.1m) delays on FRA programme payments, (-£0.1m) slippage on Nether Green roof payments, (-£0.1m) slippage on Newfield School Bridge payments

6.3 - Forecasting Models 1

MODEL	HOW CALCULATED
Model 1	<ul style="list-style-type: none"> Extrapolating the percentage of spend against budget as at Month 6 (70%)
Model 2	<ul style="list-style-type: none"> Extrapolating the average rates of cash spend (£15.12m per month) (rather than % of spend against budget) for April - Sep. Adjusting for increased spending in month 12.
Model 3	<ul style="list-style-type: none"> Based on accuracy of forecasting on average actual expenditure per month is 28.7% below that forecast Therefore expenditure figures extrapolated at 71.3% of Sep 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.

Despite significant work with project managers to review forecasts it appears that these continue to be overly optimistic. A number of budget reprofiles will be brought forward this month to bring the approved budget closer to the current forecast outturn position, however as the projections show significant slippage is still anticipated at year end. To achieve the current forecast position expenditure in the second half of the year needs to average over £25m per month compared to the £15m per month to date.

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.

- **Aldine House Secure Children's Home** - Latest forecasts indicate a shortfall in revenue contributions required to deliver the scheme of approximately £140k - Current revenue position at Aldine House means this will cause an additional revenue pressure

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** - informal confirmation from MCA that spend deadline will be flexed to 31/03/23 - However this may still prove an issue for some elements of Active Travel Programme

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 **UPDATE** - Tender returns on Future High Streets Fund Public Real Works indicate potential funding shortfall.

This page is intentionally left blank



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: *7th November 2022*

Subject: *Capital Approvals for Month 06 2022/23*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>"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)."</i></p>				

Purpose of Report:

This report provides details of proposed changes to the existing Capital Programme as brought forward in Months 06 2022/23.

Recommendations:

- (i) Approve the proposed additions and variations to the Capital Programme listed in Appendix 1
- (ii) Approve the reprofiling and slippage of existing schemes/allocations as listed in appendix 2
- (iii) Approve the variations to the Heart Of The City programme as listed in Appendix 3
- (iv) Approved the issuing of grants to 3rd parties as identified in Appendix 4

Background Papers:

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

Appendix 1, Appendix 2, Appendix 3, Appendix 4

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: <i>Liz Gough</i>
		Legal: <i>Sarah Bennett</i>
		Equalities & Consultation: <i>N/A</i>
		Climate: <i>N/A</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	<i>Ryan Keyworth</i>
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: <i>Damian Watkinson</i>	Job Title: <i>Finance Manager</i>
	Date: <i>20/10/22</i>	

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 the month 6 reporting cycle. 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:

- 7 additions of specific project to the capital programme creating a net increase of £3.968m
- 19 variations to specific projects and allocations in the capital programme creating a net decrease of £1.482m
- 25 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, 2 and 3

4.3 Legal Implications

- 4.3.1 Any specific legal implications are identified on a per scheme basis in appendix 1 and 3 in relation to new and variations to schemes and appendix 4 in relation to grants to be issued.

4.4 Climate Implications

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

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 / Q number / summary description							Value £'000
Page 85	A Transport Regeneration & Climate Change						
	New additions						
	<p>Brookhouse Hill Parking</p> <p>Why do we need the project?</p> <p>Currently double parking is causing obstructions for residents and emergency vehicles at Brookhouse Hill causing safety issues for pedestrians, including those with children and prams, having to navigate between parked vehicles.</p> <p>The aim of this project is to look at introducing parking restrictions to prevent obstructive parking and as well as providing designated disabled parking bays on Ivy Cottage Lane.</p> <p>How are we going to achieve it?</p> <p>Feasibility works are to be undertaken to look at the measures required. These are likely to include the following: -</p> <ul style="list-style-type: none"> Extend current Double Yellow Lines on Brookhouse Hill up to Whiteley Lane to prevent obstructive parking Provide a two standard parking space Provide designated disabled bays on Ivy Cottage Lane Increase road width at the bridge to allow for door opening of the vehicles in the two proposed parking spaces. Create a restricted zone on Ivy Cottage Lane. Access only for residents, loading and the proposed disabled parking bays <p>The cost of this stage is £12k which includes the Traffic Regulation Order and is fully funded from Road Safety Fund</p> <p>What are the benefits?</p> <ul style="list-style-type: none"> The measures will improve safety through the removal of parking that is obstructive to both vehicles and pedestrians The introduction of parking restrictions may have a positive impact on the way people choose to travel. <p>When will the project be completed?</p> <p>December 2022</p>						+12
	Funding Source	Road Safety Fund	Amount	12k	Status		Approved
	Approval Route		Sheffield Local Transport Plan Report - TRC Committee 15.06.22				

Shalesmoor Gateway

+2,240

Why do we need the project?

The highway network in the Shalesmoor area suffers from serious congestion in peaks hours, in particular in the evening. In turn, this has a severe impact for the operation of public transport in the city. Limitations of the existing junctions render the Council unable to effectively manage this issue through deployment of signal control strategies.

The Sheffield Transport Strategy highlights the importance of a series of improvements to the Inner Ring Road to support the development the city, including circa 25,000 new jobs and 40,000-46,000 new homes. Much of this growth is proposed for the City Centre (an identified growth area) and the Sheffield Housing Zone North, both of which lie adjacent to the proposed highway scheme.

At present there is no safe, accessible crossing of Rutland Road for pedestrians or for cyclists using the Penistone Road cycle route. This route forms part of one of the priority corridors (between North Sheffield and the city centre). The proposed scheme addresses this gap and improves other crossings and facilities for pedestrians and cyclists within the scheme boundaries too.

In addition; the highway network around Shalesmoor is already operating at capacity in peak periods. Plans to build up to 37,765 new homes in Sheffield by 2036 will increase demand on the Inner Ring Road including Shalesmoor Gateway

How are we going to achieve it?

Works will be undertaken to develop an outline business plan for the Shalesmoor Gateway project, in the anticipation of an approved £22m capital project, drawing funding from the Department for Transport Major Road Network allocation.

The purpose of this project is to meet the following objectives:

- Reduce overall congestion and improve journey times through the Shalesmoor Gateway, in Sheffield City Centre and greater commuter catchment.
- Reduce conflict between IRR traffic and Supertram
- Support SYMCA's ambitions to increase cycling modal share from 2% to 7% up until 2040.
- Deliver high quality, safe crossing opportunities, which minimise wait time and improve safety
- Introduce additional accessible green space through the conversion and redetermination of redundant space.
- Improve the quality of green space, with enhanced flood management, improved biodiversity, and improved public interaction with green space.
- Improve public transport journey times and journey time reliability through the Shalesmoor Gateway.

The cost of this stage is £2,240k and will be funded from Community Infrastructure Levy

What are the benefits?

- Reduction on congestion and improvement in journey times, including public transport
- Improved quality of green space: enhanced flood management: improved biodiversity
- Support housing and employment in the Kelham Island area and wider city centre
- Improve network resilience on Sheffield core transport network, including access for blue light emergency vehicles.
- Build on the Connecting Sheffield programme to enhance active travel access to, from and within the scheme area

[illegible]

Page 88	Manor 20 mph zone Scheme description <p>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.</p> <p>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.</p> <p>This project has previously been approved to conduct design works for the Introduction of a sign only 20mph area at Manor Park, Sheffield 2.</p> <p>What has changed?</p> <p>The design works have now been completed and the scheme will be implemented. The full cost of the scheme is £70.3k which is budget reduction of £37.7k due to the full project cost being less than originally estimated.</p> <p>The project is fully funded by Local Transport Plan.</p> <p>Variation type: -</p> <ul style="list-style-type: none"> Budget decrease 		-37.7
	Funding	Local Transport Plan	
	Approval Route	Sheffield Local Transport Plan Report - TRC Committee 15.06.22	
	Levelling Up Fund : Adelphi Square Scheme description <p>Attercliffe has experienced structural economic decline since the 1970's reducing the attractiveness of Attercliffe as a place to live, work or visit.</p> <p>Sheffield City Council has successfully bid for 'Levelling Up Funding' to invest in Attercliffe to make direct improvements to the area acting as a catalyst for future investment. This project relates to 1 of 3 schemes in the bid and is for the purchase and refurbishment of 2 heritage buildings. The project has previously been approved to undertake desk-top surveys to inform of the acquisition price for both buildings.</p> <p>What has changed?</p> <p>The initial desk top works are now complete and the project budget is to be increased to £214.8k to cover additional fees, surveys and design works for the building post purchase.</p>		+186.8

	The project is fully funded from Levelling Up Fund and the budget had been increased by £186.8k		
	Variation type: - <ul style="list-style-type: none">Budget increase		
	Funding	Levelling up Fund	
	Approval Route	Principle of Levelling Up programme approved with acceptance of grant Feb 22	
B	Communities Parks & Leisure		
	New additions		
	None		
Page 89	Variations and reasons for change		
	Ecclesfield & Hollinsend Park Improvements Scheme description <p>Ecclesfield Park is one of Sheffield’s 'District Parks' situated in the Northeast of the city. Over the last 20 years there has been no significant investment in this park and many of the facilities have deteriorated or are no longer in usable condition resulting in them falling out of use. By utilising S106, Public Health, Community Infrastructure Levy and Lawn Tennis Association (LTA) funding a comprehensive package of improvements can be supported.</p> <p>The tennis courts at Hollinsend Park are in a similar condition to Ecclesfield and have been identified as a facility that could be made playable again through the LTA refurbishment programme together with some S106 funding for the site.</p> What has changed? <p>Following a period of consultation and feasibility studies the scope of the project has been agreed and will cover:</p> <p>Ecclesfield Park</p> <ul style="list-style-type: none">Refurbishment of the Tennis CourtsRefurbishment of PlaygroundLandscaping Works <p>Hollinsend Park</p> <ul style="list-style-type: none">Refurbishment of the Tennis CourtsEntrance Works		+340

Page 90

Variation type: Budget increase		
Costs		
CDS Fees	£26.0K	
Surveys	£1.5K	
Ecclesfield Playground	£165.0K	
Ecclesfield LTA Tennis	£53.6K	
Hollinsend Entrance	£49.0K	
Hollinsend LTA Tennis	£40.5K	
Contingency	£24.0K	
Total	£359.6K	
Funding		
£29.6K	S106 Parks Programme	
£110.2K	S106 Sports Agreement 1168	
£100.0K	Public Health	
£11.3K	Ecclesfield Friends Group	
£10.0K	Ecclesfield Local CIL	
£88.4K	S106 Agreement 1351 Hollinsend	
£94.1K	LTA Grant*	
<p>* Funding bid has been succedful however, the LTA want the prices confirmed before awarding the funding and therefore technically it's not secured. The funding however has to be spent by March23</p> <p>The Project cost of £359.6K is outlined in the Procurement Strategy and includes the LTA funded costs. There is sufficient budget to start the work before the grant is accepted. Once the grant is accepted any remaining funding can be used to upgrade the chain-link fencing to weldmesh at both sites, and any other works that fit the scope.</p>		
Funding	See Funding Section above	
Approval Route	Principle endorsed at Feasibility Stage – Co-operative Executive April 22	
S106 Block Allocation for Parks Programme		
Scheme description		
Block allocation of S106 agreements to be used at various parks and open spaces.		
What has changed?		
1. The Outline Business Case for Ecclesfield & Hollinsend Park Improvements has come forward, therefore the rest of the S106 allocation on this Q number of £9.6K needs to be drawn down		

-13

Page 91	<div>2. Two lots of small-scale works are now taking place and therefore require the funding drawn down:<div>a) Chancet Wood £0.7K allocation used on a new flat bar bench supplied by Lightmain, installed by the Playground Team</div><div>b) Wadsley Park £2.8K allocation used on 2 x rotators supplied by Sutcliffe Play, installed by the Playground Team</div></div> <div>Variation type: Budget decrease</div> <div>Budget before Slippage Current 22/23 Budget £444.1K + £13.1K = £431.0K</div>			
	Funding	S106		
	Approval Route		N/A	
	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			

Page 92

	New additions		
	None		
	Variations and reasons for change		
	Block Allocation for Gleadless Valley Masterplan Delivery		-339
	Scheme description Block allocation of funding for projects related to the Gleadless Valley Masterplan.		
	What has changed? <div><div>1.</div><div>The Council is commissioning a piece of work to look at options for how we could make the Gaunt Shopping Centre work better for the residents of Gleadless Valley. In order to do this £24K is required for fees and surveys, and therefore needs drawing down from this Q number to the Gleadless Valley revenue budget.</div></div> <div><div>2.</div><div>The Gleadless Valley Masterplan is being published and will move from the planning stage to the delivery stage with a new team being created to facilitate this move. Funding of £304K is required for the cost of new staff and to support the work of the team for the rest of 22/23, and therefore needs drawing down from this Q number to create a new revenue budget.</div></div> <div><div>3.</div><div>Revenue costs of £10.5K for the recently purchased maisonette at Gaunt Shops will be incurred to bring the property up to lettable standards and therefore needs drawing down from this Q number to the Gleadless Valley revenue budget</div></div>		
	Variation type: Budget decrease		
Budget Current 22/23 Budget £40.5K - £40.5K = £0.0K <u>Current 23/24 Budget £500.0K - £298.0K = £202.0K</u> Total 22-27 Budget £40,866.6K - £338.5K = £40,478.1K			
	Funding	HRA	
	Approval Route	Draft Gleadless Valley Masterplan approved Co-operative Executive March 22	
F	Education Children & Families		

	New additions							
Page 93	<p>Abbey Lane Primary Roof (progression to works stage)</p> <p>Why do we need the project?</p> <ul style="list-style-type: none"> What is the problem we are trying to address? <ul style="list-style-type: none"> A structural inspection of the ceiling slabs at Abbey Lane Primary School confirmed the use of Reinforced Aerated Autoclaved Concrete (RAAC) roof planks in some roofs of the 1960s extension block, covering a classroom and the kitchen. The Standing Committee on Structural Safety issued an alert in May 2019 regarding the risks associated with this type of construction, including complete roof failure. The RAAC planks installed at Abbey Lane have now exceeded their estimated 30-year lifespan and investigative surveys have been carried out to determine the most appropriate action to take. This next stage addresses the risks posed by the RAAC roof planks summarised in the RIBA Stage 2 Feasibility Report In addition, there is a section of defective stone retaining boundary wall to the side of the school playground which needs repairing. It is proposed to include this in the same contract to reduce the period of disruption to the school. <p>How are we going to achieve it?</p> <ul style="list-style-type: none"> Strip off the roof coverings above the RAAC planks (three roofs). Demolish the RAAC planks. Provide full new roof coverings, re-using the existing steel roof purlins. The coverings will consist of plywood timber deck, insulation and new bitumen felt roof covering. <p>What are the benefits?</p> <ul style="list-style-type: none"> Removal and replacement of the RAAC plank system would eliminate all consequential risks of collapse. The works would address a number of building fabric repair issues associated with the roof. There would be consequential improvements to the thermal performance of this building element. Back log maintenance works associated with this building element will be addressed. Works will result in improvements to the thermal performance of this building element being made. <p>When will the project be completed?</p> <p>18/08/2023</p>							+504.8
	Funding Source	DfE Building Condition Allocation	Amount	£ 15.2k IBC +£504.8k uplift =£520.0k OBC	Status		Approved	
	Approval Route		Principle of works to address school estate condition issues approved in Capital Strategy by Full Council March 22					

+400

There is a growing demand for SEND placements across the city. Locality G in the north of the city, where Malin Bridge is located, is an area of high need. As part of the sufficiency response, growth of Integrated Resources has been identified as a key approach for provision of places. These places enable more complex children to continue to access mainstream schools with their friends and peers, whilst also receiving specialist support. The Malin Bridge IR will help alleviate pressure on the system

How are we going to achieve it?

