

Finance Sub-Committee

Wednesday 4 January 2023 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
4 JANUARY 2023**

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 - 24)
To approve the minutes of the last meeting of the Sub-Committee held on 7 November 2022
- 6. Public Questions and Petitions**
To receive any questions or petitions from members of the public

Formal Decisions

- 7. Budget Monitoring and Financial Position Month 8, 2022/23** (Pages 25 - 52)
Report of the Executive Director, Resources
- 8. Council Tax Support Scheme Review** (Pages 53 - 76)
Report of the Executive Director, Resources
- 9. Appropriation of the former Knowle Hill Residential Care Home for housing purposes** (Pages 77 - 86)
Report of the Executive Director, Operational Services
- 10. Step up to Social Work Post Graduate Diploma Cohort 8** (To Follow)
Report of the Interim Director of Children's Services

NOTE: The next meeting of Finance Sub-Committee will be held on Tuesday 21 February 2023 at 2.00 pm

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

Finance Sub-Committee

Meeting held 7 November 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 It was noted that appendix 1 to item 17 on the agenda is not available to the public or press because it contains exempt information. If Members wish to discuss the information in the appendix, the Committee will ask the members of the public and press to kindly leave for that part of the meeting and the webcast will be paused.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest made.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the previous meeting held on 6 September 2022 were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 There were no public questions or petitions.

6. ACCOMMODATION STRATEGIC REVIEW

6.1 The Director of Direct Services presented a report providing 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.

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

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; and

10. Agree the high level principles for the review of the community buildings in section 3.3 of this report.

6.3 Reasons for Decision

6.3.1 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.

6.3.2 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.

6.3.3 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.

- 6.3.4 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.

- 6.3.5 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.

- 6.3.6 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.

- 6.3.7 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.

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

6.4 **Alternatives Considered and Rejected**

- 6.4.1 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.

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

- 7.1 The Director of Finance and Commercial Services submitted a report bringing 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). The 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).

It was noted that further information in respect of the underspend on the Page Hall project; vacant property rates; Nether Edge & Crookes Active Travel Neighbourhoods overspend; and the Council's banking contract would be provided to Members.

7.2 RESOLVED UNANIMOUSLY: That the Finance Sub-Committee:-

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

7.3 Reasons for Decision

- 7.3.1 The 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.

7.4 Alternatives Considered and Rejected

- 7.4.1 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.

8. CAPITAL APPROVALS - MONTH 6 2022/23

- 8.1 The Director of Finance and Commercial Services submitted a report providing details of proposed changes to the existing Capital Programme as brought forward in Months 06 2022/23

8.2 RESOLVED UNANIMOUSLY: That Finance Sub-Committee:-

1. Approves the proposed additions and variations to the Capital Programme listed in Appendix 1;
2. Approves the reprofiling and slippage of existing schemes/allocations as listed in appendix 2;
3. Approves the variations to the Heart Of The City programme as listed in Appendix 3; and

4. Approves the issuing of grants to 3rd parties as identified in Appendix 4

8.3 **Reasons for Decision**

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

8.3.2 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.

8.4 **Alternatives Considered and Rejected**

8.4.1 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.

9. **ACCEPTING FUNDING FROM ROUGH SLEEPER INITIATIVE 5 GOVERNMENT PROGRAMME**

9.1 The Director of Housing Services submitted a report setting 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.

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

9.3 **Reasons for Decision**

9.3.1 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.

9.3.2 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.

9.3.3 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.

9.4 **Alternatives Considered and Rejected**

- 9.4.1 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.

10. **ACCEPTING FUNDING FOR ROUGH SLEEPING ACCOMMODATION**

- 10.1 The Director of Housing Services presented a report seeking 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.

- 10.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. accepts Department for Levelling Up, Housing & Communities (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; and

2. approves Sheffield City Council making grant payments to the following registered providers for the project: Action (£52,580) and Roundabout (£63,588).

10.3 **Reasons for Decision**

- 10.3.1 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.

10.3.2 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

10.4 **Alternatives Considered and Rejected**

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

11. **REFUGEE RESETTLEMENT FUNDING**

11.1 The Director of Housing Service presented a report providing 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.

11.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. 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;

2. Approves the specific grants to the Ukraine Community Group, the Refugee Council, SPRING and Migration Yorkshire as set out in this Report;

3. 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.

11.3 **Reasons for Decision**

11.3.1 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.

11.3.2 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.

11.4 **Alternatives Considered and Rejected**

- 11.4.1 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.

(NOTE: During the discussion of the above item the Committee agreed, in accordance with Council Procedure rules, that as the meeting was approaching the two hours and 30 minutes time limit, the meeting should be extended by a period of 30 minutes).

12. SHEFFIELD DOC FEST - ONE YEAR EXTENSION TO GRANT AGREEMENT

- 12.1 The Executive Director, City Futures submitted a report providing details of the grant agreement that has been in place for the last 3 editions of the Sheffield International Documentary Festival (DocFest). It was reported that this expires following the delivery of the event in 2022.

The 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

- 12.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee 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.

12.3 Reasons for Decision

- 12.3.1 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.

12.4 Alternatives Considered and Rejected

- 12.4.1 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.

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

13. FARGATE AND HIGH STREET, FUTURE HIGH STREETS FUND - FRONT DOOR SCHEME UPDATE

13.1 The Executive Director, City Futures submitted a report providing an 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

13.2 **RESOLVED:** 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.

13.3 Reasons for Decision

13.3.1 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.

13.4 Alternatives Considered and Rejected

13.4.1 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.

(NOTE: (a) The result of the vote on the resolution was FOR - 7 Members; AGAINST - 0 Members; ABSTENTIONS – 2 Members; and
(b) During the discussion of the above item the Committee agreed, in accordance with Council Procedure rules, the meeting should be extended by a further period of 30 minutes).

14. UK SHARED PROSPERITY FUND (SPF)

14.1 The Executive Director, City Futures submitted a report seeking approval from Finance Sub-Committee for the Council to become the Accountable Body for activity funded by the UK Shared Prosperity Fund (UKSPF) and enter into funding agreements with the South Yorkshire Mayoral Combined Authority (SYMCA) to enable the delivery of the UKSPF programme in Sheffield and, where necessary, South Yorkshire.

14.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. Agrees that Sheffield City Council act as Accountable Body for the UK Shared Prosperity Fund for activity within Sheffield and South Yorkshire;

2. Authorises the Council to enter into funding agreements with the South Yorkshire Mayoral Combined Authority to accept grants associated with UKSPF;

3. Approves the use of £500,000 of the UKSPF monies to fund a further grant to the South Yorkshire Community Foundation Cost of Living Fund;

4. Delegate authority to the Executive Director, City Futures in consultation with the Director of Finance and Commercial Services, Co-Chairs, Deputy Chair and Spokesperson of the Finance Sub-Committee, to enter into grant agreements of up to £250,000 in value with partners as part of the Community and Place Programme; and

5. Delegate authority to the Executive Director, City Futures in consultation with the Director of Finance and Commercial Services, Co-Chairs, Deputy Chair and Spokesperson of the Finance Sub-Committee, to agree immaterial variations to UKPSF and associated funding agreements.

14.3 Reasons for Decision

14.3.1 The underlying benefit that this proposal brings to secure external funding to deliver a programme of activity in Sheffield that will cover:

- Addressing the Cost of Living crises
- Community engagement and participation.
- Improvements to the built environment
- Support to the cultural and visitor economy
- Business support including start up and growth programmes.
- Skills development

14.3.2 The estimated value of support from SPF to Sheffield is a minimum £15.5m over

three years with an expectation of additional private and public match funding.

- 14.3.3 The Council is expected to take the lead for activity in Sheffield together with the potential to provide an Accountable Body role for activity that takes at regional level. Programmes of activity will be developed with partners as appropriate and where necessary additional services will be competitively procured or grants made available to third parties.
- 14.3.4 It is expected that the Council will be required to enter a number of procurements and funding agreements over the next 24 months to ensure delivery of the full range of activity envisaged with SPF.

14.4 **Alternatives Considered and Rejected**

- 14.4.1 A do-nothing option would see SYMCA make UKSPF available through open Calls for Proposals. Whilst this would still make UKSPF available to invest in the region there could be a number of negative implications:
- The time to undertake the process would not deliver activity in time to address the CoL crisis this winter and could lead to underspend in Year 1 that might not be carried over.
 - There could be many separate projects supported that could lead to duplication, inefficiencies and activity that does not target identified priorities.
 - SYMCA would likely need to utilise the full 4% of the UKSPF budget to oversee a large number of projects and funding agreements.
 - The process does not necessarily encourage a collaborative approach, particularly at a regional level.

15. **MULTIPLY - SCHEME TO IMPROVE NUMERACY**

- 15.1 The Director of Children's Services submitted a report seeking Committee approval for the receipt of the grant funding for the delivery of the National Multiply Initiative in Sheffield as part of the South Yorkshire DfE Grant that will come to us via the Mayoral Authority - £7.25m across all four authorities over 3 years, with approximately £2.5m available for Sheffield.

15.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

1. Approves receipt of the grant for Multiply Numeracy Activity for adults aged 19+ up to £2.5m over 3 years; and
2. Approves that Sheffield City Council act as the accountable body for this grant from the South Yorkshire Mayoral Combined Authority.

15.3 **Reasons for Decision**

- 15.3.1 To maximise the opportunity to raise aspirations and attainment in numeracy skills and maths achievement in Sheffield.

15.4 **Alternatives Considered and Rejected**

- 15.4.1 There are no alternative viable options for this funding. The only alternative would be to not accept the funding, which would mean we miss out on this investment in adult learning.

16. ACQUISITION OF BUILDINGS IN ATTERCLIFFE

- 16.1 The Executive Director, City Futures submitted a report stating that 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.

- 16.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee:-

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;

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;

3. That the purchase costs be added to the Council's capital programme; and

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.

16.3 Reasons for Decision

- 16.3.1 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. 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. 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.

- 16.3.2 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.

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

16.3.3 That the purchase costs be added to the Council's capital programme. To ensure sound financial management of resources.

16.3.4 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. To ensure completion of the acquisition.

16.4 **Alternatives Considered and Rejected**

16.4.1 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.

16.4.2 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.

16.4.3 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.

This page is intentionally left blank



Report to Policy Committee

Author/Lead Officer of Report: Tony Kirkham,
Director of Finance and Commercial Services

Tel: +44 114 474 1438

Report of: *Tony Kirkham*
Report to: *Strategy & Resources Committee*
Date of Decision: *4th January 2023*
Subject: *Month 8 Budget 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:- <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:

*This report brings the Committee up to date with the Council's financial position as at Month 8 2022/23 including General Fund revenue position, Housing Revenue Account and Capital Programme Monitoring (**Appendix 1**).*

Recommendations:

The Committee is recommended to:

1. Note the Council's financial position as at the end of November 2022 (month 8).

Background Papers:

[2022/23 Revenue Budget](#)

Lead Officer to complete: -			
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: <i>Tony Kirkham, Interim Director of Finance and Commercial Services</i></p> <p>Legal: <i>Sarah Bennett, Assistant Director, Legal and Governance</i></p> <p>Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i></p> <p>Climate: n/a</p>		
<p><i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i></p>			
2	<p>SLB member who approved submission: <i>Tony Kirkham</i></p>		
3	<p>Committee Chair consulted: <i>Cllr Bryan Lodge</i></p>		
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>		
	<table border="0"> <tr> <td> <p>Lead Officer Name: <i>Tony Kirkham</i> <i>Jane Wilby</i></p> </td> <td> <p>Job Title: <i>Interim Director of Finance and Commercial Services</i> <i>Head of Accounting</i></p> </td> </tr> </table>	<p>Lead Officer Name: <i>Tony Kirkham</i> <i>Jane Wilby</i></p>	<p>Job Title: <i>Interim Director of Finance and Commercial Services</i> <i>Head of Accounting</i></p>
<p>Lead Officer Name: <i>Tony Kirkham</i> <i>Jane Wilby</i></p>	<p>Job Title: <i>Interim Director of Finance and Commercial Services</i> <i>Head of Accounting</i></p>		
	<p>Date: 16th December 2022</p>		

1. PROPOSAL

1.1 This report sets out the 2022/23 Month 8 financial monitoring position for the Council and each of the Policy Committees.

