

# Finance Sub-Committee

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**Tuesday 21 February 2023 at 4.00 pm**

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

**The Press and Public are Welcome to Attend**

## **Membership**

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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

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## PUBLIC ACCESS TO THE MEETING

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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](http://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](mailto: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](mailto: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](mailto:committee@sheffield.gov.uk).

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## FACILITIES

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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.

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**FINANCE SUB-COMMITTEE AGENDA  
21 FEBRUARY 2023**

**Order of Business**

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- 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 - 16)  
To approve the minutes of the last meeting of the Sub-Committee held on
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public

**Formal Decisions**

- 7. Capital Approvals Month 9 - 2022/23** (Pages 17 - 46)  
Report of Director of Finance and Commercial Services
- 8. Budget Monitoring and Financial Position Month 9, 2022/23** (Pages 47 - 80)  
Report of Director of Finance and Commercial Services
- 9. Vehicle Replacement Programme Year 4** (Pages 81 - 90)  
Report of the Executive Director, Operational Services

**NOTE: The next meeting of Finance Sub-Committee will be held on Wednesday 22 March 2023 at 2.00 pm**

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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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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](mailto:david.hollis@sheffield.gov.uk).

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Finance Sub-Committee

Meeting held 4 January 2023

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

**1. APOLOGIES FOR ABSENCE**

1.1 There were no apologies for absence.

**2. EXCLUSION OF PRESS AND PUBLIC**

2.1 No items were identified where resolutions may be moved to exclude the public and press.

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest made.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the previous meeting held on 7 November 2022 were approved as a correct record, subject to the minor typographical amendments to be made to paragraph 14.3.3.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 There were no public questions or petitions. However, it was noted that the Communities, Parks and Leisure Policy Committee have referred on a question to the Chair in respect of the accommodation strategy and details of buildings requiring critical & essential maintenance. It was stated that the Chair would provide a written response to the question and that Members would be provided with details.

**6. BUDGET MONITORING AND FINANCIAL POSITION MONTH 8, 2022/23**

6.1 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 8 2022/23 including General Fund revenue position, Housing Revenue Account and Capital Programme Monitoring (Appendix 1).

Officers agreed to provide Members with further information in respect of: Future High Streets Fund Overspend and 'de-scoping'; Electric Works lettings policy; Fieldwork staffing in Children's Services; and Broadfield Road

Junction scheme slippage.

6.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee notes the Council's financial position as at the end of November 2022 (month 8), as detailed in the report.

6.3 **Reasons for Decision**

6.3.1 The report brings the committee up to date with the Council's current financial position as at Month 8 2022/23 including the Capital Programme.

6.4 **Alternatives Considered and Rejected**

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

7. **COUNCIL TAX SUPPORT SCHEME REVIEW**

7.1 The Director of Finance and Commercial Services submitted a report providing 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.

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

1. Notes the review of the Council's Council Tax Reduction Scheme, detailed in the report;

2. 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;

3. Approves the amendments to the Council's Council Tax Reduction Scheme to accommodate the changes the Council is required to make by statute; and

4. Agrees that the Council's Council Tax Hardship Scheme continues to operate as detailed in the report.

7.3 **Reasons for Decision**

7.3.1 Legislation requires each Billing Authority to annually consider whether to revise or replace its Council Tax Reduction Scheme (CTRS). 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.

7.3.2 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 Council Tax Benefit scheme. Further detail on these considerations is provided in the main body of the report.

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

7.3.4 By maintaining the Council Tax Hardship Scheme, 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.

#### 7.4 **Alternatives Considered and Rejected**

7.4.1 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 Council Tax Support (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.

7.4.2 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 –minus 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.

- 7.4.3 Introducing a Universal Credit (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.

- 7.4.4 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.

## **8. APPROPRIATION OF THE FORMER KNOWLE HILL RESIDENTIAL CARE HOME FOR HOUSING PURPOSES**

- 8.1 The Committee received a report of the Executive Director, Operational Services seeking approval for the former Knowle Hill Residential Care Home site (Streetfields, Halfway, Sheffield, S20 4TB) to be appropriated 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).

- 8.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves that the former Knowle Hill Residential Care Home site is appropriated for the purposes of Part II of the Housing Act 1985.

### **8.3 Reasons for Decision**

- 8.3.1 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.

8.3.2 There is a clearly identified need for additional purpose-built temporary accommodation across the city to enable the Council to meet its statutory duties.

8.3.3 There is a significant cost to the Council in using expensive emergency Bed & Breakfast accommodation to meet the current shortfall in available temporary accommodation.

8.3.4 The proposal provides an opportunity to regenerate a Council-owned brownfield site, thereby removing liabilities associated with a vacant building and disused site.

#### 8.4 **Alternatives Considered and Rejected**

8.4.1 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.

8.4.2 Site disposal: In November 2019, the then 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.

8.4.3 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.

### 9. **STEP UP TO SOCIAL WORK POST GRADUATE DIPLOMA COHORT 8**

9.1 **RESOLVED UNANIMOUSLY:** That consideration of the Step up to Social Work Post Graduate Diploma Cohort 8 item be withdrawn from consideration. The item will be considered at the Strategy and Resources Policy Committee at its meeting on 24 January 2023.



## Report to Policy Committee

### Author/Lead Officer of Report:

Damian Watkinson,  
Finance Manager

Tel: 0114 273 6831

**Report of:** *Tony Kirkham*

**Report to:** *Finance Sub - Committee*

**Date of Decision:** *21<sup>st</sup> February 2023*

**Subject:** *Capital Approvals for Month 09 2022/23*

|  |     |                                     |    |                                     |
|--|-----|-------------------------------------|----|-------------------------------------|
| Has an Equality Impact Assessment (EIA) been undertaken?   | Yes | <input type="checkbox"/>            | No | <input checked="" type="checkbox"/> |
| If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>  |     |                                     |    |                                     |
| Has appropriate consultation taken place?  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/>            |
| Has a Climate Impact Assessment (CIA) been undertaken?   | Yes | <input type="checkbox"/>            | No | <input checked="" type="checkbox"/> |
| Does the report contain confidential or exempt information?  | Yes | <input type="checkbox"/>            | No | <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-  |     |                                     |    |                                     |
| <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 provides details of proposed changes to the existing Capital Programme as brought forward in Month 09 2022/23.*

**Recommendations:**

- (i) That the committee approve the proposed additions and variations to the Capital Programme listed in Appendix 1
- (ii) Approve the issue of grants as detailed in appendix 2

**Background Papers:**

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

**Appendix 1, Appendix 2**

| <b>Lead Officer to complete:-</b> |   |
|-----------------------------------|---|
| 1                                 | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.  |
|                                   | Finance: <i>Liz Gough</i>   |
|                                   | Legal: <i>Rahana Khalid</i>   |
|                                   | Equalities & Consultation: <i>N/A</i>   |
|                                   | Climate: <i>N/A</i>   |
|                                   | <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>   |
| 2                                 | <b>SLB member who approved submission:</b> <i>Tony Kirkham</i>  |
| 3                                 | <b>Committee Chair consulted:</b> <i>Cllr Brian Lodge</i>   |
| 4                                 | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. |



|  |   |
|--|---|
| <b>Lead Officer Name:</b><br><i>Damian Watkinson</i> | <b>Job Title:</b><br><b>Finance Manager</b> |
| <b>Date:</b> 31/01/23                                |   |

## **1. PROPOSAL**

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

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

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

## **3. HAS THERE BEEN ANY CONSULTATION?**

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

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### 4.1 Equality Implications

- 4.1.1 Any Equality implications are the responsibility of the service area under which the approval falls. An Equalities Impact Assessment was submitted with each Business Case

### 4.2 Financial and Commercial Implications

- 4.2.1 A number of schemes have been submitted for approval in line with the Council's capital approval process during the Month 09 reporting cycle. This report requests the relevant approvals and delegations to allow these schemes to progress.

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

- 8 additions of specific project to the capital programme creating a net increase of £6.384m
- 11 Variations to schemes creating a net increase of £0.670m
- 1 Reprofile of expenditure with no impact on cost

Further details of the schemes listed above can be found in Appendix 1

#### 4.3 Legal Implications

- 4.3.1 Any specific legal implications are identified on a per scheme basis in appendix 1 in relation to schemes to be delivered and Appendix 2 in relation to grants to be issued.

#### 4.4 Climate Implications

- 4.4.1 Any specific Climate implications are identified on a per scheme basis in appendix 1. A Climate Impact Assessment was submitted with each Business Case

### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

### **6. REASONS FOR RECOMMENDATIONS**

- 6.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield
- 6.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

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| Scheme name / summary description  |   | Value<br>£'000 |        |          |          |                   |      |  |  |  |
|--|---|----------------|--------|----------|----------|-------------------|------|--|--|--|
| <b>A</b>   | <b>Transport Regeneration &amp; Climate Change</b>  |                |        |          |          |                   |      |  |  |  |
|  | New additions   |                |        |          |          |                   |      |  |  |  |
| Page 21  | <p><b>Levelling Up Fund – Attercliffe Tram Stops</b></p> <p><b>Why do we need the project?</b></p> <p>Sheffield City Council has successfully bid for ‘Levelling Up Funding’ [LUF] to invest in Attercliffe to make direct improvements to the area acting as a catalyst for future investment. This project is to deliver tram stop improvements at Attercliffe and Arena tram stops</p> <p>Tram travel remains one of the most environmentally friendly modes of transport available in Sheffield. Supporting improvements to the tram network to encourage increased use will support the net zero ambition.</p> <p><b>How are we going to achieve it?</b></p> <p>The improvements are being managed and delivered by SYMCA [South Yorkshire Mayoral Combined Authority]. A grant agreement will be in place to enable Sheffield City Council to pay the agreed value of £250k to the SYMCA.</p> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>• Tram stop improvements at Attercliffe and Arena</li> <li>• Increased number of tram users from Attercliffe and Arena stops. To be measured through counts by SYMCA.</li> </ul> <p><b>When will the project be completed?</b></p> <p>2023-24</p> | +250           |        |          |          |                   |      |  |  |  |
|  | <table border="1"> <thead> <tr> <th>Funding Source</th> <th>Amount</th> <th>Status</th> <th>Approved</th> </tr> </thead> <tbody> <tr> <td>Levelling Up Fund</td> <td>250k</td> <td></td> <td></td> </tr> </tbody> </table>  | Funding Source | Amount | Status   | Approved | Levelling Up Fund | 250k |  |  |  |
|  | Funding Source  | Amount         | Status | Approved |          |                   |      |  |  |  |
|  | Levelling Up Fund   | 250k           |        |          |          |                   |      |  |  |  |
| <p><b>Approval Route</b></p> <p>Principle of Levelling Up programme approved with acceptance of grant Feb 22</p> |   |                |        |          |          |                   |      |  |  |  |
| Variations and reasons for change  |   |                |        |          |          |                   |      |  |  |  |
|  | <p><b>Carterknowle 20mph Zone</b></p> <p><b>Scheme description</b></p> <p>Through the City’s Transport Strategy, the Council has a corporate objective to increase participation in active modes of transport. 20mph area schemes contribute to the creation of a safer residential environment, which will allow easier access to local facilities for all. This in turn promotes</p>  | +84            |        |          |          |                   |      |  |  |  |

|  |  |   |
|--|--|---|
|  | <p>healthier lifestyles whilst encouraging vibrancy in local areas and supports access to public transport. The Corporate Plan states that the aim is for all residential areas to have a 20mph speed limit by 2025.</p> <p>Through recent consultations such as the ‘big city conversation’ and the ‘transport vision,’ it is clear that local communities value the impact of transport improvements from both a movement and safety perspective. Slower speeds will contribute to the creation of a safer residential environment and may also bring about a reduction in the number and severity of traffic collisions.</p> <p>This project is for a 20 mph sign only area in Caterknowle, Sheffield 7.</p> <p><b>What has changed?</b></p> <p>The project has previously been approved to conduct feasibility works which have now been completed. Works will now be undertaken to fully design and develop the scheme.</p> <p>The estimated full cost of the project is £94k and will be fully funded from Road Safety Fund. The project budget is to be increased by £84k</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase</li> </ul> |   |
|  | <p><b>Funding</b> Road Safety Fund</p>   |   |
|  | <p><b>Approval Route</b></p>   | <p>Sheffield Local Transport Plan Report - TRC Committee 15.06.22</p> |
|  | <p><b>Double Yellow Lines Programme</b></p> <p><b>Scheme description</b></p> <p>The Council receives a large number of requests for parking restrictions (yellow lines) via email, letter and phone. The lack of parking restrictions in certain areas causes road safety and access issues, including an inability for emergency services to access properties. This project is a rolling programme to introduce parking restrictions at locations where there is a need.</p> <p><b>What has changed?</b></p> <p>The 2022-23 programme allocation has been increased by £44k, fully funded from Local Transport Plan.</p> <p>The programme of works has been identified in the following areas: -</p> <ul style="list-style-type: none"> <li>Handsworth Road</li> <li>Wadsley Lane</li> <li>Bawtry Road</li> <li>Baxter Mews</li> <li>Clough Fields</li> <li>Darwin Lane</li> </ul>   | <p>+44</p>  |

|         |   |  |     |
|---------|---|--|-----|
| Page 23 | <ul style="list-style-type: none"> <li>• Dyson Place</li> <li>• Hoyland Road</li> <li>• Longley Lane</li> <li>• New Street</li> <li>• Norwood Road</li> <li>• Shiregreen Lane</li> <li>• Springwater Drive</li> <li>• Vulcan Road</li> <li>• Southey Hill</li> </ul> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>• Budget increase</li> </ul>  |  |     |
|         | <b>Funding</b>  | Local Transport Plan   |     |
|         | <b>Approval Route</b>   | Sheffield Local Transport Plan Report - TRC Committee 15.06.22 |     |
|         | <p><b>St Vincents Parking Scheme</b></p> <p><b>Scheme description</b></p> <p>This project is part of the Councils strategy to manage traffic congestion. There are high demands on the available parking spaces in many areas of the city. Parking pressure has continued to grow as areas have developed and there are now high levels of requests for parking schemes.</p> <p>There are also high levels of parking occupancy due to the availability of free, all-day parking, restricting parking opportunities for service vehicles, emergency services, business customers and visitors. This can lead to difficulties for businesses, as customers may choose to take their business elsewhere if parking is consistently difficult.</p> <p>The St Vincent’s area is a residential part of Sheffield that is just outside the City Centre so often suffers with a high demand for commuter parking.</p> <p>The scheme was previously approved in 2019 to undertake initial feasibility works.</p> <p><b>What has changed?</b></p> <p>The initial feasibility works are to be extended to include the following: -</p> <ul style="list-style-type: none"> <li>• Boundary plan</li> <li>• Parking surveys data</li> <li>• TRO consultation</li> </ul> <p>To enable this, the project budget has been increased by 51k to £82k, with the increase being funded from Section 106 income.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>• Budget increase</li> </ul> |  | +51 |

|   |  |  |       |
|---|--|--|-------|
|   | <b>Funding</b>   | Section 106  |       |
|   | <b>Approval Route</b>  | Principle approved at initial feasibility stage Cabinet Oct 19 |       |
| Page 24   | <b>City Centre Pavement Parking Prevention</b>   |  | +31.4 |
|   | <b>Scheme description</b>  |  |       |
|   | <p>There is increasing public pressure to tackle parking on pavements in the City Centre which is hindering pedestrian safety by obstructing access and visibility.</p> <p>Options have previously been investigated with the aim of preventing vehicles from parking behind controlled crossing zigzags, behind bus stop clearways, behind pay and display bays, private land beyond public highway and any other area identified as a risk to pedestrians.</p> <p>The scheme is being delivered in phases to target “hot spots” where this parking occurs.</p> <p><b>What has changed?</b></p> <p>The project budget is to be increased by £31.4k to enable the completion of phase 1 where additional signage is required and to progress phase 2 with measures being implemented in the following locations: -</p> <p>Eyre Street outside Jurys Inn, Solly Street, Norfolk Street, Arundel Gate, Upper Allen, Furnival Gate, Charter Row, West Street, Hereford Street, Wicker, Broad Street, Shude Hill, Barkers Hill. Hoyle Street, High Street, Brook Drive, Scargill Croft,</p> <p>The project full value is £98k and is fully funded from Local Transport Plan.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase</li> </ul> |  |       |
| <b>Funding</b>  | Local Transport Plan   |  |       |
| <b>Approval Route</b>   | Sheffield Local Transport Plan Report - TRC Committee 15.06.22   |  |       |
|   | <b>City Centre Bike Hub</b>  |  | +77   |
| <b>Scheme description</b>   |  |  |       |
| <p>This project supports the aims of the Transforming Cities Fund Programme to increase the uptake of active travel- walking and cycling. Bike security is a key element in encouraging and continuing cycling.</p> |  |  |       |



