

SHEFFIELD CITY COUNCIL

POLICY COMMITTEE DECISION RECORD

The following decisions were taken on Monday 20 June 2022 by the Economic Development and Skills Policy Committee.

Item No

8. BUDGET MONITORING REPORT MONTH 01, 2022/23

8.1 This report brings the Committee up to date with the Council's financial position as at Month 1 2022/23. The report also reports the proposed budget timetable for the development of the 2023/24 budget. It was noted that next update report to Committee would identify details of the areas of discretionary spend available to this Committee.

8.2 **RESOLVED UNANIMOUSLY:** That the Economic Development and Skills Policy Committee Policy Committee:-

1. notes the Council's challenging financial position and the Month 1 position;

2. notes the budget timetable set out in this report including the requirement for the Committee to plan to develop budget proposals over the course of the summer;

3. notes that the Strategy and Resources Committee agreed at its 31 May 2022 meeting to "require any Policy Committee that is forecasting an overspend on their budget to develop an action plan to address the overspend in-year and ask the Finance Sub-Committee to monitor both the development of any required action plans and delivery against them";

4. continues to closely to manage and monitor expenditure in line with budget expectations and ensure forecasts represent current financial conditions.

8.3 Reasons for Decision

8.3.1 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.

8.3.2 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.

8.3.3 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.

8.4 **Alternatives Considered and Rejected**

8.4.1 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.

9. **ECONOMIC RECOVERY FUND 2022-23**

9.1 Full Council resolved during its budget setting process (on 16 February 2022) to allocate £2m to the city's district and local centres to support their economic recovery. The budget amendment committed to building on the work of the Economic Recovery Fund (launched in March 2021).

This report proposes to continue the work of the Economic Recovery Fund, re-establish its governance arrangements, and develop options for the future operation of the Fund.

The objectives of the Economic Recovery Fund are:

- To support local economic recovery; helping our businesses and our retail and hospitality centres to rebuild and grow.
- To help businesses open safely and remain viable – building resilience to future economic changes.
- To protect jobs and businesses, particularly in hardest hit sectors.
- To generate demand, to bring back customers and promote consumer confidence.

9.2 **RESOLVED UNANIMOUSLY:** That the Economic Development and Skills Policy Committee Policy Committee:-

1. notes the allocation of £2m to the Economic Recovery Fund resolved during its budget-setting process by Full Council on 16 February 2022; and

2. supports re-establishing the Economic Recovery Fund Steering Group with updated membership and term of reference, with a first task of supporting the development of options for the future operation of the Economic Recovery Fund.

9.3 **Reasons for Decision**

9.3.1 The report makes these recommendations to support delivery against the Council's priorities, as set out in the Business Response Plan and One Year Plan (see section 2). It will enable the Economic Recovery Fund to deliver a new phase of the scheme, continue supporting district and local centres and building relationships with our communities.

9.3.2 The expected outcomes of this work include:

- The establishment of a refreshed Economic Recovery Fund that improves on the first iteration and touches additional areas of the city that were not successful in the first round.
- The delivery of a new set of projects in district centres that will achieve

positive economic and other impacts for their local high streets and businesses.

- The bringing together of new local collaborations and strengthening of existing networks.
- Embedding this collaborative, enabling approach across different council teams and sharing the organisational learning generated by the first year of delivery.
- Increasing the council's knowledge and understanding of the health of district centres and the development of a set of longer-term interventions to work towards.

9.4 **Alternatives Considered and Rejected**

9.4.1 In the development of this report several alternative options were considered:

9.4.2 Option 1: Sheffield City Council allocating funding directly to local areas without running a competitive process

This option does not fit with the ambition and ethos of engaging, enabling and empowering of residents and communities. This would not deliver the benefits that collaboration and competition has brought to the first iteration of the scheme.

It risks losing the local insight, enthusiasm, confidence and collaboration that the first scheme engendered and harnessed.

9.4.3 Option 2: Economic Development and Skills Policy Committee take on the decision-making role

Overseeing and steering the Economic Recovery Fund is a detailed job and the Steering Group committed many hours in undertaking tasks relating to the Fund.

In this model it is unlikely the Committee would have the time to undertake the necessary work and the Committee does not meet frequently enough to meet the needs of the scheme, which has been able when required to take decisions at pace. In this option the project would also lose the participation of private sector partners who have provided such valuable perspectives to date.