1.2 Council Portfolio Month 8 2022/23

1.2.1 The Council is forecasting a £17.1m overspend against the 2022/23 budget as at month 8.

Full Year £m	M8		M7		Movement
	Outturn	Budget	Variance	Variance	
Corporate	(470.9)	(468.4)	(2.5)	(1.5)	(1.0)
City Futures	47.0	47.3	(0.3)	0.2	(0.5)
Operational Services	114.0	114.4	(0.4)	(0.2)	(0.2)
People	316.3	298.8	17.5	17.4	0.1
Policy, Performance Comms	3.5	2.9	0.6	0.5	0.1
Resources	7.2	5.0	2.2	2.3	(0.1)
Total	17.1	0.0	17.1	18.7	(1.6)

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	(2.5)	(2.5)
City Futures	(0.1)	0.0	(0.2)	(0.3)
Operational Services	(6.3)	3.1	2.9	(0.3)
People	0.2	15.5	1.8	17.5
Policy, Performance Comms	(0.1)	0.3	0.3	0.5
Resources	(0.7)	1.8	1.1	2.2
Total	(7.0)	20.7	3.4	17.1

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 M8 is set to be £17.1m leaving a remaining risk allocation of £18.2m

M8	£m	
Allocated reserves	70.0	
21/22 Budget overspend	19.8	
22/23 Base budget committed	15.0	
22/23 BIP shortfall	20.6	
22/23 pressures	3.4	
22/23 in year mitigations	(7.0)	} (£17.1m overspend @ M8)
Reserves used @ M6	51.8	
Remaining reserves	18.2	

1.3 Committee Financial Position

1.3.1 Overall Position - £17.1m overspend at Month 8

There is a £11.6m overspend in the Adult Health and Social Care Committee and a £6.6m overspend in the Education, Children and Families Committee	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
	Adult Health & Social Care	165.2	153.6	11.6
	Education, Children & Families	136.6	130.0	6.6
	Housing	8.2	8.7	(0.5)
	Transport, Regeneration & Climate	41.5	42.0	(0.5)
	Economic Development & Skills	11.6	11.7	(0.1)
	Waste & Street Scene	54.6	54.9	(0.3)
	Communities Parks and Leisure	45.7	46.2	(0.5)
	Strategy & Resources	(446.3)	(447.1)	0.8
	Total	17.1	0.0	17.1

Most of the full year forecast overspend is attributable to shortfalls in Budget Implementation Plans (BIPs) delivery	Variance Analysis £m @ Month 8	One-off	BIPs	Trend	Total Variance
	Adult Health & Social Care	(0.4)	9.4	2.6	11.6
	Education, Children & Families	1.1	6.0	(0.6)	6.5
	Housing	0.0	0.0	(0.5)	(0.5)
	Transport, Regen & Climate	(2.1)	2.1	(0.6)	(0.5)
	Economic Dev't & Skills	(0.1)	0.0	0.0	(0.1)
	Waste & Street Scene	(3.3)	0.4	2.6	(0.4)
	Communities Parks & Leisure	(1.2)	0.4	0.3	(0.5)
	Strategy & Resources	(1.0)	2.3	(0.4)	0.9
	Total	(7.0)	20.6	3.4	17.1

£7.0m 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 Autumn Statement only gives us protection on the energy price cap 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, £32m are reported as deliverable in year	Budget Savings Delivery Forecast @M8 £m	Total Savings 22/23	Deliverable in year	FY Variance
	Portfolio			
	People	37.7	22.3	15.4
	Operational Services	7.1	4.0	3.1
	PPC	1.2	0.9	0.3
	Resources	6.7	4.9	1.8
	Total	52.7	32.1	20.6

Focus must be on delivering BIPs in 22/23 and preventing the

Of the £32m BIPs forecast as being deliverable, £10m are rated red, which indicates considerable risk that these will not be delivered in full which would increase the existing forecast overspend.

budget gap from widening	Of the £20.6m 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.
Adult Health and Social Care are forecast to overspend by £11.6m	<p>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.</p> <p>The committee position was fairly stable from M7 to M8; purchasing budgets in Older People's and Physical Disabilities improved whereas Learning Disabilities expenditure continues to rise, this month increasing by a further £350k.</p>
Education, Children and Families are forecast to overspend by £6.6m	<p>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.</p> <p>The committee's financial position declined in M8 by £0.2m from M7 mainly due to a reduction to the Aldine House income by a further £0.5m due to delays in a management appointment in the service that has limited capacity in the setting. There has also been an adverse movement in Special Educational Needs transport of £0.5m. Improvements in staffing forecasts across the service have partly offset these larger overspends.</p>

1.4 Strategy and Resources - £0.9m overspend at Month 7

The Strategy and Resources Committee budget is forecast to overspend by £0.9m	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
	Business Change & Info Solns	18.4	17.2	1.2
	Central Costs	(46.9)	(46.5)	(0.4)
	Community Services (Local Area Committees)	2.0	2.0	0.0
	Consolidated Loans Fund	26.3	28.9	(2.6)
	Contract Rebates & Discounts	(1.0)	(0.7)	(0.3)
	Corporate Transactions	(497.3)	(497.3)	0.0
	Customer Services	5.6	5.6	0.0
	Finance & Commercial Services	18.8	18.6	0.2
	Housing Benefit	0.2	0.2	0.0
	Human Resources	5.5	5.1	0.4
	Legal & Governance	6.5	5.3	1.2
	Other Central Costs	0.0	0.0	0.0
	Policy, Performance & Comms	3.6	3.1	0.5
	Public Health	(0.1)	(0.1)	0.0
	Resources Management & Planning	0.2	0.2	0.0
	One Year Plan	0.0	0.0	0.0
	Direct Services (Facilities Mgmt)	16.2	16.1	0.1
	Inclusive Growth & Development (Property and Regeneration)	(4.2)	(4.8)	0.6
	Total	(446.2)	(447.1)	0.9

The Committee's forecast overspend reduced by £1.1m from M7 to M8

As at M7 the committee was forecasting to overspend against budget by £2m, this reduced to £0.9m in M8. The main reason for the improvement is due to strong cash balances and higher than expected returns due to well-timed investments.

Shortfalls in BIP delivery is a key factor in the current overspend

Non-delivery of savings in 22/23 for operating model changes is the main reason for the current forecast overspend: Business Change and ICT delivery (£1.2m), Performance and Communications (£0.6m) and Legal and Governance (£1.2m).

The level of approved Voluntary Severance / Voluntary Early Retirement means that the required run-rate saving will not be achieved without further action.

The pay award created a £0.4m pressure to the committee

The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee by £0.4m.

Local Area Committees are forecast to spend to budget this year

The budget of £2m for Community Services includes £1m for LAC staffing and a further £1m split between each Local Area for projects relating to the community plan. £800k of this budget is a roll-forward from prior year underspend. So far as at M8, actual spend against the £1m total LAC community project budget is £141k. Given the current run-rate, an underspend could occur in this service by year end.

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 Autumn Statement seemed to have reassured financial markets of the government's fiscal discipline whilst also managing not to deepen the recession. The previous "mini-budget" created uncertainty in economic markets resulting in a Bank of England base rate increase. The rise in interest rates positively affected the authority due to current cash balances and our ability to capitalise upon favourable market investment rates. The strong cash position has also mitigated the need to externalise borrowing which has also helped.

1.4.2 Adult Health & Social Care- £11.6m overspend at Month 8

The revenue outturn position for the AHS&C Committee is to overspend by £11.6m	Full Year Forecast £m @ Month 8	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)		156.2	144.6
		9.0	9.0	0.0
Total		165.2	153.6	(11.6)

The committee position was stable from M7 to M8.

The majority of the committee overspend relates to undelivered savings (BIPs)	Variance Analysis £m @ Month 8	One-off	BIPs	Trend
	Adult Health & Social Care Integrated Commissioning		(0.4)	9.4
		0.0	0.0	0.0
Total		(0.4)	9.4	2.6

Of the £11.6m overspend £9.4m is directly attributable to the non-delivery of savings (£0.7m staffing and £8.7m non-staffing) within timescale of 1 year. The remaining difference is accounted for by underlying pressure in the Learning Disabilities purchasing budget and a forecast overspend on staffing.

The £9.4m savings non-delivery is the product of delays to the delivery of savings in 2022/23. Of the £25.2m savings target, £15.9m is forecast to be delivered by March 2023 and a further £8.2m will be delivered as a full-year-effect in 2023/24. In total this means that £24.1m savings (96%) are anticipated to be delivered by 1st April 2024 within current plans, leaving £1.1m to be mitigated during 2023/24.

Purchasing activities are overspent by £8.7m	PURCHASING POSITION @M8	OUTTURN	BUDGET	VARIANCE	M7 VARIANCE	MOVEMENT
	OLDER PEOPLE LEARNING DISABILITIES		33.8	31.2	2.7	2.9
PHYSICAL DISABILITIES		35.0	28.0	6.9	6.6	0.3
MENTAL HEALTH		15.3	16.6	-1.3	-1.0	-0.3
		9.2	9.0	0.2	0.2	0.0
		93.3	84.8	8.5	8.7	-0.2

The pay award created a £0.7m pressure for the committee

The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee spend by £0.7m.

The committee position was stable from M7 to M8

Purchasing activity overall reduced by 200k this month but with a further adverse movement in Learning Disabilities which is now £6.9m overspent against budget.

<p>BIP delivery for 22/23 is looking challenging, focus needs to be on reviewing high-cost packages put in place during covid</p>	<p>Over £11m of the BIP savings required for 22/23 relate to reviewing high-cost packages of care put in place during the pandemic.</p> <p>Work is underway as part of an investment plan with additional resource to tackle the underlying issue although recruitment issues is impacting on deliverability.</p> <p>Savings are delayed because of the inability of the service to undertake planned reviews of care at the scale required due in part to short term demand pressures including community support requests (up 13% since 19/20), safeguarding contacts (up 68% since 19/20) and hospital support requests (up 20% since 19/20) and in part to national challenges around recruitment and retention.</p>
<p>Recruitment and retention difficulties continue to impact savings delivery in 22/23, but with the potential to increase staffing pressure in future years</p>	<p>Vacancies which are part of the investment plan are not fully recruited to.</p> <p>If posts are filled, the £1.8m current employee overspend would increase but an improvement in BIP delivery would be expected.</p> <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>
<p>Home care continues to be a huge challenge</p>	<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>
<p>Fair Cost of Care Exercise and Social Care Reform will increase Adult Social Care responsibilities and costs</p>	<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>
<p>Savings delivery remains the biggest challenge to the</p>	<p>The key financial risk going into 2023/24 for the service is the pace of savings required and the impact of this year's savings carrying into 2023/24 when significant new additional savings will also be</p>

**committee's
financial position**

required of the service. This was reported to ASC Committee on 19th December 2022 in the [AHSC Financial Recovery Plan Update](#).

1.4.3 **Education, Children & Families Committee - £6.6m overspend at Month 8**

The Education, Children & Families General Fund is overspending by £6.6m, made up of a shortfall of savings delivery offset by staffing vacancies.	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
	Children & Families Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)	115.7	110.0	5.7
	Integrated Commissioning (Commissioning; Children's Public Health; Early Help and Prevention)	13.3	13.1	0.2
	Integrated Commissioning (Commissioning; Children's Public Health; Early Help and Prevention)	7.5	6.9	0.6
	Total	136.5	130.0	6.5
The main cause of the overspend is under delivery of Budget Implementation Plans (BIPs)	Variance Analysis £m @ Month 8	M	BIPs	Trend
	Children & Families Education & Skills (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS)	1.0	5.4	(0.7)
	Integrated Commissioning	0.1	0.0	0.2
	Integrated Commissioning	0.0	0.7	(0.1)
	Total	1.1	6.1	(0.6)
The impact of the proposed pay offer creates an additional £0.8m pressure to the committee	The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee by £0.8m.			
The position in Children's & Families worsened from M7 to M8 by £0.2m	The forecast outturn at M8 is £0.2m worse in Children's & Families, the main variances affecting the outturn were: <ol style="list-style-type: none"> 1) A forecast reduction of income for Aldine House £500k in the outturn following further delays to management recruitment in the service impacting occupancy. 2) £200k increased costs in placements 3) Reductions in fieldwork spend based on recent trends and removal of vacancies and agency staffing in forecasts (£500k) 4) (£200k) reduction to forecast due to re-alignment of provision for the pay award 5) An increase in SEN taxi costs have increased by £500k 			
		£m		
	M7 Committee Overspend	6.4		
	Aldine House Income	0.5		
	Increased Placement costs	0.2		

Reduction to staff & non-staff forecasts	(0.6)
Realignment of pay award	(0.2)
Increase in SEN Taxi costs	0.5
Other improvements	(0.3)
M8 Committee Overspend	6.5

Dedicated Schools Grant (DSG) is overspending by £2.8m	DSG Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
	Children & Families	6.1	6.3	(0.2)
	Education & Skills	214.6	211.7	3.0
	Integrated Commissioning	9.5	9.4	0.0
	Total	230.2	227.4	2.8

£2.4m overspend is in SEN due to rising numbers of placements and EHCP top up costs. There are £0.2m additional staffing costs in Educational Psychology from January plus £0.3m other overspends in Learn Sheffield, Music, insurance/other.

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

£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.

Difficulties in recruiting Fieldwork staff is resulting in a £1.5m underspend which is currently helping to offset the BIP shortfalls.

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.

The residential strategy (c£2.7m savings) requires completion of a business case and will not be delivered this year

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

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

The existing secure unit is now forecasting an income shortfall of £1.4m 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 April 2023 in line with staffing assumptions.

£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

The direct payments and short breaks budgets are forecast to overspend by £0.6m (consistent with growth observed in 21/22).

The Family Time budget is £0.1m overspent with the current staffing forecast being higher than planned.

partly offset by one-off income.