- Refurbish and remodel a vacant outhouse building to create a new 16 place IR at Malin Bridge School (note, discussions are ongoing with the Trust with a view to increasing the places to 20) by September 202

What are the benefits?

- Increases SEND places in the city (part of one year plan)
- Reduced pressure on special school places.
- Lower revenue costs, compared with those of a special school.
- Reusing existing buildings is a more sustainable approach in the long term
- Reducing pupil transport requirements and therefore carbon emissions

When will the project be completed?

31/08/2023

Funding Source	High Needs Capital Allocation	Amount	£400.0k	Status		Approved	
----------------	-------------------------------	--------	---------	--------	--	----------	--

Approval Route	Mainstream School Expansions Report - Co-operative Executive March 22
-----------------------	---

Stannington Infants Integrated Resource (IR) – Special Educational Needs & Disability (SEND) Provision

+300.9

Why do we need the project?

There is a growing demand for SEND placements across the city. Locality G in the north of the city, where Stannington Infants is located, is an area of high need. As part of the sufficiency response, growth of Integrated Resources has been identified as a key approach for provision of places. These places enable more complex children to continue to access mainstream schools with their friends and peers, whilst also receiving specialist support. The Stannington Infants IR will help alleviate pressure on the system

How are we going to achieve it?

[illegible]

Page 96

	Funding Source	DfE High Needs Capital Allocation	Amount	£9.5k	Status		Approved			
	Approval Route		Principle of works to address school estate SEND issues approved in Capital Strategy by Full Council March 22							
Variations and reasons for change										
	Schools Boiler Replacement Programme: <ul style="list-style-type: none">Broomhall Nursery Htg & Mech Rep: +£11.5kCarterknowle Jnr Htg & Mech Rep: +£ 2.4kMeersbrook Bank Pmy Htg & Mech Rep: +£31.8kNorton Free CE Pmy Htg & Mech Rep: +£11.3kSpringfield Pmy Htg & Mech Rep: +£33.3k Scheme description <p>This programme addresses the investigation and confirmation of those heating elements requiring replacement within 5 years at each of the sites listed above.</p> <p>It will contribute to Net Zero 2030 objectives by providing heat and hot water in the most efficient way possible as outlined in a submitted CIA.</p> What has changed? <ul style="list-style-type: none">The project has moved on to the next stage of feasibility. Variation type: - <ul style="list-style-type: none">Budget increase: The costs for the delivery partner framework to develop costed solutions have now been added to the general desktop feasibility costs, resulting in the uplift in overall cost								+90.3	
	Funding	DfE Condition Allocation								
	Approval Route		Principle of works to address school estate condition issues approved in Capital Strategy by Full Council March 22							
	Schools Fire Risk Assessment Programme <ul style="list-style-type: none">Coit Pmy: +£ 43.25k (including slippage of -£268.33k)Carterknowle Jnr: +£ 39.85k (including slippage of -£375.99k)Bradway Pmy: +£131.35k (including slippage of -£448.25k)Watertghorpe NI: +£ 55.60k (including slippage of -£272.52k)									+270.1 & Slippage:

Page 97	Scheme/Programme description		22/23 -1,365 23/24 +1,365
	Fire Risk Assessments originally highlighted shortfalls in the provision of necessary Fire Precautions at Coit, Carterknowle, Bradway, and Waterthorpe schools. Physical improvements to these buildings are required to make them compliant.		
	What has changed? <ul style="list-style-type: none"> Delay resulting from lack of original tender returns along with increased cost provision for construction price inflation costs. Variation type: - <ul style="list-style-type: none"> Budget increases (as noted above) – due to no tenders originally being returned and a delayed re-tendering exercise anticipating increased construction estimates due to higher market inflation. Slippage (as noted above): due to original tender exercise resulting in no tender returns, with new tenders being sought for Jan 2023. 		
	Funding	DfE Building Condition Allocation	
	Approval Route	Principle of works to address school estate condition issues approved in Capital Strategy by Full Council March 22	
	Mossbrook Special School Windows & External Walls		-247.0
	Scheme description		
	This is a scheme designed to implement lifecycle replacement and upgrade of external windows, doors and walls at Mossbrook Special School.		
	What has changed? <ul style="list-style-type: none"> Due to the emergence of other priorities within the School Condition programme and the increasing costs of existing schemes these works are being deferred awaiting confirmation of the next round of government funding. Variation type: - <ul style="list-style-type: none"> Budget decrease 		
	Funding	School Condition Allocation	
	Approval Route	N/A	
	Limpsfield Junior School - Windows & External Walls		-542.9
	Scheme description		
	This is a scheme designed to implement lifecycle replacement and upgrade of external windows, doors and walls at Limpsfield Junior School.		

	What has changed? <ul style="list-style-type: none">Due to the emergence of other priorities within the School Condition programme and the increasing costs of existing schemes these works are being deferred awaiting confirmation of the next round of government funding. Variation type: - <ul style="list-style-type: none">Budget decrease		
	Funding	School Condition Allocation	
	Approval Route	N/A	
Page 98	Broomhall Nursery Basement Scheme description This was a scheme initially designed to address damp and flooding issues in the basement area of Broomhall Nursery School. What has changed? <ul style="list-style-type: none">Tender returns on various solutions to the issues returned at such a level as to render the project not viable. The area has been made safe through the installation of a steel staircase and relocation of power meters. Remaining budget to be returned to school condition pot for re-allocation to other projects. Variation type: - <ul style="list-style-type: none">Budget decrease		-48.1
	Funding	School Condition Allocation	
	Approval Route		
	G	Strategy & Resources	
	New additions		
	None		
	Variations and reasons for change		
	Manor Lane Lift Refurbishment		-70.4

Page 99

Scheme description <ul style="list-style-type: none">The scheme was originally set up to provide a reliable passenger lift to efficiently move passenger between floors. What has changed? <ul style="list-style-type: none">The scheme is no longer progressing due to a change in priorities. Variation type: - <ul style="list-style-type: none">Budget decrease: due to non-progression of scheme.																																												
Funding	Funds previously contributed as a Revenue contribution to capital and will now be held on the balance sheet to be applied against similar future schemes.																																											
Approval Route																																												
Corporate Fire Risk Assessment (FRA) Programme – slippage complete with cost increase variations as noted below: Scheme/Programme description <ul style="list-style-type: none">FRAs have highlighted shortfalls in the provision of necessary Fire Precautions in several SCC Corporate buildings. These have been mitigated by short term management actions, however in the medium to longer term, physical building improvements are required to make them compliant.Design, tender and management of site works are to take place at all the identified sites. What has changed? <ul style="list-style-type: none">The schemes listed above have experienced slippage due to no tender returns having originally come in, resulting in new tenders being sought for January 2023 along with small budget increase requests to cover higher construction cost estimates due to anticipated market inflation. <table><thead><tr><th>BU</th><th>Project</th><th>Slippage</th><th>Increase</th></tr></thead><tbody><tr><td>95629</td><td>FRA CORP 2020 - MEERSB PK OFFICES</td><td>-341.7</td><td>32.2</td></tr><tr><td>95631</td><td>FRA CORP 2020 - SPRING ST KENNELS</td><td>-171.6</td><td>15.4</td></tr><tr><td>95645</td><td>FRA CORP 21 - SHIREGREEN CEM</td><td>-173.1</td><td>15.0</td></tr><tr><td>95641</td><td>FRA CORP 21 - CONCORD PARK</td><td>-170.3</td><td>15.0</td></tr><tr><td>95639</td><td>FRA CORP 21 - ABBEYFIELD PARK</td><td>-152.1</td><td>13.4</td></tr><tr><td>95640</td><td>FRA CORP 21 - CHAPELTOWN LIB</td><td>-123.8</td><td>10.4</td></tr><tr><td>95643</td><td>FRA CORP 21 - LOWEDGES HS OFF</td><td>-105.1</td><td>8.4</td></tr><tr><td>95644</td><td>FRA CORP 21 - MNT PLEASANT PK</td><td>-77.2</td><td>5.7</td></tr><tr><td>95633</td><td>FRA CORP 2020 - HEELEY GRN CC</td><td>-77.6</td><td>5.8</td></tr></tbody></table>				BU	Project	Slippage	Increase	95629	FRA CORP 2020 - MEERSB PK OFFICES	-341.7	32.2	95631	FRA CORP 2020 - SPRING ST KENNELS	-171.6	15.4	95645	FRA CORP 21 - SHIREGREEN CEM	-173.1	15.0	95641	FRA CORP 21 - CONCORD PARK	-170.3	15.0	95639	FRA CORP 21 - ABBEYFIELD PARK	-152.1	13.4	95640	FRA CORP 21 - CHAPELTOWN LIB	-123.8	10.4	95643	FRA CORP 21 - LOWEDGES HS OFF	-105.1	8.4	95644	FRA CORP 21 - MNT PLEASANT PK	-77.2	5.7	95633	FRA CORP 2020 - HEELEY GRN CC	-77.6	5.8	+126.5 slippage 22/23 -1,465 23/24 +1,465
BU	Project	Slippage	Increase																																									
95629	FRA CORP 2020 - MEERSB PK OFFICES	-341.7	32.2																																									
95631	FRA CORP 2020 - SPRING ST KENNELS	-171.6	15.4																																									
95645	FRA CORP 21 - SHIREGREEN CEM	-173.1	15.0																																									
95641	FRA CORP 21 - CONCORD PARK	-170.3	15.0																																									
95639	FRA CORP 21 - ABBEYFIELD PARK	-152.1	13.4																																									
95640	FRA CORP 21 - CHAPELTOWN LIB	-123.8	10.4																																									
95643	FRA CORP 21 - LOWEDGES HS OFF	-105.1	8.4																																									
95644	FRA CORP 21 - MNT PLEASANT PK	-77.2	5.7																																									
95633	FRA CORP 2020 - HEELEY GRN CC	-77.6	5.8																																									

	95632 FRA CORP 2020 - MATHER RD REC			-72.3	5.3	
	Total			-1,464.9	126.5	
	Variation type: - <ul style="list-style-type: none">Budget increases and Slippage; as per above					
	Funding	Capital Receipts				
	Approval Route		Original Schemes endorsed Co-operative Executive November 2021			
H	Economic Development & Skills					
Page 100	New additions					
	None					
	Variations and reasons for change					
	None					

Slippage / Reprofile Summary

Transport Regeneration & Climate Change

Scheme Name	Current 22/23 Budget	Slippage or Reprofile	Funding Source	Slippage / Reprofile Amount	Increase to 23/24	Increase to 24/25	Explanation
Transforming Cities Fund Magna - Tinsley	219,413	reprofile	Transforming Cities Fund	- 82,452	82,452	0	Reprofile in-line with the current contract award approval
Future High Streets Fund Front Door Interventions	3,394,504	Reprofile	Future High Streets Fund	- 1,721,403	1,721,403	0	Project programmes are slipping. Difficulties in identifying and securing grant funded projects.
Future High Streets Fund Events Central Building	1,616,492	slippage	Future High Streets Fund	- 1,212,888	1,212,888	0	Project programmes slippage. Construction now commencing 23/24.
Kelham Neepsend Parking	543,942	slippage	TBC	- 107,700	107,700	0	Project delays due to staffing resource issues
				- 3,124,443	3,124,443		

Communities Parks & Leisure

Scheme Name	Current 22/23 Budget	Slippage or Reprofile	Slippage / Reprofile Amount	Increase to 23/24	Increase to 24/25	Explanation
FLY TIPPING & GRAFFITI PREVENTION	99,000	Reprofile	- 30,000	30,000		Allocation of budget has been given to LACs to decide where it should be spent. No formal decisions had been made by end of September so slippage expected, but the project manager is optimistic that some works will start in October
HILLSBOROUGH LIBRARY ENTRANCE	335,000	Slippage	- 256,115	256,115		The option appraisal took 3.5 months, much longer than anticipated with lots of site meetings and needing the client to agree layouts
PARKWOOD SPRINGS ACTIVE PARK	900,000	Slippage	- 252,624	252,624		Delays getting Work Package 1 on site due to legal and property lease of land issues that have only just been signed off with the funder (Sport England). Work Package 2 can now be progressed but won't be delivered in this financial year as a result of the delays. Slippage is WP2 works plus fees
SKYE EDGE FIELDS LAND IMPROVEMENTS	150,113	Slippage	- 59,367	59,367		Contractor being appointed using the new Measured Term Landscaping contract just set up, which will be quicker once up and running but as this is the first contract to get through it is taking longer
GREEN AND OPEN SPACES S106 STRATEGY	444,108	Reprofile	- 418,681	418,681		Resource and capacity issues continue to delay work on sites given allocations as part of this programme. They are still on the Parks & Countryside radar and work is ongoing to get the necessary projects developed
			- 1,016,787	1,016,787	-	