|   |   |  |
|---|---|--|
| <p>The project is to provide infrastructure to safely store and maintain cycles in a strategic city centre location by delivering a facility to provide secure short term bike storage (for a limited number of hours per user) to enable visitors to the city centre to leave their cycles in confidence. The unit will be leased to a commercial operator and will also include a retail unit for lease as a bike repair centre</p> <p><b>What has changed?</b></p> <p>The detailed project design will now be completed by the delivery contractor and installation will then commence to deliver the proposed bike hub, comprising of the following:- a workshop / retail space; staff kitchen and toilet; secure storage for up to 200 standard bikes, space for cargo bikes and adaptive bikes, charging points for e bikes and changing space. The initial project was to include the installation of lockers, however these will no longer be provided due to issues with the management of this provision.</p> <p>To enable this, the 2022-23 project budget has been increased by £77k resulting in an overall budget of £410k. The increase is being underwritten by Local Transport Plan funding pending the award of Active Travel Funding.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>• Budget increase</li> <li>• Scope change</li> </ul>  |   |  |
| <b>Funding</b>  | Local Transport Plan [underwritten] pending the award for Active Travel Funding                     |  |
| <b>Approval Route</b>   | The original approval of the scheme was via capital approvals in August 2021 as a Leader's Decision |  |
| <p><b>Clean Air Zone – Arundel Gate Bus Gate</b></p> <p><b>Scheme description</b></p> <p>Arundel Gate currently operates as a busy bus interchange, and it is exposing a significant number of pedestrians and bus passengers to its non-compliant levels of NO2. Emissions data suggests that buses represent over 60% of the traffic emissions on Arundel Gate.</p> <p>The bus gate will enable the street to be accessed by buses only and anti-idling measures introduced to encourage bus drivers to turn off engines when waiting at bus stops. The aim is to remove through traffic in the northbound direction on Arundel Gate, which in turn will not only act a measure within the Clean Air Plan, but also allows the carriageway to be redesigned, to create a high-quality public space and drive investment and redevelopment of the existing Arundel Gate frontages. Access to all the businesses and properties are retained with the scheme being designed around the servicing requirements of the St Pauls complex and the Novotel Hotel.</p> <p>Approval has previously been granted to undertake feasibility works to determine how the bus gate can be installed, enforced and re-route affected traffic efficiently.</p> <p><b>What has changed?</b></p> <p>The feasibility works are now complete and the scheme will be fully designed with a view to the implementation of the bus gate. This will initially be implemented under an Experimental Road Traffic Order [ERTO] which allows for 6 months of consultation based on practical experience of the restriction.</p> | <p>+227</p>   |  |

|          |   |      |
|----------|---|------|
|          | <p>To enable this, the budget has been increased by £227k to £277k and will be fully funded from Clean Air Zone funding.</p> <p><b>Variation type: -</b></p> <ul style="list-style-type: none"> <li>Budget increase</li> </ul>  |      |
|          | <p><b>Funding</b>      Clean Air Zone Funds</p>   |      |
|          | <p><b>Approval Route</b>      Decision to implement Clean Air Zone approved by Co-op Exec. Oct 21<br/>Timing of Bus Gate endorsed at TRC Committee</p>  |      |
| <b>B</b> | <b>Communities Parks &amp; Leisure</b>  |      |
|          | New additions   |      |
| Page 26  | <p><b>Family Hubs Transformation</b></p> <p><b>Why do we need the project?</b></p> <ul style="list-style-type: none"> <li>To provide improvements to physical infrastructure and IT capability within the existing Family Centres</li> <li>To ensure Family Centre buildings are accessible and appropriately furnished</li> <li>Reasonable adjustments to demonstrate and model inclusion for those with Special Educational Needs and Disabilities</li> </ul> <p><b>How are we going to achieve it?</b></p> <p>Funding has been agreed with the Department for Education and Department for Health and Social Care to transform existing Family Centres to become functional Family Hubs. 5.1% of the funding has been allocated as capital funding for improvements to physical infrastructure to facilitate delivery of the revenue elements of the transformation across the following locations:</p> <ul style="list-style-type: none"> <li>Early Days Family Centre – 71 Palgrave Road S5 8GS</li> <li>First Start Family Centre – 441 Firth Park Road S5</li> <li>Darnall Family Centre - 563 Staniforth Road, S9 4RA</li> <li>Shortbrook Family Centre – First Floor Shortbrook Primary School Site, Westfield Northway, S20 8FB</li> <li>Sharrow Family Centre – Second Floor, Highfield Library, London Road, S2 4NF</li> <li>Valley Park Family Centre - 100 Norton Avenue, S14 1SL</li> <li>Primrose Family Centre – Creswick Street, S6 2TN</li> </ul> <p><i>Scope</i></p> <ul style="list-style-type: none"> <li>IT upgrades</li> <li>Small changes to spaces in Hubs</li> <li>Furniture (for older children)</li> </ul> | +266 |

|  |   |  |         |               |                             |                 |     |
|--|---|--|---------|---------------|-----------------------------|-----------------|-----|
| <ul style="list-style-type: none"> <li>Reasonable adjustments to demonstrate and model inclusion for those with SEND 1.5</li> <li>Minor building changes to accommodate the Midwife Services</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>Improved IT access for services utilising the buildings</li> <li>Improved accessibility</li> <li>Improved internal furniture and</li> <li>Reasonable adjustments made to facilitate access for all</li> <li>Minor building changes to accommodate the Midwife Services</li> <li>Realisation of the wider benefits associated with overall revenue funding grant</li> </ul> <p><b>When will the project be completed?</b></p> <p>March 2025</p> <p><b>Budget</b></p> <p>22/23 £50.5K<br/>23/24 £117.4K<br/><u>24/25 £97.7K</u><br/>Total £250.6K</p>  |   |  |         |               |                             |                 |     |
| <b>Funding Source</b>  | Family Hubs/<br>Start for Life<br>Programme | <b>Amount</b>  | £250.6K | <b>Status</b> | Funding Signed Off 12.10.22 | <b>Approved</b> |     |
| <b>Approval Route</b>  |   | Communities Parks and Leisure Committee 13 <sup>th</sup> June 2022 |         |               |                             |                 |     |
| <p><b>Wincobank Lane Open Space Levelling Up Parks Fund</b></p> <p><b>Why do we need the project?</b></p> <p>Wincobank Lane Open Space (OS) fits the criteria of the Department for Levelling Up, Housing &amp; Communities' Levelling Up Parks Fund which aims to improve both the equality of access and quality of green space in over 100 neighbourhoods across the UK. Wincobank OS is within an area of high deprivation and associated health inequalities. The site needs significant refurbishment, currently failing the Sheffield Standard.</p> <p><b>How are we going to achieve it?</b></p> <p>The project intends to make a number of improvements to the parks infrastructure, facilities, and habitat in order make significant enhancement to the overall quality of the site.</p> <p><b>Scope</b></p> <ul style="list-style-type: none"> <li>Access &amp; boundary improvements</li> </ul> |   |  |         |               |                             |                 | +85 |

|   |                         |  |        |               |                             |                 |     |
|---|-------------------------|--|--------|---------------|-----------------------------|-----------------|-----|
| <ul style="list-style-type: none"> <li>• Site signage &amp; interpretation</li> <li>• Playground; replacement and installation of new equipment and safety surfacing</li> <li>• Path works; improving paths and accessibility into the wider greenspace</li> <li>• Vegetation clearance and thinning to improve sight lines and natural surveillance across the site</li> <li>• Woodland management; works to manage and enhance the woodland habitat</li> <li>• Tree planting</li> <li>• Ranger support through community workdays</li> </ul> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>• Wincobank OS Sheffield Standard score increased</li> <li>• Upgraded playground</li> <li>• Improved paths, boundaries, and accessibility</li> <li>• Improved sight lines and natural surveillance</li> <li>• Enhanced the woodland habitat</li> </ul> <p><b>When will the project be completed?</b></p> <p>Autumn 2023</p> <p><b>Budget</b><br/>                 22/23 Budget £2.7K<br/>                 23/24 Budget £82.3K<br/>                 Total Budget £85.0K</p> |                         |  |        |               |                             |                 |     |
| <b>Funding Source</b>   | Levelling Up Parks Fund | <b>Amount</b>  | £85.0K | <b>Status</b> | Funding Signed Off 20.10.22 | <b>Approved</b> |     |
| <b>Approval Route</b>   |                         | Communities Parks and Leisure Committee Chair and Lead Representatives 24th November |        |               |                             |                 |     |
| <p><b>Mount Pleasant Lighting Improvements</b></p> <p><b>Why do we need the project?</b></p> <p>To improve lighting in the park with the aim of reducing Anti-Social Behaviour, supporting local policing for the London Road Area, increase park usage with Health and Wellbeing benefits, reducing crime, and the fear of crime.</p> <p><b>How are we going to achieve it?</b></p> <p>Parks &amp; Countryside have been working with the Sharrow Forum, SY Police, and Local Cllrs on a master plan for the park and surrounding area to improve the park and reduce crime/ASB. The latter of these is the highest priority and SY Police have awarded Violence Reduction Unit (VRU) funding to the Sheffield Community Safety Partnership specifically for this purpose.</p> <p><i>Scope</i></p>   |                         |  |        |               |                             |                 | +35 |

|   |                               |   |        |               |                             |                 |     |
|---|-------------------------------|---|--------|---------------|-----------------------------|-----------------|-----|
| <ul style="list-style-type: none"> <li>Additional Path lighting x 2 at 8m high Heavy-Duty columns able to accept CCTV with locations selected to provide maximum surveillance and x 6 new 6 m high columns to provide path lighting to lower part of the park</li> <li>Replace 11 existing 4-meter-high columns with new 6 meters high columns and replace all remaining sodium lights to new LED units</li> </ul> <p><b>What are the benefits?</b></p> <p><i>Objectives</i><br/>Increase the number of path lights, upgrade current old style sodium lighting to LED, replace lower columns to 6m height reducing vandalism with key columns able to accept CCTV / Mo-cams again to support police initiatives.</p> <p><i>Benefits</i></p> <ul style="list-style-type: none"> <li>Improved lighting quality and additional light footpath network</li> <li>Key columns able to accept CCTV to support police crime initiatives</li> <li>Reduced energy use, reduced on going repair costs</li> <li>Increased Park usage measured through mobile phone data use, Sharrow Forum surveys, customer feedback</li> <li>Support Mount Pleasant master plan ambitions and key stakeholder priorities. FOMP, Sharrow Forum, SYP, local Cllrs, LAC</li> </ul> <p><b>When will the project be completed?</b><br/>April 2023; the funding has to be spent by April 2023</p> |                               |   |        |               |                             |                 |     |
| <b>Funding Source</b>   | Violence Reduction Unit Grant | <b>Amount</b>   | £35.0K | <b>Status</b> | Funding Signed Off 20.12.22 | <b>Approved</b> |     |
| <b>Approval Route</b>   |                               | Committee Lead Representatives Briefed 3rd January 2023 |        |               |                             |                 |     |
| Variations and reasons for change   |                               |   |        |               |                             |                 |     |
| <p><b>Ecclesfield Park Improvements Phase 1 &amp; Hollinsend Tennis Courts</b></p> <p><b>Scheme description</b></p> <p>Ecclesfield Park is one of Sheffield's 'District Parks' situated in the Northeast of the city. Over the last 20 years many of the facilities have deteriorated or are no longer in usable condition resulting in them falling out of use. By utilising S106, Public Health, Community Infrastructure Levy and Lawn Tennis Association (LTA) funding a comprehensive package of improvements has been supported.</p> <p>The tennis courts at Hollinsend Park are in a similar condition to Ecclesfield and have been identified as a facility that could be made playable again through the LTA refurbishment programme together with some S106 funding for the site.</p> <p><b>What has changed?</b></p>   |                               |   |        |               |                             |                 | +87 |

|  |  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
|--|--|----------------------------|---------------|-------|-------|----------------------|----------------------------|--|----------------------|----------------------------------|--|----------------------|----------------------------|--|--------|----------------------|---------|----------------------------|---------|---------------|--------|---------------------------|--------|-----------------------|--------|--------------------------------|---------------|-------------------|---------|-------|
| Page 30  | <p>a) Contract costs came in higher than estimated in the Outline Business Case and higher than the funding available, so work was undertaken to reduce the total costs. It has therefore been decided to omit demolition of the MUGA at Ecclesfield making enough savings to allow for increased fees due to unforeseen design problems with a retaining wall and concrete barrier solution, and more landscaping works.</p> <p>b) The LTA funded Tennis Refurbishment works also came in higher, due to the previous estimates being provided by the LTA's consultant and not via the SCC procurement route.</p> <p>The grant from the Lawn Tennis Association for the Tennis Court works has now been awarded.</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Budget</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Actuals 21/22</td> <td style="width: 35%; text-align: right;">£3.0K</td> <td style="width: 35%; text-align: right;">£3.0K</td> </tr> <tr> <td>Current 22/23 Budget</td> <td colspan="2" style="text-align: right;">£211.4K + £87.0K = £298.4K</td> </tr> <tr> <td>Current 23/24 Budget</td> <td colspan="2" style="text-align: right;"><u>£145.2K + £0.0K = £145.2K</u></td> </tr> <tr> <td>Total Project Budget</td> <td colspan="2" style="text-align: right;">£359.6K + £87.0K = £446.6K</td> </tr> </table> <p><b>Funding</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">£29.6K</td> <td>S106 Parks Programme</td> </tr> <tr> <td>£110.2K</td> <td>S106 Sports Agreement 1168</td> </tr> <tr> <td>£100.0K</td> <td>Public Health</td> </tr> <tr> <td>£11.3K</td> <td>Ecclesfield Friends Group</td> </tr> <tr> <td>£10.0K</td> <td>Ecclesfield Local CIL</td> </tr> <tr> <td>£88.4K</td> <td>S106 Agreement 1351 Hollinsend</td> </tr> <tr> <td><u>£97.2K</u></td> <td><u>LTA Grant*</u></td> </tr> <tr> <td>£446.6K</td> <td>Total</td> </tr> </table> <p>* The funding has to be spent by end of March23</p> |                            | Actuals 21/22 | £3.0K | £3.0K | Current 22/23 Budget | £211.4K + £87.0K = £298.4K |  | Current 23/24 Budget | <u>£145.2K + £0.0K = £145.2K</u> |  | Total Project Budget | £359.6K + £87.0K = £446.6K |  | £29.6K | S106 Parks Programme | £110.2K | S106 Sports Agreement 1168 | £100.0K | Public Health | £11.3K | Ecclesfield Friends Group | £10.0K | Ecclesfield Local CIL | £88.4K | S106 Agreement 1351 Hollinsend | <u>£97.2K</u> | <u>LTA Grant*</u> | £446.6K | Total |
|  | Actuals 21/22  | £3.0K                      | £3.0K         |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
|  | Current 22/23 Budget   | £211.4K + £87.0K = £298.4K |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| Current 23/24 Budget   | <u>£145.2K + £0.0K = £145.2K</u>   |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| Total Project Budget   | £359.6K + £87.0K = £446.6K   |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £29.6K   | S106 Parks Programme   |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £110.2K  | S106 Sports Agreement 1168   |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £100.0K  | Public Health  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £11.3K   | Ecclesfield Friends Group  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £10.0K   | Ecclesfield Local CIL  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £88.4K   | S106 Agreement 1351 Hollinsend   |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| <u>£97.2K</u>  | <u>LTA Grant*</u>  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| £446.6K  | Total  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| <b>Funding</b>   | See Section above  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| <b>Approval Route</b>  | Principle endorsed at Feasibility Stage – Co-operative Executive April 22  |                            |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |
| <p><b>Parkwood Springs Active Park</b></p> <p><b>Scheme description</b></p> <p>This is a Design and Build Contract to extend the Parkwood Mountain Bike (MTB) trail network with new and improved MTB trails across a greater area of the Parkwood Springs Park site. This extension was an aspiration of the original Sport England 'Making Tracks' project that was funded and delivered by the service.</p> <p><b>What has changed?</b></p> |  | +50                        |               |       |       |                      |                            |  |                      |                                  |  |                      |                            |  |        |                      |         |                            |         |               |        |                           |        |                       |        |                                |               |                   |         |       |