Non-staffing Fieldwork/NRTPF budget is £0.6m 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.

These areas need to be closely reviewed to confirm forecast accuracy, understand reasons behind the overspends and explore any mitigating action available.

1.4.4 **Housing Committee - General Fund Underspent by £0.5m & Housing Revenue Account overspend of £13.9m at Month 8**

The Housing General fund is forecast to be broadly in line with budget.	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
		Housing General Fund	8.1	8.6
	Housing Growth	0.1	0.1	0.0
	Total	8.2	8.7	(0.5)

An improvement in processes in the temporary accommodation service has enabled additional recovery of subsidy against costs in this area. Whilst demand for the service is increasing, improvements in subsidy recovery rates are better than the budgeted position resulting in an overall underspend of £0.5m. This has mainly been due to automation of processes to reduce manual processes and enable timely recovery from DWP. Recovery rates are achieving 88% on average YTD compared with around 60% the previous year and 75% assumed in the budget.

The Housing Revenue Account is forecast to overspend by £12.9m.	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
		Net Income – Dwellings	(149.4)	(152.6)
	Other income	(6.6)	(6.5)	(0.1)
	Repairs & Maintenance	50.3	41.4	8.9
	Depreciation	25.0	25.0	0.0
	Tenant Services	52.1	54.0	(1.9)
	-Council Tax	2.1	0.9	1.2
	-Disrepairs	5.2	2.6	2.6
	Interest on borrowing	13.6	13.6	0.0
	Contribution to Capital Programme	7.7	21.6	(13.9)
	Total	0.0	0.0	0.0

Vacant properties are forecast to result in a £3.2m loss of rent and £1.2m extra Council Tax cost. Loss of rent is forecast to be £3.2m 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 £1.2m for the year.

The Housing Repairs Service is forecast to overspend by £8.9m There are significant overspends on employees, sub-contractors, and material costs in dealing with additional responsive repairs within Voids, Repairs and Gas servicing.

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 A forecast underspend across Tenant services is largely as a result of vacancies in Neighbourhood Services and the Investment and repairs service of (£1.8m): including (£435k)

forecast £1.8m underspend.	Fire Safety, (£318k) Housing Employability Team, (£270k) Asset Management Programme, and (£249k) Southey and Shiregreen plus the Tenancy Enforcement Team (£189k). This more than offsets the additional pay award costs of £1.1m.			
High inflation poses a risk to the business plan.	<p>As part of the 2022/23 HRA Business Plan, rental income was increased by September's CPI +1%, as required per rent policy. The rate of CPI has been increasing throughout the year, and is currently running at 9.3%, which is significantly higher than the 4.1% agreed. As reported on the 5th December, the maximum rent increase permitted by Government is 7%. It will ultimately be for the Strategy & Resources Committee to recommend a rent increase to Full Council</p> <p>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.</p> <p>The use of reserves to mitigate the energy impact is one off, and not sustainable going forwards.</p>			
Community heating account is forecast to overspend by £0.5m due to rising energy prices	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
	Income	(3.7)	(3.3)	(0.4)
	Expenditure	4.1	3.2	0.9
	Total	0.4	(0.1)	0.5
Overspends in the HRA impact the capital programme	Without significant savings in revenue budgets, the long-term capital programme is not affordable. The month 8 outturn position results in a reduced contribution to the future programme.			

1.4.5 **Transport, Regeneration & Climate Committee - underspend of £0.5m at Month 8**

The Transport, Regeneration & Climate Committee is forecast to underspend by £0.5m.	Full Year Forecast £m @ Month 8	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>)	0.4	0.4	0.0
	Planning, Investment & Sustainability (<i>Planning Services; ITA Levy; Transport and Infrastructure</i>)	41.0	41.6	(0.6)
	Total	41.5	42.0	(0.5)
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 8	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	0.0
	Planning, Investment & Sustain	0.0	0.0	(0.6)
	Total	(2.1)	2.1	(0.5)
	The planned Clean Air Zone saving of £2.1m has been offset by use of a one-off specific reserve. However, this pressure requires a sustainable mitigation be identified for future years.			
	Operating spend assumed to be met from income forecast from the introduction of the charging Clean Air Zone remains a risk given potential slippage in the programme following continued dialogue with central government.			
The impact of the proposed pay offer creates an extra £0.1m pressure to the committee	The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee by £0.1m.			
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 8**

The revenue outturn position for the Economic Development & Skills Committee remains broadly balanced	Full Year Forecast £m @ Month 8		Outturn	Budget	Variance
	Education & Skills <i>(Employment and Skills; Family and Community Learning)</i>		0.9	0.9	0.0
	Streetscene & Regulation <i>(Events)</i>		1.0	0.9	0.1
	Economy, Culture & Skills <i>(Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)</i>		9.7	9.9	(0.2)
	Total		11.6	11.7	(0.1)

Whilst the net budget is £11.7m, the Committee is reliant on £14.8m of income to support the services	Service	Net Budget	Outturn - Income	Outturn - Expend	Total Outturn (M8)	Total Variance
	EDUCATION & SKILLS	0.9	-6.9	7.8	0.9	0.0
	STREETSCENE & REGULATION	0.9	-0.6	1.6	1.0	0.1
	ECONOMY, CULTURE & SKILLS	9.9	-7.2	17.0	9.7	-0.2
		11.7	-14.8	26.4	11.6	-0.1

The impact of the proposed pay offer created an additional £0.2m pressure to the committee	The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee spend by £0.2m
--	---

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 £0.3m underspent at Month 8**

The Waste & Street scene committee is forecasting to underspend by £0.3m.	Full Year Forecast £m @ Month 8	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>	54.6	54.9	(0.3)
	Total	54.6	54.9	(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 @M8	Variance
WASTE MANAGEMENT	28.5	-5.2	33.2	28.0	-0.4
HIGHWAYS CONTRACT	20.2	-49.3	69.5	20.2	0.0
ENVIRONMENTAL REGULATIONS	5.0	-1.4	6.6	5.2	0.2
SHEFFIELD CITY MARKETS	1.9	-1.6	3.5	1.9	0.1
HIGHWAY MAINTENANCE DIVISION	1.7	-2.5	3.7	1.3	-0.4
CITY CENTRE MANAGEMENT	1.4	-1.5	3.1	1.7	0.3
DIRECTOR OF STREETSCENE AND RE	0.7	-0.2	1.1	0.9	0.2
EMERGENCY PLANNING	0.3	-0.1	0.4	0.3	0.0
LICENSING	0.1	-1.5	1.7	0.2	0.0
PLACE HUB	0.0	0.0	0.1	0.1	0.0
COVID HUB	0.0	-9.2	9.2	0.0	0.0
PARKING SERVICES	-4.8	-11.4	6.3	-5.1	-0.3
	54.9	-83.9	138.4	54.6	-0.3

Underlying inflationary pressures on energy and waste management present a significant issue for the 23-24 business plans.	Variance Analysis £m @ Month 8	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>	(3.4)	0.4	2.6
	Total	(3.4)	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.

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

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

The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee spend by £0.2m

1.4.8 **Communities, Parks & Leisure Committee - underspend of £0.5m at Month 8**

The Communities Parks & Leisure Committee is forecast to underspend by £0.5m	Full Year Forecast £m @ Month 8	Outturn	Budget	Variance
	Community Services <i>(Community Safety; Family Centres; Youth Services; Community Services Business Support)</i>	10.8	11.4	(0.6)
	Parks, Leisure & Libraries <i>(Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health)</i>	34.1	34.0	0.1
	Integrated Commissioning <i>(Voluntary Sector)</i>	0.8	0.8	0.0
	Total	45.7	45.4	(0.5)
There is forecast to be a shortfall of BIP delivery of £0.4m relating to Parks and Libraries	Variance Analysis £m @ Month 8	One-off	BIPs	Trend
	Community Services <i>(Community Safety; Family Centres; Youth Services; Community Services Business Support)</i>	(0.5)	0.0	(0.1)
	Parks, Leisure & Libraries	(0.7)	0.4	0.5
	Integrated Commissioning <i>(Voluntary Sector)</i>	0.0	0.0	0.0
	Total	(1.2)	0.4	0.4
<p>A £0.4m shortfall in in 22/23 BIP savings within Parks & Libraries is being offset by net savings largely from staff vacancies. Higher energy costs of £0.3m are being mitigated in year by a one-off contribution from reserves</p>				
Community Services are underspending by £0.6m	<p>Most of the underspend is one-off. £240k funding relating to year 2 of the Page Hall project which is being requested to carry forward to 23/24. 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.</p>			
The impact of the proposed pay offer creates an additional £0.4m pressure to the committee	<p>The pay award of £1,925 flat rate per employee was paid to employees in M8, including backpay, unwinding the provision made into forecasts in M4. The award impacted the Committee spend by £0.4m</p>			
£1.3m is forecast to be spent to support	<p>The forecast assumes £1.3m temporary funding will be drawn down to pay for staffing costs in community response for</p>			

**the community
response team**

Clinically Extremely Vulnerable, Community Safety and Locality Teams.

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

1.5 Capital Programme Monitoring M8 22/23

The position on the capital programme at M8 is noted in **Appendix 1**.

2. HOW DOES THIS DECISION CONTRIBUTE?

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

3. HAS THERE BEEN ANY CONSULTATION?

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

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

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

4.2 Financial and Commercial Implications

4.2.1 There are no direct financial implications from this report.

4.3 Legal Implications

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

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

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

4.3.3 By the law, the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies

as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

4.4 Climate Implications

4.4.1 There are no direct 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 7 2022/23 including the Capital Programme.

CAPITAL PROGRAMME MONITORING AS AT November 2022**Section 1 – Statement of Budget Movement**

The table below summarises the movement in budget from month 7 to month 8 22/23 and Capital programme budget position as at November 2022.

	2022/23	2023/24	Future	Total	Comments
Month 7 Approved Budget	238.4	203.8	478.4	920.6	The key changes to the programme from last month relate to: KEY ADDITIONS + £8.6m - Inclusion of new Stocksbridge Towns Fund Schemes + £2.2m - Inclusion of Shalesmoor Gateway Feasibility stage KEY VARIATIONS + £10.5m - Variations to existing Stocksbridge Towns Fund Schemes + £1.8m - Net increase to Stock Increase Programme re: Newstead Enabling works + £0.1m - Parson Cross Pitch + £0.1m - Townhall Fuel Tank
Additions	1.5	6.4	3.1	11.0	
Variations	4.3	6.7	1.6	12.5	
Reprofile	0.0	0.0	0.0	0.0	
Slippage & Acceleration	-0.1	0.1	0.0	0.0	
Month 8 Approved Budget	244.0	217.0	483.0	944.1	

Appendix 1 Capital Programme Monitoring

Section 2 – Top 20 Projects by value as at October 2022

The table below summarises the Top 20 projects in the Capital Programme by budget value in 2022/23. This group accounts for 57% of the 2022/23 capital programme. The major in-year and all-year variations are explained below and in sections 4 and 5.