Housing

Scheme Name	Current 22/23 Budget	Slippage or Reprofile	Slippage / Reprofile Amount	Increase to 23/24	Increase to 24/25	Explanation
LANSDOWNE AND HANOVER CLADDING	66,678	Reprofile	- 66,552	66,552		Capital Delivery Service (CDS) have asked for a new commission, which has cost implications together with the increase in cost for a contractor to do the work. Forecast CDS fees only to spend by the end of 22-23
HEALTH & SAFETY ELECTRICAL REWIRES	51,530	Reprofile	- 26,530	26,530		It is estimated that no more than five more properties will be completed in 2022/23 at a cost of circa £18,400 giving a full year outturn of £25,000. The remaining budget will not be required in 2022/23
COUNCIL HOUSING GENERAL ACQUISITIONS	1,547,393	Reprofile	- 1,112,366	1,112,366		Reduced forecast of General Acquisitions; 70 rather than 80, and current average refurbishment costs forecast to be £15K per property against a budget of £18K
ROOFING REPLACEMENTS PROG	8,041,859	Slippage	- 4,305,633	4,305,633		Appointed Contractor has recently gone into administration, therefore the contract will have to be re-tendered. Works done not paid to the Contractor yet have been accrued for.
ELEMENTAL (KITCHEN & BATHROOM)REFURBS 2021-26	2,863,970	Slippage	- 354,244	354,244		After various issues delaying work; The preliminary address list has been sent to the contractor and waiting for their proposed program and start dates. Expectations are to start work in 3/4 weeks. Meetings have taken place and kitchen designs agreed.
SINGLE STAIRCASE TOWER BLOCKS	7,893,890	Slippage	- 1,439,985	1,439,985		As works have progressed through the initial Woodlands and Hanover blocks there has inevitably been some design changes plus the instruction of additional works with the roof replacement and electrical upgrades. Access issues have also effected progress to a small number of flats. A programme review is required to regroup and collectively agree a revised programme
NEW BUILD COUNCIL HOUSING HEMSWORTH OLDER PERSONS INDEPENDENT LIVING	632,613	Slippage	- 261,581	261,581		Issues with getting start up meeting in diaries due to change of design personnel on Contractor side resulting in delays to start on site
NEW BUILD COUNCIL HOUSING SCOWERDONS GENERAL NEEDS	85,073	Slippage	- 45,033	45,033		The intention now is to market some of the site and allow the private development to progress in advance of SCC's development of the rest of the site. This process is likely to take at least 12 months.
NEW BUILD COUNCIL HOUSING GAUNT ROAD GENERAL NEEDS	1,003,482	Slippage	- 589,710	- 1,310,332	1,900,042	Delays due to geotechnical survey information/ lab testing Contractor side and increase in tender period required by Contractor to carry out internal due diligence affecting start on site, therefore programme slippage. New programme issued by Project Manager and Project Team
NEW BUILD COUNCIL HOUSING TITTERTON GENERAL NEEDS	38,404	Reprofile	- 32,109	32,109		Project not expected to continue but unspent budget to be moved into 23/24 until confirmed
			- 8,233,743	6,333,701	1,900,042	

Strategy & Resources (Corporate Estate)

Scheme Name	Current 22/23 Budget	Slippage or Reprofile	Funding Source	Potential Slippage / Reprofile Amount	Increase to 23/24	Increase to 24/25	Explanation
ABBEYDALE DAM LEAKS	299,680	Slippage	Capital Receipts/ Revenue Contribution:	- 280,314	280,314	0	Engagement of Panel Engineer (Dam/Watercourse Engineer) through Delivery Partner is slow due to current market demand
CARR FORGE DAM LEAKS	299,680	Slippage	Capital Receipts	- 150,635	150,635	0	Engagement of Panel Engineer (Dam/Watercourse Engineer) through Delivery Partner is slow due to current market demand.
				- 430,949	430,949	-	

Heart Of The City reprofile and budget amendments

Scheme Name	Actual Costs to 21/22	Current 22/23 Budget	Current 23/24 Budget	Current 24/25 Budget	Revised 22/23 Budget	Revised 23/24 Budget	Revised 24/25 Budget	Overall Variation	Explanation of slippage / variation
BLOCK A PALATINE CHAMBERS	11,698,537	27,215,935	8,491,562	-	19,106,136	17,837,994	-	1,236,632	When the contract was placed, it had been envisaged that approx. £750k of Value Engineering could be achieved through the Gaumont Façade if required. Unfortunately, due to inflation, market conditions and planning requirements, these savings were not achieved. The main increases in cost are associated with: •Yorkshireman demolition. •Increased foundations associated with ground conditions. •Increase in provisional sums for additional asbestos, increased work to existing structure associated with the retained façade and increase in the kitchen costs. •Changes to satisfy planning requirements on both the Hotel and Gaumont façades. •Allowance for FF&E increased due to market conditions and inflation.
BLOCK B LAYCOCK HOUSE NEW	18,518,970	2,043,325	-	-	1,930,801	413,975	-	301,451	Provisional sum values within contract sum adversely impacted by unforeseen inflationary uplift. Retained façade in greater state of disrepair than envisaged, resulting in significant additional works, incurring cost and delays. Shopfront budget exceeded due to unforeseen challenges and inflationary impact. Planning required reinstatement of chimneys to be included within the works. Poor performance of main contractor and supply chain has resulted in challenges throughout.
BLOCK C PEPPER POT BUILDING	16,702,148	3,983,276	-	-	3,712,136	528,902	-	257,762	As above
BLOCK E TELEPHONE HOUSE	3,670,849	914,499	1,206	-	750,674	135,907	-	29,124	Minor underspend projected based on latest estimates from Queensbury
BLOCK F TRAFALGAR WORKS	223,298	-	-	-	-	-	-	-	
BLOCK G DEVELOPMENT PLOTS	704,571	792,405	-	-	116,426	130,000	-	545,979	Review of the budget has been completed and fees and allowances which are no longer required have been removed
BLOCK G1 38 CARVER STREET	2,525,795	821	-	-	821	-	-	0	
BLOCK H HENRYS BLOCK	19,124,281	38,744,319	2,179,958	3,002	29,321,280	8,963,124	470,795	2,172,081	Underspend is mostly due to changes on the Combhouse site
BLOCK H1 LEAHS YARD	4,438,681	4,920,062	-	-	1,337,846	5,887,640	412,520	2,717,944	Budget was originally set on one phase of works. Works then split into 2 phases with stabilisation first. Therefore, longer programme and increased costs associated with professional fees, contractor remobilisation and inflation. Market conditions changed significantly from initial cost estimates, leading to uplift in phase 2 costs. Contractor tender of second phase lead to only one contractor returning a price (Same contractor as phase 1) due to volatile market conditions and general change in tenderer risk appetite.
PUBLIC REALM & INFRASTRUCTURE	576,939	834,708	-	-	146,450	688,259	-	-	Moving Contingency to year 23/24. Public Art not being progressed as expected (change of Public Art officer). Fees also profiled into 23/24 - not profiled previously.
BLOCK I - JLP BUILDING	3,641,919	3,485,498	-	-	2,693,317	792,181	-	0	Delay to start of Asbestos removal works and extension to contract timescales due to listing of the building.
BLOCK G POUNDS PARK	871,448	6,699,129	-	-	5,923,917	775,211	-	-	Unable to deliver Rockingham St works this financial year due to delayed client decision and design delays/lead-in times.
BARKERS POOL CAR PAR	-	1,287,600	-	-	267,600	1,020,000	-	0	Demolition works forecast to start later than planned due to the building being listed. Discussions are ongoing with Historic England around the limitations due to the listing decision and a possibility to do something with the car park.
	82,697,437	90,921,577	10,672,726	3,002	65,307,404	37,173,192	883,315	1,766,606	

This page is intentionally left blank

Grants for issue

	Scheme name / business unit / summary description of key terms	Recipient	Value £'000
A	Transport Regeneration & Climate Change		
	<p>Levelling Up Fund - Centre for Child Health Technology [CCHT] Attercliffe</p> <p>Background</p> <p>Sheffield City Council has successfully bid for 'Levelling Up Funding' [LUF] to invest in Attercliffe to make direct improvements to the area acting as a catalyst for future investment. This project relates to 1 of 3 schemes in the bid.</p> <p>This project is to deliver a Centre for Child Health Technology on the Olympic Legacy Park in Attercliffe in partnership with Sheffield Children's Hospitals, Olympic Legacy Park Ltd and Scarborough Group.</p> <p>The centre will deliver approximately 4000m2 of new health floor space and 90+ jobs. £8.8m of LUF funding has been secured for the project and approval is being sought to draw down £500k to cover survey and design development costs. The funding will be passed to the Children's Hospital Trust via a grant agreement.</p> <p>Legal Implications</p> <p>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 £500,000.00 to the Sheffield Children's NHS Foundation Trust towards the delivery of a new Centre for Child Health Technology on the OLP site in Attercliffe.</p>	Sheffield Children's Hospital Trust	500

	<p>The grant provided by the Council is to be used towards capital expenditure, specifically the design team fees and survey and planning fees in t in accordance with the terms and conditions detailed in the Grant Agreement.</p> <p>Key points to note from the Agreement are:</p> <ul style="list-style-type: none"> • Payment is to be made in one lump sum in advance on 30th November 2022. • Payment is to be used towards the design team fees and survey and planning fees and cannot be used for any other purpose. • The recipient of the grant must provide quarterly financial and operational reports (including risk register and insurance reviews) on its use of the grant. • The grant can be reduced, withdrawn, suspended or require repayment in specific circumstances for example if the grant is used for purposes other than the project development works or if the Council considers that the recipient has not made satisfactory progress with the delivery of the project. <p>The recipient must comply with all applicable legislation and regulations including but not limited to the Public Contracts Regulations 2015, UK GDPR, the Data Protection Act 2018 and Subsidy Control.</p> <p>The grant to the recipient is not deemed to be a subsidy. If any details around the project change then this will need to be re-assessed.</p>		
B	Communities Parks & Leisure		
	None		
C	Waste and Street Scene		
	None		
D	Adult Health & Social Care		

	None		
E	Housing		
	None		
F	Education Children & Families		
	None		
G	Strategy & Resources		
	None		
H	Economic Development & Skills		
	None		

This page is intentionally left blank



Report to Finance Sub-Committee

Author/Lead Officer of Report:

Suzanne Allen, Head of Citywide Housing Services

Tel: 0114 2734326

Report of: Janet Sharpe, Director of Housing Services

Report to: Finance Sub Committee

Date of Decision: 10/11/2022

Subject: Rough sleeper Initiative Programme 5

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given?	No	1280		
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken? <small>Not required please see comments 4.4</small>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<p>If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-</p> <p><i>"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)."</i></p>				

Purpose of Report:

The purpose of this report sets out a proposal to accept the funding for the Rough Sleeper Initiative 5 Programme which will allow the Council to progress and build on the current Rough Sleeper Initiatives programme of works and to support the Government's aim to end rough sleeping.

A total of £4,259,194 has been awarded for the proposal for a 3-year period.

Recommendations:

1. That the Council accepts the grant funding of £4,259,194 from The Department of Levelling Up, Housing and Communities (DLUHC) for the Rough Sleeper Initiative Programme, as detailed and set out in this report, and in doing so agrees to be the Accountable Body for the funding.

Background Papers:

[Councils given further £200 million in next stage of successful rough sleeping programme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/councils-given-further-200-million-in-next-stage-of-successful-rough-sleeping-programme)

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.	<div>Finance: <i>(Insert name of officer consulted)</i> Sonya Oates</div> <div>Legal: <i>(Insert name of officer consulted)</i> Henry Watmough-Cownie</div> <div>Equalities & Consultation: Louise Nunn</div> <div>Climate: <i>(Insert name of officer consulted)</i> Jessica Rick</div>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	<i>Executive Director Operational Services</i>
3	Committee Chair consulted:	<i>Cllr Bryan Lodge</i>
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: Suzanne Allen	Job Title: Head of Citywide Housing Services
	Date: October 2022	

1. PROPOSAL

- 1.1 The proposal is to accept a 3-year grant funding plan totalling £4,259,194 from the Department of Levelling Up, Housing and Communities (DLUHC) Rough Sleeper Initiative Programme.

This funding has been allocated to ensure that people sleeping rough are helped off the streets and into safe accommodation, working towards an ultimate aim to end rough sleeping. This programme will be delivered by Sheffield City Council working in partnership with a number of external agencies. These include Health Services, Framework Housing Association, Roundabout Homeless Charity and the Department for Work and Pensions.

- 1.2 The Government has an aim to end rough sleeping and has published a Policy paper, setting out a cross-government strategy.

[Ending rough sleeping for good - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/ending-rough-sleeping-for-good)

As part of the overall strategy funding has been awarded to Sheffield City Council to deliver this work. The funding allows the Council to plan for a long-term strategic approach to end rough sleeping. The project will focus on prevention, intervention and recovery work, alongside improved joined-up systems.

The funding allows for a continuation of already successful initiatives such as the Council's Rough Sleeper Initiative team, the innovative Housing First team and a range of accommodation options for people who have slept rough. It also allows for an expansion of multi-agency work with colleagues in external agencies such as Salvation Army, Roundabout Homeless charity, NHS colleagues, and the Department for Work and Pensions. Further to this there will be a range of new initiatives that will focus on key areas of prevention and recovery.