|                       |  |                    |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
|-----------------------|--|--------------------|---------------|---------|---------|----------------------|--------------------|---------|----------------------|---------|---------|----------------------|--------------------|---------|--|
| Page 31               | <p>The contract for the improved MTB Trails was awarded with value engineering to bring within available budget. Local Transport Plan Funding has now been made available and can be used to add additional and uplifted trail routes, infrastructure, and features to the site that had been part of the original scope but were engineered out. This will enhance the overall scale and quality of the facility providing additional opportunities for users of all ages and abilities to access and benefit from use of the site, and further encourage and sustain cycling in the Outdoor City.</p> <p>MTB Trails Current Budget £575K + £50K = £625K<br/>Total Project Budget £900K + £50K = £950K</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Budget</b></p> <table border="0"> <tr> <td>Actuals 21/22</td> <td>£111.6K</td> <td>£111.6K</td> </tr> <tr> <td>Current 22/23 Budget</td> <td>£529.3K + £50.0K =</td> <td>£579.3K</td> </tr> <tr> <td>Current 23/24 Budget</td> <td>£259.1K</td> <td>£259.1K</td> </tr> <tr> <td>Total Project Budget</td> <td>£900.0K + £50.0K =</td> <td>£950.0K</td> </tr> </table>                    |                    | Actuals 21/22 | £111.6K | £111.6K | Current 22/23 Budget | £529.3K + £50.0K = | £579.3K | Current 23/24 Budget | £259.1K | £259.1K | Total Project Budget | £900.0K + £50.0K = | £950.0K |  |
|                       | Actuals 21/22  | £111.6K            | £111.6K       |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
|                       | Current 22/23 Budget   | £529.3K + £50.0K = | £579.3K       |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
| Current 23/24 Budget  | £259.1K  | £259.1K            |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
| Total Project Budget  | £900.0K + £50.0K =   | £950.0K            |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
| <b>Funding</b>        | Local Transport Plan   |                    |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
| <b>Approval Route</b> | Original scheme endorsed by Cabinet Oct 21   |                    |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
|                       | <p><b>Parson Cross Sport Hub - Pavilion</b></p> <p><b>Scheme description</b></p> <p>Parson Cross Park was chosen as the priority site for Rugby League World Cup 2021, and this project will create a Rugby League site that is accessible and welcoming whilst building a legacy of the tournament in a local community.</p> <p>Parsons Cross Pavilion was built around 20 years ago and needs modernising to allow the pavilion to be fully utilised by the local community. A budget for this was approved in October 2022.</p> <p><b>What has changed?</b></p> <p>The mechanical and electrical element of works came in more expensive than anticipated. Also, there were some late additional works added to the scope of the project i.e. Manhole Cover protection required for health and safety reasons &amp; fencing on the bank which required additional posts as design developed.</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Budget</b></p> <table border="0"> <tr> <td>Actuals 21/22</td> <td>£7.7K</td> <td>£7.7K</td> </tr> <tr> <td>Current 22/23 Budget</td> <td>£313.3K + £18.3K =</td> <td>£331.6K</td> </tr> </table> |                    | Actuals 21/22 | £7.7K   | £7.7K   | Current 22/23 Budget | £313.3K + £18.3K = | £331.6K | +25                  |         |         |                      |                    |         |  |
| Actuals 21/22         | £7.7K  | £7.7K              |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |
| Current 22/23 Budget  | £313.3K + £18.3K =   | £331.6K            |               |         |         |                      |                    |         |                      |         |         |                      |                    |         |  |

|                |   |  |
|----------------|---|--|
|                | <p>Current 23/24 Budget £0.0K + £6.7K = £6.7K<br/>                 Total 21-24 Budget £321.0K + £25.0K = £346.0K</p> <p><b>Funding</b><br/>                 S106 1168 £121K<br/>                 Sport England £200K<br/>                 S106 1102* £25K<br/>                 Total £346K</p> <p>*Funding available on this agreement was mentioned in the Outline Business Case as a contingency if needed.</p> |  |
|                | <p><b>Funding</b> See Section above</p>   |  |
|                | <p><b>Approval Route</b> Full scheme already endorsed at Strategy &amp; Resources Committee Oct 22</p>  |  |
| <b>Page 32</b> | <b>Waste and Street Scene</b>   |  |
|                | New additions   |  |
|                | None  |  |
|                | Variations and reasons for change   |  |
|                | None  |  |
| <b>D</b>       | <b>Adult Health &amp; Social Care</b>   |  |
|                | New additions   |  |
|                | None  |  |
|                | Variations and reasons for change   |  |
|                | None  |  |
| <b>E</b>       | <b>Housing</b>  |  |
|                | New additions   |  |



**Homes Upgrade Grant Phase 2**

**Why do we need the project?**

The Home Upgrade Grant (HUG) is a government-funded grant scheme that provides energy efficiency upgrades and low carbon heating to low-income households living in the worst quality, off-gas grid homes in England.

**How are we going to achieve it?**

Deliver energy improvement measures, including better insulation to lower heat demand and low carbon heating technologies, on approx. 200 low-income households living in the worst quality, off-gas grid properties.

The emphasis is on surveying and identifying the required measures suitable for the property e.g. insulation, heat pumps, solar panels, rather than projecting them upfront and trying to find properties to match.

**What are the benefits?**

*Objectives*

- To deliver progress towards the statutory fuel poverty target for England, by improving as many fuel-poor homes as reasonably practicable
- To enable the delivery of the wider Net Zero programme to phase out high-carbon heating for homes off the mains gas grid, by growing supply chains and ensuring such policies do not act to the detriment of fuel-poor households.

*Benefits*

- Reduce carbon emissions and provide better affordable warmth to off-gas, low-income households

**When will the project be completed?**

March 2025

**Costs**

|                 |                |
|-----------------|----------------|
| Works           | £3,600K        |
| Ancillary Costs | £540K          |
| <b>Total</b>    | <b>£4,140K</b> |

**Budget**

|              |                  |
|--------------|------------------|
| 23/24        | £1,831.4K        |
| 24/25        | £2,308.6K        |
| <b>Total</b> | <b>£4,140.0K</b> |

+4,140

|                       |                             |                                   |         |               |   |                 |                     |
|-----------------------|-----------------------------|-----------------------------------|---------|---------------|---|-----------------|---------------------|
| <b>Funding Source</b> | Homes Upgrade Grant Phase 2 | <b>Amount</b>                     | £4,140K | <b>Status</b> | Grant Acceptance via Officer Decision Report S&R Committee 24.01.23 | <b>Approved</b> | Housing PG 18.01.23 |
| <b>Approval Route</b> |                             | Housing Policy Committee 14.11.22 |         |               |   |                 |                     |

|                                   |   |                       |  |  |
|-----------------------------------|---|-----------------------|--|--|
| Variations and reasons for change |   |                       |  |  |
| Page 34                           | <p><b>Gleadless Valley Acquisitions</b></p> <p><b>Scheme description</b></p> <p>To facilitate improvements to housing, SCC need to acquire a number of leasehold maisonettes and flats to allow selective demolition and replacement and remodelling to take place.</p> <p><b>What has changed?</b></p> <p>In October 2022 a budget of £80.5K was approved for the acquisition of a leasehold maisonette to allow selective demolition to take place. Since then, the vendor has withdrawn from the sale, but the Council has been approached by the owner of a property above the shops and have agreed a conditional offer to purchase.</p> <p>It is therefore recommended that the budget for the maisonette is now used for the purchase of the property above the shops and associated legal costs. The total cost is £56K leaving £24.5K to be returned to the GV Master Plan allocation for use on future purchases/ master plan activities.</p> <p><b>Variation type:</b> Budget decrease</p> <p><b>Budget</b><br/>Current 22/23 Budget £159.5K - £24.5K = £135K</p>                            | -24                   |  |  |
|                                   | <table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>Funding</b></td> <td>HRA</td> </tr> </table>  | <b>Funding</b>        | HRA  |  |
|                                   | <b>Funding</b>  | HRA                   |  |  |
|                                   | <table border="1" style="width: 100%;"> <tr> <td style="width: 25%;"><b>Approval Route</b></td> <td>Draft Gleadless Valley Masterplan approved Co-operative Executive March 22</td> </tr> </table>  | <b>Approval Route</b> | Draft Gleadless Valley Masterplan approved Co-operative Executive March 22 |  |
| <b>Approval Route</b>             | Draft Gleadless Valley Masterplan approved Co-operative Executive March 22  |                       |  |  |
|                                   |   |                       |  |  |
|                                   | <p><b>Gleadless Valley Masterplan Delivery Block Allocation</b></p> <p><b>Scheme description</b></p> <p>Block allocation of funding for projects related to the Gleadless Valley Masterplan.</p> <p><b>What has changed?</b></p> <ol style="list-style-type: none"> <li>A change in the properties being purchased has come about and as a result the total costs of the current purchases have reduced by £24.5K. See separate entry above for Gleadless Valley Acquisitions.</li> <li>The draft Gleadless Valley Masterplan was approved by the Co-op Executive on 24th March 2022, following consultation with local people. One of the projects identified in the masterplan is the improvement of open space at the former Hemsworth School site. The site, on the corner of Blackstock Road &amp; Constable Road, is to be developed as an Old Person Independent Living (OPIL) scheme with adjacent land designated as open space. There is funding to improve and develop sports/recreation facilities on the site to help meet the under-supply of local informal youth play space.</li> </ol> | +18                   |  |  |

|                |  |  |
|----------------|--|--|
|                | <p>A feasibility study is required to produce a costed concept design capturing the proposed objectives of the open space improvements. Several surveys will be required to inform the concept design work. The initial findings of the surveys and design works will be available in the Spring 2023, and consultation with the community on the preferred option will follow. The feasibility will cost £6.6K and will take place as a Revenue cost initially.</p> <p><b>Variation type:</b> Budget increase</p> <p><b>Budget</b><br/> <u>Current 23/24 Budget</u>    £201.7K + £24.5K - £6.6K =    £219.6K<br/> <u>Total 22-27 Budget</u>   £40,527.8K + £24.5K - £6.6K = £40,545.7K</p>  |  |
|                | <p><b>Funding</b>    HRA</p>   |  |
|                | <p><b>Approval Route</b>    Draft Gleadless Valley Masterplan approved Co-operative Executive March 22</p>   |  |
| <p>Page 35</p> | <p><b>Knowle Hill Council Housing Temporary Accommodation</b></p> <p><b>Scheme description</b><br/>                 Ambition to deliver up to 25 self-contained 1-bed units on the site, reducing reliance on the use of expensive and unsuitable emergency hotel and B&amp;B accommodation for TA.</p> <p><b>What has changed?</b><br/>                 Phase 1; demolition to facilitate the early clearance of the site has come forward for Contract Award. As a result of finalising timescales, the profile of the spend has changed slightly compared to the Outline Business Case.</p> <p><b>Variation type:</b> Reprofile</p> <p><b>Budget</b><br/>                 Previous Yrs Actuals    £49.5K                            £49.5K<br/>                 Current 22/23 Budget    £32.0K + £48.0K =    £80.0K<br/>                 Current 23/24 Budget    £273.0K - £50.0K = £223.0K<br/>                 Current 24/25 Budget    £0.0K +    £2.0K =    £2.0K<br/> <u>Total 22-24 Budget</u>    £354.5K -    £0.0K = £354.5K</p> | <p>22/23    +48<br/>                 23/24    -50<br/>                 24/25    +2</p> |
|                | <p><b>Funding</b>    100% HRA Borrowing for the Demolition</p>   |  |
|                | <p><b>Approval Route</b>    Principle approved Finance Sub Committee June 22</p>   |  |

|          |   |        |
|----------|---|--------|
| <b>F</b> | <b>Education Children &amp; Families</b>  |        |
|          | New additions   |        |
| Page 36  | <p><b>New Alternative Provision Free School Bids</b></p> <p><b>Why do we need the project?</b></p> <p>Local Authorities are responsible for arranging suitable education for permanently excluded children and for other children who, because of illness or another reason, would not receive a suitable education without alternative arrangements being made. In this context we are proposing Alternative Provision that seeks to meet the needs of children as an early intervention to prevent exclusion or escalation of need wherever possible. The national alternative provision free school process, led by the Department for Education, provides an opportunity to bid for new alternative provision free schools to be built.</p> <p>Capital is provided by central government for successful bids, with the Local Authority funding abnormal capital costs. For this process, bids are submitted by Academy Trusts. To submit a bid, the Trust must have the support of their local authority. An initial expression of interest process was completed in summer 2022, to identify potential academy trust partners for this bidding opportunity. Brigantia and Minerva Multi Academy Trusts emerged from this process, jointly undertaken between Integrated Commissioning, and Education &amp; Skills, as the most suitable partners for bids. Detailed bids are now being developed with both Trusts,</p> <p>The Local Authority is supporting two bids that create an opportunity to meet a broad spectrum of ages and need across our city, targeting the most vulnerable children. Based on our work to date, we believe there is a need for two provisions supporting a total of 200 children and young people.</p> <p>We estimate that the Department For Education is likely to support up to 20 applications nationally, so by submitting two bids, we have a stronger chance of success. However, if we are not successful, or receive only one successful bid, we believe there remains a strong rationale to work towards the aims of the bids to improve inclusion in our city</p> <p>As part of the bidding process SCC is required to evidence a commitment to meet any abnormal costs that may arise on the site. These costs cover a large range of issues including, but not limited to, flooding and alleviation measures, utility provision and ecological provision. An estimate of these potential costs is £1m with estimated build costs to be funded by DfE of £12-£15m<br/>This approval will provide evidence to DfE of the inclusion of an allocation for these costs in SCCs capital program</p> <p><b>How are we going to achieve it?</b></p> <p>Should the bid be successful, the DfE will invoice SCC for the costs of any site abnormalities identified as part of detailed feasibility works.</p> <p><b>What are the benefits?</b></p> <ul style="list-style-type: none"> <li>○ New Alternative Provision facility in the city</li> <li>○ Increased availability of Alternative provision places</li> </ul> <p><b>When will the project be completed?</b></p> | +1,000 |

|  |  |  |            |               |  |                 |  |
|--|--|--|------------|---------------|--|-----------------|--|
| Estimated completion of scheme if bid successful 2027/28   |  |  |            |               |  |                 |  |
| <b>Funding Source</b>  | High Needs Capital   | <b>Amount</b>  | £1,000,000 | <b>Status</b> |  | <b>Approved</b> |  |
| <b>Approval Route</b>  |  | Bid endorsed at Education Children and Families Committee 31/01/23                     |            |               |  |                 |  |
| Page 37  | <b>Rushey Meadows CRH (Children’s Residential Home)</b>  |  |            |               |  |                 |  |
|  | <b>Why do we need the project?</b>   |  |            |               |  |                 |  |
|  | The project seeks to increase local sufficiency of residential care in line with the Sheffield one year delivery plan by providing a Children’s Residential Home within Sheffield to provide placements for 2-3 children at any one time with a medium complexity of need. A successful funding bid awarded by the Department for Education has provided the opportunity to bring this scheme forward. |  |            |               |  |                 |  |
|  | <b>How are we going to achieve it?</b>   |  |            |               |  |                 |  |
| Design and construction of new 2-3 bed Children’s Residential Home on existing council land.   |  |  |            |               |  |                 |  |
| <b>What are the benefits?</b>  |  |  |            |               |  |                 |  |
| Provision of placements for an additional 2-3 children at any one time.<br>Provision of looked after children’s placements within the city curtilage.<br>Reduced reliance on external placements |  |  |            |               |  |                 |  |
| <b>When will the project be completed?</b>   |  |  |            |               |  |                 |  |
| 31/07/2024   |  |  |            |               |  |                 |  |
| <b>Funding Source</b>  | OCH Round 2 Funding  | <b>Amount</b>  | £445k      | <b>Status</b> |  | <b>Approved</b> |  |
|  | Corporate Investment Fund  |  | £145k      |               |  |                 |  |
| <b>Approval Route</b>  |  | Scheme endorsed at funding bid stage – Strategy & Resources Committee 30th August 2022 |            |               |  |                 |  |
| Variations and reasons for change  |  |  |            |               |  |                 |  |
| None   |  |  |            |               |  |                 |  |
| <b>G</b>   | <b>Strategy &amp; Resources</b>  |  |            |               |  |                 |  |