PROJECT Values in £000	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		
Heart of The City Henrys Block	18,732	19,089	(357)	29,285	29,321	(37)	-0.1%	A	38,755	38,755	0	0.0%	A		
Heart of The City Palatine Chambers Block	8,700	8,911	(211)	18,631	19,106	(475)	-2.5%	A	36,944	36,944	0	0.0%	A		
Major Sporting Facilities Finance	11,039	11,039	(0)	16,559	16,559	0	0.0%	NR	34,167	34,167	0	0.0%	NR		
Council Housing Acquisitions Programme	5,395	4,768	627	8,548	7,152	1,396	19.5%	G	16,858	12,817	4,041	31.5%	G	See Item 5.6	
Council Housing Single Staircase Tower Blocks Works	4,201	3,786	415	6,304	6,454	(150)	-2.3%	G	10,214	9,678	536	5.5%	G	A number of variation to the contract have been required i.e. non standard changes to windows and additional Fire Panels	
Heart of The City - Pounds Park	3,861	3,742	119	5,784	5,924	(140)	-2.4%	G	6,699	6,699	0	0.0%	G		
Brownfield Site Development Acquisitions	1,194	5,881	(4,687)	5,881	5,881	(0)	0.0%	NR	5,881	5,881	(0)	0.0%	NR		
New Council Housing Acquisition - Halsworth	460	450	10	470	4,733	(4,263)	-90.1%	G	4,733	4,733	-	0.0%	G	See Item 4.1	
New Build Council Housing Daresbury / Burners	3,655	4,372	(717)	4,718	4,651	67	1.4%	G	5,709	4,651	1,058	22.7%	G	Latest estimate of final account based on contractor claims for delays.	
New Build Council Hsng Ph16 - Newstead Enabling Works	2,356	1,609	748	4,342	4,418	(76)	-1.7%	R	4,436	4,436	(0)	0.0%	R		
Council Housing Electrical Upgrades Ph 2	3,035	2,494	542	4,143	4,143	0	0.0%	G	19,436	19,436	0	0.0%	G		
King Egberts School Expansion	258	273	(14)	2,166	3,874	(1,707)	-44.1%	A	6,296	6,296	0	0.0%	A	See Item 4.3	
New Build Council Housing - Corker Bottoms	4	3,800	(3,796)	20	3,800	(3,780)	-99.5%	G	8,336	8,336	(0)	0.0%	G	See item 4.2	
Council Housing Roofing Replacements Prog	3,839	3,009	830	4,274	3,736	538	14.4%	G	4,714	32,837	(28,123)	-85.6%	G	See Item 5.4 - All years variation relates to contractor going into administration budget to be returned to block allocation pending reprourement	
Heart of The City Block C Pepper Pot Building	2,716	2,856	(139)	3,635	3,712	(77)	-2.1%	R	4,241	4,241	0	0.0%	R		
Future High Streets Fund Public Realm & Infrastructure	696	1,555	(859)	1,993	3,418	(1,425)	-41.7%	G	14,304	8,624	5,681	65.9%	G	See Item 4.4 and Key Issues Section below	
Talbot-seven Hills Send	2,417	2,740	(323)	3,347	3,297	50	1.5%	A	3,347	3,297	50	1.5%	A		
Upper Don Valley Flood Scheme Phase 1	2,527	2,398	128	3,959	3,209	750	23.4%	A	4,674	3,209	1,465	45.7%	A	See Item 5.3	
Silverdale School Expansion	88	78	10	3,175	3,175	(0)	0.0%	G	7,466	7,466	(0)	0.0%	G		
Council Housing Adaptations 2020-25 Contract	2,168	1,510	658	2,965	2,965	0	0.0%	G	8,612	8,612	0	0.0%	G		
Top 20 Value	77,342	84,359	(7,017)	130,199	139,527	(9,328)	-6.7%		245,821	261,113	(15,292)				
Rest of Programme	45,341	61,851	(16,510)	99,937	104,487	(4,549)	-4.4%		633,429	682,970	(49,542)				
Total Capital Programme Value	122,683	146,210	(23,527)	230,137	244,014	(13,878)	-5.7%		879,250	944,083	(64,834)				
% of Programme within the Top 20	63%	58%	30%	57%	57%	67%			28%	28%	24%				

Appendix 1 Capital Programme Monitoring

Section 3 – Current Year to date and Forecast Outturn Position. - The forecast outturn position is £13.9m below budget. The key variances by policy area are explained below. This is a movement of £8.1m from the £5.8m reported last month. This movement has been due in the most part to further slippage in the Housing Programme with approx. £4m attributable to the delay in payments on the acquisitions at Corker Bottoms

Policy Committee	YEAR TO DATE			FULL YEAR			Comments
	Actual	Budget	Variance	Forecast	Budget	Variance	
TRANSPORT, REGEN & CLIMATE	50,942	63,023	(12,081)	105,031	108,433	(3,402)	<p>Key Variances</p> <ul style="list-style-type: none"> - £1.7m - Slippage across Future High Streets Fund Programme Despite slippage in current year overall forecast is for £5.6m overspend over the life of the programme. - £1.5m - Slippage across Heart Of The City Programme - £0.2m - Kelham Neepsend Parking Scheme - Forecast slippage on scheme - £0.3m - Clean Bus Technology Grants - Forecast underspend to be utilised toward Clean Air Zone - £0.2m - Little Kelham Bridge - Scheme no longer progressing - £0.2m - West Bar CPO - No forecast - assume error - £0.2m - Broadfield Road Junction - Forecast slippage - £0.1m - LUF Enterprise Centre - Approval of budget in line with forecast +£0.2m - Levelling Up Fund Castle Site - Initial Fees Higher than forecast. OBC to be submitted to uplift budget +£0.3m - Active Travel Schemes (Active Trave Neighbourhoods) - Review ongoing into costs and awaiting revised funding agreements +£0.7m - Upper Don Valley Flood Defence Scheme - Total forecast overspend is £1.5m. £0.7m in current year. However EA funding to cover this now secured.
COMMUNITIES, PARKS & LEISURE	14,095	16,057	(1,963)	24,053	25,278	(1,225)	<p>Key Variances</p> <ul style="list-style-type: none"> - 0.5m - General Cemetery - Forecast slippage on scheme - but overall £71k overspend forecast to be met from S106 - £0.5m - Woodbourne Road Football Hub - Forecast slippage against in year budget - £0.2m - Mather Road Park Improvements - Slippage now forecast
HOUSING	40,114	46,237	(6,123)	63,802	72,693	(8,891)	<p>Key Variances</p> <ul style="list-style-type: none"> - £4.2m - Handsworth New Build Council Housing - forecast slippage on scheme - £3.8m - Corker Bottoms New Build Purchase - Payments now expected in 23/34 - £0.7m - LAD 2 Private Sector Housing - Spend of grant below budgeted - £0.6m - Kitchen/Bathroom Refurbishment works - Slippage forecast - £0.3m - Lift Refurbishment works - Slippage forecast delay to OBC - £0.3m - Obsolete Heating Replacement - reduced outputs as engineers diverted to failed access programme - £0.3m - Private Sector Homes Upgrade Grant- due to drop out levels from programme not at grant forecast to be utilised - £0.2m - Right To Buy Refurb costs - Fewer refurbments than budgeted taking place this year - £0.2m - LAD 2 Council Housing Works - Fewer properties than anticipated involved in the programme - £0.2m - Demolition Programme - Demolition of outhouses delayed pending member decision - £0.1m - Single Staircase Towerblock Safety Scheme - Slippage forecast - £0.1m - Hemsworth OPIL - Delay due to contractor negotiations - £0.1m - Towerblock Flat Roofing - Delays due to queries re: potential; for solar panels and CDM responsibilities + £0.5m - Newstead OPIL New Build - Forecast Acceleration +£1.4m - Council Housing Acquisition Programme - Acceleration of Purchase of more expensive properties + £0.5m - Roofing Replacement Programme - Acceleration of final payments on terminated contract
EDUCATION, CHILDREN & FAMILIES	7,476	10,871	(3,396)	18,458	20,524	(2,066)	<p>Key Variances</p> <ul style="list-style-type: none"> - £1.7m - King Egberts Expansion Scheme - Forecast revised in line with latest anticipated programme - £0.6m - Contribution to new SEND Free School - Forecast not completed -£0.3m - New Integrated Resource Provision forecast not completed + £0.3m - Aldine House 2 Bed Extension - Forecast overspend on scheme. May generate additional revenue pressure in year + £0.2m - Nether Green Junior Roof - Forecast Acceleration
STRATEGY & RESOURCES	3,868	4,945	(1,077)	6,272	6,478	(206)	
ADULT HEALTH & SOCIAL CARE	5,721	4,532	1,190	8,698	6,797	1,901	<p>Key Variances</p> <ul style="list-style-type: none"> + £2.8m - 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. - £0.65m - 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
ECONOMIC DEVELOPMENT & SKILLS	367	377	(9)	2,964	2,957	7	
WASTE & STREET SCENE	100	168	(68)	858	853	5	
Grand Total	122,683	146,210	(23,527)	230,137	244,014	(13,878)	

Appendix 1 Capital Programme Monitoring

Section 4 – Top 10 Forecast Slippage against Full Year Budget - Of the main £15.2m forecasts below budget, £12.6m 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. The remainder is the result of a forecast not completed, reprofiling of the Disabled Facilities Top Up grant to meet pressures elsewhere and underpend on 2 schemes.

Business Unit		Policy Committee	FY Budget	FY variance on budget	Explanation
4.1	New Council Housing Acquisition - Handsworth	HOUSING	4,733	(4,263)	REPROFILE - Negotiation of the contract with the developer has taken longer than expected due delays related to both parties. From a Council perspective, this additional time was required to ensure we have a contract that manages risk to the Council, as well as to ensure that we could agree the specification extras which will bring the development more in line with the Council specification across a number of important areas. Linked to this - the developer was reluctant to progress with the ordering of the Council's requested 'specification extras' until the Council was contractually committed to the completed development (i.e. contracts exchanged, which happened in September). Furthermore, current supply chain issues within the construction sector have led the developer to review the delivery programme to ensure that it remained realistic/ deliverable. As such, the revised contractual Long Stop Date is now 30th June 2023. Overall project budget on track, subject to success of AHP bid resulting in no SDLT liability. Once AHP bid is submitted/ confirmed, some variation between 'budget headings' required in order to account for higher cost of 'specification extras'.
4.2	New Build Council Housing - Corker Bottoms	HOUSING	3,800	(3,780)	REPROFILE - £3,800,000 is the majority of the 50% deposit to be paid to SHC on contract signing. The delay with the project has meant that the deposit has been reprofiled into 2023/34
4.3	King Ecgberts School Expansion	EDUCATION, CHILDREN & FAMILIES	3,874	(1,707)	Reprofile - Payments for scheme reprofiled due to delay of contract award
4.4	Future High Streets Fund Public Realm & Infrastructure	TRANSPORT, REGEN & CLIMATE	3,418	(1,425)	SLIPPAGE / OVERSPEND - Budget will not be sufficient to deliver scope of works. Significant cost increase overall due to inflation, design detail, working around stats and stats diversion costs. 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. Final figure TBC pending final RIBA 4 costs. Project is proceeding on assumption that additional budget can be secured and will be approved by external funder. Client seeking further guidance/approval from Regen & Transport and finance sub committee.
	Heart of The City - Block D	TRANSPORT, REGEN & CLIMATE	1,075	(846)	SLIPPAGE - Remaining forecast for costs associated with securing letting and reconfiguring vacant units, including expected capital contributions for all remaining units. Letting and Capital Contribution allowances slipped to end of this FY/into next FY.
	Disabled Facilities Grant Top Up	ADULT HEALTH & SOCIAL CARE	1,666	(803)	Reprofile - 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
4.7	Local Authority Decarbonisation 2 Private Sector Housing	HOUSING	2,597	(689)	UNDERSPEND - As detailed in the summary of progress, there is presently a high degree of volatility and variability in the current forecast (this will be resolved in the next reporting period). Taking a reasonable and prudent projection, the project will underspend by approx £600k if we are unable to complete a significant proportion of the identified EWI properties (27 in total). There may still however be opportunities to re-distribute the funding underspend to the SCC workstream if necessary and appropriate. This will be reviewed over the coming period
4.8	Council Housing Refurbishments	HOUSING	2,510	(605)	UNDERSPEND - A number of empty properties have required extensive repairs and structural works increasing the average unit costs at this early stage of the contract. The cost of materials and labour has risen by circa 28% impacting on project costs, The ability of the contractor to engage with subcontractors at tender rates has been extremely challenging. Although the overall number of completed properties remains low, so does current spend with a predicted slippage of around £800k in 2022/23. The average cost of a void property is higher due to the excessive scope of works to each property. it is anticipated that this issue will ease over the forthcoming period and into the new year.
4.9	Special Free School - North	EDUCATION, CHILDREN & FAMILIES	600	(600)	Forecast not completed
4.10	General Cemetery Uplift	COMMUNITIES, PARKS & LEISURE	2,443	(534)	Slippage / Overspend - Works have been resequenced to allow time to resolve issue in relation to original construction of steps to Samuel Worth Chapel and solution to rebuild and address levels/access which has impacted on programme and costs/cash flow. Potential variations and claims has been included in the current f/cast. Value Engineering options have been further explored to arrive at a current budget position and work to refine and agree the VE options continues. Section 106 being explored and correction of revenue/capital split to be rectified
Total			26,716	(15,251)	

Appendix 1 Capital Programme Monitoring

Section 5 – Top 10 Forecast Overspends over Full Year Budget - Of the main £7.5m forecasts over budget approx. £4.5m represent genuine overspends. The Upper Don

Valley Flood scheme has now secured additional Environment Agency funding and approval of an uplift to the budget will be brought forward

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 Transforming Cities Fund & Active Travel schemes when next stage of funding is released.