- 1.3 Although the Council is not legally required to accept this funding, we strongly recommend that we continue to work towards the Governments vision to end rough sleeping. This funding will also allow the Council to continue its current Rough Sleeper Programme.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The funding proposal will have a positive impact for our customers and the city, and will contribute to the ambitions within the one-year plan in the following ways;

Communities and Neighbourhoods

The funding will help to support our local communities and neighbourhoods by supporting people with routes out of homelessness, helping to reduce inequalities for this very vulnerable group of people. The funding will increase emergency and temporary accommodation options for people who sleep rough in Sheffield.

Education, Health and Care

The funding will contribute to a range of Education, Health and Care aims by reducing exclusion and working in a trauma informed way with people who are street homeless. One of the aims in the plan is to 'Enable adults to live the life that they want to live' and this is at the heart of working with people sleeping rough to support them to find appropriate housing solutions and sustain them.

Our Housing First and Rough Sleeper Initiative teams work with customers to help them access health care services, and our funding includes partnership work with NHS services including dedicated health roles within the teams.

We are working with the Department for Work and Pensions, and other related services to enable people who have slept rough to link into training and employment opportunities in a way that is meaningful to their unique needs, goals and aspirations.

Climate Change, Economy and Development

The funding contributes to the plans aims for Sheffield to be a flourishing, sustainable and inclusive city economy by working with the city's most vulnerable citizens and helping them to become fully integrated with their communities. We will work to help people to find sustainable homes contributing to safe and attractive neighbourhoods. Our funding allows for linking customers to training and employment opportunities, so that people can be part of a successful city economy.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council is not required to consult on this funding proposal, but as good practice, a small consultation exercise took place with external partner agencies to complete a self-assessment on our current Rough Sleeping Programme. This helped to inform the bid proposal that the Council submitted.
- The consultation was useful in highlighting the successes of our current rough sleeper programme, and the areas that will benefit from increased focus and funding.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 There are no direct equality impacts on any protected Characteristic groups.

4.2 Financial and Commercial Implications

- 4.2.1 The Rough Sleeping Initiative (RSI) grant 2022-25 is funded by the Department for Levelling Up, Housing and Communities (DLUHC) and is for up to £4,259,194 over three years. Key features of the grant terms and conditions (not exclusive) are highlighted below.

The grant is ringfenced for providing services Rough Sleeping Initiative services to intervene in, prevent or reduce rough sleeping in 2022/23 to 2024/25 as approved by DLUHC.

Funding has been agreed for the following services as set out in Annex A of the grant letter:

	Year 1	Year 2	Year 3	Total	Staff Funded 22/23	Staff Funded 23/24	Staff Funded 24/25
Sheffield City Council	£1,476,626	£1,413,900	£1,368,668	£4,259,194	29.00	27.00	26.00
Employment Support	£18,377	£42,134	£42,777	£103,288	1.00	1.00	1.00
Year-round flexible Surge Accommodation	£323,591	£267,938	£238,564	£830,093	2.00	2.00	2.00
Health Interventions	£51,563	£0	£0	£51,563	1.00	0.00	0.00
Housing First	£484,816	£499,360	£514,341	£1,498,517	13.00	13.00	13.00
Non-UK National Support	£76,000	£76,000	£76,000	£228,000	0.00	0.00	0.00
Outreach and In-reach	£232,216	£232,216	£199,042	£663,474	7.00	7.00	6.00
Personalisation Fund & Assistive Technologies	£58,000	£108,000	£108,000	£274,000	0.00	0.00	0.00
Rapid Rehousing	£82,934	£84,593	£86,285	£253,812	2.00	2.00	2.00
Strategic Leadership/Partnership Management and Coordination of Services	£149,129	£103,659	£103,659	£356,447	3.00	2.00	2.00

The year-round flexible surge accommodation funding from year 2 onwards is contingent on a review following the conclusion of the Local Authority's planned review of emergency accommodation. This is a potential reduction of £506,502 of the funding if not completed.

Any changes to the agreed services must be approved in writing by the funder.

The personalisation fund and assistive technologies funding is contingent on the review of plans and the impact of the intervention. This is a potential reduction of £216,000 of the funding.

RSI funding is governed on the principles of guidance issued in November 2021 and set out at Annex B of the grant letter.

Payment is to be made in six tranches; in Spring and Summer of 2022, 2023 and 2024. Any underspend declared from the 2021-22 tranche of funding (RSI4) will be deducted from tranche 1 of the 2022-23 fund. From tranche 2 onwards the amount of funding paid is dependent on delivery of services, engagement with monitoring processes as set out at Annex C of the grant letter, and a completed statement of expenditure.

The Chief Executive, Section 151 Officer or Chief Internal Auditor must sign and return a declaration in advance of tranche payments as per Annex D. condition 2 of the grant letter.

Where alternative funding is available that meets RSI outcomes, Local Authorities are expected to pursue these funding opportunities. DLUHC may review the RSI funding if more appropriate funding is available.

DLUHC may reduce, suspend, withhold or claw back RSI funding if any of the conditions

are not met.

All public sector procurement is governed by UK national law. In addition, all procurement in Sheffield City Council must comply with its own Procurement Policy, and Contracts Standing Orders.

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](#).

4.3 Legal Implications

4.3.1

The grant is subject to conditions determined by DLUHC. The Council has a duty under Part VII of the Housing Act 1996 to ensure that advice and information about homelessness and the prevention of homelessness is available to persons in its district. Utilising the grant money for the purposes as described in this report will be in accordance with these powers and allow the Council to develop and expand existing support where gaps in current service provision have been identified.

The Homelessness Reduction Act 2017 imposes additional duties on local authorities to provide new homelessness services to a wider homeless group than those who are protected under existing legislation, including providing assistance and support to eligible people to help them to secure accommodation. The grant will assist the Council in meeting these statutory duties.

4.4 Climate Implications

4.4.1 For the purpose of this programme, we have consulted Jessica Rick (SCC Sustainability Programme Officer) and the Climate Change Team for guidance on how to deliver the Rough Sleeper Initiative Programme that will have the least impact on the climate.

Our top priority is to eliminate rough sleeping in Sheffield, but we will endeavour to deliver this service in an eco-friendly way. Sheffield City Council actively encourage officers to use public transport and walk wherever possible.

The programme will fund a variety of accommodation options, this could be hotel accommodation, private rented or use of existing council properties. We will work with accommodation providers to work towards our commitments that properties are insulated well, furnished with sustainable furniture, and that heating sources within the accommodation are highly efficient.

Sheffield City Council works in partnership with a number of external services as part of this funding programme, and we have consulted with them to determine their commitment to zero impact on the climate.

Health services have provided the Council with the following information:

“ NHS South Yorkshire ICB have developed a sustainability and green plan with partners

and colleagues working in and with the NHS across South Yorkshire.

Our vision is: “To work with patients and partners to improve the health of our population and respond to the urgent threat of the climate crises by putting sustainability and net zero at the heart of everything we do and collaborating to deliver a greener and more sustainable NHS South Yorkshire”.

Our Principles are:

- To prioritise and promote prevention of illness through increasing awareness of the health impacts of climate change
- To embed sustainability and net zero into everyday actions, business planning and decision making
- To implement changes to reduce the environmental impact of current models of care within the healthcare organisations
- To avoid unintended consequences or inequalities arising out of actions to promote sustainability”

Framework Housing Association have provided the Council with the following information:

Framework have actually just started the process of looking at our emissions and how green we are as a charity overall. Luckily, Sheffield being a city makes this much easier. I would say 80% of our role is done on foot so the majority of our job is green and a number of staff use either bikes/walk or public transport. I would also add if we need to get clients to appointments/housing we provide bus passes over taxis – again being green”

Roundabout Limited have provided the Council with the following information:

Roundabout are committed to reducing emissions and working to be environmentally friendly. We encourage our staff to use public transport, walk or cycle wherever possible and ensure the properties are appropriately insulated. We are actively working with the young people we support to not waste energy for example introducing booster buttons on boilers so heating systems are not left on and using automatic lights in our properties. We have also taken steps to buy more sustainable furniture reducing disposable waste.

4.4 Other Implications

4.4.1 N/A

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The alternative would be to not accept the funding. Without accepting the funding the programme would not be deliverable therefore this option has been discounted.

There are no other viable funding options from other agencies or from Council budgets. If the funding was not accepted it would mean that the council would need to cease the majority of targeted work with people who are rough sleeping or have previously been rough sleeping, and the risk of higher numbers of people sleeping

rough would be high.

The funding proposal allows the Council to continue its current work and expand further on this.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The preferred option is to accept the funding so that the Council can continue the current work and planned future work on the Rough Sleeper Initiative strategy.

The Housing Solutions service is well placed to accept and deliver the funding, as the existing teams are already in place to continue this work, and the service has the expertise to develop the future aims of the overall programme.

Rough sleeping is the most visible form of homelessness, and this cohort of customers in the city are the most vulnerable. Our Homelessness Prevention strategy lists 'tackling Rough Sleeping' as a key priority. The Council is committed to working towards an end to rough sleeping and this funding opportunity allows us to continue this work.



Report to Finance Sub-Committee

Author/Lead Officer of Report:

Suzanne Allen, Head of Citywide Housing Services

Report of: Janet Sharpe, Director of Housing, Housing and Neighbourhood Services
Report to: Finance Sub Committee
Date of Decision: 7/11/22
Subject: Rough Sleeper Accommodation Programme- April Acceptance

Has an Equality Impact Assessment (EIA) been undertaken? Yes ☒ No ☐

If YES, what EIA reference number has it been given? *Reference has not yet been assigned*

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:

The purpose of the report is to seek approval to accept funding from the Rough Sleeping Accommodation Programme to be transferred to Action Registered Provider who will be delivering 10 units for move on accommodation for rough sleepers and Roundabout a homelessness charity who will be delivering 8 units .

A total of £694,480 has been awarded for the Action's proposal. This includes £641,900 capital grant funding directly to Action to deliver the units and £52,580 revenue grant funding (via SCC) to employ a Tenancy Support Worker to work full time with the tenants of the units.

A total of £131,812 has been awarded for the Roundabout's proposal. This includes £68,224 capital grant funding directly to Roundabout to deliver the units and £63,588 grant revenue funding (via SCC) to employ a Tenancy Support Worker to work full time with the tenants of the units.

Recommendations:

Finance Sub-Committee is recommended to:

1. accept DLUHC revenue grant funding of £116,168, as detailed and set out within this report, and thereby accept the Council being Accountable Body for this funding.
2. approve SCC making grant payments to the following registered providers for the project: Action (£52,580) and Roundabout (£63,588).

Background Papers:

Lead Officer to complete:-	
1	<div> <div>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.</div> <div> <div>Finance: <i>M.Wassel</i></div> <div>Legal: <i>(Henry Watmough-Cownie)</i></div> <div>Equalities & Consultation: <i>Louise Nunn</i></div> <div>Climate: <i>Jessica Rick</i></div> </div> </div>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	<div> <div>EMT member who approved submission:</div> <div><i>Ajman Ali, Executive Director of Operational Services</i></div> </div>
3	<div> <div>Committee Chair consulted:</div> <div><i>Cllr Bryan Lodge</i></div> </div>
4	<div> <div>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.</div> <div> <div> <div>Lead Officer Name:</div> <div><i>Suzanne Allen</i></div> </div> <div> <div>Job Title:</div> <div><i>Head of Citywide Housing Services</i></div> </div> </div> </div>
	Date: October 2022

1. PROPOSAL

- 1.1 The proposal is to accept 2 years of revenue grant funding (£116,168) from the Department of Levelling Up, Housing and Communities' (DLUHC) Rough Sleeper Accommodation Programme (RSAP) and transfer this to two third party providers who will be delivering the properties. This revenue grant funding will enable them to employ support workers for their RSAP programmes, detailed in the background section below.

This is broken down into:

- An acceptance and transference via SCC of revenue grant of £52,580 to Action (registered provider) who will be employing 1 support worker to support their programme of 10 properties.
- An acceptance and transference via SCC of revenue grant of £63,588 to Roundabout (youth homelessness charity) who will be employing 1 support worker to support their programme of 8 properties.

1.2 Background

The Department for Levelling Up, Housing and Communities (DLUHC) and Homes England have made funds available for a further round of bids from the Rough Sleeping Accommodation Programme (RSAP) to provide Move on Accommodation and accompanying support for rough sleepers or those at risk of rough sleeping.

RSAP includes funding for capital and revenue-based accommodation Schemes, as well as revenue funding for support services to enable individuals accommodated in these units to move on from rough sleeping.

The capital element of the funding is to deliver the accommodation and the revenue element of the funding is to deliver associated support in the form of employed tenancy support workers which accompany the schemes

Local Authorities were asked to lead on developing bids for their area and to submit an overall bid for the city which detailed all the overall proposals for the city. This would include both schemes which the Council may be delivering and any schemes where partners would lead on delivery. Proposals were required to be developed in collaboration with a wide range of local partners and stakeholders and were co-produced with DLUHC advisors.

All partners wishing to lead on delivery of a scheme would also submit more detailed information on their proposal directly to DLUHC.

1.3 Developing a bid for Sheffield

The Council began this process by considering the need in the city. This

included assessing the recently completed Rough Sleeper Initiative 5 bid which identified a gap for move on accommodation particularly for women, young people and those with complex needs.

The Council then considered how we as a city could best meet these needs, considering both the overall requirement in the city and how to meet the needs of the groups above.

This involved assessing our own options for delivery and those of Registered Providers and Partners. Extensive work was done with partners to encourage proposals from them.

1.4 The Bid

Sheffield City Council have placed a bid which combines:

- 6 units of new build accommodation to be delivered by SCC
- 10 units purchase and repair units to be delivered by Action (a registered provider). These will be acquired on the open market and brought up to a lettable standard.
- 8 units to be delivered by Roundabout (a youth homelessness charity) via a private sector leasing model.

