

SHEFFIELD CITY COUNCIL

POLICY COMMITTEE DECISION RECORD

The following decisions were taken on Wednesday 22 March 2023 by the Finance Sub-Committee.

Item No

6. BUDGET MONITORING AND FINANCIAL POSITION MONTH 10, 2022/23

6.1 This report brings the Committee up to date with the Council's financial position as at Month 10 2022/23 including the General Fund revenue position, Housing Revenue Account and Capital Programme Monitoring (Appendix 1).

6.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee notes the Council's financial position as at the end of January 2023 (month 10).

6.3 Reasons for decisions

6.3.1 This paper is to bring the committee up to date with the Council's current financial position as at Month 10 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. LOCAL AUTHORITY DOMESTIC ABUSE DUTY: 2023 TO 2024 AND 2024 TO 2025 FUNDING ALLOCATION FOR SHEFFIELD

7.1 Sheffield City Council (SCC) has been awarded £1,356,134 for 2023/24 and £1,381,721 for 2024/25 by the Department of Levelling Up Housing and Communities in order to provide support for people living in safe accommodation because of domestic abuse. This is the third and fourth year of new burdens funding relating to Part 4 of the Domestic Abuse Act 2021.

The purpose of the report is to approve the commissioning of services and support and use the funding for existing contracts and grants for the purposes of meeting our statutory duties under Part 4 of the Domestic Abuse Act – which requires local authorities to provide support to people living in safe accommodation due to domestic abuse (as laid out in the statutory guidance).

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

1. notes that the Council has been awarded a grant of £1,356,134 for 2023/24 and £1,381,721 for 2024/25 by the Department of Levelling Up Housing and Communities to meet its new statutory duties under Domestic Abuse Act 2021 as outlined in this report;
2. approves the commission strategy relating to this funding via the contracts and grant variations as outlined in this report, in respect of the grant funding

being awarded to the Council;

3. to the extent not covered by existing delegations, delegates authority to the Director of Integrated Commissioning in consultation with the Director of Finance and Commercial Services and the Director of Health and Social Care to approve a commissioning strategy regarding any funds as yet unallocated in order to provide specialist support services to domestic abuse victims / survivors in safe accommodation, in line with this report; and
4. where no such authority exists, delegates authority to the Director of Integrated Commissioning in consultation with the Director of Finance and Commercial Services, the Director of Health and Social Care and the Director of Legal and Governance to take such other steps as may be necessary to meet the outcomes and objectives of this report.

7.3 Reasons for decisions

- 7.3.1 Sheffield has been allocated £1,356,134 for 2023/24 and £1,381,721 for 2024/25 to enable the Council to meet the statutory duties introduced by the Domestic Abuse Act 2021 and outlined within this report. Commissioning the services and support as outlined within this report will support the Council to meet those statutory duties.

7.4 Alternatives Considered and Rejected

- 7.4.1 The Council could decide to not accept the funding however this would mean that it would be unlikely to be able to meet the statutory duties in the Domestic Abuse Act 2021.
- 7.4.2 The contracts, grants and variations are all working well and alleviating hardship, promoting recovery and supporting children and young people impacted by domestic abuse.

8. SUPPORTING PEOPLE THROUGH THE COST OF LIVING VIA CITIZENS ADVICE SHEFFIELD

- 8.1 The cost-of-living crisis is having a profound impact on the people of Sheffield. SCC and partners in the public and voluntary and community sector have developed an incident management response with an action plan to provide support and advice to those who are being most impacted.

This paper seeks to propose a one-off grant investment from the Public Health grant reserve of £300,000 in Citizens Advice Sheffield to increase capacity and support to people with their money at such a challenging time.

8.2 RESOLVED UNANIMOUSLY: That Finance Sub-Committee:-

1. notes the proposal as part of the Council's incident management response action plan to the Cost of Living; and

2. approves a one-off grant investment from the Public Health grant reserve of £300,000 to Sheffield Citizen's Advice for the proposal, as detailed in this report.

8.3 **Reasons for decisions**

- 8.3.1 The recommendations build on the commitments made by the Strategy and Resources Committee on 31st May and 5th July 2022 to support Sheffielders through the cost-of-living crisis.

8.4 **Alternatives Considered and Rejected**

- 8.4.1 Do nothing – this was rejected as communities across Sheffield are being impacted on by the cost-of-living crisis. Working with CAS, we hope we will help mitigate impacts of the cost-of-living crisis on communities and co-ordinate support and interventions around those that need it the most.