Business Unit	Policy Committee	FY Budget	FY variance on budget	Explanation
5.1 Disabled Facilities Accelerated Adaptations Grant	ADULT HEALTH & SOCIAL CARE	2,230	2,839	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
5.2 Council Hsg Acquisitions Prog	HOUSING	7,152	1,396	Acceleration - The current forecast is for an overspend of £1.374 million against in year budget. This is as a result of the purchase of 13 strategically important 4 bedroom homes at nearly double the budgeted amount as well as increasing property purchase costs in the Sheffield market. However the overall programme expenditure across the life of the programme is not forecast to exceed budget.
5.3 Upper Don Valley Flood Scheme Phase 1	TRANSPORT, REGEN & CLIMATE	3,209	750	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 has now been secured from the Environment Agency to fund this.
Page 49 5.4 Council Housing Roofing Replacements Prog	HOUSING	3,736	538	Acceleration - 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 reroofing 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). This payment now forecast to be made in current financial year.
5.5 New Build Council Housing Newstead OPIL	HOUSING	1,101	521	Acceleration -
5.6 Council Housing Stock Increase Programme Allocation	HOUSING	-	370	Awaiting Approval - Budget to be uplifted as part of Housing Programme Refresh
5.7 Aldine House 2 Bed Extension & MUGA	EDUCATION, CHILDREN & FAMILIES	1,050	318	Overspend - The overall expenditure is now forecast to be £176,177 over the current approved budget, however it should be noted whilst this includes allowances for known change, it does not include any project contingency. This has been fed back to the Head of Project Delivery who will be reporting this to the client. The overall forecast overspend includes £45k allowances for works which have moved from this contract to the current corner infill project, those works being bespoke bedroom furniture and smartboard enclosures. It is hoped that those items can be funded from the contingency budget on that scheme which would reduce the forecast overspend on this scheme. Approximately £140k additional funds are required to meet the overspend.
5.8 Nether Edge & Crookes Active Travel Neighbourhood	TRANSPORT, REGEN & CLIMATE	524	301	OVERSPEND -Increasing costs on communications, programme management and monitoring. Additional £206k due to be claimed from SYMCA. Remainder to be claimed from Local Transport Plan funding.
5.9 Transforming Cities [TCF] Housing Zone North	TRANSPORT, REGEN & CLIMATE	889	249	Overspend - Budget forecast updated to reflect the current estimated ECI costs. Negotiations are ongoing with regards to their allowance for provisional sum design costs. If successful, this cost may come down. Budgets will be uplifted to cover this when final scheme approved by SYMCA
5.10 Levelling Up Fund - Castle Site	TRANSPORT, REGEN & CLIMATE	560	194	Awaiting Approval - Budget approval for full value of scheme submitted for approval in current cycle.
Total		20,450	7,476	

Section 6 – Key Risks and Issues

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 - Formal offer of funding now received from Environment Agency
- **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
- **Future High Street Fund Programme** - Tender returns indicate this project will cost £5.5m more than the £20.5m available budget to complete despite undergoing a reduction of scope as a result of inflation and uncertainty in construction market. Bids are underway to SYMCA to secure additional funds.
- **Daresbury/ Berners & Gaunt Road Council Housing New Build Schemes** - Now forecasting potential overspends of £1m and £4m respectively. Stock increase programme under review.

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



Author/Lead Officer of Report:
John Squire
Finance Manager
Tel: 0114 2734309

Report of: Tony Kirkham, Director of Finance and Commercial Services
Report to: Finance Sub-Committee
Date of Decision:
Subject: Review of Sheffield's Council Tax Reduction Scheme

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? (EIA 1359)				
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:-				

Purpose of Report:

The purpose of this report is to provide the Committee with details of the Council's review of its Council Tax Reduction Scheme and seeks approval that the scheme for 2023/24 should not be amended, apart from statutory changes the Council is required to make. In addition the report seeks approval to maintain the Council Tax Hardship Scheme in 2023/24.

Recommendations:

It is recommended that the Finance Sub-Committee:

- i. Notes the review of the Council's Council Tax Reduction Scheme, detailed in this report.
- ii. Agrees that, in line with the review, the Council's Council Tax Reduction Scheme is not revised, apart from the changes the Council is required to make by statute.
- iii. Approves the amendments to the Council's Council Tax Reduction Scheme to accommodate the changes the Council is required to make by statute.
- iv. Agrees that the Council's Council Tax Hardship Scheme continues to operate as detailed in this report.

Background Papers:

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

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>Matthew Arden</i>
		Legal: <i>Nadine Wynter</i>
		Equalities & Consultation: <i>Bev Law</i>
		Climate: <i>Not applicable</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>Eugene Walker</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 SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>John Squire</i>	Job Title: <i>Policy & Support Manager</i>
	Date: <i>(Insert date)</i>	

1. PROPOSAL

Legislation requires each Billing Authority to annually consider whether to revise or replace their Council Tax Reduction Scheme. The Council's scheme is referred to in this report as the Council Tax Reduction Scheme (CTRS) and the assistance provided under it, Council Tax Support (CTS). For that purpose, we have carried out a review of our CTRS.

This report sets out the background to the original decision on the design of our CTRS for 2013/14. It further provides an overview of the outputs from year 9 of the CTRS 2021/22 and the details from the review of the scheme in operation in year 10 2022/23. This review informed the report's proposals on whether to revise or replace the CTRS in 2023/24.

The report recommends that the Council maintains the current CTRS in its present form in 2023/24, except for any changes the Council is required to make by statute. The report also provides information on the assistance provided under the Council Tax Hardship Scheme and recommends that the scheme continues in 2023/24.

BACKGROUND

In April 2013, as part of a wide-ranging welfare reform programme, the Government abolished Council Tax Benefit (CTB) and the Council, as required by law, approved, and implemented its own local Council Tax Reduction Scheme. The Government provided grant funding to the Council to finance the CTRS in 2013/14. The Council's funding was cut by approximately £5.5m, 10% below the level of subsidy it received to pay CTB in 2012/13. In addition to the cut in funding, the Government also required the Council to protect pensioners by providing them with the same rate of support that they would have received under CTB. This requirement meant that the actual cut in funding for CTS fell on working-age CTS recipients (and a small number of non-protected pensioners), amounting to a 23% cut.

After a consultation exercise, the Council decided that the design of its CTRS should align as closely as possible to the CTB scheme that it replaced but, unlike CTB, in order to manage the cut in funding, made the difficult decision to limit support offered to working-age customers to 77% of their net Council Tax liability. The same scheme has remained in place since 2013/14, other than changes required by statute.

Unlike CTB, CTS is not a benefit but a discount, and therefore an award of CTS reduces an individual's Council Tax liability. Collectively, the cost to the Council of the CTRS in any year is measured by the amount of Council Tax the Council foregoes, i.e. discounts granted and therefore cannot collect, under the scheme.

Caseload and cost of CTS

Funding for CTS is included in the overall grant we receive from Government. It is not responsive to changes in demand. For example, a significant increase in demand for assistance from the scheme, perhaps triggered by a rise in unemployment, would lead to the Council forgoing more Council Tax than it had planned for.

And as overall funding continues to be cut, maintaining or increasing the level of support under the scheme comes at a real cost to the Council.

Consequently, when reviewing the CTRS each year, the Council needs to ensure it is able to meet the financial demands of that scheme throughout the year in question and be aware of the financial impacts this may have.

Since the introduction of CTRS in 2013, other than during the height of the pandemic, there has been a continuous reduction in the CTS caseload:

Date	Caseload
April 2013	60,000
April 2014	58,000
August 2014	56,000
April 2015	55,000
June 2016	53,100
July 2017	51,600
September 2018	50,262
November 2019	47,075
March 2020	46,273
November 2020	47,018
November 2021	45,370
October 2022	43,081

Any change in caseload has an impact on the “cost” – the amount of Council Tax foregone - of the CTRS in each year, as does the rate by which Council Tax may increase from year to year. In 2023/24 the maximum increase in Council Tax implemented by the Council without triggering a referendum on the amount of the increase will be 3%. Further to this, the Government has confirmed the LAs can also apply a 2% Adult Social Care Precept to the Council Tax charge, which means the total maximum increase in Council Tax, including the Adult Social Care Precept, is 5%. The table below shows the cost of the actual amount of Council Tax forgone for each year since 2013/14, together with a forecast cost for 2023/24 which is based the maximum Council Tax increase and a continued decrease in caseload.

Year	Forecast Cost	Actual Cost
2013/14	£41m	£39.1m
2014/15	£37.5m	£37.4m
2015/16	£37.8m	£37.25m
2016/17	£37m	£37.2m
2017/18	£37.1m	£37.7m
2018/19	£39.6m	£39.1m
2019/20	£40.3m	£39.2m
2020/21	£39.3m	£39.5m
2021/22	£41.3m	£40.1m
2022/23	£41.3m	£39.3
2023/24	£40.3m	

This table shows that due to the overall decline in caseload since 2013 (notwithstanding the un-sustained increase in caseload that we saw in 2021/22), increases in Council Tax, including the more recent inclusion of the Adult Social Care Precept, means that the estimated cost of the scheme on its present form in 2023/24 will be higher than the cost for the scheme in 2022/23. This needs to be seen in the context of significant cuts to the Council's funding from Central Government over this period.

Council Tax Collection Rates & Recovery

The table below shows an analysis of Council Tax collection rates over the 9 full financial years that the CTRS has been in place.

YEAR	OVERALL COLLECTION RATE	NON-CTS CASES	WORKING AGE CTS CASES
2013/14	93.70%	93%	65%
2014/15	94.04%	95.18%	67%
2015/16	94.33%	95.22%	69%
2016/17	94.41%	95.13%	70.7%
2017/18	93.5%	94.22%	77.49%
2018/19	94.07%	94.07%	70.8%
2019/20	93.14%	93.63%	71.92%
2020/21	90.47%	91.13%	73.86%
2021/22	90.42%	92.82%	68.98%

This shows that since the CTRS was introduced in 2013/14 the collection rate amongst working age CTS recipients has increased at a greater rate than the overall collection rate, until 2021/22. However, the collection rate for 2021/22 needs to be viewed in the context of the impact of the pandemic, which led to a reduction in the overall collection rate. Further to this, as the Council made the decision to pause recovery action during the pandemic, and as recovery action restarted after the pandemic, the Council decided to prioritise recovery action in respect of Council Tax payers who did not receive assistance from the CTRS, when issuing summonses for unpaid Council Tax. As such, no recovery action was taken against any working age recipient of CTS during 2020/21 and 2021/22, which will have had an impact on the collection rate from this cohort.

Leaving aside the reduction in the collection rate for 2021/22, the overall trend suggests that the majority of taxpayers in receipt of CTS are becoming increasingly familiar with the fact that they now have to pay part of their Council Tax liability and that the consistent level of support provided under the CTS scheme is giving a significant degree of certainty and stability to the majority of those taxpayers when managing their finances.

However, due to the pandemic, and the Council's decision to temporarily suspend all Council Tax recovery action, it is now clear that the pandemic had a detrimental impact on the overall collection rate.

The table below details the number of summonses that have been issued to taxpayers in receipt of CTS.

YEAR	NUMBER OF SUMMONSES ISSUED TO CTS TAXPAYERS
2013/14	20,000
2014/15	17,000
2015/16	16,000
2016/17	13,185
2017/18	18,375
2018/19	16,700
2019/20	19,828
2020/21	0*
2021/22	0*
2022/23 (to date)	7,000

*Due to the pandemic, the Council suspended all recovery action, which meant that during 2020/21, the Council took no recovery action in respect of Council Tax arrears. Following the decision to recommence recovery action in 2021/22, due to the limited number of court dates available at the Magistrate’s Court, the Council has prioritised recovery of Council Tax arrears from households who are not in receipt of CTS, which meant that no recovery action was taken in respect of working age CTRS recipients in 2021/22. Recovery action in respect of this cohort commencing in May 2022.

Options for design of our 2022/23 CTS scheme

One of the major changes to the welfare system has been the introduction of Universal Credit (UC). However, due to delays in the rollout of UC which, when it was initially announced, was due to be completed by 2017 and is now expected to be complete by the end of 2028, and the impact of the pandemic, it is considered that it is not appropriate to change the CTRS as there is still an ongoing benefit of maintaining a scheme in 2023/24 whose design is aligned to the pension age element of CTRS (which we cannot make any changes to, and is based upon the old Council Tax Benefit (CTB) scheme), and Housing Benefit (HB) as it would continue to offer the following advantages:

- a. It will continue to spread the burden of the reduced funding for CTS equitably across all working- age claimants and, by applying the means test already established by CTB, ensure that those with greatest need continue to receive the greatest level of support.
- b. There will be no requirement to change ICT systems, undertake training, amend documentation, and produce publicity material, all of which increase costs and would be required if the current scheme were to be amended.
- c. The way in which UC will interact with CTS will be a key factor in any redesign of our scheme. As the Government has yet to rollout the managed migration of our working age Housing Benefit caseload to UC, the full impact has yet to be felt. Further, whilst it is true that the pandemic led to an increase in UC claims nationally, these were often made by claimants

who were new to the benefit schemes. As such it is still too early to evaluate the impact this has had on new CTS recipients' ability to meet their Council Tax payments. Also, there is a risk in making changes to our CTRS for 2023/24 before the impact of the wider rollout of UC can be properly assessed.

- d. The Government announced that the rollout of UC is intended to be complete by 2028, and that they plan to migrate pension age HB claimants to a housing element included in Pension Credit, to also be completed by 2028. However, until this rollout is complete, there are benefits of maintaining a CTRS that is aligned with the working and pension age HB schemes and making changes to the CTRS could lead to confusion, as we could effectively end up operating 2 different CTS schemes, in addition to the HB schemes.
- e. Maintaining the CTRS in its current format will provide consistency and will mean that our working age CTRS recipients will not be subject to changes to both their assistance to their living and rent costs, and their Council Tax costs. It is considered that this provides a level of assurance to our working age CTRS recipients at a time when the current cost of living crisis is placing an enormous strain on the finances of households in Sheffield.

The tables set out below show the maximum potential cost of a scheme for 2023/24 and are based on the current CTS caseload but differing levels of support, and a Council Tax increase permitted of 5%. The tables also show the potential increase in arrears that may accompany any change in the level of support provided by the scheme. These figures are baselined against the current 77% scheme. The second table shows the weekly cost for CTS recipients, based on the cost for Band A properties.