The bid was successful and Table 1 summarises the funding awarded:

Table 1: Scheme	Total no of units	Direct Capital Grant	*Revenue Grant (for SCC to Passport)
1. Roundabout	8	£68,224	£63,588*
2. Action	10	£641,900	£52,580*
Total: External	18	£710,124	£116,168*
(**SCC Provision)	6	£480,000	£27,219

(**The SCC capital grant (£480,000) and revenue grant (£27,219) awarded directly to the Council are subject to separate approvals processes).

The capital grant funding aspects of the proposal for both Action (£641,900) and Roundabout (£68,224) will be transferred directly to them from DLUHC. Action and Roundabout will have responsibility for delivering their own schemes. The Council will have no responsibility for their delivery.

1.5 Revenue Element for tenancy Support Workers

The revenue grants for both Action and Roundabout will be used to employ tenancy support workers. This aspect of the grant will be transferred from DLUHC to SCC, who will then pay over to Action and Roundabout separately. This is broken down further below:

DLUHC Grant to SCC then paid to Action (£52,580) to employ 1 x Full Time Tenancy Support Worker (22/23 to 2023/24). This will be transferred annually as profiled below:

Provider	2022/23	2023/24	Total
Action	£19,912	£32,668	£52,280

DLUHC Grant to SCC then paid to Roundabout (£63,588) to employ 1 x Full Time Tenancy Support Worker (22/23 to 2023/24). This will be transferred annually as profiled below:

Provider	2022/23	2023/24	Total
Roundabout	£31,324	£32,264	£63,588

The tenancy support workers will support individuals to feel happier and safer in their homes, reduce feelings of social isolation and develop community connections and personal goals. They will offer personalised support to help individuals achieve the following key outcomes; an improvement in levels of tenancy sustainment; an improvement in individual's feelings regarding their social wellbeing and general levels of health; increased levels of confidence individuals have in achieving their own personal aspirations; and move on into settled accommodation within 2 years and prevent return to the streets.

1.6 Governance

The Council will upon receipt of this grant annually transfer to Action and Roundabout to spend on a tenancy support worker. It is requested that approval is granted to:

- Approve the transfers of £19,912 in 2022/23 and £32,668 in 2023/24 once these grant monies are received to Action
- Approve the transfers of £31,324 in 2022/23 and £32,264 in 2023/24 once these grant monies are received to Roundabout

There will be a grant agreement between the Council and DLUHC. This is a formal document which sets out the terms and conditions upon which the funding is provided. The responsibility for delivering the project will still remain with Action and Roundabout.

The properties will be used for rough sleepers to bridge the gap between temporary accommodation and a longer-term tenancy. Tenancies for these properties will be up to a maximum of 2 years and the support will be much higher than in a general needs placement of social housing.

When working with Registered Providers and partners on this the Council have initially outlined our preference for 1 bed properties across the city. We have also outlined the following criteria for properties to meet the needs of the cohort:

- Dispersed and not part of another scheme for vulnerable people
- Outside of the city centre and not within ½ a mile of the ring road
- No shared facilities
- Own separate entrance
- RP's to provide their own infrastructure including support workers.

These units will provide accommodation and floating support to rough sleepers who are ready for move-on accommodation. This will form a key part of the rough sleeper pathway and help users to prepare to live independently. We envisage that each Rough Sleeper will have been either in emergency accommodation or supported housing and be ready to move. Each tenancy will be for up to 2 years. The acquired properties will need to be available to rough sleepers for 30 years.

1.7 **Related bids**

DLUHC have previously made funds available for this programme. Sheffield have been successful in the following bids:

-Great Places (Registered Provider) to provide:

- 6 purchase and repair units. These will be acquired on the open market and brought up to a lettable standard. They will be 1 bed units. These will be available for move on accommodation for 30 years as per the requirement of the bid.
- 2 properties to be repurposed from Great Places existing stock.
- 1 tenancy support worker to support the properties.

This was approved at Finance Sub Committee on 27th July 2022. More information is available at: [Sheffield City Council - Agenda for Finance Sub-Committee on Wednesday 27 July 2022, 2.00 pm](#)

-SCC to provide:

- a private sector leasing scheme of 15 units. SCC will go out to tender for private landlord to provide the units on a lease. Fixed 2 year tenancies will be issued with individuals supported to further develop independent living skills. They will be supported to move from this accommodation to another tenancy of their choice that most meets their needs releasing the accommodation for another individual.
- 2 tenancy support workers to support the properties.

This was approved by the Executive Member for Housing, Roads and Waste Management on 16th March 2022.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The proposal will meet the aim in the one-year plan to ‘Support people with routes out of homelessness and rough sleeping with emergency and temporary accommodation in Sheffield.’

It will provide 18 units which will be used for move on accommodation for rough sleepers.

Rough sleepers will be supported with their tenancy as part of the revenue aspect of the bid.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Rough sleepers have previously been consulted and have indicated a preference for dispersed properties. We have incorporated these views into our bid submission.
- 3.2 Following our own success within the bid we have consulted with those with lived experience on the design of the new build properties across two events in August and October facilitated by the changing futures co-production programme.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 A draft EIA has been completed with the information we have. However currently there are no direct negative impacts on any of the Protected Characteristic groups.
Regular updates will be carried out and if necessary the draft EIA will be updated and once this is agreed the EIA will be added to the Sharepoint site and a reference number will be generated.

4.2 Financial and Commercial Implications

- 4.2.1 Key features (not exclusive) of the grant terms and conditions for the payment of £116,168 of revenue grant monies to SCC for the providers indicated are summarised below. The Portfolio Grant Manager will need to: ensure that suitable back to back grant agreements with the third party providers are developed with Legal; read, understand and comply with all of the grant terms and conditions

A summary of the revenue grant budget (£116,168) is identified at Table 1 above (see para 1.4)

- Ring-fenced for delivery of RSAP: Longer Term Move-On Accommodation

(including support services linked to LTMOA.)

- Grant must be spent as per the purposes/general funding principles in the Programme guidance. See link:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907977/NSAP_Guidance.pdf

- Each RSAP Rent Dwelling must use the most appropriate form of tenancy having regard to the terms of the Tenancy Standard and the efficient use of public funds and must be in compliancy with the eligible tenancies guidance. See link:

<https://www.gov.uk/government/publications/next-steps-accommodation-programme-guidance-and-proposal-templates/letting-accommodation-funded-through-the-rough-sleeping-accommodation-programme-guidance-for-local-authorities-and-private-registered-providers>.

- Grant recipient must meet agreed milestones, monitoring arrangements, achieve objectives as per application, delivery plan and monitoring reports.
- Grant recipients to report monthly progress against approved revenue schemes during the programme period, inc. progress v delivery milestones re: the approved scheme.
- Any variance to the grant, budget, delivery plan or delivery timings must be agreed by MHCLG in advance.
- Grant recipient authority must report to MHCLG on grant usage / milestones delivery and objectives and provide MHCLG with additional information when requested
- The Chief Executive and Chief Internal Auditor to sign/return to the Funder a declaration of grant usage (see details).
- Grant subject to clawback if the terms and conditions are not met (and will be accounted for as conditional)

Commercial Implications

- There are no direct commercial implications arising from this report. Any procurement activity associated with the grant award will be reported separately.
- All public sector procurement is governed by and must be compliant with the Grant Agreement and the relevant 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).
- CSO 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

4.3 Legal Implications

- 4.3.1 Funding is to be provided under s31 of the Local Government Act 2003, paid to a local authority towards expenditure incurred by it, in this case for the purpose of Rough Sleeping Accommodation. Utilising the grant money for the purposes set out in this report will assist the Council meetings its statutory obligations under the Housing Act 1996 and Homelessness Reduction Act 2017.

4.4 Climate Implications

- 4.4.1 As the decision relates to revenue funding which will be used to employ tenancy support workers to support the programme there are no specific climate impacts of the decision.

As the programme develops, we will look to encourage partners to develop their own sustainability/climate policies where they don't have them in place already.

Action have already indicated to us that they will be looking to update old and energy inefficient systems where appropriate in properties they acquire.

4.5 Other Implications

N/A

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 **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.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1
- There is a high need for move on accommodation for rough sleepers in the city. Action and Roundabout will provide the units for the accommodation and employ the Tenancy Support workers. The responsibility for delivery will be on Action and Roundabout rather than the Council which reduces the risk.
 - By partnering with RPs 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

This page is intentionally left blank



Report to Policy Committee

Author/Lead Officer of Report: Janet Sharpe,
Director of Housing, Housing and Neighbourhood
Services

Tel: 0114 2735493

Report of: Executive Director, Operational Services

Report to: Finance Sub Committee

Date of Decision: 7th November 2022

Subject: Refugee Resettlement Funding

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/> Y	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given?				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/> X	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> X
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> 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:

The purpose of this report is to provide the Committee with an overview of the current arrangements for refugees resettling in Sheffield, including recent changes to provide support for Ukrainian Refugees, and to seek approval for grants to support those arrangement.

Recommendations:

It is recommended that the Finance Sub-Committee:

- i. Notes the contents of the report and in particular the financial income provided by the Government to support a number of refugee support schemes benefitting refugees resettling in Sheffield.
- ii. Approves the specific grants to the Ukraine Community Group, the Refugee Council, SPRING and Migration Yorkshire as set out in this Report.
- iii. To the extent not already delegated by the Constitution, delegates authority to the Director of Housing to take such further decisions as are necessary, including authorising grants in excess of £50,000, to deliver the UK Resettlement Scheme, Afghan Relocations and Assistance Policy (ARAP), Afghan Citizen Refugee Scheme (ACRS) and the Homes for Ukraine Scheme so long as the costs associated with those decisions are covered by the funding made available to the Council in relation to those schemes.

Background Papers:

UKRS funding instruction

ARAP/ACRS funding Instruction

Homes for Ukraine funding guidance to Las

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.	<div>Finance: Helen Damon/Sonya Oates</div> <div>Legal: Sarah Bennett</div> <div>Equalities & Consultation: Anne Marie-Johnson</div> <div>Climate: n/a</div>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	Ajman Ali
3	Committee Chair consulted:	<i>Cllr Terry Fox, Cllr Paul Wood, Cllr Jayne Dunn, Cllr George Lindars-Hammond, Cllr Julie Grocutt and via Gold Incident Group members</i>
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: <i>Janet Sharpe</i>	Job Title: <i>Director of Housing</i>
Date: 27 th October, 2022	

1. PROPOSAL

1.1 Background

- 1.1.1 In 2004 Sheffield City Council was the first local authority to welcome resettled refugees when the Gateway Protection Programme (GPP) was launched in the UK. Since 2016 Sheffield City Council has resettled refugees under both the GPP and the Syrian Vulnerable Person's Resettlement Scheme (VPRS) and the Vulnerable Children's Resettlement Scheme (VCRS). These schemes are managed regionally with Leeds City Council being the Accountable Body and providing co-ordinating activities, with funding being passed from them to the other partner local authorities to fund local support activity.
- 1.1.2 In March 2019 Cabinet agreed that the Council would continue to resettle refugees under all three schemes until March 2020 but gave delegated authority to the Director of Housing to continue the schemes for up to three further years should no substantial changes be made to the delivery and finance of the schemes.
- 1.1.3 In April 2020 the Home Office merged all three existing schemes into the UK resettlement scheme. The funding instructions for this scheme were the same as the VPRS and VCRS schemes. This meant there was no change in operation and Gateway refugees who previously only received 12 months month of support were given additional support in line with VPRS and VCRS schemes.
- 1.1.4 On 3rd June 2021 the Home Office minister wrote to Local Authority CEO's asking for an urgent response and support to the emerging situation in Afghanistan and the security of Afghan locally engaged staff (LES) who had provided supported military personal in Afghanistan. The Home Office launched the Afghan Relocations and Assistance Policy (ARAP) to relocate LES staff and families who had been evacuated to the UK. The Home Office also announced the Afghan Citizens Resettlement Scheme (ACRS). The funding for the ARAP and ACRS schemes was finally agreed at the same amounts as the UKRS scheme with support being over 3 years. Sheffield responded to the requests to support these schemes by reducing planned UKRS refugee arrivals and sharing arrivals between the UKRS and Afghan schemes.
- 1.15 In conjunction with Migration Yorkshire¹ a 'fair share' calculation was developed with each Local Authority receiving a proportion of refugees based on a per head of population calculation. Revised allocations based on this calculation in 2021/22 are highlighted below:

¹ As per paragraph 1.1.1 Leeds City Council is the lead partner on behalf of a number of local authorities in the region. Migration Yorkshire is the service within Leeds City Council that is responsible for discharging its obligations.