9. **COMMISSION OF REVENUES, BENEFITS AND FINANCE SYSTEMS**

- 9.1 To approve the commissioning decision to individually procure contracts with one or more external providers for a period up to 30th June 2035 for the following IT systems, when the current contractual arrangements come to an end in 2025:

- Revenues & Benefits Systems
- Finance System
- Payment Processing Platform

- 9.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves the commissioning of the following IT systems:

- a) Revenues & Benefits Systems
- b) Finance System
- c) Payment Processing Platform

on the basis set out in this report for a period up to 30th June 2035 noting that it will be delivered by contracts with one or more external providers.

9.3 **Reasons for decisions**

- 9.3.1 This commissioning decision enables the Council to commence active market engagement and begin planning for its requirements in 2025 and beyond.

9.4 **Alternatives Considered and Rejected**

- 9.4.1 The relevant IT systems identified in this report enable the Council to conduct its work in the most efficient way. Moving away from these to a more manual and/or paper-based operation would be counter-productive.

- 9.4.2 The Council is not in a position to be able to design IT systems to carry out these functions. It does not have the technical skills or capacity, nor would there be time

to complete the design and testing of such systems in a sufficiently robust way to ensure continuity of service from 2025 onwards.

- 9.4.3 As a result separately procuring external suppliers to deliver these functions is the recommended option. This enables us to take advantage of best practice as well as the innovation and development capacity provided by the private sector.

10. ACCEPTANCE OF CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT REVENUE GRANT

- 10.1 The purpose of this report is to provide the context for a recommendation to be accountable body for a revenue grant offer from South Yorkshire Mayoral Combined Authority (SYMCA), of £2,856,916, as part of the City Region Sustainable Transport Settlement (CRSTS) Fund. The funding will be used to design and deliver the first gateway outputs (Strategic Outline Business Case (SOBC) and Outline Business Case (OBC)) including programme level costs and other complementary activities (such as data collection, communications, training and publicity) of the transport projects identified within the SYMCA CRSTS business case submission to the Department for Transport.

This report seeks the approval to be accountable body for the revenue funding from SYMCA only. All future capital expenditure will be subject to compliance with the Council's budget processes, financial regulations and capital approval process, and the details, risks and financial implications will be included within the individual business cases for each project and submitted for authorisation via the capital approval process. Once the capital business unit has been approved, the revenue spend will be capitalised – thus enabling a proportion of this fund to be recycled to develop other transport schemes within the programme.

- 10.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves the Council as accountable body for the revenue grant offer from SYMCA of £2,856,916 as part of the CRSTS Fund.

10.3 Reasons for decisions

- 10.3.1 It is recommended that the Council agree to be accountable body for the revenue grant. This will enable the Council to benefit from £2.9m of revenue funding to undertake data collection, modelling, policy and strategic alignment, and development of optioneering recommendations to support the development of the projects within the CRSTS programme.

- 10.3.2 It will help protect the Council's finances in the coming years, by providing revenue for staff costs, third party consultant support, and early specialist public participation resources.

- 10.3.3 Accepting the revenue grant and developing the project within CRSTS programme will ultimately unlock £137m of capital investment to deliver them.

10.4 Alternatives Considered and Rejected

- 10.4.1 Not accepting the revenue grant will significantly affect the viability of the projects within the CRSTS programme. They will either be delayed until an alternative funding source is found for their development or fail to come to fruition at all. Consequently, it will mean that the take-up of sustainable travel choices would be considerably slower than with the projects, it will also mean we are unable to provide safe and reliable sustainable routes for many residents travelling to employment and to local facilities.
- 10.4.2 This would result in a delay to the Transport Strategy outcomes, along with no contribution to the one-year plan.
- 10.4.3 The benefits that will result from the enhancement of sustainable travel provision, such as reduced car usage and increased economic activity, would not be felt under this alternative option, or would be felt some time in the future, and therefore their benefit would be significantly diminished. Similarly, not moving forward with the projects now would mean that the wider social and environmental benefits would not be realised.

11. RURAL ESTATE MANAGEMENT PLAN

- 11.1 The Council's Rural Estate has the potential to play a significant role in delivering a wide range of objectives and positive outcomes for the inhabitants of Sheffield.

The attached, Rural Estate Management Plan outlines how the Council will effectively and efficiently manage and develop its Rural Estate over a 10-year plan period, with interim reviews. It provides an overarching vision and strategy and principles to guide decision making as well as a practical working document to guide activity.