Limit	Cost	Saving	Arrears	Increase in Arrears	Net saving
77%	£40.3m	N/a	£2.9m	N/a	N/a
75%	£39.7m	£0.6m	£3.1m	£0.2m	£0.4m
70%	£38.3m	£2m	£3.5m	£0.6m	£1.4m
65%	£36.8m	£3.5m	£4m	£1.1m	£3.4m

Limit	Single Person weekly	Single Person annually	Family weekly	Family annually
77%	£4.76	£248.00	£6.34	£330.66
75%	£5.17	£269.56	£6.89	£359.42
70%	£6.20	£323.48	£8.27	£431.30
65%	£7.24	£377.39	£9.65	£503.18

These tables show that although reducing support initially lowers the cost of the scheme, when an increase in the arrears figures are taken into consideration, the savings are reduced. This also does not take into account the additional resources

that may be required to collect additional liabilities or if the numbers of taxpayers in arrears increases.

Further, this analysis assumes no deterioration in the collection rate amongst working age CTS recipients as a consequence of the cost-of-living crisis or roll-out of UC.

If the Council was to consider making the scheme more generous, then the cost to the Council and impact on those receiving support would be as set out below. These figures are baselined against the current 77% scheme and are based on the cost for Band A properties.

Limit	Cost	Increased Cost	Arrears	Reduction in Arrears	Net Increase
77%	£40.3m	N/a	£2.9m	N/a	N/a
80%	£41.2m	£1.1m	£2.6m	£0.3m	£0.8m
85%	£42.6m	£2.3m	£2.2m	£0.6m	£1.7m
90%	£44.1m	£3.8m	£1.7m	£1.2m	£2.6m
100%	£47m	£6.7m	£0.8m	£2.1m	£4.6m

Limit	Single Person weekly	Single Person annually	Family weekly	Family annually
80%	£4.14	£215.65	£5.51	£287.53
85%	£3.10	£161.74	£4.14	£215.65
90%	£2.07	£107.83	£2.76	£143.77

Given the Council's current and ongoing financial situation any increase in the level of support comes at a significant cost, which could negatively impact the Council's ability to maintain funding of other vital services. Equally, although reducing support would see the cost of the scheme reduce, the Council is acutely aware that any move to make the scheme less generous could have a significant impact on some of the most financially vulnerable households in the City.

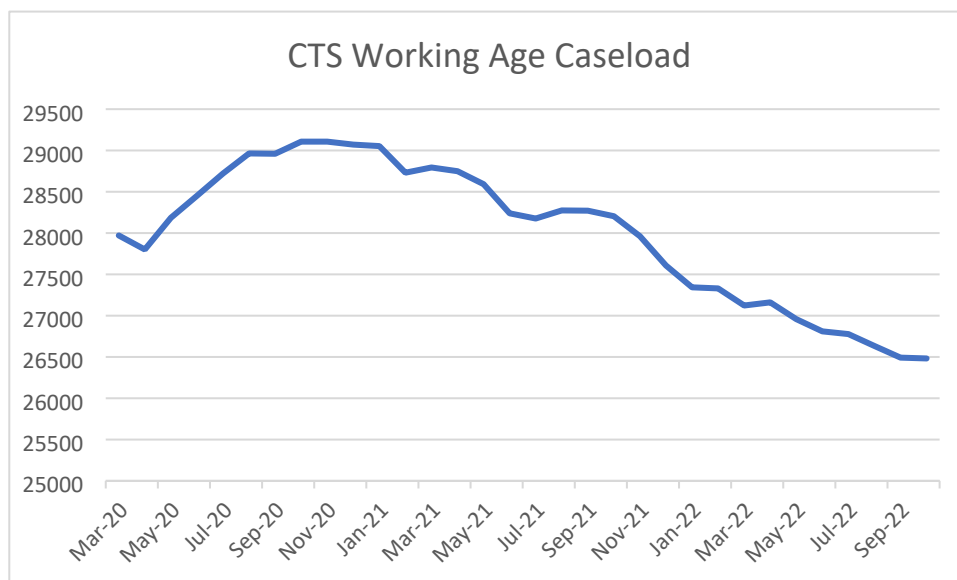
By continuing to maintain the same level of support provided by our CTRS since 2013, the Council is making a real and significant financial commitment to protecting those households.

Ongoing impact of Universal Credit (UC)

UC, which replaces six means tested benefits and tax credits with one benefit, was introduced in a limited way in Sheffield in January 2016, and the wider rollout commenced in November and December 2018, and meant that from December 2018, any new claim for any of the benefits that UC replaced (income based Jobseeker's Allowance, income related Employment and Support Allowance, Income Support, Housing Benefit, Child Tax Credit and Working Tax Credit) that the individual would have made, would be a claim for UC. This also meant that any claim for the legacy benefits that the individual was receiving would end, and the support they received would be met by UC.

The rollout of UC which commenced in 2016, has not been as quick as the Government anticipated, and as such, we are not yet in a position to fully understand how UC will interact with our CTRS, and the impact this will have on the collection of Council Tax from CTS applicants who are in receipt of UC.

Analysis of the impact of UC on CTS caseload and Council Tax arrears is ongoing, and prior to the lockdown in March 2020, we were seeing a gradual decrease in the overall CTS caseload. During the pandemic, we saw an increase in unemployment and the number of people claiming UC, which led to an increase in our working age CTS caseload. As restrictions were lifted we saw the downward trend in our working age caseload:



Further to the above, there have been two recent major changes to the way UC is calculated which could mean that working age households see a reduction in the amount of CTS they receive:

Council Tax Hardship Scheme

Since 2013 the Council has had a locally funded Council Tax Hardship Scheme (CTHS) which provides additional assistance to taxpayers who are in severe financial hardship. The scheme allows the Council to target support to those in the greatest need and is therefore an effective method of providing support to those most directly affected by the introduction of CTS.

The funding for the scheme for 2022/23 is £2m. For 2023/24, one way of providing further financial assistance to households who are struggling financially would be to increase the funding available under the CTHS. This will allow any additional support to be targeted at the most financially vulnerable households.

It is recommended that the CTHS continues in 2023/24 with the level of funding to be determined when there is more certainty regarding the demand for support in the midst of a cost-of-living crisis and the level of Council Tax to be set in 2023/24.

2. HOW DOES THIS DECISION CONTRIBUTE?

Maintaining the current CTRS based on its means-tested format will continue to spread the available support equitably across all eligible households and ensure that those with the greatest need continue to receive the greatest level of support. By not making the scheme more generous we will limit the amount of Council Tax

foregone, thus ensuring that the level of Council Tax collected continues to contribute to the provision of services. By not making the scheme less generous we will continue to minimise the level of Council Tax that some of the most financially vulnerable households in the City must pay.

By continuing the CTHS the Council will be able to provide financial support for its most financially vulnerable citizens.

3. HAS THERE BEEN ANY CONSULTATION?

Under the Local Government Finance Act 1992, where a billing authority decides to revise its Council Tax Reduction Scheme, it is required to comply with set preparation requirements, including publishing the draft scheme and consultation. The proposal is, upon review, not to revise the CTRS, apart for revisions referred to in the legal section, which the Council is statutorily required to make. Therefore, under the proposals, the preparation requirements do not apply and as such there is no requirement on the Council to consult.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

Equality Implications

As a Public Authority, the Council have legal requirements under Section 149 of the Equality Act 2010. These are often collectively referred to as the 'general duties to promote equality' with particular regard to persons sharing the relevant protected characteristics-age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. We have considered our obligations under this duty, and due to the nature of the proposals consider that they do not raise equality issues under the duty. As such, it was considered that an Equality Impact Assessment was not necessary.

The provision of the CTHS in tandem with the CTRS has allowed additional financial support to be targeted at those households in the most need as well as ensuring that on-going support can be prioritised to those taxpayers who are least able to improve their financial situation, such as:

- Persons with a disability,
- Those with caring responsibilities, and;
- Single parents with young children.

In 2013, the Council's CTRS was the subject of a Judicial Review where the way in which it had addressed the equalities implications of its scheme was challenged. The court, after considering a number of issues, including the Council's proposed CTHS, decided that it had satisfactorily addressed the equalities implications of the CTRS.

Financial and Commercial Implications

The funding for the CTRS has been subsumed within other elements of the Revenue Support Grant (RSG) formula and is no longer separately identifiable, and as such, it is not possible to quantify how much funding the Council receives for its CTRS.

However, based on current forecasting the Council will be able to maintain the current CTRS into 2023/24.

Legal Implications

The Council is required, under the Local Government Finance Act 1992 (the 1992 Act), for each financial year, to consider whether to revise or replace its CTRS. The Council's review, detailed in this report complies with this requirement.

The 1992 Act provides that a billing authority's Council Tax Reduction Scheme must include prescribed matters set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (the Regulations). As a consequence, the Council is required, without any exercise of discretion, to amend the CTRS, to reflect any changes made to the Regulations. The Government by statutory instrument has prescribed amendments to the Regulations in respect of Council Tax Reduction Schemes for 2022/23. This report includes a recommendation that the CTRS be changed to accommodate the amendments to the Regulations required by the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022. The 2022 Regulations amend the prescribed requirements to increase certain of the figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction.

Under the 1992 Act, where a billing authority decides to revise or replace its Council Tax Reduction Scheme, it is required to comply with set preparation requirements, including publishing the draft scheme and consultation. The proposal is, upon review, not to revise or replace the Council's CTRS apart for revisions referred to above which it is required to make by statute. If the proposals are approved, the preparation requirements will not apply.

Under the 1992 Act, a decision to revise a billing authority's Council Tax Reduction Scheme is required to be made by the authority, not its executive. This requirement does not apply to the review of a scheme and therefore, decisions not to revise a scheme may be made by the billing authority's executive. The proposals are, upon review, not to revise the Council's scheme, apart from statutory required revisions, referred to above. Accordingly, now that the Council has moved to a committee system these proposals may be approved by the Strategy and Resources Policy Committee or the Finance Sub-Committee.

Other Implications

Human Resources Implications

Given the ongoing uncertainty of the longer-term impact of the expansion of UC, it is considered that maintaining the current CTRS into 2022/23 is unlikely to have any significant, negative implications for staff who are involved with the administration of the scheme

Environmental Implications

No additional environmental implications are expected as a result of continuing with the current CTRS into 2023/24. Self-service options will continue to be promoted reducing the need for paper forms and the need for claimants to travel to appointments.

Contractual Implications

None

5. ALTERNATIVE OPTIONS CONSIDERED

Introduction of an Income Banded Scheme

Under this scheme the level of support provided would be based on household income set between certain bands. If we were to consider this approach further work would need to be undertaken to work out the costs involved. The cost of our current scheme for 2023/24 based on a 5% increase in Council Tax is expected to be around £40.3m (this is the amount of Council Tax forgone). This modelling could include variations on the level of reduction and the level of income in the income bands.

The advantages of this scheme are that it:

- Gives stability to those whose wages fluctuate each month.
- All non-dependents are asked to contribute the same amount. Some applicants may have to pay less.
- Moves away from the complex means test that currently exists.
- Once established it will probably be simpler to administer and may therefore make administrative savings.
- Is less complex and easier for applicants to understand.

The disadvantages of this scheme are that:

- It would require a software change and initial enquiries indicate that the cost maybe significant and therefore prohibitive
- Depending on the income bands introduced and the maximum income level used, some current CTS recipients may see a reduction in support and depending on the maximum level of income, some may no longer qualify
- Those customers at the “cliff edge” of the income bands may struggle to cope with the level of support provided as they move from one band to another. However, this could be mitigated by the CTHS.

Introducing a de-minimus income change

Under this approach any change in income which resulted in a change in the award of CTS by a certain amount would be disregarded. Some LA's who have introduced this change have set the de –minimus change in income to £5 per week. Any increase in income up to £5 per week would not result in a change to the level of CTS.

If we were to adopt this scheme consideration would need to be as to the level of changes in income that would be considered to be de-minimus.

We would also need to set a baseline income level for each customer against which any future increases in income are compared.

The advantages of this scheme are that:

- All the other current entitlement rules are still maintained so there is no significant divergence from the way HB claims are processed.

- It gives a degree of stability, but in all probability lesser than the banded scheme, to those whose wages fluctuate each month.

The disadvantages of this scheme are that:

- As we may not be responding to all changes in income and this could make some people worse off.
- We are foregoing more Council Tax than we otherwise would.
- It would require a software change which may not be achievable or the cost maybe prohibitive.
- It would potentially be more difficult to administer
- It may cause confusion amongst customers as they may think any increase in income beyond an initial increase, which was treated as a de-minimis change, and did not lead to a change in the award of CTS, does not affect the level of CTS they receive, and does not need to be reported to the Council.

Introducing a UC specific scheme

Introducing this type of scheme would result in different rules on entitlement eligibility for those working age customers in receipt of UC and those on legacy benefits and credits.