+590

|               |  |   |                            |        |               |  |                 |       |
|---------------|--|---|----------------------------|--------|---------------|--|-----------------|-------|
| New additions |  |   |                            |        |               |  |                 |       |
| Page 38       | <p><b>Town Hall Emergency Lighting – (feasibility)</b></p> <p><b>Why do we need the project?</b></p> <p>SCC has a legal duty to ensure as far as is reasonably practicable, the safety of our employees from harm caused by fire in the workplace and take reasonable measures to ensure their safety and that of others there, or in the immediate vicinity</p> <p>Having effective procedures and measures in place can save lives. Fire alarms, smoke detectors, emergency lighting, fire exits, and escape routes are all measures that can be taken to minimise the damage of fires when they do occur.</p> <p>This feasibility will provide the basis of a project that will see improved safety in the currently used spaces in the event of a fire occurring within the building.</p> <p>This project forms part of a theme of works currently underway at the Town Hall to improve fire safety. These works need progressing at pace in advance of other compliance works.</p> <p><b>How are we going to achieve it?</b></p> <p>A scheme of emergency lighting that will leave Floor 3 and below covered by emergency lighting provision and a strategy of how to deal with the listed status of the building for proposed changes</p> <p><b>What are the benefits?</b></p> <p>Emergency lighting within existing electrics / generator system.</p> <p><b>When will the project be completed?</b></p> <p>(Feasibility stage) 28/02/2023</p> |   |                            |        |               |  |                 | +18.1 |
|               | <b>Funding Source</b>  | Funded from a Revenue Contribution to Capital from Minor Works BU 15187 | <b>Amount</b>              | £18.1k | <b>Status</b> |  | <b>Approved</b> |       |
|               | <b>Approval Route</b>  |   | Statutory Compliance works |        |               |  |                 |       |
|               | Variations and reasons for change  |   |                            |        |               |  |                 |       |
| None          |  |   |                            |        |               |  |                 |       |

| H | Economic Development & Skills     |
|---|-----------------------------------|
|   | New additions                     |
|   | None                              |
|   | Variations and reasons for change |
|   | None                              |

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|   | Scheme name / business unit / summary description of key terms  | Recipient                                  | Value £'000 |
|---|---|--|-------------|
| A | <b>Transport Regeneration &amp; Climate Change</b>  |  |             |
|   | <p><b>Levelling Up Fund – Attercliffe Tram Stops</b><br/>See section 2A for scheme details</p> <p><b>Background</b><br/>SCC is in receipt of Levelling Up Funding. A proportion of which is to be used to improve tram stops in the Attercliffe area. These works will be delivered by the South Yorkshire Mayoral Combined Authority and as such funds will be transferred to them via a funding agreement</p> <p><b>Legal Implications</b><br/>The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to grant £250,000.00 to the SYMCA Tram Stop Improvements at Attercliffe and Arena Stops.</p> <p>The grant provided by the Council is to be used towards capital expenditure, in accordance with the terms and conditions detailed in the Grant Agreement.</p> <p>Key points to note from the Agreement are:</p> <ul style="list-style-type: none"> <li>• Payment is to be made in two lump sums in advance. Payment 1 is to be made within 14 working days of acceptance of the quote from the contractor in respect of the Attercliffe site and payment 2 is to be made within 14 working days of acceptance of the contractors quote for the Arena site.</li> <li>• Payment is to be used for the purposes of the grant and cannot be used for any other purpose.</li> </ul> | South Yorkshire Mayoral Combined Authority | 250         |

|          |  |  |  |
|----------|--|--|--|
|          | <ul style="list-style-type: none"> <li>The recipient of the grant must provide quarterly financial and operational reports (including risk register and insurance reviews) on its use of the grant.</li> <li>The grant can be reduced, withdrawn, suspended or require repayment in specific circumstances for example if the grant is used for purposes other than the project development works or if the Council considers that the recipient has not made satisfactory progress with the delivery of the project.</li> </ul> <p>The recipient must comply with all applicable legislation and regulations including but not limited to the Public Contracts Regulations 2015, UK GDPR, the Data Protection Act 2018 and Subsidy Control Act 2022.</p> <p>The grant to the recipient is compliant with subsidy control regulations. If any details around the project change then this will need to be re-assessed.</p> |  |  |
| <b>B</b> | <b>Communities Parks &amp; Leisure</b>   |  |  |
|          | None   |  |  |
| <b>C</b> | <b>Waste and Street Scene</b>  |  |  |
|          | None   |  |  |
| <b>D</b> | <b>Adult Health &amp; Social Care</b>  |  |  |
|          | None   |  |  |
| <b>E</b> | <b>Housing</b>   |  |  |
|          | None   |  |  |
| <b>F</b> | <b>Education Children &amp; Families</b>   |  |  |

|          |  |  |  |
|----------|--|--|--|
|          | None                                     |  |  |
| <b>G</b> | <b>Strategy &amp; Resources</b>          |  |  |
|          | None                                     |  |  |
| <b>H</b> | <b>Economic Development &amp; Skills</b> |  |  |
|          | None                                     |  |  |

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## 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:** *Finance Sub-Committee*  
**Date of Decision:** *21<sup>st</sup> February 2023*  
**Subject:** *Month 9 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 (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) 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 9 2022/23 including General Fund revenue position, Housing Revenue Account, Collection Fund Account (**Appendix 1**) and Capital Programme Monitoring (**Appendix 2**).*

### Recommendations:

#### The Committee is recommended to:

1. Note the Council's financial position as at the end of December 2022 (month 9).

### Background Papers:

[2022/23 Revenue Budget](#)

| <b>Lead Officer to complete: -</b>   |  |
|--|--|
| 1  | <p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: <i>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 &amp; 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><b>SLB member who approved submission:</b> <i>Tony Kirkham</i></p>  |
| 3  | <p><b>Committee Chair consulted:</b> <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>   |
|  | <p><b>Lead Officer Name:</b><br/><i>Tony Kirkham</i><br/><i>Jane Wilby</i></p> <p><b>Job Title:</b><br/><i>Interim Director of Finance and Commercial Services</i><br/><i>Head of Accounting</i></p>   |
|  | <p><b>Date:</b> 10<sup>th</sup> February 2023</p>  |

## 1. PROPOSAL

1.1 This report sets out the 2022/23 Month 9 financial monitoring position for the Council and each of the Policy Committees.

### 1.2 Council Portfolio Month 9 2022/23

1.2.1 The Council is forecasting a £15.2m overspend against the 2022/23 budget as at month 9.

| Full Year £m              | M9          |            | M9          | M8          | Movement     |
|---------------------------|-------------|------------|-------------|-------------|--------------|
|                           | Outturn     | Budget     | Variance    | Variance    |              |
| Corporate                 | (472.3)     | (469.8)    | (2.5)       | (2.5)       | 0.0          |
| City Futures              | 47.0        | 47.5       | (0.5)       | (0.3)       | (0.2)        |
| Operational Services      | 114.4       | 115.3      | (0.9)       | (0.4)       | (0.5)        |
| People                    | 315.4       | 298.8      | 16.6        | 17.5        | (0.9)        |
| Policy, Performance Comms | 3.7         | 3.2        | 0.5         | 0.6         | (0.1)        |
| Resources                 | 7.0         | 5.0        | 2.0         | 2.2         | (0.2)        |
| <b>Total</b>              | <b>15.2</b> | <b>0.0</b> | <b>15.2</b> | <b>17.1</b> | <b>(1.9)</b> |

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         | (2.6)      | (2.6)          |
| City Futures              | (0.1)        | 0.0         | (0.3)      | (0.4)          |
| Operational Services      | (6.3)        | 3.1         | 2.3        | (0.9)          |
| People                    | 0.4          | 15.5        | 0.7        | 16.6           |
| Policy, Performance Comms | 0.0          | 0.3         | 0.2        | 0.5            |
| Resources                 | (0.8)        | 1.8         | 1.0        | 2.0            |
| <b>Total</b>              | <b>(6.8)</b> | <b>20.7</b> | <b>1.3</b> | <b>15.2</b>    |

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 M9 is set to be £15.2m leaving a remaining risk allocation of £20m

| M9                          | £m          |                              |
|-----------------------------|-------------|------------------------------|
| <b>Allocated reserves</b>   | <b>70.0</b> |                              |
| 21/22 Budget overspend      | 19.8        |                              |
| 22/23 Base budget committed | 15.0        |                              |
| 22/23 BIP shortfall         | 20.6        |                              |
| 22/23 pressures             | 1.3         |                              |
| 22/23 in year mitigations   | (6.7)       | } (£15.2m<br>overspend @ M9) |
| Reserves used @ M9          | 50.0        |                              |
| <b>Remaining reserves</b>   | <b>20.0</b> |                              |

### 1.3 Committee Financial Position

#### 1.3.1 Overall Position - £15.2m overspend at Month 9

| There is a £10.4m 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 @    | Outturn | Budget      | M9         | M8          | Move        |              |
|---|----------------------------|---------|-------------|------------|-------------|-------------|--------------|
|   | Month 8                    |         |             | Variance   | Variance    | ment        |              |
|   | Adult Health & Social Care | 164.0   | 153.6       | 10.4       | 11.6        | (1.2)       |              |
|   | Ed'n, Ch'n& Families       | 136.6   | 130.0       | 6.6        | 6.6         | 0.0         |              |
|   | Housing                    | 8.2     | 8.7         | (0.5)      | (0.5)       | 0.0         |              |
|   | Transp, Regen& Climate     | 41.3    | 42.0        | (0.7)      | (0.5)       | (0.2)       |              |
|   | Economic Dev & Skills      | 11.7    | 11.8        | (0.1)      | (0.1)       | 0.0         |              |
|   | Waste & Street Scene       | 54.4    | 54.9        | (0.5)      | (0.3)       | (0.2)       |              |
|   | Comm, Parks & Leisure      | 46.5    | 47.2        | (0.7)      | (0.5)       | (0.2)       |              |
|   | Strategy & Resources       | (447.5) | (448.2)     | 0.7        | 0.8         | (0.1)       |              |
|   | <b>Total</b>               |         | <b>15.2</b> | <b>0.0</b> | <b>15.2</b> | <b>17.1</b> | <b>(1.9)</b> |

The overall outturn position improved by £1.9m

| Most of the full year forecast overspend is attributable to shortfalls in Budget Implementation Plans (BIPs) delivery | Variance Analysis £m @         | One-off | BIPs         | Trend       | Total      |             |
|---|--------------------------------|---------|--------------|-------------|------------|-------------|
|   | Month 9                        |         |              |             | Variance   |             |
|   | Adult Health & Social Care     | (0.4)   | 9.4          | 1.4         | 10.4       |             |
|   | Education, Children & Families | 1.1     | 6.0          | (0.5)       | 6.6        |             |
|   | Housing                        | 0.0     | 0.0          | (0.5)       | (0.5)      |             |
|   | Transport, Regen & Climate     | (2.1)   | 2.1          | (0.7)       | (0.7)      |             |
|   | Economic Dev't & Skills        | (0.1)   | 0.0          | 0.0         | (0.1)      |             |
|   | Waste & Street Scene           | (3.4)   | 0.4          | 2.5         | (0.5)      |             |
|   | Communities Parks & Leisure    | (0.9)   | 0.4          | (0.1)       | (0.7)      |             |
|   | Strategy & Resources           | (1.0)   | 2.3          | (0.7)       | 0.7        |             |
|   | <b>Total</b>                   |         | <b>(6.8)</b> | <b>20.6</b> | <b>1.4</b> | <b>15.2</b> |

£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.

The Government's Autumn Statement only gives us protection on the energy price cap on current rates until the end of the financial year. There has been a drop in wholesale prices recently, forecasters expect this to result in a fall in prices by Q3 2023 but are still likely to remain higher than pre-pandemic levels.

The impact of inflation has been built into the 23/24 budgeted baseline position.

| Balancing the 22/23 budget was only possible with £53m of BIPs, £32m are reported as deliverable in year | Budget Savings           | Total Savings | Deliverable in | FY Variance |
|--|--------------------------|---------------|----------------|-------------|
|  | Delivery Forecast @M9 £m | 22/23         | year           |             |
|  | <b>Portfolio</b>         |               |                |             |
|  | 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         |
|  | <b>Total</b>             | <b>52.7</b>   | <b>32.1</b>    | <b>20.6</b> |

Focus remains on delivering 22/23

There is a forecast shortfall of £20.6m against the savings plans this year. A proportion of this shortfall has been deemed



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**BIPs to reduce the impact of into 23/24** undeliverable and accounted for in the baseline budgeted position for 23/24.

Work is underway on “month zero” forecasts to determine the delivery slippage position and phasing into 23/24. Tight control over forecasts and reporting of BIP delivery must continue into 23/24. An Officer working group has been set up to ensure this continues to be a priority for the Council.

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**Key Committee Overspends:**

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**Adult Health and Social Care are forecast to overspend by £10.4m** The high cost of packages of care put in place during covid has increased our baseline costs into 22/23. Work is underway as part of an investment plan with additional resource to tackle the underlying issues although recruitment issues are impacting our ability to deliver.

The committee position improved by £1.2m from M8 to M9; purchasing budgets in Older People’s and Physical Disabilities improved collectively by £0.9m. Learning Disabilities is currently £6.9m over budget however, additional activity this month has been offset by a contribution of £0.5m from the Transforming Care grant.

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**Education, Children and Families are forecast to overspend by £6.6m** Forecast under-delivery of budget implementation plans in the service are the main cause of overspends; plans to reduce staffing and increase income from Health are looking unlikely and the residential children’s home strategy looks unlikely to deliver financial benefits.

The committee’s financial position was stable from M8 to M9. Issues with staffing at Aldine House has limited capacity in the setting and affected the income for the service this year by £1.5m. Overspends in children’s residential services, placements, short breaks, and direct payments have also been issues for the service’s budgets.

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**The Housing Revenue Account is forecasting an overspend against budget of £12.8m** A significant issue in the HRA this year is the level of vacant properties within the Council’s housing stock. This has led to a reduction in income (£2.7m) in rent plus a loss of council tax (£1.2m) from the empty properties. A backlog of repair jobs has led to gas servicing compliance issues and disrepair claims (£2.5m) for the service.

The housing repairs service is overspending against budget by £8.8m. There has been a significant investment in addressing the backlog of repairs (in particular gas servicing) which have led to costs in excess of budget due to a higher volume of jobs and a higher than anticipated cost of fulfilling the work due to market factors and inflationary uplifts in materials and subcontractor costs.