Scheme	UK arrival numbers	SCC fair share number
UK Resettlement Scheme	5000	44
Afghan Relocations and Assistance Policy	8000	70
Afghan Citizen Resettlement Scheme	5000	44

1.2 Homes for Ukraine Scheme

- 1.2.1 Following the start of the war in Ukraine in March 2021 the Home Office announced the Ukraine Family Visa Scheme and the Department for Levelling up, Housing and Communities (DLUHC) announced the Homes for Ukraine Scheme where sponsors within the UK can offer accommodation within their home to Ukrainian refugees. The Homes for Ukraine Scheme places responsibilities on the local authority to undertake checks on sponsors and their accommodation and manage support for refugees. The funding for this scheme is for one year at equivalent levels to the first twelve months of existing schemes. No funding is provided for the Ukraine Family Visa Scheme.
- 1.2.2 There is no requirement to bid for funding and indeed the Council does not control the numbers of individuals resettling in Sheffield. Sponsors volunteer themselves and the arrivals are driven by how many sponsor placements a city has.
- 1.2.3 When the scheme was announced, Sheffield City Council Chief Executive asked the Director of Housing to establish an incident group and governance structure in response to the Homes for Ukraine Scheme drawing together all key departments and partners to put in place the delivery arrangements to manage new arrivals into the city and, informing senior officers and cabinet leads of the rapidly changing picture. The local authority is expected to undertake initial post arrival checks on the sponsors address and refugees' welfare. The local authority also must undertake DBS (disclosure and barring service) checks on all sponsors and members of their household over 16 and some property standard checks to ensure the accommodation provided is safe. Following all satisfactory checks being completed the local authority confirms the successful placement to the DLUHC (Department for Levelling Up, Housing and Communities). In the event a sponsor or address not suitable or a breakdown in the sponsorship arrangement the local authority needs to look for other accommodation through re-matching the refugee to a new sponsor or through housing options.
- 1.2.4 Now that the Scheme is more embedded it has become clear that in addition to support provided in-house there are a number of external partners actively working with Ukrainian Refugees whose work can help to ensure more successful integration into the city. The Committee is recommended to support this work through grant funding from the funding allocated by DLUHC to support the Homes for Ukraine Scheme:

- **Ukraine Community Group - AUGB**
A grant to the Ukraine Community Group of up to £30,000 to allow them to rent a site for a weekly community meeting and supporting activities.
- **Refugee Council**
A grant of approximately £260,000 to provide additional therapeutic support to refugees within Sheffield. This grant will expand the current provision which is funded through our current UKRS regional partnership with Migration Yorkshire and will allow Refugee Council to support an increase in the number of refugees within the city.
- **SPRING**
A grant of up to £372,000 to support the work conducted by the SPRING programme to continue support in the city for all refugees. The Director of Housing will work with spring over the next 6 months on bids for additional funding and to try and secure a support pathway for all refugees arriving within Sheffield.

1.2.5 It is also recommended that some of the funding (a grant of 1.8% of received funding from the £10,500 payments - see Financial Implications below) be passed to Migration Yorkshire to allow them to provide the regional co-ordination activities training courses and lobbying for the Homes for Ukraine Scheme in the same way as they do for the other Refugee schemes detailed in this Report.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 Sheffield was the first City of Sanctuary and as a city is proud to welcome asylum seekers and refugees into its neighbourhoods. Continued involvement with the UK Resettlement Scheme, Afghan Relocation and Assistance Policy, Afghan Citizen Resettlement Scheme and the Homes for Ukraine Scheme confirms this supports and commitment that Sheffield intends to be a place of safety for those fleeing persecution.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 The Council is not required to carry out a consultation process in respect of these proposals. A formal consultation process has not been carried out.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 An EIA is currently in place that supports the Council's activity to support all refugees arriving in the city and has already been published.

4.2 **Financial and Commercial Implications**

4.2.1 **Funding**

- 4.2.1.1 A summary of the confirmed funding packages for all three schemes is set out below along with the recently announced funding package to support the Homes for Ukraine Scheme in the first 12 months. DLUHC are yet to announce funding for this scheme beyond 12 months:

	UKRS	ARAP	ACRS	Homes for Ukraine
Integrated support package for 12 months per person	£8,520	£10,500	£10,500	£10,500
Support package years 2 onwards	£12,000 paid over years 2 to 5	£10,020 paid over years 2 and 3	£10,020 paid over years 2 and 3	No current information or planned announcements
ESOL	£850	£850	£850	Funded from the £10,500
Education	3-4 yrs £2250 5-18 yrs £4500	3-5 yrs £2250 5-18 yrs £4500	3-6 yrs £2250 5-18 yrs £4500	2-4 yrs £3,000 5-11 yrs £6,580 11-18yrs £8,755 *
Health	Direct primary and secondary year 1 healthcare costs paid.	Direct primary and secondary year 1 healthcare costs paid.	Direct primary and secondary year 1 healthcare costs paid.	
Exception needs fund	Held by the Home Office. Bids made as required	Held by the Home Office. Bids made as required	Held by the Home Office. Bids made as required	

**The Education payments made on the Homes for Ukraine Scheme include an additional tariff to support children with SEND*

- 4.2.1.2 Funding on all schemes is given based on the confirmed number of refugee arrivals into the local authority. There is no requirement to bid for funding. Funding is paid in arrears.
- 4.2.1.3 The ARAP scheme was provided to relocate LES and families following the rapid evacuation from Afghanistan. This scheme will not be an ongoing scheme. The UKRS and ACRS schemes will both continue to welcome 5000 refugees to the UK each year on each scheme. Based on the fair share calculations SCC has indicated we will welcome refugees to these schemes in 2022/23 as outlined below:

Scheme	UK arrival numbers	SCC fair share number
UK Resettlement Scheme	5000	44
Afghan Citizen Resettlement Scheme	5000	44
Refugees from SCC 2021/22 pledge who experienced delays in arrival/allocation		28

- 4.2.1.4 Current information indicates 361 sponsors within the city are matched to 766 Ukrainian refugees. So far 495 refugees have arrived to 231 sponsors placements. A data return has been submitted to DLUHC for the first two quarters of this scheme. Projected income is outlined below:

Refugees arrived	497	£5,218,500
Thank you payments	395	£138,250
Children		
2-4 years	23	£69,000
5 to 11 years	79	£519,820
12 to 18 years	68	£595,340

- 4.2.1.5 This return will generate income to fund our response to the Homes for Ukraine Scheme as indicated above. Funding for Children will be paid directly to the Children and Young People's Service by the Department of Education to fund support within Schools and the Education sector.
- 4.2.1.6 Thank you payments of £350 are paid to the authority by DLUHC to reimburse the council for monthly payments which are made to approved sponsors on the Homes for Ukraine Scheme.
- 4.2.2 Monitoring:
- 4.2.2.1 Specific details regarding the funding rules and guidance to Local Authorities are attached to this paper in Appendices A to C.
- 4.2.2.2 Expenditure of income on the schemes is managed within the authority's financial management process with regular scrutiny being applied to payments and charges to ensure it is made within the rules and guidance provided.
- 4.2.2.3 Budgets and forecasting are in place based on expected income and reporting of spend and projected outturn is captured within the regular financial summaries and reports presented to the Council's incident governance meeting (Gold) and the Operational Services Portfolio Housing Leadership Team. Regular updates will be provided to ensure all expenditure is within budget without additional costs being incurred by the authority.

- 4.2.2.4 Previous grant funding has been subject to clawback if terms and conditions are not met. It should be assumed that this will be the case for the Homes for Ukraine Scheme.
- 4.2.2.5 Grants awarded to partner agencies will have conditions included to ensure organisations keep detailed financial records and ensure that the money awarded is used in line with the rules and guidance for the relevant schemes.
- 4.2.3 Key features of the grant taken from the DLUHC guidance are set out below:
- 4.2.3.1 Funding is ringfenced and will match the tariff of the first year of the Afghan Citizens Resettlement Scheme (ACRS) and Afghan Relocations and Assistance Policy (ARAP).
- 4.2.3.2 Funding will be paid at a rate of £10,500 per refugee. The cost of DBS checks for sponsors is expected to be covered within this payment.
- 4.2.3.3 DLUHC will also fund a £350 optional 'thank you' payment to lead hosts provided they meet the criteria as set out in the scheme guidance. This payment will not be made until a visit to the sponsoring property to ensure suitability has been completed.
- 4.2.3.4 Councils are responsible for the prevention of fraud for this scheme. Any costs arising for counter fraud activities and clawback of payments are covered within the £10,500 payment.
- 4.2.3.5 It is recommended that a 10% sample check is conducted for the £350 payments.
- 4.2.3.6 Additional funding will be paid for educational requirements at the following annual rates:
- Early years (ages 2 to 4) - £3,000
 - Primary (ages 5 -11) - £6,580
 - Secondary (ages 11-18) - £8,755
- 4.2.3.7 These tariffs include funding for children with special educational needs and disabilities (SEND). All associated costs should be met within these tariffs. Claims for additional costs will be considered on an exceptional basis only.
- 4.2.3.8 Grant payments will be made quarterly in arrears and will be subject to confirmation that guests have arrived, and that conditions have been met. Payments will also be dependant on the timely submission of monitoring data.
- 4.2.3.9 Quarterly returns must be signed off by the Section 151 Officer. A reconciliation will be carried out at the end of each financial year. Any

unspent funding, or funding paid that exceeds the pressures based on the number of guests and sponsorship households in their area must be repaid to the funder.

- 4.2.3.10 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.

4.3 Legal Implications

- 4.3.1 The Home Office has the power, under section 59 of the Nationality Immigration and Asylum Act 2002, to participate in a project designed to arrange or assist the settlement of migrants (whether in the United Kingdom or elsewhere), including powers to provide financial support to an organisation in the United Kingdom or another country which arranges or participates in a project of that kind and to provide or arrange for the provision of financial or other assistance to a migrant who participates in a project of that kind.
- 4.3.2 The Council will enter into grant agreements with grant recipients to ensure that any obligations it has to DLUHC are passed, as appropriate, to those recipients and the recipients do not put the Council in breach of its obligations to DLUHC.
- 4.3.3 The majority of people assisted under the UKRS, ARAP and ACRS schemes will be accommodated in private rented housing, but it may occasionally be necessary to use social housing if individual needs cannot be met in the private sector. Where refugees are allocated Council housing or nominated to registered providers, this will be done in accordance with the Council's statutory Allocations Policy. Refugees resettling under the Homes for Ukraine Scheme will live with sponsors.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Due to the need to urgently respond to the emerging Ukraine situation and support newly arriving refugees into the city it was agreed to work with the existing city infrastructure and organisations that currently support the Council and our most vulnerable refugees. If SCC were to choose not to support, through grant funding, the organisations carrying out the work described above, it would leave support needs of hundreds of refugees unmet. This would lead to a consequential impact on existing services which would not be adequately resourced to deal with the increased demand.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 The Council now has over 15 years' experience of management and delivery of similar refugee resettlement programmes, the longest recent involvement of any local authority in the UK.
- 6.2 The UK government has committed to resettling the most vulnerable

refugees, bringing people to the UK who have fled war and persecution and are temporarily based in neighbouring countries. The UKRS, ARAP, ACRS and Homes for Ukraine Scheme are funded by central government, with money provided at a level which funds the Council and its delivery partners to provide services and support to refugees for the period determined on each scheme.

Janet Sharpe
Director of Housing

This page is intentionally left blank



Report to Policy Committee

Author/Lead Officer of Report: Emma France
(Head of Service Marketing Sheffield)/Diana
Buckley (Director of Economic Development, Skills
and Culture)
Tel: 01142734125

Report of: Diana Buckley (Director of Economic
Development, Skills and Culture)

Report to: Finance Sub-Committee

Date of Decision: 07/11/22

Subject: One Year extension to DocFest Grant Funding

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? Reference number awaited				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>"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)."</i></p>				

Purpose of Report:

A grant agreement has been in place for the last 3 editions of the Sheffield International Documentary Festival (DocFest). This expires following the delivery of the event in 2022.

This report proposes extending the current grant agreement with DocFest for a further year (22/23) to support the delivery of the 2023 event which will be the 30th anniversary. This would give us the opportunity to explore a longer-term arrangement between SCC and DocFest for the 2024 event and beyond whilst ensuring DocFest is able to continue for 2023. This work is in line with the work of the Strategic Events Group regarding SCC's future support of major events.

Recommendations:

Finance Sub-Committee is recommended to:

Approve a one-year extension to the existing Grant Agreement SCC has with DocFest in the sum of £100K drawn from the Strategic Major Events Fund to support the delivery of DocFest in June 2023.

Background Papers:

[2022 Sheffield DocFest Festival Report by Sheffield DocFest - Issuu](#)

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 Dallow
	Legal: Henry Watmough-Cownie
	Equalities & Consultation: <i>Louise Nunn</i>
	Climate: <i>Jessica Rick</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	SLB member who approved submission: <i>Kate Martin</i>
3	Committee Chair consulted: <i>Bryan Lodge</i>
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: <i>Diana Buckley</i>
	Job Title: Director of Economic Development, Skills and Culture
Date: Draft 14/10/22	

1. PROPOSAL

- 1.1 The current grant agreement for the Council to provide grant funding to Sheffield DocFest for 3 years between 2020 – 2022 has expired following the June 2022 event. It is proposed that we extend the current grant agreement (by way of a legal letter) with DocFest for a further year (22/23) to support the delivery of the 2023 event which will be the 30th anniversary. This is to allow changes at senior level to take place within DocFest and for SCC to consider the detail of a longer-term arrangement to support DocFest.
- 1.2 Sheffield Doc/Fest is a world leading and the UK's premier documentary festival and conference, celebrating the art and business of documentary and all non-fiction storytelling. In 2023, it will be the 30th DocFest. Doc/Fest's analysis and our monitoring of hotel bookings demonstrate that it has recovered well from the pandemic and in 2022 it attracted 2188 industry delegates from 69 countries to Sheffield for a 10-day period. It is estimated to deliver an economic impact of £1.4 million to Sheffield. Spread over a proposed 20 venues, the festival provides a valuable contribution to Sheffield's cultural offer and achieves more than 30,000 public admissions (61% of which were from Sheffield) In 2022 there were 117 films premiered in Sheffield (38 of which were world premieres) The festival includes a marketplace (the Meet Market) where typically over £7,000,000 of deals are done, and Sheffield Doc/Fest also has a year-round programme of training, workshops, mentoring and networking as well as internships and volunteering opportunities for young people giving Sheffield a year round profile on the national and international stage.
- 1.3 Sponsorship of the event is legally discretionary. Funding will support Sheffield Doc/Fest to maintain a programme of international significance, in an environment of reduced funding from national bodies such as UK Film Council etc and uncertainty in the context of events post pandemic. It will support Sheffield Doc/Fest to unlock further funding from outside the UK to directly benefit local filmmakers and audiences, as well as providing the resources to secure commercial funding.
- 1.4 The £100K grant funding is budgeted for with the Strategic Major Events fund 22/23 and already includes a reduction (from £150K to £100K recognising current budget pressures)

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 Sponsoring Doc/Fest ensures that the festival, which brings in almost £1,400,000 delegate spend per year to the city, takes place. This supports all work around strong economy and external reputation.
- 2.2 In addition to the delegate spend, the Council's sponsorship contributes to Sheffield Doc/Fest's ability to develop its programme so that the festival continues to maintain and develop its international standing.