This could significantly increase the cost of administration and may require expensive software changes. It also has the potential to cause significant confusion amongst customers.

As a result of the complexity it would bring in terms of both administration and customer understanding, this is the least preferred option. It could also bring a significant risk of challenge as it would treat UC claimants differently to those who do not move onto UC.

Having a scheme which sets fixed assessment periods

This scheme would see an award of CTS fixed for a certain period of time, regardless of any income changes within that time.

The advantages of this scheme are that:

- It would be simple for customers to understand.
- It would mitigate any impact that regular fluctuations in income have on Council Tax billing and collection.

The disadvantages of the scheme are that

- Claims would still have to be reassessed periodically, and;
- Depending on whether changes on reassessment are applied retrospectively or not we could:
 - be making customers worse off;
 - be missing out on Council Tax revenue as we are awarding more CTS than necessary or;
 - be impacting Council Tax collection rates as customers may have more Council Tax to pay over a shorter period of time.

Whilst consideration of the feasibility of introducing any one of the options outlined above was given, it is considered that there is significant merit in providing certainty during these uncertain times, and as such it was decided not to replace the current CTRS with one of the above alternative options for 2023/24.

6. REASONS FOR RECOMMENDATIONS

Legislation requires each Billing Authority to annually consider whether to revise or replace its Council Tax Reduction Scheme. For that purpose we have carried out a review of the Council's scheme.

Following from this review, it is recommended that the CTRS remains unchanged, as whilst reducing the support offered through the scheme may help with the Council's financial situation, this is countered by the fact that the burden will fall on vulnerable households who are experiencing financial hardship as a result of the cost-of-living crisis. It is also considered that maintaining the scheme in its current form and at the same level of support provides certainty, during what are uncertain times.

In reaching this decision, consideration has been given to both increasing and decreasing the level of support provided under the CTRS, and to moving away from a scheme based on the previous CTB scheme. Further detail on these considerations is provided in the main body of the report.

Given the current financial position of the Council, the Council is not able to introduce a more generous scheme in 2023/24.

By maintaining the CTRS, the Council will be able to continue to offer targeted support to those in the most severe financial need including those who are least able to change their financial situation.

PART A Introductory Information

Proposal name

Council Tax Reduction Scheme

Brief aim(s) of the proposal and the outcome(s) you want to achieve

In 2013 the Government abolished the national Council Tax Benefit scheme and required all councils to implement their own Council Tax Reduction Scheme (CTRS). The Government provided grant funding to the Council to finance the CTRS in 2013/14. The Council's funding was cut by approximately £5.5m, 10% below the level of subsidy it received to pay CTB in 2012/13. In addition to the cut in funding, the Government also required the Council to protect pensioners by providing them with the same rate of support that they would have received under the former Council Tax Benefit scheme. This requirement meant that the actual cut in funding for the CTRS fell on working-age Council Tax Support recipients (and a small number of non-protected pensioners), amounting to a 23% cut, when compared with the previous Council Tax Benefit scheme.

The Council is required to review the CTRS on an annual basis, and despite ongoing cuts in the funding for CTRS, the Council has been able to maintain the working age scheme in its current form since 2013 and has not made any changes to the working age scheme. The Council is required by statute to make certain changes to the pension age scheme.

The CTRS provides support towards Council Tax costs, to some of the most financially vulnerable households in the city, and it is the Council's recommendation that the CTRS remains unchanged in 2023/24, meaning we are able to continue to provide support towards Council Tax costs to these households.

The report also recommends that the Council Tax Hardship Scheme (CTHS) is continued in 2023/24, which can provide further assistance to households who are unable to meet their reduced Council Tax costs.

Details of the CTRS and how to claim, can be found here:

<https://www.sheffield.gov.uk/benefits/council-tax-support>

Any increase in Council Tax is reflected in the CTRS, and the increase in eligible households Council Tax liability, are accommodated by the scheme. The CTHS is available to provide further assistance to households experiencing financial hardship as a result of their Council Tax costs.

Representatives from the Benefits Service regularly attend the Supporting Vulnerable People group, which is a Council run meeting, but has an open invitation to the Council colleagues, key stakeholders and the voluntary sector in the city, and also attend the Welfare, Poverty and Housing network meeting, which is chaired by Citizens Advice Sheffield. Please see the Action Plan for further details.

The application for the Council Tax Reduction Scheme does not currently ask the applicant to provide any equalities information. Please see the Action Plan for further details.

Proposal type

- Budget Non-Budget

If Budget, is it Entered on Q Tier?

- Yes No

If yes what is the Q Tier reference

Year of proposal (s)

- 22/23 23/23 23/24 24/25 other

Decision Type

- Coop Exec
- Committee (e.g., Health Committee) which committee
- Leader
- Individual Coop Exec Member
- Executive Director/Director
- Officer Decisions (Non-Key)
- Council (e.g., Budget and Housing Revenue Account)
- Regulatory Committees (e.g., Licensing Committee)

Lead Committee Member

Lead Director for Proposal

Person filling in this EIA form

EIA start date

Equality Lead Officer

- | | |
|--|---|
| <input type="radio"/> Adele Robinson | <input checked="" type="radio"/> Beverley Law |
| <input type="radio"/> Annemarie Johnston | <input type="radio"/> Ed Sexton |
| <input type="radio"/> Bashir Khan | <input type="radio"/> Louise Nunn |

Lead Equality Objective ([see for detail](#))

- | | | | |
|---|---|---|---|
| <input type="radio"/> Understanding Communities | <input type="radio"/> Workforce Diversity | <input type="radio"/> Leading the city in celebrating & promoting inclusion | <input checked="" type="radio"/> Break the cycle and improve life chances |
|---|---|---|---|

Portfolio, Service and Team

Is this Cross-Portfolio

- Yes No

Portfolio

Is the EIA joint with another organisation (eg NHS)?

- Yes No Please specify

Consultation

Is consultation required (Read the guidance in relation to this area)

- Yes No

If consultation is not required please state why

No statutory requirement

Are Staff who may be affected by these proposals aware of them

- Yes No

Are Customers who may be affected by these proposals aware of them

- Yes No

If you have said no to either please say why

Staff are not affected by the recommendation to maintain the CTRS and CTHS.

Initial Impact

Under the [Public Sector Equality Duty](#) we have to pay due regard to the need to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations

For a range of people who share protected characteristics, more information is available on the [Council website](#) including the [Community Knowledge Profiles](#).

Identify Impacts

Identify which characteristic the proposal has an impact on tick all that apply

<input checked="" type="radio"/> Health	<input type="radio"/> Transgender
<input checked="" type="radio"/> Age	<input checked="" type="radio"/> Carers
<input checked="" type="radio"/> Disability	<input type="radio"/> Voluntary/Community & Faith Sectors
<input type="radio"/> Pregnancy/Maternity	<input type="radio"/> Cohesion
<input checked="" type="radio"/> Race	<input type="radio"/> Partners
<input checked="" type="radio"/> Religion/Belief	<input checked="" type="radio"/> Poverty & Financial Inclusion
<input checked="" type="radio"/> Sex	<input type="radio"/> Armed Forces
<input type="radio"/> Sexual Orientation	<input type="radio"/> Other
<input type="radio"/> Cumulative	

Cumulative Impact

Does the Proposal have a cumulative impact

Yes No

<input type="radio"/> Year on Year	<input type="radio"/> Across a Community of Identity/Interest
<input type="radio"/> Geographical Area	<input type="radio"/> Other

If yes, details of impact

Proposal has geographical impact across Sheffield

Yes No

If Yes, details of geographical impact across Sheffield

Local Area Committee Area(s) impacted

All Specific

If Specific, name of Local Committee Area(s) impacted

n/a

Initial Impact Overview

Based on the information about the proposal what will the overall equality impact?

By maintaining the CTRS the Council continues to be able to provide assistance to the Council Tax costs for households on a low income.

Further, but maintaining CTHS for 2023/24, the Council is able to provide further assistance to households who are experiencing financial hardship as a result of their reduced Council Tax costs.

Is a Full impact Assessment required at this stage? Yes No

If the impact is more than minor, in that it will impact on a particular protected characteristic you must complete a full impact assessment below.

Initial Impact Sign Off

EIAs must be agreed and signed off by the Equality lead Officer in your Portfolio or corporately. Has this been signed off?

Yes No

Date agreed 15/12/2022

Name of EIA lead officer Bev Law

Part B

Full Impact Assessment

Health

Does the Proposal have a significant impact on health and well-being (including effects on the wider determinants of health)?

Yes No *if Yes, complete section below*

Staff

Yes No

Customers

Yes No

Details of impact

By maintaining the CTRS and CTHS in their current form, the Council is able to continue providing assistance to the Council Tax costs of vulnerable households, reducing stress, and freeing up money that be used to contribute to the health and wellbeing of the household.

Comprehensive Health Impact Assessment being completed

Yes No

Please attach health impact assessment as a supporting document below.

Public Health Leads has signed off the health impact(s) of this EIA

Yes No

Name of Health Lead Officer

Age

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

The CTRS for pension age households is set by Government and eligible people in this age group have continued to receive support to their Council Tax costs as they would have under the former Council Tax Benefit regime and can receive support covering up to 100% of their Council Tax costs.

Whilst working age households have the amount of support that can be met by CTS limited to 77% of their net Council Tax liability, the Council's recommendation to maintain the CTHS means that those households who are experiencing financial hardship as a result of their Council Tax costs can apply for additional assistance to their Council Tax costs.

The CTRS provides additional assistance to in the form of additional allowances and premia where a single person has dependent children, and these increase in line with how other benefits are calculated.

Council Tax is charged to anyone over the age of 18, and single occupants are able to claim a Single Person's discount irrespective of their age. Where a CTRS recipient is a single person, their award reflect their eligibility to the Single Peron' Discount.

Disability

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

The CTRS provides additional assistance to in the form of additional allowances and premia where a CTS recipient receives certain disability benefits. The allowances and premia, which are included in the both the pension age and working age schemes mean that they are able to receive a higher level of income before the amount of CTS that are eligible to receive, is reduced.

Further to this, where the applicant or their partner receives an award of Personal Independence Payment, Disability Living Allowance or Attendance Allowance, the income they receive from this benefit is disregarded in the CTS calculation, recognising that this payment is intended to meet additional expenses that they incur due to their disability.

Further to the CTRS, which provides assistance to households on a low income who are disabled, there are additional non-means tested Council Tax discounts that can reduce the amount of Council Tax a disabled person has to pay.

These are:

- Disabled persons discount – Where a property which is the main home of a disabled person has been adapted to meet the disablement needs of the disabled person the liable person is eligible for a disabled person's discount, which is equivalent to re-banding the property into the next lower Council Tax band. The reduction for Band A properties will be the equivalent of one 9th of Band D.
- Severe Mental Impairment discount or exemption – A person is considered severely mentally impaired for Council Tax purposes if they have a severe impairment of intelligence and social functioning (however caused), which appears to be permanent. If someone lives alone and has a severe mental impairment, they will be exempt from paying Council Tax. Where there are 2 adults in the property, and one of the occupiers is considered to have a mental impairment, they may be eligible for a discount in their Council Tax charge.

Pregnancy/Maternity

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

CTRS is a means tested Council Tax Discount, and if someone is on a low income, they may be eligible to receive an award of CTRS.

If they receive an award of CTS and are still having difficulty meeting their Council Tax payments, they may be able to receive further assistance from the Council Tax Hardship Scheme.

Race

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Studies have shown that levels of unemployment are higher in BAME communities. CTRS provides assistances towards Council Tax costs to households on low incomes, and if they receive an award of CTS and are still having difficulty meeting their Council Tax payments, they may be able to receive further assistance from the Council Tax Hardship Scheme.

Further to this, CTRS is a sophisticated means tested Council Tax discount and takes account of a number of different factors, and awards additional allowances and premia where the household includes household members with disabilities, and also includes additional allowances for dependent children.

Religion/Belief

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Sexual Orientation

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Gender Reassignment (Transgender)

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Carers

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

CTRS is a sophisticated means tested Council Tax discount and takes account of a number of different factors, and awards additional premia where the applicant or their partner have caring responsibilities and receive an award or have an underlying entitlement to Carer's Allowance.

Further to this, there is also a separate Carer's disregard where the person liable for Council Tax has caring responsibilities and meets certain criteria. Where the taxpayer is eligible for the Carer Disregard, they can receive a reduction in the amount of Council Tax they are due to pay of up to 50%.

Poverty & Financial Inclusion

Impact on Staff

Yes No

Impact on Customers

Yes No

Please explain the impact

CTRS provides assistances towards Council Tax costs to households on low incomes, and if they receive an award of CTS and are still having difficulty meeting their Council Tax payments, they may be able to receive further assistance from the Council Tax Hardship Scheme.

Further to this, CTRS is a sophisticated means tested Council Tax discount and takes account of a number of different factors, and awards additional allowances and premia where the household includes household members with disabilities, and also includes additional allowances for dependent children.