### 1.4.1 Strategy and Resources - £0.7m overspend at Month 9

| The Strategy and Resources Committee budget is forecast to overspend by £0.7m | Full Year Forecast £m @ Month 9                            | Outturn        | Budget         | Variance   |
|---|--|----------------|----------------|------------|
|   | Business Change & Info Solns                               | 18.7           | 17.4           | 1.3        |
|   | Central Costs  | (47.0)         | (46.5)         | (0.5)      |
|   | Community Services (Local Area Committees)                 | 2.1            | 2.1            | 0.0        |
|   | Consolidated Loans Fund                                    | 26.3           | 28.9           | (2.6)      |
|   | Contract Rebates & Discounts                               | (1.0)          | (0.7)          | (0.3)      |
|   | Corporate Transactions                                     | (498.7)        | (498.7)        | 0.0        |
|   | Customer Services  | 5.6            | 5.6            | 0.0        |
|   | Finance & Commercial Services                              | 18.5           | 18.4           | 0.1        |
|   | Housing Benefit  | 0.2            | 0.2            | 0.0        |
|   | Human Resources  | 5.4            | 5.0            | 0.4        |
|   | Legal & Governance   | 6.6            | 5.3            | 1.3        |
|   | Other Central Costs  | 0.0            | 0.0            | 0.0        |
|   | Policy, Performance & Comms                                | 3.9            | 3.4            | 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)                          | 16.1           | 16.1           | 0.0        |
|   | Inclusive Growth & Development (Property and Regeneration) | (4.1)          | (4.7)          | 0.6        |
|   | <b>Total</b>   | <b>(447.5)</b> | <b>(448.2)</b> | <b>0.7</b> |

**The Committee's forecast overspend reduced by c£0.2m from M8 to M9** As at M8 the committee was forecasting to overspend against budget by £0.9m, this reduced to £0.7m in M9. This has been due to a combination of small improvements in the outturn across the committee budgets.

**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 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 which was approved in January. £800k of this budget is a roll-forward from prior year underspend. So far as at M9, actual spend against the £1m total LAC community project budget is £251k. Given the current run-rate, an underspend could occur in this service by year end. This slippage would be carried forward into 23/24 and spent according to the approved plan.

**Property services overspend largely** There is a £0.5m projected shortfall in rental income at Electric Works following loss / downsize of 2 key tenants. An amendment to the letting policy for the building is underway, alongside floorplate

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**relates to Electric Works.**

re-design and investment in energy efficiency improvements will increase the attractiveness for commercial lets next year.

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**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.

## 1.4.2 Adult Health & Social Care- £10.4m overspend at Month 9

|  |  |                |               |                 |
|--|--|----------------|---------------|-----------------|
| The revenue outturn position for the AHS&C Committee is to overspend by £10.4m | <b>Full Year Forecast £m @ Month 9</b>   | <b>Outturn</b> | <b>Budget</b> | <b>Variance</b> |
|  | <b>Adult Health &amp; Social Care Integrated Commissioning</b>   | 155.2          | 144.6         | 10.6            |
|  | (Early Help and Prevention - Partnership Funding; Supporting Vulnerable People - Housing Related Support/Drugs and Alcohol Services) | 8.8            | 9.0           | (0.2)           |
|  | <b>Total</b>   | <b>164.0</b>   | <b>153.6</b>  | <b>10.4</b>     |

The committee position improved by £1.2m from M8 to M9.

|   |   |                |             |              |
|---|---|----------------|-------------|--------------|
| The majority of the committee overspend relates to undelivered savings (BIPs) | <b>Variance Analysis £m @ Month 8</b>               | <b>One-off</b> | <b>BIPs</b> | <b>Trend</b> |
|   | Adult Health & Social Care Integrated Commissioning | (0.4)          | 9.4         | 1.6          |
|   |   | 0.0            | 0.0         | (0.2)        |
|   | <b>Total</b>  | <b>(0.4)</b>   | <b>9.4</b>  | <b>1.4</b>   |

Of the £10.4m 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 1<sup>st</sup> April 2024 within current plans, leaving £1.1m to be mitigated during 2023/24.

|  |                                |                |               |                 |                    |                 |
|--|--------------------------------|----------------|---------------|-----------------|--------------------|-----------------|
| Purchasing activities are overspent by £8.5m | <b>PURCHASING POSITION @M9</b> | <b>OUTTURN</b> | <b>BUDGET</b> | <b>VARIANCE</b> | <b>M8 VARIANCE</b> | <b>MOVEMENT</b> |
|  | OLDER PEOPLE                   | 33.5           | 31.2          | 2.3             | 2.7                | (0.3)           |
|  | LEARNING DISABILITIES          | 35.0           | 28.0          | 7.0             | 6.9                | 0.3             |
|  | PHYSICAL DISABILITIES          | 14.8           | 16.6          | (1.8)           | (1.3)              | (0.3)           |
|  | MENTAL HEALTH                  | 9.3            | 9.0           | 0.3             | 0.2                | 0.0             |
|  |                                | <b>92.6</b>    | <b>84.8</b>   | <b>7.8</b>      | <b>8.5</b>         | <b>(0.2)</b>    |

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 improved

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.

|  |   |
|--|---|
| <b>by £1.2m from M8 to M9</b>  | This was somewhat offset by a contribution from the Transforming Care Grant of £0.5m.   |
| <b>BIP delivery for 22/23 is looking challenging, focus needs to be on reviewing high-cost packages put in place during covid</b>                                | <p>The £0.2m improvement this month in Integrated Commissioning related to Housing Related Support. Expenditure has been previously agreed for a new complex needs service for vulnerable adults who have accommodation needs. The service cannot start before a suitable property is found and it has not been possible to secure anywhere to date, because of this the service will not start before the next financial year.</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 still underway as part of the 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> |
| <b>Recruitment and retention difficulties continue to impact savings delivery in 22/23, but with the potential to increase staffing pressure in future years</b> | <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>  |
| <b>Home care continues to be a huge challenge</b>  | <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>  |
| <b>Fair Cost of Care Exercise and Social Care Reform will increase Adult Social Care</b>   | <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>  |

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**responsibilities and costs**

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.

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**Savings delivery remains the biggest challenge to the committee's financial position**

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

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### 1.4.3 Education, Children & Families Committee - £6.6m overspend at Month 9

| 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 9  | Outturn      | Budget       | Variance   |
|--|--|--------------|--------------|------------|
|  | <b>Children &amp; Families</b>   | 115.7        | 110.0        | 5.7        |
|  | <b>Education &amp; Skills</b> (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS) | 13.4         | 13.1         | 0.3        |
|  | <b>Integrated Commissioning</b> (Commissioning; Children's Public Health; Early Help and Prevention)   | 7.5          | 6.9          | 0.6        |
|  | <b>Total</b>   | <b>136.6</b> | <b>130.0</b> | <b>6.6</b> |

**The position in Children's & Families was stable from M8 to M9**

The forecast outturn for the committee at M9 remained at £6.6m overspent as per the prior month. Issues with staffing at Aldine House has limited capacity in the setting and affected the income for the service this year by £1.5m. Overspends in children's residential services, placements, short breaks, and direct payments have also been issues for the service's budgets.

| The main cause of the overspend is under delivery of Budget Implementation Plans (BIPs) | Variance Analysis £m @ Month 9   | One-off    | BIPs       | Trend        |
|---|--|------------|------------|--------------|
|   | <b>Children &amp; Families</b>   | 1.0        | 5.4        | (0.7)        |
|   | <b>Education &amp; Skills</b> (Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN, EMTAS) | 0.1        | 0.0        | 0.2          |
|   | <b>Integrated Commissioning</b>  | 0.0        | 0.7        | (0.1)        |
|   | <b>Total</b>   | <b>1.1</b> | <b>6.1</b> | <b>(0.6)</b> |

**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.

| Dedicated Schools Grant (DSG) is overspending by £2.5m | DSG Full Year Forecast £m @ Month 9 | Outturn      | Budget       | Variance   |
|--|-------------------------------------|--------------|--------------|------------|
|  | <b>Children &amp; Families</b>      | 6.2          | 6.3          | (0.1)      |
|  | <b>Education &amp; Skills</b>       | 214.3        | 211.7        | 2.6        |
|  | <b>Integrated Commissioning</b>     | 9.4          | 9.4          | 0.0        |
|  | <b>Total</b>                        | <b>229.9</b> | <b>227.4</b> | <b>2.5</b> |

£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) 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 partly offset by one-off income.**

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.

Non-staffing Fieldwork/NRTPF budget is £0.6m overspent. The forecast has continued to rise this year. 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 £12.8m at Month 9

| The Housing General fund is forecast to be broadly in line with budget. | Full Year Forecast £m @ Month 9 | Outturn    | Budget     | Variance     |
|---|---------------------------------|------------|------------|--------------|
|   | Housing General Fund            | 8.1        | 8.6        | (0.5)        |
|   | Housing Growth                  | 0.1        | 0.1        | 0.0          |
|   | <b>Total</b>                    | <b>8.2</b> | <b>8.7</b> | <b>(0.5)</b> |

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 £12.8m at M9 | Full Year Forecast £m @ Month 9   | Outturn    | Budget     | Variance @M9 | Variance @M8 | Movement   |
|--|-----------------------------------|------------|------------|--------------|--------------|------------|
|  | Net Income – Dwellings            | (149.9)    | (152.6)    | 2.7          | 3.3          | (0.6)      |
|  | Other income                      | (6.6)      | (6.5)      | (0.1)        | (0.2)        | 0.1        |
|  | Repairs & Maintenance             | 50.3       | 41.4       | 8.9          | 8.8          | 0.1        |
|  | Depreciation                      | 25.0       | 25.0       | 0.0          | 0.0          | 0.0        |
|  | Tenant Services                   | 51.9       | 54.3       | (2.4)        | (1.8)        | (0.6)      |
|  | -Council Tax                      | 2.1        | 0.9        | 1.2          | 1.2          | 0.0        |
|  | -Disrepairs                       | 5.1        | 2.6        | 2.5          | 2.7          | (0.2)      |
|  | Interest on borrowing             | 13.6       | 13.6       | 0.0          | (0.1)        | 0.1        |
|  | Contribution to Capital Programme | 8.5        | 21.3       | (12.8)       | (13.9)       | 1.1        |
|  | <b>Total</b>                      | <b>0.0</b> | <b>0.0</b> | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b> |

The HRA position improved by £1.1m from M8 to M9. This was due to 2 main accounting adjustments: a reduction of the bad debt provision by £600k (increasing income) and a reduced capital contribution in tenant services budgets for the year.

|   |  |
|---|--|
| <b>Vacant properties are forecast to result in a £2.7m loss of rent and £1.2m extra Council Tax cost.</b> | Loss of rent is forecast to be £2.7m 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 3.4%. |
|---|--|

In addition, the extra Council Tax costs of vacant properties is forecast to be around £1.2m for the year.

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

A huge investment has been made in addressing non-compliance gas servicing moving shifting compliance rates to 98% from 87%. Addressing this backlog has incurred additional costs in the service alongside inflated materials and subcontractor costs.

The completion time for repairs to void properties has improved from 80 to 35 days, with the number of properties awaiting work reducing from 532 to less than 350 in the same period. The overall time taken to relet empty properties has reduced by almost 20% over the past 9 months.

The number of responsive repairs completed within target time has increased from 80% to over during the year and to 88%. The average waiting time for a responsive repair is now 12 days.

**Disrepair claims are estimated at £2.6m above budget.**

The current forecast includes £2.6m extra costs for legal fees from an increasing volume of disrepair claims.

**Vacant posts in Tenant Services contribute to a forecast £1.8m underspend.**

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) Fire Safety, (£318k) Housing Employability Team, (£312k) 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.

**The 'rent ceiling' (7%) represents a reduction in income available to deliver services to tenants**

The 'rent ceiling' for 2023/24 sets the maximum increase in rents that individual Councils are permitted to set for the forthcoming year. This maximum is 4.1% below the normal Rent Standard guidance – Consumer Price Index (CPI) in September of the previous year + an additional 1% - which would have resulted in an 11.1% increase for 2023/24. This means that the inflationary costs for delivering services to council housing tenants have had to be absorbed into the HRA Business Plan because of a below inflation rent increase. A further reduction in rental income by setting a rent increase below the 7% ceiling would require additional cuts in services to tenants.

Strategy and Resources Committee will be asked to consider a 7% rent increase in 2023/24 for all existing tenant rent accounts to mitigate some of the inflationary pressures the service faces

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

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

**Community heating account is forecast to overspend by £0.5m**

| Full Year Forecast £m @ Month 9 | Outturn | Budget | Variance |
|---------------------------------|---------|--------|----------|
| Income                          | (3.5)   | (3.3)  | (0.2)    |

|                                    |              |            |              |            |
|------------------------------------|--------------|------------|--------------|------------|
| <b>due to rising energy prices</b> | Expenditure  | 4.0        | 3.2          | 0.8        |
|                                    | <b>Total</b> | <b>0.5</b> | <b>(0.1)</b> | <b>0.6</b> |

**Overspends in the HRA impact the capital programme**

Without significant savings in revenue budgets, the long-term capital programme is not affordable. The month 9 outturn position results in a reduced contribution to the future programme.

### 1.4.5 Transport, Regeneration & Climate Committee - underspend of £0.7m at Month 9

| The Transport, Regeneration & Climate Committee is forecast to underspend by £0.7m. | Full Year Forecast £m @ Month 9   | Outturn     | Budget      | Variance     |
|---|---|-------------|-------------|--------------|
|   | Direct Services ( <i>Carbon Reduction; Transport</i> )  | 0.0         | 0.0         | 0.0          |
|   | Streetscene & Regulation (Clean Air Zone)   | 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> )          | 40.8        | 41.6        | (0.8)        |
|   | <b>Total</b>  | <b>41.3</b> | <b>42.0</b> | <b>(0.7)</b> |

The committee's outturn position improved by a further £0.2m this month due to additional income above forecast levels.

| 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 9 | 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        | (0.8)        |
|   | <b>Total</b>                   | <b>(2.1)</b> | <b>2.1</b> | <b>(0.7)</b> |

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 £0.2m Month 9

| The revenue outturn position for the Economic Development & Skills Committee remains broadly balanced | Full Year Forecast £m @ Month 9  | Outturn     | Budget      | Variance     |
|---|--|-------------|-------------|--------------|
|   | <b>Education &amp; Skills</b><br><i>(Employment and Skills; Family and Community Learning)</i>   | 0.9         | 0.9         | 0.0          |
|   | <b>Streetscene &amp; Regulation</b><br><i>(Events)</i>   | 1.0         | 0.9         | 0.1          |
|   | <b>Economy, Culture &amp; Skills</b><br><i>(Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)</i> | 9.8         | 10.1        | (0.3)        |
|   | <b>Total</b>   | <b>11.7</b> | <b>11.9</b> | <b>(0.2)</b> |

The committee's outturn position was stable from M8 to M9.

| Whilst the net budget is £11.9m, the Committee is reliant on £14.6m of income to support the services | Service                   | Net Budget  | Outturn - Income | Outturn - Expend | Total Outturn (M9) | Total Variance |
|---|---------------------------|-------------|------------------|------------------|--------------------|----------------|
|   | EDUCATION & SKILLS        | 10.1        | (7.1)            | 17.0             | 9.8                | (0.3)          |
|   | STREETSCENE & REGULATION  | 0.9         | (6.8)            | 7.8              | 0.9                | (0.0)          |
|   | ECONOMY, CULTURE & SKILLS | 0.9         | (0.6)            | 1.6              | 1.0                | 0.1            |
|   | <b>TOTAL</b>              | <b>11.9</b> | <b>(14.6)</b>    | <b>26.3</b>      | <b>11.7</b>        | <b>(0.1)</b>   |

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 £0.5m underspent at Month 9

| The Waste & Street scene committee is forecasting to underspend by £0.5m. | Full Year Forecast £m @ Month 9  | Outturn     | Budget      | Variance     |
|---|--|-------------|-------------|--------------|
|   | <b>Streetscene &amp; Regulation</b><br><i>City Centre Management; Director of Street Scene; Environmental Regulations; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management; Emergency Planning; Parking Services; Covid Hub)</i> | 54.4        | 54.9        | (0.5)        |
|   | <b>Total</b>   | <b>54.4</b> | <b>54.9</b> | <b>(0.5)</b> |