- 11.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves the Rural Estate Management Plan, attached at Appendix 1, and adopts the Strategic Ambitions, Objectives, Action Points and Recommendations on pages 43 to 50 of the Rural Estate Management Plan to ensure effective management of the rural estate.

11.3 Reasons for decisions

- 11.3.1 The Rural Estate whilst providing challenges, creates a number of opportunities for the Council to meet corporate objectives. The Rural Estate Management Plan provides a clear set of strategic objectives which will enable more active management of the estate.

11.4 Alternatives Considered and Rejected

- 11.4.1 The following alternative options have been identified:

11.4.2 Dispose of the whole Rural Estate

Holding a rural estate portfolio could be considered as outside of SCC's core objectives and some local authorities have disposed of rural land holdings in their entirety. However, given the location and limitations of the majority of SCC land

holdings this would not be straightforward or favourable as elements of the land holdings are held in Trust and were gifted to the people of Sheffield by benefactors. Also, areas of the Estate offer opportunities to deliver wider SCC objectives particularly in the upland areas working in collaboration with tenants and stakeholders. If the Rural Estate was disposed of this potential would not be realised. Some areas of the estate will however be considered for disposal at the appropriate time where they do not form part of the core estate.

11.4.3 Continue without a Rural Estate Management Plan

The Council could do nothing; resulting in continued ad hoc decision making and a lack of focus on priority action. Budgetary constraints and a significant maintenance backlog have impacted on tenant relationships. The Estate subsequently suffers from underinvestment with many elements in a poor and deteriorating condition. Without action the Rural Estate will continue to deteriorate eventually resulting in worsening tenant relationships and missed opportunities to work with other bodies to realise wider environmental benefits for the City and its people.

11.4.4 Rural Estate Management Plan

The rural estate management plan sets out a clear framework, objectives and actions to ensure proactive management of the Council's land holdings over the next 10 years and will ensure that the assets are effectively managed, that the Council meets its legal duties as landlord and that wider benefits can be gained from proactive management for the benefit of the city and its people.

12. SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY GRANT FUNDING AGREEMENTS

12.1 The purpose of this report is to provide the context for a recommendation to be accountable body for two grant offers from the South Yorkshire Mayoral Combined Authority totalling approximately £7m. This funding will be used to support two major private sector led regeneration projects at Attercliffe Waterside and West Bar.

This report seeks the approval in principle to accept the funding subject to the final terms of proposed funding agreements broadly on the terms previously from SYMCA and as set out in this report. This is capital funding which is to be received by the Council before the end of March.

Part of the funding is to reimburse the Council for acquisitions made in Attercliffe which the Council has already completed in this financial year. The remainder will be subsequently will be paid to the developers of the projects when they have completed the relevant works, which is likely to be by the end of March 2024.

The future expenditure will be subject to completion of agreements with the developers in compliance with the Council's budget processes, financial regulations and reported through the capital approvals process.

12.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee, subject to the finalised grant agreements being broadly on the terms set out in this report,

approves the Council as accountable body for the grant offers from the South Yorkshire Mayoral Combined Authority.

12.3 Reasons for decisions

- 12.3.1 The preferred option is to accept the funding as this will support the continuation of two major private sector led regeneration projects which are likely to either stall or be reduced in quality as a result.
- 12.3.2 If the grant towards Attercliffe Waterside was not accepted the costs of acquisition which the Council has incurred and paid through the Brownfield Housing Fund would not be reimbursed resulting in less Council funding being available to support other projects in future.

12.4 Alternatives Considered and Rejected

- 12.4.1 The Council just could decide not to accept the funding but officers are unable to provide any reason or justification for that course of action.

13. CENTRE FOR CHILDHEALTH TECHNOLOGY

- 13.1 To seek approval to the City Council entering into a lease to deliver a new research facility together with an adjoining office building at the Sheffield Olympic Legacy Park on the terms outlined within the report.

13.2 RESOLVED UNANIMOUSLY: That Finance Sub-Committee:-

1. pursuant to the terms of the development agreement between the Council and Scarborough, agrees in principle the disposal of land through a lease for a term of 250 years, as detailed in this report; and
2. delegates to the Executive Director City Futures in consultation with the Chief Property Officer and the Director of Legal and Governance the final decision to dispose land as set out in this report.

13.3 Reasons for decisions

- 13.3.1 The proposed National Centre for Child Health Technology is another exciting new development which further enhances the existing facilities in accordance with the SOLP Vision and accelerates its growth and brings a range of economic benefits for both the local community and wider city region. The results of the research which will be carried out will potentially improve the health of children throughout the world.
- 13.3.2 The new offices in the Grow-on Centre will deliver further private investment and will attract attention and interest from other organisations and businesses who wish to be associated with the ongoing success of the SOLP
- 13.3.3 The proposed disposal of the site to Scarborough as set out in this report and in Part 2 will enable both of these developments to proceed, subject to officers

agreeing the final terms of the lease.