Cohesion

Staff

Yes No

Customers

Yes No

Details of impact

Partners

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Armed Forces

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Other

Please specify

Impact on Staff

Yes No

Impact on Customers

Yes No

Details of impact

Action Plan and Supporting Evidence

What actions will you take, please include an Action Plan including timescales

- As part of any future marketing campaigns we will ensure that consideration is given to ensuring that diverse communities are reached and able to access the service.
- We will engage with our software supplier, who also provide our online application form to consider how we can collect equalities data from our applicants, and how we can record this information.
- We will engage with our software supplier to ensure that our online application form meets the minimum accessibility standards that are required.
- We will review how the service considers the eligibility of awarding a Single Person's Discount when the Council Tax Service is made aware of the death of the taxpayer, or another resident.
- We will make contact with colleagues in the Disabled Facilities Grants Team to ensure that they are aware of the scheme, and can signpost their clients to us.
- We will make contact with the Mental Health Team to ensure that they are aware of the scheme, and can signpost their clients to us.

Supporting Evidence (Please detail all your evidence used to support the EIA)

Detail any changes made as a result of the EIA

Following mitigation is there still significant risk of impact on a protected characteristic. Yes No

If yes, the EIA will need corporate escalation? Please explain below

Sign Off

EIAs must be agreed and signed off by the Equality lead Officer in your Portfolio or corporately. Has this been signed off?

Yes No

Date agreed

15/12/2022

Name of EIA lead officer

Bev Law

Review Date

DD/MM/YYYY



Report to Policy Committee

Author/Lead Officer of Report:

Dermot Reader

Project Manager

Housing Growth Delivery Service, City Futures

Email: dermot.reader@sheffield.gov.uk

Tel: 0114 2052470

Report of: Executive Director: Operational Services (Ajman Ali)

Report to: Finance Sub-Committee

Date of Decision: 4th January 2023

Subject: Appropriation of the former Knowle Hill Residential Care Home site for housing purposes.

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>EIA 260 – Homes for All Delivery Plan</i>		
<i>The decision to appropriate the site has no direct equality implications. An Equality Impact Assessment will be undertaken as part of the proposals to develop the site for new temporary accommodation.</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"/>
<i>The decision to appropriate the site has no direct climate implications. A full Climate Impact Assessment will be undertaken as part of proposals to develop the site for new temporary accommodation. The project will also be subject to a Carbon Assessment.</i>		
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:		

Purpose of Report:

This report seeks approval for the former Knowle Hill Residential Care Home site (Streetfields, Halfway, Sheffield, S20 4TB) to be appropriated¹ for the purposes of Part II of the Housing Act 1985.

The former residential care home has been vacant since the service was relocated in 2017. The site and buildings are no longer required for this purpose and are now held for general purpose provision. The site has been identified as suitable for the delivery of new Temporary Accommodation as part of the Council's Stock Increase Programme (SIP).

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

Recommendations:

that the Strategy & Resources Policy Committee:

1. Approve that the former Knowle Hill Residential Care Home site is appropriated for the purposes of Part II of the Housing Act 1985.

Background Papers:

- **Appendix 1:**
Site Red Line Boundary
- ***Principles for Increasing the Council's Stock Increase Programme***
Report to Cabinet Member for Neighbourhoods and Community Safety
14th October 2019
<http://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?ID=2392>
- **'Our Sheffield' – Delivery Plan: 2022/23**
<https://www.sheffield.gov.uk/your-city-council/corporate-delivery-plan>

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

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Helen Damon (Finance Business Partner)</i>
		Legal: <i>Stephen Tonge (Corporate Governance Lawyer)</i>
		Equalities & Consultation: <i>Louise Nunn (Equalities and Involvement Officer)</i>
		Climate: <i>Jessica Rick (Sustainability Programme Officer)</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>Executive Director: Operational Services (Ajman Ali)</i>
3	Committee Chair consulted:	<i>Cllr Terry Fox (Chair – Strategy and Resources Committee)</i> <i>Cllr Douglas Johnson (Chair – Housing Policy 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>Dermot Reader</i>	Job Title: <i>Project Manager Housing Growth Delivery Service City Futures</i>
	Date: <i>29th November 2022</i>	

1. PROPOSAL

1.1 Increased demand for Temporary Accommodation

- 1.1.1 The Council has a statutory duty to secure accommodation for unintentionally homeless households who fall into a 'priority need' category.
- 1.1.2 The Homelessness Reduction Act 2017 (HRA) has, since 3 April 2018, placed additional duties on authorities in England to:
- Work to prevent homelessness for all eligible applicants who are threatened with homelessness, i.e. likely to become homeless within 56 days.
 - Work to relieve homelessness for all eligible applicants who become homeless.
- 1.1.3 Demand for Temporary Accommodation (TA) has increased significantly since 2018. As of 30 June 2022, there were 260 households in Local Authority or Housing Association stock and 123 households in Bed and breakfast hotels².
- 1.1.4 To meet this level of demand, the Council is having to use a number of general needs properties across the city. This has a direct impact on available move-on provision and choice-based lettings options for all customers on the housing register.
- 1.1.5 Additional capacity is provided using emergency hotel and Bed & Breakfast accommodation. The total cost of this provision in 2021-22 was £3.65m (before housing benefit and grant funding income)³.
- 1.1.6 The City-Wide Housing Service has identified the need for additional council owned and managed Temporary Accommodation to ensure they can meet customers' diverse needs and offer consistent, high quality, affordable services.
- 1.1.7 Appropriation of this site will enable delivery of 25 units of Temporary Accommodation including ancillary office space in a purpose-built facility.
- 1.1.8 The new TA units will contribute to the delivery of new homes as part of the council's Stock Increase Programme (SIP). As such, this project is included within agreed pipeline of SIP projects.

² [DLUHC - Statutory homelessness: Detailed local authority-level tables April-June 2022](#)

³ [DLUHC - Local authority revenue expenditure and financing England: 2021 to 2022](#)

1.2 The Knowle Hill Site

- 1.2.1 The former Knowle Hill Residential Care Home site is a 0.35 hectare site situated off Streetfields, Halfway, Sheffield, S20 4TB (see Appendix 1). The site is located within the Mosborough Ward.
- 1.2.2 The site is owned by Sheffield City Council and was originally within the People Portfolio. The site was leased to Sheffcare when the related Council services were also transferred to it. It has been vacant since the service was relocated in 2017, with vacant property management provided by Property Services. Sheffcare surrendered the lease back to the Council on 20th February 2020 and as a result the property now sits in the Council's general purpose estate portfolio.
- 1.2.4 An initial feasibility study confirmed the site is suitable for the delivery of new temporary accommodation as part of the Council's Stock Increase Programme. This proposal has been discussed with the local Ward Members and the local Member of Parliament (MP), and has broad approval, subject to appropriate site security and management arrangements.
- 1.2.5 The feasibility study recommends demolition of the existing building as it is not suitable for refurbishment. Since becoming vacant, the building has become a focus for vandalism and anti-social behaviour in the local area resulting in further deterioration.
- 1.2.6 Annual vacant property management costs include £10k council tax, £10k security, and standing utility charges, with site security arrangements under constant review.

1.3 Proposal to Appropriate the Site for Housing Purposes

- 1.3.1 It is proposed that the site be appropriated to housing purposes (Part II of the Housing Act 1985) and used for the provision of new Council homes as part of the Council's Stock Increase Programme.
- 1.3.2 Following appropriation of the site, and subject to separate Capital and Committee approvals, disconnection of utilities and demolition of the existing building will take place to ensure the whole site is clear and safe.
- 1.3.3 This will enable ground investigation and site surveys to be completed across the whole site, thereby managing some of the risks associated with clearing existing buildings and the currently unknown ground conditions under the part of the site where ground surveys have not been possible to date (due to existing structures). This will provide greater cost certainty when tendering for the main construction contract.
- 1.3.4 The delivery of new TA accommodation is identified within the Stock Increase Programme as a priority project. As the scheme includes accommodation and office space, the overall cost per unit is higher than other housing projects, but there are additional savings to the council resulting from the reduced need for expensive emergency Bed & Breakfast accommodation.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 'Our Sheffield' – Delivery Plan: 2022/23

2.1.1 The specific proposals set out in this report contribute towards the delivery of the following priorities for the city:

- 'Strong and connected neighbourhoods which people are happy to call home'
 - *The vacant building has become a focus for anti-social behaviour in the local neighbourhood. The appropriation will enable demolition and clearance of the site which will improve the current situation for those residents directly impacted.*

2.1.2 The subsequent development of temporary accommodation on this site will contribute towards the delivery of the following priorities and ambitions for the city:

- 'Tackling inequalities and supporting people through the cost-of-living crisis'
 - *Support people with routes out of homelessness and rough sleeping with emergency and temporary accommodation in Sheffield.*
- 'Healthy lives and wellbeing for all'
 - *New Temporary Accommodation will enable more effective provision of intensive housing management support to prevent homelessness.*

3. HAS THERE BEEN ANY CONSULTATION?

3.1 The specific proposals in this report do not require the Council to undertake any consultation. However, as previously set out, the proposal has been discussed with the local Ward Members and the local Member of Parliament (MP).

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

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

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

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

4.1.2 In line with the agreed standards for new Council homes in Sheffield – new housing delivered through the Stock Increase Programme will have the following features:

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

4.2 Financial and Commercial Implications

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

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

4.2.3 Upon appropriation, there is a statutory requirement on the Council to “make such adjustment in its accounts as may be requisite in the circumstances pursuant to Section 24 of the Town and Country Planning Act 1959”. Further details are set out in section 4.3.

4.2.4 The site has been valued by a RICS Registered Valuer (a Council Officer working in Property Services). As of November 2022, the site is valued (‘market value’) at £370,000. This assumes a demolition cost of £200,000 based on initial estimates. The market value will be adjusted once a tendered cost for the demolition has been agreed. The adjustment to the accounts will reflect this market value.

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

4.2.6 At this stage, the total scheme cost (demolition and new build) of the project has not been confirmed. However, current cost estimates are within the overall budget of £6.7m assigned to this project within the Stock Increase Programme. Alternative construction methods (e.g. Offsite construction) are being considered with further work required to establish the cost and timescale benefits.

4.2.7 Given the demand for temporary accommodation and the financial implications of continued use of emergency B&B accommodation, the appropriation and redevelopment of the site is considered the best course of action.

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

4.3 Legal Implications

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

4.3.2 The Sheffcare Deed of Surrender of 20 February 2020 had the effect of vesting the site into the Councils general purpose estate portfolio pursuant to LGA 1972 s120. (Whilst there is no requirement for the Deed to be registered with the Land Registry to take effect, registration will be required to close the leasehold title and remove reference to the lease from the Council's freehold title).

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

4.4 Climate Implications

4.4.1 The decision to appropriate the site has no direct climate implications.

4.4.2 In terms of the future delivery of temporary accommodation on this site:

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

4.4.3 The wider project will be subject to a carbon assessment – including both embodied carbon and whole life carbon assessment.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 **Do nothing:** The site became vacant in 2017. The site remains a maintenance liability for the Council and is an underutilised brownfield site in Council ownership. As a result of further deterioration due to vandalism and ongoing anti-social behaviour, continuing to 'do nothing' is not considered a suitable long-term option.

5.2 **Site disposal:**

In November 2019, the People portfolio intended to declare the site as surplus and put it forward for disposal through Property Services. As part of this process, there was an opportunity to explore the site for alternative council uses. Following a review of surplus council assets, the site was selected for consideration to provide temporary accommodation.

5.3 **Building refurbishment:**


Initial feasibility work identified significant risks with the existing fabric of the building and reduced capacity for self-contained accommodation. It was therefore considered unviable for refurbishment, with recommendations for demolition and new build.

6. REASONS FOR RECOMMENDATIONS

- 6.1
- The site is designated Housing Area in the adopted Sheffield Local Plan and is considered a mix of greenfield and brownfield, with the buildings being previously developed and the 'garden' area being greenfield. Core Strategy policy CS24 allows for this, with part (b) stating that small greenfield sites within the existing urban area may be developed where it can be justified on sustainability grounds.
 - There is a clearly identified need for additional purpose-built temporary accommodation across the city to enable the Council to meet its statutory duties.
 - There is a significant cost to the Council in using expensive emergency Bed & Breakfast accommodation to meet the current shortfall in available temporary accommodation.
 - Provides an opportunity to regenerate a Council-owned brownfield site, thereby removing liabilities associated with a vacant building and disused site.

Appendix 1: Site Red Line Boundary - Former Knowle Hill Residential Care Home, Streetfields, Halfway, Sheffield, S20 4TB



Notes: AREA EDGED RED INCLUDES TITLES: SYK503, SYK382500. AREA EDGED RED APPROXIMATELY 0.3508 HECTARE (0.8668 ACRE)	Building	Drawing Title KNOWLE HILL SHEFFIELD S20 4TB	Scale 1:500	
	Location	Drawing No/File No	Date 15/11/2022	
	Project Ref.	Drawn AH	Rev. 23/11/2022	

Based upon the Ordnance Survey map data with the permission of the Controller of Her Majesty's Stationery Office (C) Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Sheffield City Council 19018819.2013