10. **LOCAL ECONOMIC ASSESSMENT AND DEVELOPMENT OF THE CITY STRATEGY'S INCLUSIVE ECONOMIC FRAMEWORK**

10.1 The report sets out the proposal to develop the City Strategy by way of: evidence gathering and engagement (including the production of the Local Economic Assessment and the delivery of the Community Voice and Insight Commission); strategic development; and consultation and testing.

The report proposes the alignment of the City Strategy with Sheffield's Levelling Up regeneration pilot and the South Yorkshire Mayoral Combined Authority's Strategic Economic Plan.

The report also sets out the proposal for governance arrangements for the City Strategy.

10.2 **RESOLVED UNANIMOUSLY:** That the Economic Development and Skills Policy Committee Policy Committee:-

1. endorses the proposed process to develop the City Strategy as set out in the report;
2. endorses the approach to align economic strategic and policy announcements with the City Strategy, as set out in this report; and
3. notes the governance arrangements of the City Strategy, as set out in the report.

10.3 **Reasons for Decision**

- 10.3.1 It is crucial that we understand the economic challenges that the city faces, including inequalities across our communities. As our Local Economic Assessment, the Economic Evidence Base creates a new source of evidence upon which the Council can make informed policy decisions.
- 10.3.2 The impacts of the COVID-19 pandemic and new collaborations across the city mean there is a fresh impetus behind having a coherent joined up vision for the city that sets out the city's ambitions and how they will be achieved. The economy and people's health, wellbeing, the environment and social inequalities are inextricably linked. Integrating a strategy for an inclusive economy into a wider partner-led City Strategy helps to address cross-cutting issues and creates a focus for the city for the medium to long-term.

10.4 **Alternatives Considered and Rejected**

- 10.4.1 Do nothing: Whilst undertaking the Local Economic Assessment is a duty of the Council, there is no requirement to produce a strategy. Instead, policies could be developed and agreed on an ad hoc basis. However, this approach has a number of drawbacks:
1. An agreed strategy between city partners facilitates better joint working which is particularly important on issues that cut across different organisations, for example health and skills.
 2. A strategy provides a framework for activity over the longer-term, which allows services to plan more effectively.
 3. A strategy provides an opportunity to communicate the city's priorities which can support discussions with central government, funding bodies and investors.
- 10.4.2 Produce a separate City Strategy and Inclusive Economic Strategy: Another option is to produce two separate strategies. One would cover broad policy areas whilst another would focus on the economy. However, this option had the following drawbacks:
1. Links between the economy and wider policy issues may be missed
 2. There would be significant duplication of effort, particularly in regard to partner and community engagement, potentially resulting in 'engagement fatigue'.
 3. The coherency of having one single document that sets out the city's priorities would be diluted.

11. UK SHARED PROSPERITY FUND

- 11.1 The report provides the Economic Development and Skills Policy Committee with an update of the UK Shared Prosperity Fund (SPF) announced by Government in April 2022 and identifies several issues that are developing through the process to develop an SPF Investment Plan for South Yorkshire.

The report also identifies several projects currently funded by European Structural Investment Funds (ESIF) that will be coming to an end over the next twelve to eighteen months and how they might benefit from SPF funding in the future.

- 11.2 **RESOLVED UNANIMOUSLY:** That the Economic Development and Skills Policy Committee Policy Committee notes the report and supports:-

1. the Council promoting the engagement of key City organisations in the consultation process associated with the development of the Shared Prosperity Fund Investment Plan;

2. the development of potential Shared Prosperity Fund projects and activity that might benefit support from Year 1 funding; and

3. the undertaking of internal evaluations of existing EU Funded projects to determine whether they would benefit from Shared Prosperity Fund support in the future, either continuing in their current form, being adapted to improve performance or ended.

11.3 Reasons for Decision

- 11.3.1 The Committee is asked to note the report for information so that it can consider future recommendations with a better understanding of the strategic and external funding context.

- 11.3.2 The engagement of key organisations in the development of the SPF Investment Plan is considered essential to ensure there is full 'buy in' to a plan that has 'Place' as one of main categories of intervention.

- 11.3.3 That the Council is well placed to quickly respond to Year One Call for Proposals published by SYMCA to maximum SPF impact for the benefit of Sheffield residents and businesses.