- 2.3 Hosting the festival adds to the city's reputation as a cultural and creative destination, enhancing its appeal both to visitors, businesses and those who may wish to move to Sheffield to work. This is in line with our Economic aims and aims to make Sheffield a 'magnet city'.
- 2.4 Doc/Fest is one of Sheffield's largest and most high profile events and is used as a showcase to encourage other conferences to come to Sheffield. Additional work is taking place with Doc/Fest to maximise the marketing opportunities and promotion of Sheffield through linking in with Sheffield branding. Increased PR activity is also proposed to bring relevant press into Sheffield.
- 2.5 As well as contributing to the city's economic well-being, the sponsorship of the festival provides direct benefits to Sheffield residents. Public audience figures for Doc/Fest held in 2020 were in excess of 30,000 (61% of which were from Sheffield) and the proposed grant funding will support Sheffield Doc/Fest to reach out and increase their audiences.
- 2.6 Providing a one year extension whilst a longer term agreement is reached ensures stability and viability for Sheffield DocFest whilst they continue to recover from the pandemic (and international travel recovers globally) It ensures that the festival organisers are in a position to plan ahead and develop the festival whilst DocFest recruit and develop their senior team for the years ahead. The Council will also be able to review its position in 2023 and decide how best to continue any further sponsorship to Doc/Fest.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 All internal SCC consultation has taken place. There are no requirements to consult on sponsorship decisions and there has been no external consultation. Doc/Fest continue to research audience preferences to enable them to continue to increase inclusion.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 An EIA has been completed. As this is not an SCC event this has been assessed as having minor impact.

4.2 Financial and Commercial Implications

- 4.2.1 The recommended option for a one year extension to the existing grant arrangement, at a reduced cost, will be met from the 22/23 major events budget. Any budgetary changes arising from a longer-term arrangement from 23/24 would need to be managed through the Councils' annual Business Planning process.

- 4.2.2 The grant is exempt from Contracts Standing Orders if it does not result in the provision of services on behalf of the Council, which is the case for this grant.

4.3 Legal Implications

- 4.3.1 Encouraging the continuance of Doc/Fest accords with the provisions of the Council's Sustainable Community Strategy (the Sheffield City Strategy) prepared pursuant to Section 4 of the Local Government Act 2000. One of the key ambitions of the City Strategy is that Sheffield should be a "vibrant" city, "celebrating the diversity, creativity, energy and innovation in Sheffield and ensuring that the City continues to be an international destination of choice, offering the highest quality cultural, shipping and sporting activities."
- 4.3.2 The Council may award the grant by virtue of Section 1 of the Localism Act 2011 (the so called "the General Power of Competence") that allows the Council "to do anything that individuals generally may do".
- 4.3.3 The grant will be made under the terms of the Subsidy Control Act 2022 which comes into force on 4th January 2023. We are working to undertake as satisfactory assessment prior to payment of the grant to ensure that the payment fits with the seven Subsidy Control principles.

4.4 Climate Implications

- 4.4.1 In consultation with Jessica Rick it is deemed not appropriate to have a CIA for a 1 year extension to current arrangements (also as Docfest are a separate entity) However we have identified that DocFest has some policies in this area already and in a year's time when we embark on a new joint working agreement we will work with them as much as we can to look at things like using sustainable venues and travel plans for delegates (referring to the industry guidance around sustainability for events available via Visit Britain)

4.5 Other Implications

- 4.5.1 There is a risk that Sheffield Doc/Fest fails to meet its aims and objectives or the anticipated key performance indicators. Marketing Sheffield will mitigate this risk by monitoring Sheffield Doc/Fest closely.
- 4.5.2 The grant agreement requires Sheffield Doc/Fest to take out appropriate insurance to protect against itself and the Council.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Providing no sponsorship for Doc/Fest would be likely to result in the permanent withdrawal of Doc/Fest from Sheffield or, at best, a significant

reduction in the quality and breadth of the event, risking its international reputation and/or future relocation to an alternative city. This would be likely to mean the approximate £1,400,000 (minimum) delegate spend per year would be lost to the city, and would also have the effect of reducing the city's profile and reputation within the creative community inside and outside of Sheffield. As the conference is the city's largest conference, maintaining presence and scale is important for PR purposes.

- 5.2 It is worth noting again here that we have reduced the suggested contribution from £150K to 100K

6. REASONS FOR RECOMMENDATIONS

- 6.1 Providing a one-year extension whilst a longer-term agreement is reached ensures stability and viability for Sheffield DocFest whilst they continue to recover from the pandemic (and whilst international travel recovers globally) It ensures that the festival organisers are in a position to plan ahead and develop the festival whilst DocFest recruit and develop their senior team for the years ahead. It ensures Sheffield continues to benefit from the economic impact the festival delivers to our various organisations and businesses (including struggling sectors such as hospitality) The Council will also be able to review its position in 2023 and decide how best to continue any further sponsorship to Doc/Fest.



Report to Policy Committee

Author/Lead Officer of Report: Matt Hayman,
Principal Development Officer

Tel: 0114 2735130

Report of: Kate Martin, Executive Director City Futures
Report to: Finance Sub Committee
Date of Decision: 7th November 2022
Subject: Fargate and High Street, Future High Streets Fund – Front Door Scheme Update

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 918				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“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).”</i></p>				

Purpose of Report:

To update on delivery of the Future High Streets Fund ‘Front Door Scheme’ and seek approval to award capital grants to:

- (1) The Montgomery Theatre towards the costs of disabled lift access work and reconfiguration of vacant upper floors for new workspace; and
- (2) Orchard Square Limited towards the costs of open space improvements and conversion of vacant upper floors for housing.

These grants will result in job creation, new homes and increased opportunities for outdoor events and visitors to the City Centre. Outcomes will contribute to delivering the objectives of the Future High Streets Fund vision for Fargate and High Street.

Recommendations:

It is recommended that Finance Sub Committee:

Approves the proposed grant funding to Orchard Square Limited and to The Montgomery theatre through an agreement that includes key terms set out in this report.

Background Papers:

Future High Streets Fund – Fargate and High Street, Cabinet Report, 17th March 2021

Form 2a – Funding Future High Streets Fund – Acceptance of MHCLG Grant, 28th April 2021

Leader's Decision – Month 3 Capital Approvals 2021/22 (Appendix 1)

Form 2a – Future High Streets Fund – 'Front Door Scheme' Grant Funding to M.R.C Pension Trust Limited, 28th October 2021

Officer Decision Report – ReNew Project Grant Funding Allocation, 29th September 2022

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.	<div>Finance: Phil Moorcroft</div> <div>Legal: Marcia McFarlane</div> <div>Equalities & Consultation: Ed Sexton</div> <div>Climate: Jessica Rick</div>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	Kate Martin, Executive Director City Futures
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: Matt Hayman	Job Title: Principal Development Officer
Date: 26 th October 2022	

1. PROPOSAL

- 1.1 On the 26th December 2020 the Government announced that Sheffield Fargate and High Street was successful in securing £15.8m from the Future High Streets Fund (FHSF). On the 17th of March 2021, Cabinet delegated authority to Officers to accept the Ministry of Housing, Communities and Local Government (now the Department of Levelling Up, Homes and Communities) funding and enter into a grant agreement subject to the grant terms being received and agreed. The grant terms and conditions in the form of a Memorandum of Understanding were reviewed by delegated Officers and accepted through an Executive Director Non-Key Decision Report on the 28th April 2021. The decision was published on the 4th May 2021.
- 1.2 In summary the FHSF funding is being used to deliver 3 interventions:
- The acquisition, redesign and refurbishment of 20-26 Fargate as an 'Events Hub'
 - Enhance the public realm and infrastructure on Fargate and High Street to facilitate outdoor events, reduce crime, improve green transport connectivity, and support a resident community with improved services and waste management facilities.
 - Support landowners through the 'Front Door Scheme' to open upper floor access and improve active frontage to Fargate and High Street and connecting pedestrian routes by providing grant funding for appropriate projects.
- 1.3 On the 25th August 2021 the Leader of The Council approved the inclusion of the £5.1m 'Front Door Scheme' FHSF intervention to the capital programme as part of the Month 3 Capital Approvals. The template grant agreement had been drafted and was summarised within the Month 3 Capital papers. The papers included a list of buildings and estimated funding allocations based on the approved Government business case. The intention was and still is that each organisation will be issued with the same grant agreement, and it was not envisaged that these would be amended materially. However, for any amendments that are needed to the grant agreement prior to each grant agreement being entered into, a delegation was approved to the Executive Director of Place (now City Futures), in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to agree the final grant agreement terms. This delegation was used to approve grants awards to the Medical Research Council for the refurbishment of 33-35 Fargate, and the allocation of FHSF funds to ReNew Sheffield for a round of funding targeted at filling vacant property on and adjacent to Fargate and High Street.
- 1.4 Given the changes to the initial buildings identified for grant assistance and funding allocations this report seeks to update Finance Sub

Committee on the Front Door Scheme and seek approval for three grant awards. Two to Orchard Square Limited and one to The Montgomery.

- 1.5 It is proposed to grant £650,000 to **Orchard Square Limited** towards the costs of enhancing the Orchard Square open space. The grant along with investment from the owners will facilitate use of high-quality materials and the building of quality events infrastructure to compliment the proposed FHSF public realm works on Fargate. The works will include the installation of canopies to support a year-round programme of outdoor events, attracting additional visitors to the City Centre and supporting existing and new businesses and retailers.

A further grant award of £340,000 to Orchard Square Limited is proposed in order to fill an identified viability gap on the cost of works to deliver an upper floor residential conversion. The Council has confirmed the owners would not have undertaken this proposed work without grant funding. The grant will secure private sector investment and deliver 8 new apartments. Both interventions were included in the business case approved by the DLUHC and contribute to achieving the aims and objectives of FHSF.

- 1.6 It is proposed to grant £495,000 to **The Montgomery** theatre to support the delivery of their growth plan. This capital project seeks to redevelop the 136-year-old building to make all public areas accessible for the first time, and to alter the interior design and layout of the building to improve customer experience and open up currently unused top floor spaces, improve functionality and productivity, and street presence on Surrey Street, at the top of Fargate. This work supports big ambitions for The Montgomery to become Yorkshire's leading arts centre for children and young people and supports an organisational shift from a receiving house model to a hybrid one, part of a new ambitious business plan to upscale The Montgomery's capacity and the quality and scale of their work. This should lead to significantly more people using the building: diversifying audiences, participants, projects & shows. As this is a new project Officers have sought approval for including in the Front Door Scheme from the DLUHC via a change request.

- 1.7 The grants will be awarded via funding agreements with the building owners with the terms drafted to ensure the funds are used in accordance with the objectives of FHSF and the Memorandum of Understanding with Government. These projects are programmed for completion prior to the FHSF funding expenditure deadline of 31st March 2024 and will contribute to delivering the economic, social and environmental outputs and outcomes agreed with the Department of Levelling Up, Homes and Communities. Key funding agreement terms are summarised at section 4.3 below.

- 1.8 There are ongoing discussions with other landowners to bring forward new uses with grant assistance for prominent vacant or underused buildings on Fargate, High Street and Chapel Walk.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 Grant funding will secure private investment at Orchard Square and public sector match funding at The Montgomery. The investments will contribute to delivering economic growth, jobs and housing by accessing, repurposing and retrofitting of vacant buildings for new residential, leisure, workspace and community uses alongside existing retail. The investment alongside the wider programme of FHSF interventions will contribute to attracting an additional 110,000 visitors to the City Centre, creating up to 505 jobs and 70 new homes.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Extensive consultation was undertaken throughout 2019 and 2020 to inform the strategic case and final business case approved by Government. Officers have and will continue to meet with retailers, businesses, landowners and wider stakeholders to keep them updated and use feedback to inform any review of the interventions.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 There are no significant differential, positive or negative, equality implications arising from the recommendations in this report. The Equality Impact Assessment for the 'Future High Streets Fund – Fargate and High Street', which includes the Front Door Scheme interventions, anticipates that these should be of universal positive benefit for all local people, with added benefit from the creation of a significant number of new full and part time jobs. The local socio economic and community cohesion impacts are anticipated to be particularly positive. The Front Door schemes in this report will require planning permission, which will ensure compliance with the Equality Act 2010. The improvements include a new lift installed with access from a new ground floor lobby on Surrey Street to each floor. The enhanced open space at Orchard Square will retain level access from both Fargate and Leopold Street.

4.2 Financial and Commercial Implications

- 4.2.1 On 28th April 2021 SCC accepted a grant of £15.8m in respect of the Future High Streets Fund of which £2.7m is allocated to the overall Front Door Scheme Programme. £0.3m if this figure is already allocated to the ReNew Sheffield project.
- 4.2.2 The total budget approved for the overall Front Door Scheme is £5.1m (approved as part of the Capital Approvals Month 3 2021/22). This is made up of the £2.7m from FHSF and £2.4m from the council's own resources as match funding. Payments under these agreements will be

funded from this approved budget.

4.3 Legal Implications

4.3.1 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. This enables the Council to pass the funding on to Orchard Square Limited and The Montgomery via a grant agreement.

4.3.2 The grant agreements have had a few changes agreed with the grant recipients since the template grant agreement was outlined in the Month 3 Capital Approval papers. Changes were either agreed with DLUHC or permitted under the agreement between DLUHC and the council.

Key terms of the grant agreement with grant recipients are:

- Any significant change to the project must be agreed with the Council.
- The grant must be claimed by 31st March 2024.
- There are specific conditions that must be complied with prior to a grant claim being made, these include but are not limited to the works specification, project delivery programme and appraisal being produced, confirmation being received that the grant recipient has the funding available to pay for non-eligible expenditure, the grant recipient inputting their agreed investment and the project being completed and signed off.
- Grant claims must be submitted to the Council and provided with evidence. This evidence must include but is not limited to evidence that the amount of the claim has been defrayed, evidence it meets statutory requirements and evidence of sign off.
- Quarterly reporting will be requested to monitor the progress of the project.
- The Council will have the ability to withhold, suspend or require repayment of the grant in specific circumstances including if the Council is required to repay the grant to MHCLG.
- Please note, there is no break clause within the grant agreement.
- The grant can only be used for capital expenditure.