The committee's outturn position improved by £0.2m from M8 to M9 due to general improvements across the service most notably in Parking Services

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 @M9 | Variance     |
|--------------------------------|-------------|------------------|------------------|-------------------|--------------|
| WASTE MANAGEMENT               | 28.5        | (5.2)            | 33.3             | 28.2              | (0.3)        |
| HIGHWAYS CONTRACT              | 20.2        | (49.2)           | 69.3             | 20.2              | (0.0)        |
| ENVIRONMENTAL REGULATIONS      | 5.0         | (1.5)            | 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              | 1.6               | 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              | 0.0              | 0.0               | 0.0          |
| COVID HUB                      | 0.0         | (10.5)           | 10.5             | 0.0               | 0.0          |
| PARKING SERVICES               | (4.8)       | (11.4)           | 6.1              | (5.3)             | (0.5)        |
| <b>Grand Total</b>             | <b>54.9</b> | <b>(85.0)</b>    | <b>139.5</b>     | <b>54.4</b>       | <b>(0.5)</b> |

| Underlying inflationary pressures on energy and waste management present a significant issue for the 23-24 business plans. | Variance Analysis £m @ Month 9  | One-off | BIPs | Trend |
|--|---|---------|------|-------|
|  | <b>Streetscene &amp; Regulation</b> <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  | 2.5   |

|  | <b>Total</b>  | <b>(3.4)</b> | <b>0.4</b> | <b>2.5</b> |
|--|---|--------------|------------|------------|
|  | <p>The Waste contract provides for an uplift in costs at RPIX which was re-based at 8% for 22/23. This was £0.8m higher than the budgeted level. Similarly, energy cost increases of 100% on street lighting are resulting in a £2.1m issue in 22/23.</p> <p>Both these pressures are being mitigated in 2022/23 through one-off provisions / reserves this year. Inflationary pressures have been built into the 23/24 budget.</p> |              |            |            |
| <p><b>The impact of the proposed pay offer creates an additional £0.2m pressure to the committee</b></p> | <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 £0.2m</p>  |              |            |            |

### 1.4.8 Communities, Parks & Leisure Committee - underspend of £0.6m at Month 9

| The Communities Parks & Leisure Committee is forecast to underspend by £0.6m | Full Year Forecast £m @ Month 9   | Outturn     | Budget      | Variance     |
|--|---|-------------|-------------|--------------|
|  | <b>Community Services</b><br>(Community Safety; Family Centres; Youth Services; Community Services Business Support)  | 11.0        | 11.4        | (0.4)        |
|  | <b>Parks, Leisure &amp; Libraries</b><br>(Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health) | 34.7        | 34.9        | (0.2)        |
|  | <b>Integrated Commissioning</b><br>(Voluntary Sector)   | 0.7         | 0.8         | (0.1)        |
|  | <b>Total</b>  | <b>46.4</b> | <b>46.3</b> | <b>(0.6)</b> |

The committee's outturn position improved by £0.2m in the period due to a combination of improvements across the service.

| There is forecast to be a shortfall of BIP delivery of £0.4m relating to Parks and Libraries | Variance Analysis £m @ Month 9   | One-off      | BIPs       | Trend        |
|--|--|--------------|------------|--------------|
|  | <b>Community Services</b><br>(Community Safety; Family Centres; Youth Services; Community Services Business Support) | (0.3)        | 0.0        | (0.1)        |
|  | Parks, Leisure & Libraries   | (0.6)        | 0.4        | 0.0          |
|  | <b>Integrated Commissioning</b><br>(Voluntary Sector)  | 0.0          | 0.0        | (0.1)        |
|  | <b>Total</b>   | <b>(0.9)</b> | <b>0.4</b> | <b>(0.1)</b> |

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

|  |   |
|--|---|
| <b>Community Services are underspending by £0.6m</b> | Most of the underspend is one-off. £240k funding relating to year 2 of the Page Hall project which is being carried 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. |
|--|---|

Within the forecast there is an assumed £740k for the Youth Investment Fund to be spent in 22/23. Approvals need to be sought for this to be carried forward into 23/24 else this underspend will be reflected in the M10 Outturn position.



|   |  |
|---|--|
| <b>The impact of the proposed pay offer creates an additional £0.4m pressure to the committee</b> | 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  |
| <b>£1.3m is forecast to be spent to support the community response team</b>                       | <p>The forecast assumes £1.3m temporary funding will be drawn down to pay for staffing costs in community response for Clinically Extremely Vulnerable, Community Safety and Locality Teams.</p> <p>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.</p> |

### 1.5 **Collection Fund Monitoring Update M9 22/23**

The Council, as a billing authority, is required by law to set up and maintain a Collection Fund separate from the General Fund. It records transactions relating to both the Council Tax and the National Non-Domestic Rates (NNDR). It shows how these local taxes have been distributed to the Council's General Fund. **Appendix 1** provides an update of the Council's collection fund position as at 31<sup>st</sup> December 2022 and forecast outturn position for 22/23.

### 1.6 **Capital Programme Monitoring M9 22/23**

The position on the capital programme at M9 is noted in **Appendix 2**.

## 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 9 2022/23 including the Collection Fund and the Capital Programme.

# Collection Fund Monitoring

## As at 31<sup>st</sup> December

### Summary

- In 2022/23 approximately £343.6m of the Council's net expenditure was forecast to be financed directly through locally collected taxation. This taxation is initially collected by the Council and credited to the Collection Fund.
- As at the end of December, the estimate of the year end position is a £4.0m surplus overall. When prior year reconciliations are taken into account of £0.3m, the overall surplus allocation for 2023/24 is £4.3m. It should be borne in mind that £3.0m of this surplus will be needed to repay specific reserves, leaving a 'true' surplus of £1.3m.

| All figures £m   | Council Tax  | NNDR         | Total        |
|--|--------------|--------------|--------------|
| Reconciliation of prior year (surplus)/deficit                       | (0.1)        | (0.2)        | (0.3)        |
| Estimate of 22/23 (surplus)/deficit <i>incl 20/21 spread deficit</i> | (0.5)        | (3.5)        | (4.0)        |
| <b>Total Collection Fund (Surplus)/Deficit Payments in 23/24</b>     | <b>(0.6)</b> | <b>(3.7)</b> | <b>(4.3)</b> |
| Surplus funding needed to replenish specific reserves                |              | 3.0          | 3.0          |
| <b>Underlying (surplus)/deficit payments in 23/24</b>                | <b>(0.6)</b> | <b>(0.7)</b> | <b>(1.3)</b> |

- Following the timetable for the establishment of a revenue budget, these figures are now included within the 2023/24 Revenue Budget. Any changes between 31<sup>st</sup> December and 31<sup>st</sup> March to these figures will now feed into the 2024/25 Revenue Budget. This report focuses on the second line in the above table – the £4.0m surplus relating to 2022/23 activity.

### Council Tax

- The forecast year end position for Council Tax is a surplus of £0.5m for the SCC element. The estimates used for the purposes of setting the 2022/23 Budget therefore appear fairly accurate.

| Collection Fund - Council Tax (all figures £m)                     | Budget 22/23   | Forecast Year End Position | Variance     |
|--|----------------|----------------------------|--------------|
| Gross Council Tax income yield for 2022/23                         | (352.8)        | (352.8)                    | (0.0)        |
| Revenue foregone due to Council Tax Support                        | 35.4           | 34.8                       | (0.6)        |
| Other discounts and exemptions                                     | 54.3           | 54.3                       | 0.0          |
| Prior year liability adjustments                                   | -              | 2.5                        | 2.5          |
| Losses on collection and increase/(decrease) to bad debt provision | 11.8           | 9.4                        | (2.4)        |
| <b>Council Tax Income</b>  | <b>(251.3)</b> | <b>(251.8)</b>             | <b>(0.5)</b> |

- Payment rates continue to recover to pre-pandemic levels, and the aggregate Council Tax liability after exemptions and discounts are in line with original estimates. Revenue foregone due to Council Tax Support is slightly lower than anticipated.
- Prior year adjustments of £2.5m are offset by a subsequent reduction in the required bad debt provision.

7. The main threat to this position is the uncertainty created by the current cost of living crisis, especially given the cold winter, and the impact this may have on residents' ongoing ability to pay Council Tax.
8. The headline position assumes both a level of decline in the payment rate of this year's bills, as well as a challenging environment in terms of enforcing any outstanding arrears in future years.

## Business Rates

9. The forecast year end position for Business Rates is a £3.5m surplus share, detailed below, which will release in to the 2023/24 Revenue Budget. It must be borne in mind that £3.0m of this will be needed to repay earmarked reserves<sup>1</sup>, leaving a £0.5m underlying improvement.

| Collection Fund - Business Rates (all figures £m)                           | Budget 22/23   | Forecast Year End Position | Variance     |
|---|----------------|----------------------------|--------------|
| Gross Business Rates income yield   | (130.7)        | (125.4)                    | 5.3          |
| Estimated Reliefs   | 33.5           | 27.4                       | (6.1)        |
| Losses on collection, appeals and increase/(decrease) to bad debt provision | 5.7            | 3.0                        | (2.7)        |
| Cost of Collection allowance  | 0.4            | 0.4                        | 0.0          |
| Designated amounts  | (1.2)          | (1.2)                      | (0.0)        |
| <b>Net Collectable Business Rates</b>                                       | <b>(92.3)</b>  | <b>(95.8)</b>              | <b>(3.5)</b> |
| <b>Total Locally Collected Taxation</b>                                     | <b>(343.6)</b> | <b>(347.6)</b>             | <b>(4.0)</b> |

10. The net collectable business rates position is a £3.5m improvement to the budget assumptions, and this contains some large movements as below:
  - Gross liability is projected to fall £5.3m below budgeted levels. This is mainly due to the impact of prior year adjustments to liability where rateable values have been reduced or hereditaments removed from the List entirely.
  - The value of reliefs awarded is forecast to be £6.1m lower than the budgeted figure. This is largely due to fewer applicants for the 2022/23 retail discount than assumed within the Budget, and the same is true for other available reliefs.
  - The necessary adjustment to maintain the bad debt and appeals provision is also forecast to be lower than estimated, leading to an improvement of £2.7m. This is due to successful enforcement and collection activity as regards historic debt, and the resolution of historic appeals meaning the Council need no longer hold the provision.
11. This position is sensitive to a number of risks – that aggregate rating liability remains stable, and that payment rates continue to be strong. As above, this position includes an amount of decline to provide against risks borne of an uncertain and changeable backdrop.

<sup>1</sup> The reasoning here is that the surplus is in part due to lower applications for grant-funded relief schemes, for which the Council received funding in advance. Therefore, too much grant has been received, and must therefore be recognised as a creditor to be repaid. £3.0m is therefore needed from reserves to avoid a funding shortfall within the 22/23 General Fund and will be repaid into reserves within the 2023/24 Revenue Budget.

## Conclusion

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

## 2023 Business Rates Revaluation and the ongoing impacts

14. In 2023 there was a national Business Rates Revaluation. This saw a great deal of changes at a micro-level, but Sheffield's List remained more or less static from the previous re-valuation in 2017. This should be compared to a national average growth in rateable value terms of 7.3% - Sheffield ranked 313 out of 330 Council areas in terms of growth between lists.
15. This doesn't make for great reading in terms of the city's business growth, however the impact of this on bottom line revenue funding is minimal, as the Government has committed to ensuring that the 2023 Revaluation is net neutral for authorities – the 23/24 Revenue Budget includes compensation via additional Top Up Grant for Sheffield's below-average growth as well as the transfer of valuable hereditaments to the Central List.
16. The below table demonstrates the percentage change of rateable value between the 2017 and 2023 Lists:

|          | Sheffield |           |           |             | National   |            |            |             |
|----------|-----------|-----------|-----------|-------------|------------|------------|------------|-------------|
|          | 2017 List | 2023 List | £k Change | %age Change | 2017 List  | 2023 List  | £k Change  | %age Change |
| Retail   | 197,570   | 157,737   | -39,833   | -20.2%      | 15,952,243 | 14,358,028 | -1,594,215 | -10.0%      |
| Industry | 106,401   | 127,202   | 20,801    | 19.5%       | 13,977,325 | 17,856,964 | 3,879,639  | 27.8%       |
| Office   | 75,235    | 84,815    | 9,580     | 12.7%       | 14,547,002 | 16,047,230 | 1,500,228  | 10.3%       |
| Other    | 156,129   | 166,263   | 10,134    | 6.5%        | 18,796,173 | 19,614,386 | 818,213    | 4.4%        |
| All      | 535,334   | 536,017   | 683       | 0.1%        | 63,272,744 | 67,876,607 | 4,603,863  | 7.3%        |

17. Retail as a sector has seen a re-valuation downwards nationally of 10%, double this in Sheffield (though it does remain Sheffield's biggest source of Business Rates income). Industry has seen a big jump in ratings value both nationally and locally. The Office sector has seen a bigger relative jump in rateable value in Sheffield than elsewhere.
18. Whilst it's difficult to read too much into this, it does show that rateable values in Sheffield are not keeping pace with the national average in both retail and industry. It also shows industry and office use is becoming more valuable in terms of business rates income to the city than it previously was, whilst retail declines in value.
19. This could be useful information in planning the future business strategy of the city.

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

The table below summarises the movement in budget from month 8 to month 9 22/23 and Capital programme budget position as at December 2022.

|                         | 2022/23 | 2023/24 | Future | Total | Comments  |
|-------------------------|---------|---------|--------|-------|---|
| Month 8 Approved Budget | 244.0   | 217.0   | 483.0  | 944.1 | The key changes to the programme from last month relate to:<br><b>KEY ADDITIONS</b><br>+ £0.1m - Feasibility works for Arundel Bus Gate |
| Additions               | 0.1     | 0.0     | 0.0    | 0.1   |   |
| Variations              | 0.0     | 0.0     | 0.0    | 0.0   |   |
| Reprofile               | 0.0     | 0.0     | 0.0    | 0.0   |   |
| Slippage & Acceleration | 0.0     | 0.0     | 0.0    | 0.0   |   |
| Month 9 Approved Budget | 244.1   | 217.0   | 483.0  | 944.1 |   |

Appendix 2 Capital Programme Monitoring

**Section 2 – Top 20 Projects by value as at December 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  | 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                         | 21,709         | 21,614         | 95              | 29,334         | 29,321         | 13              | 0.0%         | A                     | 38,755                    | 38,755           | 0                  | 0.0%       | A            |   |
| Heart of The City Palatine Chambers Block              | 9,894          | 10,711         | (817)           | 17,150         | 19,106         | (1,956)         | -10.2%       | A                     | 36,944                    | 36,944           | 0                  | 0.0%       | A            |   |
| Major Sporting Facilities Finance                      | 12,419         | 12,419         | 0               | 16,559         | 16,559         | 0               | 0.0%         | NR                    | 34,167                    | 34,167           | 0                  | 0.0%       | NR           |   |
| Council Housing Acquisitions Programme                 | 5,915          | 5,364          | 550             | 8,525          | 7,152          | 1,373           | 19.2%        | G                     | 16,858                    | 12,817           | 4,041              | 31.5%      | G            | See Item 5.6  |
| Council Housing Single Staircase Tower Blocks Works    | 5,147          | 4,503          | 644             | 6,425          | 6,454          | (29)            | -0.4%        | G                     | 10,355                    | 9,678            | 677                | 7.0%       | 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                        | 4,323          | 4,148          | 175             | 5,764          | 5,924          | (160)           | -2.7%        | G                     | 6,699                     | 6,699            | 0                  | 0.0%       | G            |   |
| Brownfield Site Development Acquisitions               | 2,333          | 5,881          | (3,548)         | 4,333          | 5,881          | (1,548)         | -26.3%       | NR                    | 5,881                     | 5,881            | (0)                | 0.0%       | NR           |   |
| New Council Housing Acquisition - Hemsworth            | 460            | 4,545          | (4,085)         | 470            | 4,733          | (4,263)         | -90.1%       | A                     | 4,733                     | 4,733            | -                  | 0.0%       | A            | See Item 4.1  |
| New Build Council Housing Daresbury / Hemers           | 4,015          | 4,651          | (636)           | 4,730          | 4,651          | 79              | 1.7%         | G                     | 5,721                     | 4,651            | 1,070              | 23.0%      | G            | Latest estimate of final account based on contractor claims for delays.   |
| New Build Council Hsng Ph16 - Newstead Enabling Works  | 2,983          | 2,184          | 800             | 4,342          | 4,418          | (76)            | -1.7%        | R                     | 4,438                     | 4,436            | 2                  | 0.0%       | R            |   |
| Council Housing Electrical Upgrades Ph 2               | 3,250          | 2,834          | 417             | 4,244          | 4,143          | 101             | 2.4%         | G                     | 19,436                    | 19,436           | 0                  | 0.0%       | G            |   |
| King Ecgberts School Expansion                         | 263            | 1,123          | (859)           | 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              | 4,084          | 3,369          | 714             | 4,314          | 3,736          | 577             | 15.5%        | 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          | 2,644          | 3,053          | (409)           | 3,021          | 3,712          | (691)           | -18.6%       | R                     | 4,241                     | 4,241            | 0                  | 0.0%       | R            |   |
| Future High Streets Fund Public Realm & Infrastructure | 758            | 1,901          | (1,143)         | 1,996          | 3,418          | (1,423)         | -41.6%       | G                     | 14,304                    | 8,624            | 5,681              | 65.9%      | G            | See Item 4.4 and Key Issues Section below   |
| Talbot-seven Hills Send                                | 2,507          | 2,996          | (489)           | 3,389          | 3,297          | 92              | 2.8%         | A                     | 3,389                     | 3,297            | 92                 | 2.8%       | A            |   |
| Upper Don Valley Flood Scheme Phase 1                  | 2,788          | 2,682          | 107             | 3,862          | 3,209          | 653             | 20.3%        | A                     | 4,674                     | 3,209            | 1,465              | 45.7%      | A            | See Item 5.3  |
| Silverdale School Expansion                            | 102            | 948            | (846)           | 3,175          | 3,175          | 0               | 0.0%         | G                     | 7,466                     | 7,466            | 0                  | 0.0%       | G            |   |
| Council Housing Adaptations 2020-25 Contract           | 2,590          | 1,874          | 716             | 3,174          | 2,965          | 210             | 7.1%         | G                     | 8,821                     | 8,612            | 210                | 2.4%       | G            |   |
| <b>Top 20 Value</b>                                    | <b>88,187</b>  | <b>100,599</b> | <b>(12,412)</b> | <b>126,992</b> | <b>139,527</b> | <b>(12,535)</b> | <b>-9.0%</b> |                       | <b>246,227</b>            | <b>261,113</b>   | <b>(14,886)</b>    |            |              |   |
| <b>Rest of Programme</b>                               | <b>48,802</b>  | <b>69,724</b>  | <b>(20,922)</b> | <b>94,189</b>  | <b>104,542</b> | <b>(10,353)</b> | <b>-9.9%</b> |                       | <b>645,607</b>            | <b>683,025</b>   | <b>(37,418)</b>    |            |              |   |
| <b>Total Capital Programme Value</b>                   | <b>136,990</b> | <b>170,323</b> | <b>(33,333)</b> | <b>221,181</b> | <b>244,069</b> | <b>(22,888)</b> | <b>-9.4%</b> |                       | <b>891,835</b>            | <b>944,138</b>   | <b>(52,304)</b>    |            |              |   |
| <b>% of Programme within the Top 20</b>                | <b>64%</b>     | <b>59%</b>     | <b>37%</b>      | <b>57%</b>     | <b>57%</b>     | <b>55%</b>      |              |                       | <b>28%</b>                | <b>28%</b>       | <b>28%</b>         |            |              |   |



Appendix 2 Capital Programme Monitoring

**Section 3 – Current Year to date and Forecast Outturn Position.** - The forecast outturn position is £22.9m below budget. The key variances by policy area are explained below. This is a movement of £9m from the £13.9m reported last month. This is due to a further reduction in forecast outturn as models at Section 6 have been predicting. The majority of the reduction is in the Transport Regeneration and Climate Change area with £2.4m relating to Heart of The City schemes and £1.5m to delay to utilisation of Brownfield Sites Acquisition fund.

| Policy Committee               | YEAR TO DATE   |                |                 | FULL YEAR      |                |                 | Comments  |
|--------------------------------|----------------|----------------|-----------------|----------------|----------------|-----------------|---|
|                                | Actual         | Budget         | Variance        | Forecast       | Budget         | Variance        |   |
| TRANSPORT, REGEN & CLIMATE     | 58,862         | 71,901         | (13,040)        | 98,276         | 108,483        | (10,208)        | <b>Key Variances</b><br>- £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.<br>- £3.5m - Slippage across Heart Of The City Programme<br>- £1.5m - Brownfield Sites Acquisition - Reprofitting of expected purchases<br>- £1m - Local Transport Programme - Slippage across programme<br>- £0.8m - Broadfield Road Junction Scheme - Further Slippage<br>- £0.8m - CAZ Back Office - Slippage on costs<br>- £0.2m - Little Kelham Bridge - Scheme no longer progressing<br>- £0.8m - West Bar CPO - Delay on final payments<br>- £0.4 - TCF Programme - Net slippage across TCF programme<br>- £0.3m - Clean Bus Technology Programme - Underspend against grant funding<br>- £0.2m - Shalesmoor Gateway - Slippage on development spend<br>- £0.2m - Lower Don Valley Flood - Slippage on final works<br>+£0.6m - Levelling Up Fund Castle Site - Budget awaiting approval<br>+£0.3m - Active Travel Schemes (Active Trave Neighbourhoods) - Review ongoing into costs and awaiting revised funding agreements<br>+£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   | 15,719         | 18,212         | (2,492)         | 23,136         | 25,278         | (2,141)         | <b>Key Variances</b><br>- £1.3m - Woodbourne Road Football Hub - Delay to programme related to ratification of funding agreement with Football Foundation<br>- 0.6m - General Cemetery - Forecast slippage on scheme due to resequencing of works - Overall overspend indicates and additional £70 funding needs to be found<br>- £0.2m - Mather Road Park Improvements - Slippage now forecast   |
| HOUSING                        | 43,963         | 55,292         | (11,329)        | 63,761         | 72,693         | (8,933)         | <b>Key Variances</b><br>- £4.2m - Handsworth New Build Council Housing - forecast slippage on scheme<br>- £3.8m - Corker Bottoms New Build Purchase - Payments now expected in 23/34<br>- £0.7m - LAD 2 Private Sector Housing - Spend of grant below budgeted<br>- £0.8m - Kitchen/Bathroom Refurbishment works - Slippage forecast<br>- £0.3m - Lift Refurbishment works - Slippage forecast delay to OBC<br>- £0.3m - Right To Buy Refurb costs - Fewer refurb than budgeted taking place this year<br>- £0.3m -Private Sector Homes Upgrade Grant- due to drop out levels from programme not at grant forecast to be utilised<br>- £0.2m - LAD 2 Council Housing Works - Fewer properties than anticipated involved in the programme<br>- £0.2m - Obsolete Heating Replacement - reduced outputs as engineers diverted to failed access programme<br>- £0.2m - Demolition Programme - Demolition of outhouses delayed pending member decision<br>- £0.2m - Heating Breakdowns - Mild weather in November resulted in reduced failures<br>+ £0.5m - Newstead OPIL New Build - Forecast Acceleration<br>+£1.4m - Council Housing Acquisition Programme - Acceleration of Purchase of more expensive properties<br>+ £0.6m - Roofing Replacement Programme - Acceleration of final payments on terminated contract |
| EDUCATION, CHILDREN & FAMILIES | 7,826          | 13,229         | (5,403)         | 17,609         | 20,529         | (2,919)         | <b>Key Variances</b><br>- £1.7m - King Egberts Expansion Scheme - Forecast revised in line with latest anticipated programme<br>-£0.75m - Contribution to new SEND Free School (Confirmed) - Contribution now not anticipated to be made until 2023/24<br>-£0.6m - Contribution to new SEND Free School (Bid) - Forecast not completed<br>-£0.3m - New Integrated Resource Provision forecast not completed<br>+ £0.3m - Aldine House 2 Bed Extension - Forecast overspend on scheme. May generate additional revenue pressure in year<br>+ £0.1m - Talbot/Seven Hills SEND provision - Forecast Overspend  |
| STRATEGY & RESOURCES           | 3,907          | 5,943          | (2,036)         | 6,217          | 6,478          | (261)           |   |
| ADULT HEALTH & SOCIAL CARE     | 6,219          | 5,098          | 1,121           | 8,363          | 6,797          | 1,566           | <b>Key Variances</b><br>+ £2.6m - Accelerated Adaptations Grant - Increased assessment capacity, backlog demand from COVID alongside increasing general demand and increasing prices are placing strain on budget for non means tested smaller adaptations. Targeted work ongoing to review longer term impact<br>- £0.7m - 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)<br>- £0.2m - Disabled Persons Relocation Loans- Loan requests not at level expected<br>- £0.1m - Telecare - Reduced forecast on capital requirement<br><b>GENERAL - Pressure building on overall DFG budget. Current predicted overspend is manageable within current year resources plus previous underspends brough forward. Work ongoing to review emerging pressures</b>   |
| ECONOMIC DEVELOPMENT & SKILLS  | 393            | 478            | (86)            | 2,961          | 2,957          | 4               |   |
| WASTE & STREET SCENE           | 101            | 170            | (70)            | 858            | 853            | 5               |   |
| <b>Grand Total</b>             | <b>136,990</b> | <b>170,323</b> | <b>(33,333)</b> | <b>221,181</b> | <b>244,069</b> | <b>(22,888)</b> |   |

Appendix 2 Capital Programme Monitoring

**Section 4 – Top 10 Forecast Slippage against Full Year Budget** - Of the main £18.7m forecasts below budget, £8.3m relates to projects either in delivery or at tender stage. £9.6m relates to delays to purchases of land or buildings The reprofiling of the Disabled Facilities Top Up grant to meet pressures elsewhere within that programme

| 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.<br>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. CAF variation to reflect budget slippage in system, awaiting approval. 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           | Heart of The City Palatine Chambers Block              | TRANSPORT, REGEN & CLIMATE     | 19,106    | (1,956)               | SLIPPAGE - This is due to continued challenges and delays/associated resequencing on site. Works will be progressing at an average of -£100k per day in the coming months, so relatively minor delays still have a considerable impact on cash-flow.   |
|               | King Ecgberts School Expansion                         | EDUCATION, CHILDREN & FAMILIES | 3,874     | (1,707)               | Reprofile - Payments for scheme reprofiled due to delay of contract award  |
|               | Brownfield Site Development Acquisitions               | TRANSPORT, REGEN & CLIMATE     | 5,881     | (1,548)               | Reprofile - Delay in agreeing the purchase of the final part of Attercliffe Waterside from the Canal's and Rivers Trust.   |
| 4.6           | Future High Streets Fund Public Realm & Infrastructure | TRANSPORT, REGEN & CLIMATE     | 3,418     | (1,423)               | 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  |
| 4.7           | Woodbourn Rd Football Hub                              | COMMUNITIES, PARKS & LEISURE   | 2,174     | (1,337)               | SLIPPAGE - Programme Delayed due to legal agreement between Football Foundation & SCC is ratified.   |
| 4.8           | Heart of The City - Block D                            | TRANSPORT, REGEN & CLIMATE     | 1,075     | (1,017)               | 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. Whiteboxing works are due to be procured & monies need to be expended asap. Allowance has been forecast towards end of this FY - assuming to be delivered by Mar-23 at this point.  |
| 4.9           | Disabled Facilities Grant Top Up                       | ADULT HEALTH & SOCIAL CARE     | 1,666     | (871)                 | 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   |
| 4.10          | Broadfield Road Junction                               | TRANSPORT, REGEN & CLIMATE     | 1,404     | (836)                 | Slippage / Overspend - Following additional detail from statutory undertakers about the extended timescales needed to arrange the movement of their networks before the main scheme can start (complicated by the need to limit the impact of works on the busy A61), the scheme has been re-costed and re-programmed. The latest forecast has been re-profiled to reflect those changes, giving slippage of £836k and a revised all year forecast of £3,983,255 for all years which is £310k above the approved budget.   |
| Total         |  |                                | 47,131    | (18,738)              |  |

## Appendix 2 Capital Programme Monitoring

### Section 5 – Top 10 Forecast Overspends over Full Year Budget

- Of the main £7.6m forecasts over budget approx. £4.1m 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 and Local Transport Plan to meet the additional costs of the Active Travel schemes and Capitalised Repairs will be an increased pressure on the HRA capital budget.

| Business Unit   | Policy Committee               | FY Budget     | FY variance on budget | Explanation   |
|---|--------------------------------|---------------|-----------------------|---|
| 5.1 Accelerated Adaptations Grant                       | ADULT HEALTH & SOCIAL CARE     | 2,230         | 2,586                 | <b>Overspend</b> - 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 Housing Acquisitions Programme              | HOUSING                        | 7,152         | 1,373                 | <b>Acceleration</b> - The current forecast is for an overspend of £1.372 million. 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         | 653                   | <b>Overspend</b> - 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.  |
| 5.4 Levelling Up Fund - Castle Site                     | TRANSPORT, REGEN & CLIMATE     | 560           | 631                   | <b>Awaiting Approval</b> - Variation between full year budget and latest outturn forecast for full year due to expenditure being incurred beyond IBC feasibility stage. Increased budget for full scheme due to be approved in January  |
| 5.5 Council Housing Roofing Replacements Prog           | HOUSING                        | 3,736         | 577                   | <b>Acceleration</b> - Work is underway with the appointed administrator to finalise liabilities to the original 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 an existing contract to maintain these properties as weathertight and for H&S reasons (scaffolding still erected on these properties). Next steps are to start to review and develop a procurement plan for the remaining properties that were originally included in the original contract and put in place the appropriate financial approvals which will take into account the balance of the budget for this and future years. This payment now forecast to be made in current financial year. |
| 5.6 New Build Council Housing Newstead OPIL             | HOUSING                        | 1,101         | 521                   | <b>Forecast overspend on in-year budget is an error. No Financial Year overspend is anticipated. This error will be corrected asap.</b>   |
| 5.7 Council Housing Stock Increase Programme Allocation | HOUSING                        | -             | 370                   | <b>Awaiting Approval</b> - Budget to be uplifted as part of Housing Programme Refresh   |
| 5.8 Aldine House 2 Bed Extension & MUGA                 | EDUCATION, CHILDREN & FAMILIES | 1,050         | 318                   | <b>Overspend</b> - 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   |
| 5.9 Nether Edge & Crookes Active Travel Neighbourhood   | TRANSPORT, REGEN & CLIMATE     | 524           | 301                   | <b>OVERSPEND</b> -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.  |
| 5.10 Capitalised Repairs                                | HOUSING                        | 502           | 249                   | <b>Overspend</b> - The total value of jobs that Repairs & Maintenance Service (RMS) are claiming for is more than the 2022-23 budget. We are currently working through the large number of submissions from RMS, and there are numerous submissions where only the type of work and projected costs have been sent to Asset Management Team. We are working with RMS to submit outstanding documents to proceed with claims. The forecast variance is based on the value of invoices outstanding and invoices due to be received on completion of the planned works   |
| <b>Total</b>  |                                | <b>20,063</b> | <b>7,578</b>          |   |

## 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** - Forecast overspend position of £1.4m - Update - Formal offer of funding now received from Environment Agency. Formal approval to be brought in March 23
- **Schools Condition Allocation** - All School Condition Allocations received (up to 22/23) potentially fully committed may require reprioritisation if further urgent works identified. Update - several schools now accepted into DfE rebuilding programme releasing some funds but pressures already emerging to use this.
- **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. Awaiting outcome of negotiations between MCA and DfT

Appendix 2 Capital Programme Monitoring

**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 Egberts school expansion scheme, Hemsworth New Build Council Housing Scheme, Future High Streets Fund schemes .