13.4 **Alternatives Considered and Rejected**

- 13.4.1 The Council could decide not to enter into the proposed agreement to dispose of the site to Scarborough and to try to persuade them to allow it to be withdrawn from the development agreement in order that it be developed by the Trust.
- 13.4.2 There are commercial and logistical reasons not to do this as set out in the report in Part 2 of this agenda.

14. **ESSENTIAL COMPLIANCE AND MAINTENANCE ASSET MANAGEMENT PLAN**

- 14.1 The purpose of this report is to outline the challenges being faced in terms of the maintenance of the Council's property estate and the associated risks, such as non-compliance with legal standards and possible building closures due to unsafe conditions. It sets out how, pending the outcome of the Strategic Accommodation Review agreed by Finance Sub-Committee in November 2022, the Council will ensure that these risks are managed.

In November 2022, Finance Sub-Committee also requested a detailed breakdown of the investment required to address current maintenance issues across the Council's estate and this report also provides that detail.

The report proposes an approach to the prioritisation of repairs which will minimise disruption to services and building users, ensure any maintenance issues are resolved in a timely manner and allocate funding in accordance with a prescribed prioritisation framework.

- 14.2 **RESOLVED UNANIMOUSLY:** That Finance Sub-Committee approves the approach to the prioritisation of maintenance works within the current funding envelope, as set out in this report.

14.3 **Reasons for decisions**

- 14.3.1 To approve our strategy for prioritising works within the current funding envelope as described in this Policy Committee Report.

Outcome: Capital Works will be within affordability and prioritised in such a way as to minimise risk and avoid building failure / closure

- 14.3.2 To approve our business rules for prioritising repairs to the Corporate Estate.

Outcome: Repairs will be within affordability and prioritised in such a way as to minimise risk and avoid building failure / closure. The Capital Works progress and expenditure reporting will be transparent and timely and open to scrutiny in accordance with all council policies and procedures using a methodology which is robust and familiar to all stakeholders.

14.4 **Alternatives Considered and Rejected**

14.4.1 To approve our strategy for prioritising works within the current funding envelope as described in this Policy Committee Report:

Do nothing would result in the continued underinvestment in our properties leading to building failures and potential risks to safety

14.4.2 To approve the approach to prioritising repairs to the Corporate Estate:

Do nothing would result in pressure on the revenue budget with repairs being carried out beyond affordability, leading to building failures and potential risks to safety.

15. **SHEFFIELD MUSEUMS SUPPORT**

15.1 Sheffield Museums Trust (SMT) operates 6 museum sites across the city; cares for the City Collection of artefacts and art which belong to the people of Sheffield; provides educational and learning experiences; and is a major part of Sheffield's visitor and cultural economy.

Inflation, National Living Wage increases and variable post-Covid visitor numbers, alongside significant energy cost pressure has created budget pressure. Through co-working with SMT and SCC, various actions have been taken already to mitigate this pressure on budgets. SMT are now included in the SCC energy tariff and have introduced other commercial and cost saving measures.

It is proposed to increase the 23/24 Contract Price to Sheffield Museums by £360,000. This will be funded from reserves (specifically the energy/inflation reserve).

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

1. increases the 23/24 revenue grant to Sheffield Museums by £360,000, as set out in the report, to be funded from reserves (specifically the energy/inflation reserve);
2. notes that provision for a permanent service charge increase for 24/25 and onwards will be made within the Medium Term Financial Analysis and taken through the usual SCC annual budgeting process; and
3. notes that SCC will continue to work in partnership with SMT to refine revenue forecasts, mitigate pressures and secure funding for energy saving initiatives (such as the Local Renewable Energy Fund) and other invest to save proposals.

15.3 **Reasons for decisions**

15.3.1 Sheffield Museums is a high-quality, efficient organisation which brings many benefits to the city. The additional funding will support them to continue to provide an excellent service for the city, its communities and visitors.

15.4 **Alternatives Considered and Rejected**

15.4.1 A comprehensive process by officers considered alternative options, these were detailed in the report. SCC will continue to work in partnership with SMT to refine revenue forecasts, mitigate pressures and secure funding for energy saving initiatives (such as the Local Renewable Energy Fund) and other invest to save proposals.