- 11.3.4 An internal evaluation of current and recent EU funded projects will determine whether future funding bids should be developed for their continuation or whether alternative routes are required to deliver the same or alternative benefits. The outcome of the evaluation will also inform potential HR implications that will result from external funding ending.

11.4 Alternatives Considered and Rejected

- 11.4.1 In respect to the SPF activity ultimately it will be the SYMCA that submits the Investment Plan based on the advice provided to it from local partners. There will

be options to consider in respect to the contents of this Plan which SYMCA will need to determine.

11.4.2 As such the Council has two options:

Option 1: It can fully engage with the SPF development process being undertaken by SYMCA and use its influence to ensure the Investment Plan reflects the needs of the City.

Option 2: It can choose not to engage with the SPF development process which might mean the Investment Plan does not address the economic and social needs of the City.

Option 1 is considered the preferred option.

12. APPROVAL OF COMMISSIONING THE ADULT EDUCATION BUDGET GRANT FROM SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY.

12.1 The report sets out the proposal to use the Adult Education Budget grant from South Yorkshire Combined Mayoral Authority (SYCMA) to provide the skills and learning needed to be ready for work, further education, traineeship, voluntary work or apprenticeships for individuals aged 19+.

The report emphasises the need to empower and enable those potential adult learners who lack the very basic skills for education and work to access provision. It will include a scaffolded or step by step approach, for those without any qualifications or confidence, to enter a 'learning journey' through promotion of equality, diversity, and inclusion.

In order to achieve these aims, this report proposes the commissioning of a number of subcontracts up to a maximum value of £450,000 from the Adult Education Budget grant (AEB) to improve access to the education/employment pathway.

12.2 **RESOLVED UNANIMOUSLY:** That the Economic Development and Skills Policy Committee Policy Committee:-

1. notes the Council's future acceptance of the Adult Education Budget (AEB) from the South Yorkshire Combined Mayoral Authority;

2. approves the proposal to commission a variety of subcontracts with service providers to a maximum combined value of £450,000 using the Council's existing Adult & Community Learning Framework 2019-2023 to provide services to improve access to the education/employment pathway.

12.3 **Reasons for Decision**

12.3.1 To add diversity to the curriculum, offer that will enable the service to target the most marginalised groups, add capacity to high demand curriculum and meet the needs of Sheffield adults across every part of the city.

12.4 **Alternatives Considered and Rejected**

- 12.4.1 The service is not legally required to subcontract but it is an option we wish to exploit in order to meet the demands and needs of Sheffield residents and continue to work in partnership with localised community learning organisations.

13. DECISION TO CONTINUE TO COMMISSION WORK AND HEALTH SERVICE

- 13.1 The report is to seek a decision to re-commission a Work and Health Service. If there is a decision to continue to commission this work it will go out to procurement.

Work is a key determinant of good health. Good work contributes income, self esteem and opportunities to individuals and their families and is good for health. A healthy workforce is also a key asset for the economy.

The current Work and Health service supports approx. 1250 people per year with health conditions to stay in work or return to work after being off sick. The service supports job retention in the city and receives referrals from GPs and other health colleagues as well as voluntary sector organisations who support groups such as carers.

This is an existing service funded by the ring fenced Public Health Grant and already has budget allocated to it. This is not new spend and does not negatively affect the overall Council budget position.

- 13.2 **RESOLVED UNANIMOUSLY:** That the Economic Development and Skills Policy Committee Policy Committee agrees to commission the Work and Health service in line with this report, allowing a procurement process to start so that this service can continue to be delivered for the people of Sheffield.

13.3 Reasons for Decision

- 13.3.1 To commission a Work and Health Service so that this service can continue to be provided in Sheffield to support individuals in Sheffield with health conditions to stay in employment.

13.4 Alternatives Considered and Rejected

- 13.4.1 Stop funding this service and use the funding for other public health related activities - The Public Health Grant does not fund any other employment and health related work. This aspect of the Grant funding is the most directly related to employment.
- 13.4.2 Stop funding this service and use the funding for other employment and health related public health work – the Work and Health Service fills a key gap in the city which is supporting people with health conditions to stay in work (job retention). Other potential areas for funding relate to getting people into work where there are existing funding already being provided to a range of partners in the city.
- 13.4.3 Deliver in house - Sheffield City Council do not have the skills or networks to be able to deliver occupational health support to people with health conditions.

(NOTE: The decision relating to commissioning Work and Health Service was taken as an urgent item of business at the meeting.)