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## Report to Sub Finance Committee

**Author/Lead Officer of Report: Michael Hague  
Service Manager Transport Services**

**Tel: 0114 2037418**

**Report of:** Executive Director, Operational Services  
**Report to:** Finance Sub Committee  
**Date of Decision:** 21<sup>st</sup> February 2023  
**Subject:** Vehicle Replacement Programme Year 4

|  |     |                                     |    |                                     |
|--|-----|-------------------------------------|----|-------------------------------------|
| 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? Louise Nunn/Ed Sexton EIA1353   |     |                                     |    |                                     |
| Has appropriate consultation taken place?  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/>            |
| Has a Climate Impact Assessment (CIA) been undertaken?   | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/>            |
| Does the report contain confidential or exempt information?  | Yes | <input type="checkbox"/>            | No | <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-  |     |                                     |    |                                     |
| <i>"The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended)."</i> |     |                                     |    |                                     |

### **Purpose of Report:**

To provide an update on the Vehicle Replacement Programme, 2019 to 2025.

The report provides an update on the delivery of the programme to date and the proposals for year 4 of the vehicle replacement programme.

This report seeks approval for the commission of 105 vehicles/mechanical plant equipment, with an estimated value of £2.7m, to replace 105 financially unsustainable and operationally inefficient vehicles/mechanical plant equipment in line with Year 4 of the agreed vehicle replacement programme.

**Recommendations:**

The Finance Sub Committee is recommended to:

- approve the commission of 105 vehicles/mechanical plant equipment, with an estimated value of £2.7m, to replace 105 older polluting financially unsustainable and operationally inefficient vehicles/mechanical plant equipment in line with Year 4 of the agreed vehicle replacement programme.

**Background Papers:****‘Our Sheffield’ – Delivery Plan: 2022/23**

<https://www.sheffield.gov.uk/your-city-council/corporate-delivery-plan>

| <b>Lead Officer to complete:-</b> |   |
|-----------------------------------|---|
| 1                                 | <p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: <i>Kerry Darlow</i></p> <p>Legal: Richard Marik</p> <p>Equalities &amp; Consultation: <i>Louise Nunn</i></p> <p>Climate: Jessica Rick</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><b>SLB member who approved submission:</b> <i>Ajman Ali</i></p>  |
| 3                                 | <p><b>Committee Chair consulted:</b> <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 SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>  |
|                                   | <p><b>Lead Officer Name:</b> <i>Michael Hague</i></p> <p><b>Job Title:</b> <i>Service Manager Transport Services</i></p>  |



## 1. PROPOSAL

- 1.1 It is proposed that the Council commission 105 vehicles/mechanical plant equipment, with an estimated value of £2.7m, to replace 105 older polluting, financially unsustainable and operationally inefficient vehicles/mechanical plant equipment in line with Year 4 of the agreed vehicle replacement programme.
- 1.2 Transport services is the provider of vehicles and mechanical plant for Sheffield City Council services, schools, and some academies.
- 1.3 In January 2019 Transport Services developed a fleet replacement strategy which set out the anticipated fleet requirements and parameters for replacement. This was agreed by the then Deputy Leader and Cabinet Member for Finance and by the Executive Director of Resources on the 14<sup>th</sup> of January 2019.
- 1.4 The Council's vehicle replacement programme had been on hold until 2019/20 due to previous austerity measures. The hiatus in replacing vehicles meant that the Council's fleet contained many old and inefficient vehicles that were costly to maintain. The older inefficient vehicles that are still in use are spending significantly longer amounts of time being repaired, leading to a sharp rise in both maintenance and short-term hire costs.
- 1.5 The vehicle replacement programme began in 2019. To date 476 vehicles/plant have been replaced, reducing CO2 emissions by 42,000 tonnes and NOx by 37,000 tonnes. The replacement programme aims to ensure that the fleet is Clean Air Zone compliant, to reduce emissions, and to introduce ULEV (Ultra Low Emission Vehicle) vehicles where possible. When deciding on a replacement type, Transport Services assess the replacement on the basis of the following hierarchy:
- a) Is there a Ultra Low Emission Vehicle (ULEV) option available?
  - b) Can the vehicle be charged?
  - c) If not, is there a petrol /hybrid option?
  - d) If not the latest Euro 6.2 diesel was/is purchased.
- 1.6 The table below summarises the number of vehicles and plant replaced in each year of the programme to date:

| <b>Year</b> | <b>Plant</b>                                 | <b>Road Vehicles</b> | <b>Electric Vehicles</b> | <b>Total Expenditure</b> |
|-------------|--|----------------------|--------------------------|--------------------------|
| 2019/20     | 38<br>(includes 2<br>x Electric<br>'Gators') | 160                  | 6 x Vans<br>12 x Cars    | £4,888,776               |
| 2020/21     | 27   | 106                  | 1 x Van<br>5 x Cars      | £3,194,352               |
| 2021/22     | 9  | 103                  | 8 x Vans<br>1 Car        | £3,453,499               |

- 1.7 Alternatively fuelled vehicles, such as electric/hybrid, have replaced internal combustion engines in years 1, 2 and 3 where the new vehicle has been deemed fit for purpose, and an adequate charging infrastructure was in place. If an alternative vehicle is not fit for purpose the cleanest petrol or diesel vehicle will be purchased.
- 1.8 Over the last three years small vans and cars have been replaced with electric alternatives wherever possible. A number of service areas such as Parking Services and Home Care Services have had a high percentage of electric vans/cars integrated into their fleet, based at their respective depots, with 8 and 9 vehicles respectively.
- 1.9 There are however still considerable constraints on the ability of Transport Services to move wholly to electric vehicles across all services. In a number of areas, for example Home Care Services, the level of 24-hour vehicle usage means that electric alternatives are not currently viable. The market for larger and/or specialist build vehicles such as caged tippers and wheelchair accessible vehicles is still maturing. The significantly higher purchase costs for these types of vehicles means that this option is currently not financially viable.
- 1.10 Charging capacity is another key constraint on the Council's ability to move wholly to electric vehicles. The Council does have charging capacity at a number of depots. To date charging facilities have been installed at the following 7 depots:
- Staniforth Road - 16 Chargers
  - Manor Lane - 8 Chargers
  - Moorfoot - 12 Chargers
  - Station Road - 4 Chargers
  - Manor Neighbourhood Centre - 3 Chargers
  - Tinsley - 1 Charger
  - Central Libraries - 1 Charger
- 1.11 Full capacity has now been reached at the larger depots. To enable us to install significantly more chargers there an upgrade to the supply would be required and, in some cases, a new substation would need to be

installed. Whilst work to understand these requirements has already been undertaken as part of the initial scoping for the Council's review of depots, the Council will consider these requirements as part of the ongoing work through the Accommodation Strategic Review that was presented to Finance Sub-Committee on 7<sup>th</sup> November 2022. In particular as part of the development of business cases for the next stages of the rationalisation of the Council's depots.

- 1.12 Finally, many services use vehicles that are not parked at Council offices or depots. In order to facilitate additional electric vehicles, the Council therefore needs to develop its policy and approach to home charging of Council vehicles. The lack of availability of home charging and constraints in terms of off-street parking, means that this is also currently a barrier to further expansion of electric fleet options.
- 1.13 Given the above, the current strategy, to replace vehicles and/or plant year on year allows the Council to evaluate and identify any suitable alternatively fuelled vehicles that would fit with service needs and to take advantage of the continuously maturing market for these types of vehicles.
- 1.14 Work with Services has been completed to identify the vehicles and/or plant that need to be replaced in year 4 (22/23) of the vehicle replacement programme. The table below shows the proposed vehicles and plant for purchase in 2023. It consists of 96 road vehicles and 9 items of plant to the value of £2.7m.

| No. OF VEHICLES                       | VEHICLE TO BE REPLACED (TYPE) | NEW REPLACEMENT TYPE                   | New fuel type          | Est Cost (£000s, Oct 22) |
|---------------------------------------|-------------------------------|--|------------------------|--------------------------|
| 3                                     | TRANSIT                       | 17 SEAT MINIBUS                        | EURO 6 DIESEL          | 93                       |
| 11                                    | CITROEN 3.5 TONNE TIPPER      | CITROEN RELAY 'PICKUP TIPPER CAGED T/L | EURO 6 DIESEL          | 446                      |
| 37                                    | FORD                          | TRANSIT CUSTOM                         | EURO 6 DIESEL          | 716                      |
| 1                                     | FORD HIGH ROOF VAN            | CITROEN HIGH ROOF VAN                  | EURO 6 DIESEL          | 25                       |
| 3                                     | LUTON                         | LOW FLOOR LUTON TAIL LIFT              | EURO 6 DIESEL          | 109                      |
| 1                                     | FORD TRANSIT TIPPER           | SINGLE CAB HIGH CAGE TIPPER            | EURO 6 DIESEL          | 41                       |
| 4                                     | TREKA WHEELCHAIR ACCESS BUS   | TREKA WHEELCHAIR ACCESS BUS            | EURO 6 DIESEL          | 320                      |
| 4                                     | SMALL VAN                     | MULTISPACE VAN                         | EURO 6 PETROL          | 52                       |
| 9                                     | SMALL VAN                     | FORD COURIER                           | EURO 6 PETROL          | 110                      |
| 6                                     | CAR                           | CAR                                    | HYBRID /PETROL         | 139                      |
| 11                                    | CAR                           | CAR                                    | ELECTRIC               | 254                      |
| 1                                     | PEDESTRIAN MOWER              | TORO 36 INCH ROTARY MOWER              | LATEST PLANT EMISSIONS | 7                        |
| 1                                     | PEDESTRIAN MOWER              | TORRO 48 " BANKS                       | LATEST PLANT EMISSIONS | 8                        |
| 2                                     | TORO LT3340                   | TORRO LF3000                           | LATEST PLANT EMISSIONS | 97                       |
| 5                                     | 3320                          | TORRO LT3040                           | LATEST PLANT EMISSIONS | 225                      |
| 6                                     | EXTRA                         | Toyota Aygo                            | EURO 6 PETROL          | 71                       |
| <b>TOTAL (105 vehicles and plant)</b> |                               |  |                        | <b>2,713</b>             |

1.15 The purpose of this report is to seek approval for the commissioning of 105 vehicles and plant using a combination of four identified public sector frameworks which are fully compliant with the public contract regulations 2015. Contracts will be awarded following via further competition and/or direct award:

- CCS's Vehicle Purchase Framework:
- TTPL's Hertfordshire County Council Purchase Framework:
- TTPL's Bath & North East Somerset Council Bus & Coach Procurement Framework:

- NEPO (in partnership with TTPL) Grounds Maintenance & Plant Equipment Framework:

1.16 The estimated value of the commission is £2.7m.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

2.1 Investment in new vehicles and/or plant will contribute to the councils 10-point plan for climate action and to the move to net zero carbon by 2030. A climate impact assessment has been undertaken to support this proposal.

2.2 The replacement of vehicles and plant will contribute to the Council's Public Health objectives and to improving the health of the people in the city through lower emissions from the Council's fleet. Replacing the above vehicles will ensure they are eligible to travel in and out of the city's Clean Air Zone without incurring charges. To date the Council still has 83 non-compliant CAZ vehicles, equating to 9% of the fleet, all of which are due to be replaced in this year's programme.

## **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 The overarching vehicle replacement programme, spread over 6 years, was agreed by the then Deputy Leader and Cabinet Member for Finance and by the Executive Director of Resources on the 14<sup>th</sup> of January 2019.

3.2 The replacement programme is reviewed each year, in consultation with services, to consider the changing requirements of services, emerging technologies, and the Council's strategic objectives.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality Implications**

4.1.1 The proposals identified within this report are expected to have positive impacts in terms of equality as investments in newer, cleaner vehicles/plant will benefit all of the city's residents and visitors. An equality impact assessment has been completed.

### **4.2 Financial Implications**

4.2.1 The increased cost of replacing vehicles via prudential borrowing is resulting in pressures in service revenue budgets on an ongoing basis. The additional cost of the year 4 replacement programme is £527K (General Fund £278K, RMS £250K). Provision has been made in the 2023/24 Business Planning process to increase budgets in some services to cover the cost pressures. This is subject to Full Council approval in March 2023. However other services are planning to mitigate the increased cost with savings and efficiencies, which will result in overspends if not achieved.

4.2.2 The Council may need to continue to increase revenue budgets on an annual basis to fund the borrowing costs for the Fleet replacement programme unless alternative sources of funding can be secured. This cost could be significant if the Council prioritises investment in electric vehicles to meet its commitment to achieve Net Zero by 2030.

#### 4.3 Commercial Implications

4.3.1 The Council will utilise public sector vehicle purchase frameworks to procure the above vehicles.

4.3.2 Use of the public sector vehicle purchase frameworks offer competitive discounts against market rate prices. Frameworks offering online fleet portals provide real time quotations allowing the customer to compare options and whole life costs. As the frameworks are fully compliant with public procurement regulations it reduces the procurement risk and bureaucracy for the council.

4.3.3 Use of the public sector frameworks for purchasing vehicles will ensure the Council complies with the Public Contracts Regulations 2015. Furthermore, any procurement and contract awards will be undertaken in accordance with all relevant provisions of the Council's Constitution including its Contracts Standing Orders. Pre-defined terms and conditions have been established on all the frameworks and therefore will apply to all call off contracts.

4.3.4 Vehicles and plant items will be purchased through the following frameworks:

- i. Passenger cars (23) and light commercial vans (51) - CCS's Vehicle Purchase Framework.
- ii. Commercial vehicles including pick-ups (15) - TTPL's Hertfordshire County Council Purchase Framework.
- iii. Minibuses (7) - TTPL's Bath & Northeast Somerset Council Bus & Coach Procurement Framework.
- iv. Plant and machinery including mowers (9) - NEPO (in partnership with TTPL) Grounds Maintenance & Plant Equipment Framework.

#### 4.4 Legal Implications

4.4.1 Vehicles and mechanical plant equipment are used by the Council to meet a variety of duties and exercise a variety of powers.

The Council has a duty to provide safe vehicles and equipment to its employees (and to ensure that such vehicles are safe in relation to the public) under the Health and Safety at Work etc Act 1974.

The Council has a duty to develop and implement policies which will create a safe, efficient, integrated, and economic transport system that meets the needs of persons living or working within the city under the Transport Act 2000.

The Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness under the Local Government Act 1999.

These arrangements are permitted by the Local Government (Contracts) Act 1997 and should ensure the Council can meet their statutory duties.

#### 4.5 Climate Implications

- 4.5.1 The proposal will have positive climate implications, replacing older inefficient vehicles and/or plant will improve the carbon output, replacing traditional internal combustion engine vehicles with greener, cleaner ultra-low emission vehicles (ULEV) where possible, and will align with the Council's 10-point Climate Action Plan. A Climate Impact Assessment has been completed.

#### 4.6 Other Implications

- 4.6.1 There are no other implications of this report.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Option 1 - Do nothing.

This is not a realistic option as our vehicles have become financially unsustainable, operationally inefficient, and no longer align to our strategic objectives in terms of the environment and lower emissions.

- 5.2 Option 2 – Lease vehicles.

There is a potential option to lease new vehicles as replacements for the older vehicles within the fleet.

This option is not financially viable in comparison to outright purchase options due to the Council having access to Prudential Borrowing; and the council retaining the residual value of the vehicle on completion of the loan period.

- 5.3 Option 3 - Purchase all zero emission and low carbon vehicles.

Currently, the Council does not have the charging infrastructure required at the depots, no home charging infrastructure to charge, these vehicles. Furthermore, soft market testing highlights that these vehicles are 3 to 4 times more costly than the low emission vehicles.

## **6. REASONS FOR RECOMMENDATIONS**

### **6.1 Option 4 Purchase New Vehicles.**

Continue to purchase new greener vehicles as replacements for the older vehicles within the fleet using the Prudential Borrowing finance model. Purchasing new vehicles will significantly reduce high levels of vehicle exhaust emissions in line with SCC's target of zero carbon by 2030.