4.3.3 Subsidy control assessments have been carried out and the grants to both Orchard Square Ltd and The Montgomery will be made in accordance with Subsidy Control law so as to not be an unlawful subsidy.

4.3.4 The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018 and Subsidy Control.

4.4 Climate Implications

- 4.4.1 The Front Door Scheme seeks to bring back into use vacant or underused floorspace through repurposing of existing buildings, preventing demolition or need for new build. To support these conversions, a new underground recycling waste management system will be installed to prevent waste being stored on the highway. The investment seeks to attract new residents and businesses to the City Centre taking advantage of existing and proposed sustainable transport connections and the proximity of services and amenities. For these reasons the scheme is expected to make a positive contribution to reducing carbon emissions.
- 4.4.1 Negotiations with landowners on these grant awards were at an advanced stage prior to Council adopting the Climate Impact Assessment (CIA) process. For this reason the grant terms do not require the landowner to undertake an assessment of the climate impacts of the proposed works, for example in terms of design, materials used, energy performance, waste or resources use etc. However, projects will need planning permission and the applicants will be required to address the climate impact in a Environmental Impact Assessment. Moving forward, the CIA tool will be utilised to better understand how climate impacts can be more fully considered in future projects which are part of the 'Front Door Scheme' and wider Future High Streets Fund programme.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Do Nothing - Without grant assistance the buildings are likely to remain vacant and/or underused and the open space underutilised. The refurbishment of the open space at Orchard Square was an integral element of the vision for Fargate and High Street approved by Government. The vision highlights the importance of this pedestrian route but also the opportunities to run complimentary outdoor events in the space. Originally the works were intended to be funded from the FHSF public realm budget and included in the wider civils contract with SISK. However, given the land is not in public ownership and the owners wish to lead on delivery of the works a funding agreement is required.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Approval of the grant funding to the landowners will secure additional private and public sector investment in the buildings and open space. It will deliver a fully accessible Theatre, new homes and enhanced open space to deliver a year-round programme of outdoor events.

Appendix A Photograph of the Montgomery Theatre

Appendix B Photographs of Orchard Square

Appendix A – The Montgomery



Appendix B – Orchard Square





Report to Policy Committee

Author of Report: Alan Seasman, Service Manager City Regeneration and Major Projects

Email: Alan.Seasman@sheffield.gov.uk

Report of: *Kate Martin, Executive Director City Futures*

Report to: *Finance Sub-Committee*

Date of Decision: *7th November 2022*

Subject: *Levelling Up Fund – Attercliffe Acquisition*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1275				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				
<p><i>“The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

Sheffield City Council has been awarded £37m of the Levelling Up Fund. This includes £20m allocated for investment in Gateway to Sheffield and £17m allocated for investment in Attercliffe.

This report seeks approval for the use of some of the £17m Levelling Up Fund allocated resources for Attercliffe to acquire and refurbish the Adelphi Social Club and Land on the West Side of Attercliffe Road.

Please note that the exact amount of funds required for this acquisition and holding costs is placed in the appendix and is not to be shared publicly due to commercial sensitivity.

Recommendations:

- That the acquisition of the Adelphi Social Club and Land on the West Side of Attercliffe Road using the resources from Levelling Up Fund identified in Appendix 1 is approved.
- That should negotiations fail in relation to the Adelphi Social Club, Land on the West Side of Attercliffe Road and any future relevant and required acquisitions, then the committee agree they would be minded to the use of Council's Compulsory Purchase Order Powers to acquire suitable sites to secure acquisitions in line with the objectives of the Levelling Up Fund bid for Attercliffe.
- That the purchase costs be added to the Council's capital programme.

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: <i>Damian Watkinson and Anoop Rughani</i>
		Legal: <i>David Sellars</i>
		Equalities & Consultation: <i>Ed Sexton</i>
		Climate: <i>Jessica Rick</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	<i>Kate Martin, Executive Director City Futures</i>
3	Committee Chair consulted:	<i>Bryan Lodge, Zahira Naz and Mike Levery, Finance Sub-Committee</i>
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: <i>Alan Seasman</i>	Job Title: <i>Service Manager City Regeneration and Major Projects</i>
	Date: 27.10.22	

1. PROPOSAL

1.1 Background Levelling Up Fund and Attercliffe

Levelling Up Fund

1.1.1 The Levelling Up Fund provides Local Authorities with the financial resource to invest in their local communities to tackle economic differences persistent in cities, especially post-industrial cities like Sheffield. Such economic differences are present in people's work opportunities, living and health conditions, and general wellbeing. The Levelling Up Fund aims to 'level up' regions in the UK to tackle economic differences and drive prosperity.

1.1.2 In the Levelling Up Fund prospectus, the Government acknowledges that this prosperity can be measured in many ways. However, the most powerful barometer of economic success is the positive change people see and the pride they feel in places they call home.

1.1.3 Bids for both Gateway to Sheffield and Attercliffe were submitted in June 2021 and the success of both bids was announced on 28th October 2021. Sheffield was awarded the full £37m requested from the Government's Levelling Up Fund including £20m allocated for investment in Gateway to Sheffield and £17m allocated for investment in Attercliffe. Contracts were signed on the 8th of February 2022 with initial development funding released to the Council at the end of February 2022. The Council is required to demonstrate the use and delivery of the Levelling Up Fund funds for the allocated areas by March 2024.

Attercliffe

1.1.4 The £17m allocated for investment in Attercliffe focuses on joining up investment in employment, travel and quality of life to transform perceptions of Attercliffe.

1.1.5 Investment in wider regeneration initiatives in Attercliffe includes links between Sheffield Olympic Legacy Park and the High Street. Allocation of funds to invest in Attercliffe will allow the creation of a more welcoming environment and street scene, and for the refurbishment of historic buildings in the area to provide a cultural hub and event space on the high street. This will strengthen Attercliffe's sense of community and pride in the local area.

1.1.6 The regeneration of Attercliffe will help to stimulate investment and make Attercliffe a better place to live, work and visit.

1.2 Adelphi Social Club and Land on the West Side of Attercliffe Road

1.2.1 The Adelphi Social Club is a landmark Sheffield property, a Grade II listed building. It was in operation as a cinema until 1967, then was subsequently used as a bingo hall and nightclub. The property is understood to have been vacant from 2006 to 2013, having been used for storage since 2013.

- 1.2.2 Considerable work is required on the building and requires substantial financial input to get it into a habitable state. Financial input can be provided by the Levelling Up Fund grant to transform the Attercliffe area.
- 1.2.3 The land on the west side of Attercliffe Road, next to the Adelphi Social Club comprises flat hard standing land which is secured by palisade fencing around the perimeter. The site is considered to be in fair condition, likely not requiring any significant work.
- 1.2.4 The acquisition of Adelphi Social Club and the land on the west side of Attercliffe Road ensure the reinstatement of a prominent site on the Attercliffe High Street, ensuring its future use and potential accessibility for the benefit of the local community. This will encourage further investment into the area and improve local community pride in Attercliffe.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 Following the recommendation in this proposal of acquiring the Adelphi Social Club and Land on the West Side of Attercliffe Road aims to:
- Help to stimulate investment in the area
 - Increase Council land and property ownership in Attercliffe allowing the Council to lead the way in regeneration in the area
 - Reduce inequalities in improving Attercliffe as a place to live, work and visit
 - Increase quality of life, health, wellbeing and happiness for local communities
 - Further enhance the visitor economy in Attercliffe and the wider Sheffield City Region
 - Improve national visibility and reputation based on the measured outcomes of the Levelling Up Fund grant
 - Provide the opportunity to create a new cultural/community use
 - Contribute towards achieving corporate objectives

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 In submitting the bid to the Levelling Up Fund there was consultation with local stakeholders including members of the local business community, Sheffield Children's NHS Trust, Sheffield Olympic Legacy Park, Scarborough Group International and Sheffield Hallam University. In addition, the bid had to have the explicit approval of the local MP.
- 3.2 A number of further updates have been provided to stakeholders. Further public engagement and participation in relation to these specific buildings will be undertaken as part of any requirements for listed building or planning consent.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 An Equalities Impact Assessment has been undertaken for this acquisition to reflect the specific acquisition. Further Equalities Impact Assessments will be undertaken to reflect further acquisitions/refurbishments in line with the spending of the Levelling Up Fund grant.
- 4.1.2 Subject to the decision to acquire, and to inform future consideration of the use of the building/site, a full EIA will be undertaken to assess potential impacts affecting people sharing different protected characteristics and/or equality interests.
- 4.1.3 The initial assessment has determined that this proposal should have a positive impact on the Attercliffe and wider Sheffield City Region, including currently under-served communities by creating a stronger sense of place and community; increasing wider investment opportunities; improving the High Street which will hopefully result in greater job, retail and wider commercial opportunities to meet diverse community needs.

4.2 Financial and Commercial Implications

- 4.2.1 The costs of the purchase of these assets will be funded entirely from the Levelling Up Fund allocation received from Central Government.
- 4.2.2 The Heads of Terms allow the Council to access the building and land to begin surveys and the initial/preliminary refurbishment works before the acquisition is complete. Refurbishment works will start almost immediately upon acquisition and the marketing of the building to an end user will be done in parallel. It is therefore estimated that holding costs should be no longer than 4 months and the funding will come from the Levelling Up Fund. A breakdown of these costs will be provided in due course.

See Appendix 2 for a breakdown of estimated holding costs. Any costs of holding the assets until acquired that are not able to be capitalised will be met from existing Regeneration and Property Services budgets.

- 4.2.3 The exit strategy for the building is to market the assets to an end user. The intended end user is not definite and is dependent on the bids that come forward in the marketing stage. It is planned that the end user will be an owner/occupier/operator and the assets are to be used for cultural/community purposes. The end user will provide capital in the form of a lease or rental income to minimise costs to the Council. A determination of the end user and revenue costs will be provided in due course.

4.3 Legal Implications

- 4.3.1 Section 120 of the Local Government Act 1972 gives the Council power to acquire by agreement any land or property for amongst other things the purposes of the benefit, improvement or development of the Council's area. For the reasons set out in this report it is considered that the proposed acquisitions fall within this criteria.
- 4.3.2 Section 226 of the Town and Country Act 1990 provides that, the Council may acquire any land in its area if the Council think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to land.
- 4.3.3 Section 226 of the Town and Country Act 1990 provides that, the Council may acquire any land in its area if the Council think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to land.
- 4.3.4 At present the recommendation is that the Council is minded to make a Compulsory Purchase Order and no statutory process is being engaged. Negotiations should continue to buy all the interests required by negotiation. Should the Council decide to resolve to make a Compulsory Purchase Order this does not prevent negotiations from continuing and should not as Compulsory Purchase Order should only be used as a last resort.

4.4 Climate Implications

- 4.4.1 Considerations of climate implications and an initial Climate Impact Assessment has been undertaken as appropriate for this specific acquisition.
- 4.4.2 The initial Climate Impact Assessment has determined that this proposal should have a neutral/positive impact on the climate. Acquiring a Grade II listed property will support Sheffield's work on climate change and the adopted Net Zero 2030 City Target due to reuse, reinstatement and refurbishment. It will also help to improve a sustainable and inclusive economy in the Attercliffe area creating opportunities for all residents.

4.4 Other Implications

- 4.4.1 None

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Do nothing

If the Council decided not to acquire the Adelphi Social Club and Land on the West Side of Attercliffe Road, this property and land would unlikely be reinstated. It is likely that it would remain unused and inaccessible to the public or for other community beneficial reasons. This would continue

the under-investment in Attercliffe and its negative effects as such.

5.2 Purchase the site using Sheffield City Council funds

If the Council decided to acquire the property and land mentioned using internal funds, this would take a considerable amount of time to generate. The City Council would not be able to purchase and reinstate such a prominent site which will provide great economic and social benefits to the Attercliffe area and community.

5.3 Use Compulsory Purchase Order Powers

If no agreement to acquire had been reached, then the use of Compulsory Purchase Order powers would have enabled the Council to acquire the site.

6. REASONS FOR RECOMMENDATIONS

6.1 That the acquisition of the Adelphi Social Club and Land on the West Side of Attercliffe Road using the resources from Levelling Up Fund identified in Appendix 1 is approved.

6.1.1 This recommendation will help to stimulate investment in the area; strengthen the sense of community and pride in the local area; reduce inequalities; enhance the visitor economy; improve quality of life, health and wellbeing for local communities; contribute towards achieving corporate objectives.

6.1.2 It will allow for the building to be refurbished and then let or sold for community/cultural use with a number of potential occupiers already identified.

6.2 That should negotiations fail in relation to the Adelphi Social Club, Land on the West Side of Attercliffe Road and any future relevant and required acquisitions, then the committee agree they would be minded to the use of Council's Compulsory Purchase Order Powers to acquire suitable sites to secure acquisitions in line with the objectives of the Levelling Up Fund bid for Attercliffe.

6.2.1 Negotiations are progressing and are at various stages. While officers are striving to agree acquisitions without recourse to Compulsory Purchase Order powers the importance of these properties may require an order to be made as a last resort. Officers are therefore recommending that in principle should it become necessary as a last resort the committee will authorise the use of the Council's Compulsory Purchase Powers in pursuit of further acquisitions in line with the objectives of the Levelling Up Programme. A further report will be brought to the committee should this be necessary.

6.3 That the purchase costs be added to the Council's capital programme.

- 6.3.1 To ensure sound financial management of resources.
- 6.4 **That the Chief Property Officer in consultation with the Director of Legal Services negotiate and agree all necessary legal documentation needed to acquire the Adelphi Social Club and Land on the West Side of Attercliffe Road.**
- 6.4.1 To ensure completion of the acquisition.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank